



C64755/4
AS
19 SEP 2014

PROSPECTUS DATED 18TH SEPTEMBER 2014

Schembri Finance p.l.c.

a public limited liability company registered under the laws of Malta with company registration number C64755 and having its registered office at Schemson, Hal Far Road, Birzebbugia, BBG 9035, Malta

SCHEMBRI FINANCE PLC

EUR 3,000,000 6% Secured Notes 2021-2024 - Issued at Par

Refer to Section 6.5 of this Prospectus for further clarification as to how these Notes are secured.

THIS DOCUMENT IS A PROSPECTUS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 90 OF THE COMPANIES ACT (CHAPTER 386 OF THE LAWS OF MALTA) AND IN ACCORDANCE WITH THE PROVISIONS OF COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2003 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, AND ALL FURTHER REGULATIONS ISSUED THEREUNDER (AS MAY BE AMENDED FROM TIME TO TIME).

THIS DOCUMENT CONTAINS INFORMATION ABOUT THE NOTES, SCHEMBRI FINANCE P.L.C. AS THE ISSUER OF THE NOTES, AND SCHEMBRI ASPHALT LIMITED AS THE GUARANTOR OF THE NOTES. THE NOTES OFFERED HEREBY ARE BEING ISSUED AND OFFERED THROUGH AN OFFER TO THE PUBLIC IN MALTA BY THE ISSUER. NO APPLICATION HAS BEEN MADE NOR IS IT INTENDED THAT AN APPLICATION BE MADE FOR THE NOTES ISSUED HEREBY TO BE ADMITTED ON A REGULATED MARKET OR OTHER TRADING PLATFORM. RELIANCE ON THIS PROSPECTUS FOR THE PURPOSE OF ENGAGING IN ANY INVESTMENT ACTIVITY MAY EXPOSE AN INDIVIDUAL TO A SIGNIFICANT RISK OF LOSING ALL OF THE PROPERTY OR OTHER ASSETS INVESTED.

A COPY OF THIS PROSPECTUS HAS BEEN APPROVED BY THE MALTA FINANCIAL SERVICES AUTHORITY ACTING THROUGH THE REGISTRAR OF COMPANIES IN MALTA. THE DIRECTORS OF THE ISSUER, WHOSE NAMES ARE SET OUT HEREIN, ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS. THE DIRECTORS HAVE TAKEN REASONABLE CARE TO ENSURE THAT, TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THE INFORMATION CONTAINED HEREIN IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION.

Placement Agent and Manager

Legal Counsel

Trustee



Schembri Finance p.l.c. (the “**Issuer**”) proposes to raise €3,000,000 (three million Euro) by issuing a Global Note (as defined below) in favour of Ganado Trustees and Fiduciaries Limited (the “**Trustee**”) redeemable on 15th September, 2024. The Global Note may be redeemed earlier by the Issuer at any time between 15th September, 2021 and 14th September, 2024 in whole or in part, at nominal value including accrued but unpaid interest on giving not less than thirty (30) Business Days prior written notice to the Trustee.

The Trustee intends to transfer its interests and recognise the interests in the Global Note by issuing Participation Notes. The Participation Notes will be in certificated and registered form and will be constituted by a trust deed (the “**Trust Deed**”) in favour of the Participation Note Holders.

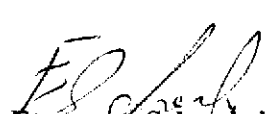
The payment of the Global Note and interest thereon shall at all times constitute the direct and unconditional payment obligations of the Issuer and shall be secured by the Pledges in terms of the Pledge Agreements. The repayment of the principal amount of the Global Note and interest thereon is being guaranteed, by the Guarantor, whereby the Guarantor shall stand as surety, jointly and severally with the Issuer, and shall irrevocably and unconditionally guarantee the payment of all amounts of principal and interest which may become due and payable by the Issuer to the Trustee under the Global Note. The repayment of the principal amount of the Global Note and interest thereon is to be secured by a first ranking general hypothec over all the assets, present and future, of the Guarantor and by a first ranking special hypothec over the Hypothecated Immovable Property. The repayment of the principal amount of the Global Note and interest thereon is to be further secured by: (i) a pledge over the Deposited Monies, granted by the Issuer in favour of the Trustee for the benefit of the Participation Note Holders in terms of the Deposited Monies Pledge Agreement; (ii) a pledge over the Receivables, granted by the Issuer in favour of the Trustee for the benefit of the Participation Note Holders in terms of the Receivables Pledge Agreement; and (iii) a pledge over the Securities Account Assets, granted by the Issuer in favour of the Trustee for the benefit of the Participation Note Holders, in terms of the Securities Account Pledge Agreement. In virtue of the Security to be constituted, the Notes shall enjoy privileged ranking status on those assets subject to the Security and shall rank above other creditors of the Issuer and Guarantor in relation specifically to those assets subject to the Security. In relation to the other assets of the Issuer which are not subject to the Security or to any Security Interest, the Note Holders shall rank *pari passu* with other unsecured creditors of the Issuer.

Interest on the Global Note will become due and payable bi-annually in arrears on the 15th September of each year between 2015 and 2024 (both years included) and on the 15th March of each year between 2015 and 2024 (both years included), unless redeemed earlier, at the rate of six percent (6%) per annum. The net proceeds from the Global Note shall, net of expenses, be applied by the Issuer for the purposes of providing the Loan to the Guarantor for the financing of the purchase, by the Guarantor, of the Property. The Participation Notes shall rank *pari passu* between themselves according to the rights and interests held by each Participation Note Holder in the Global Note.

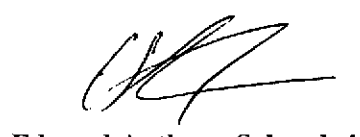
The Global Note and the Participation Notes have not been and will not be registered under the U.S. Securities Act 1933 (as amended) and may not be offered or sold in the United States.



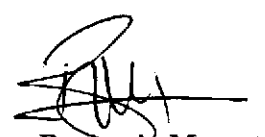
Johan Farrugia
Director



Francesco Schembri
Director



Edward Anthony Schembri
Director



Benjamin Muscat
Director

Important Information

This Prospectus contains information on an offer by the Issuer in relation to a 6% Global Note of €3,000,000 issued in favour of the Trustee and the subsequent issue of participations in the Global Note to the Participation Note Holders through the issue of Participation Notes. The Issuer reserves the right to prepay all or part of the Global Note before the Redemption Date on a day to be determined and announced by the Issuer being a day not before 15th September, 2021. This Prospectus also includes information regarding the Issuer and the Guarantor.

The Directors of the Issuer whose name appear under Section 5.16 hereof, are the persons responsible for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors of the Issuer (who have taken all reasonable care to ensure such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

This Prospectus comprises a prospectus in respect of the Global Note and Participation Notes issued for the purposes of Article 5 of the Prospectus Directive.

This Prospectus is to be read and construed in conjunction with the Reference Documents, that is, all documents which are deemed to be incorporated herein by reference. This Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Prospectus.

The Issuer confirms that this Prospectus contains all information with respect to the Issuer, the Guarantor and the Notes which is material in the context of the issue and offering of the Notes thereunder; that the information contained herein in respect of the Issuer, the Guarantor and the Notes is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which would make any statement, whether fact or opinion, in this Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

The Directors of the Issuer 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 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.

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

No person has been authorised to give any information, issue any advertisement or make any representation which is not contained or consistent with this Prospectus or any other document entered into in relation to the issuing of the Notes and, if given or made, such information, advertisement or representation must not be relied upon as having been authorised by the Issuer.

The contents of the Issuer's website or any website directly or indirectly linked to the Issuer's website do not form part of this 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 any Notes issued in terms of this Prospectus.

None of the advisers or any person mentioned in this Prospectus, other than the Issuer, is responsible for the information contained in this Prospectus or any Reference Documents, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

All the advisers to the Issuer have acted and are acting exclusively for the Issuer in relation to this Prospectus 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 contents of and any information contained in this Prospectus, its completeness or accuracy or any other statement made in connection therewith. Each person receiving this Prospectus acknowledges that such person has not relied on any of the advisers in connection with its investigation of the accuracy of such information or its investment decision and each person must rely on its own examination of the Notes and the merits and risks involved in subscribing to the Notes.

It is the responsibility of any person in possession of this Prospectus to inform themselves of and to observe and comply with, all applicable law and regulations of any relevant jurisdiction. Prospective investors of the Notes should inform themselves as to the legal, tax and investment requirements of applying for any such Notes and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile. Applicants must rely on their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Notes and this Prospectus.

The Global Note and the Participation Notes are issued as subject to the Terms and Conditions as set out in Annexes 1 and 2 of this Prospectus. Participation Note Holders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed.

This Prospectus and all Reference Documents should be read in their entirety before deciding whether to acquire any Notes.

This Prospectus and the offering, sale or delivery of any Notes may not be taken as an implication: (a) that the information contained in the Prospectus is accurate and complete subsequent to its date of issue; or (b) that there has been no adverse change in the financial condition of the Issuer or Guarantor since such date; or (c) that any other information supplied in connection with this 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.

A prospective investor, by accepting delivery of this Prospectus, agrees promptly to return to the Placement Agent and Manager or to the Issuer this Prospectus and any other documents or information furnished if the prospective investor elects not to purchase any of the Notes offered hereby or decides not to participate therein or if the offer is terminated or withdrawn.

This Prospectus and any Reference Documents do not constitute, and may not be used for the purposes of an offer, invitation or solicitation to anyone in any jurisdiction: (a) in which such offer,

invitation or solicitation is not authorised; or (b) in which any person making such offer, invitation or solicitation is not qualified to do so; or (c) to any person to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Prospectus and any Reference Documents 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.

This Prospectus is intended for distribution and circulation in Malta only. The Notes will not be registered under the United States Securities Act of 1933 (as amended). The Notes may not be offered, sold or delivered within the United States or to any citizen of, or person resident in, the United States.

The value of investments can rise or fall and past performance is not necessarily indicative of future performance. If you need advice with respect to the Notes, you should consult a licensed investment adviser licensed under the Investment Services Act.

The Notes, all the rights and obligations of the Note Holders, the Issuer and/or the Guarantor, and any non-contractual obligations arising out of or in connection with the Notes, shall be governed by and construed in accordance with Maltese law. Any suit, action or proceedings arising out of, or in connection with, the Notes shall be brought to the Courts of Malta, which shall have exclusive jurisdiction to hear and settle any dispute arising out of or in connection with this Prospectus.

The Notes shall not be admitted to listing on any regulated market.

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Malta and are subject to changes thereto.

This Prospectus, a copy of which has been filed with the Registrar of Companies in accordance with the Companies Act, has been published with the consent of the Registrar of Companies in terms of regulation 5(2) of the Companies Act (the Prospectus) Regulations (L.N. 389 of 2005 as amended by L.N. 212 of 2007 and L.N. 118 of 2012). The offer and sale of these Notes shall constitute 'an offer of securities to the public' within the meaning of the Companies Act.

This Prospectus can only be used for the purposes for which it has been published.

Forward-Looking Statements

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors concerning, amongst other things, the operations, financial condition and liquidity of the Issuer and/or Guarantor. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Prospectus will occur.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer’s and/or Guarantor’s actual results of operations, financial condition, liquidity and the development of their strategy may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Issuer and/or Guarantor are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally, legislative/regulatory changes, changes in taxation regimes, the availability and cost of capital for future investments and the availability of suitable financing.

Applicants are advised to read this Prospectus in its entirety together with the Reference Documents, and in particular, the heading of each Section or any part thereof entitled “*Risk Factors*” for a further discussion of the factors that could affect the Issuer’s and/or Guarantor’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur. All forward-looking statements contained in this Prospectus are made only as at the date hereof. Subject to its legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Table of Contents

Important Information	3
Forward-Looking Statements	6
Definitions	12
Summary	22
Section A – Introduction and Warnings	22
Section B – Issuer and Guarantor	23
Section C – Securities	25
Section D - Risks	26
Section E - Offer	30
1. Risk Factors	37
1.1 General	37
1.2 Forward Looking Statements	37
1.3 Risks relating to the Issuer	38
1.3.1 Market and Economic Risks.....	38
1.3.2 Start-up Operation	38
1.3.3 Credit Risk.....	39
1.3.4 Interest Rate Risk	39
1.3.5 The Guarantee	39
1.3.6 Absence of Audit Committee	39
1.3.7 Independent and Non-Executive Directors	39
1.3.8 Issuer’s Solvency	40
1.4 Risks relating to the Guarantor.....	40
1.4.1 Market and Economic Risks.....	40
1.4.2 Start-Up Operation	40
1.4.3 Competitiveness of the Asphalt Producing Business	40
1.4.4 Reliance on Third Parties	41
1.4.5 Reliance on Schembri Infrastructure	41
1.4.6 Credit Risk.....	41
1.4.7 Material Risks relating to the Asphalt Producing Business	41
1.4.8 Exchange Rate Risk.....	42
1.4.9 Interest Rate Risk	42
1.4.10 Operational Risk.....	43
1.4.11 Guarantor’s Solvency	43

1.4.12	Concentration Risk	43
1.5	Risks Relating to the Notes	43
1.5.1	No Assurance of Active Secondary Market for the Notes	43
1.5.2	Effect of Future Public offerings/Takeover/Merger Activity	44
1.5.3	No prior market for the Notes	44
1.5.4	Interest Rates	44
1.5.5	Value of the Notes	44
1.5.6	No Credit Rating	44
1.5.7	Suitability	44
1.5.8	Note Holder's Currency of Reference	44
1.5.9	Modification and waivers by Note Holders' Meeting	45
1.5.10	Change of Law	45
1.5.11	Succession Currency Risk	45
1.5.12	Redemption of the Participation Note	45
2.	Persons Responsible	46
3.	Advisers and Statutory Auditors	47
3.1	Advisers	47
3.2	Statutory Auditors	47
4.	Information about the Group, the Issuer and the Guarantor and Financial Information	48
4.1	The Issuer	48
4.1.1	Information about the Issuer	48
4.1.2	Business Overview	48
4.1.3	Share Capital	48
4.1.4	Memorandum and Articles of Association	49
4.1.5	Financial Information	49
4.2	The Guarantor	50
4.2.1	Information about the Guarantor	50
4.2.2	Business Overview	50
4.2.3	Share Capital	50
4.2.4	Memorandum and Articles of Association	51
4.2.5	Financial Information	51
4.3	Organisational Structure of the Group	52
4.3.1	The Schembri Group	52
4.3.2	F. Schembri Holdings Limited	54
4.3.3	Schembri Infrastructures Limited	54

4.3.4	Schembri & Sons Limited	55
4.4	Group Dependencies	56
5.	Important Information and Additional Information	57
5.1	Reasons for the Offer and Use of Proceeds	57
5.2	The Loan	57
5.3	The Guarantee	58
5.4	Security	58
5.4.1	The Hypothecs	58
5.4.2	Other Security and Collateral	58
5.5	The Property	59
5.6	The Services Agreement	60
5.7	The Dividend Policy	61
5.8	The Securities Account	61
5.9	The Investment Policy	62
5.10	Further Issues	62
5.11	Investments	62
5.11.1	Investments by the Issuer	62
5.11.2	Investments by the Guarantor	63
5.12	Trend Information and Trading Prospects	63
5.13	Material Contracts	63
5.14	Related Party Transactions	63
5.15	Litigation	64
5.16	Directors and Senior Management	64
5.17	Directors' Remuneration	66
5.18	Conflicts of Interest	66
5.19	Directors' Interests	67
5.20	Loans to Directors	67
5.21	Board Practices	68
5.22	Employees	68
5.23	Third Party Information and Statements by Experts	69
5.24	Reference Documents	69
5.25	Documents on Display	69
6.	Global Note and Participation Notes	70
6.1	Details of the Global Note and Participation Notes	70
6.2	Description of the Offer	71

6.3	Interest	71
6.4	Maturity and Redemption.....	72
6.5	Status and Security and Negative Pledge	72
6.6	Rights of Participation Note Holders	73
6.7	Participation Notes	73
6.8	The Trustee.....	74
6.9	Distribution and Allotment.....	74
6.10	Taxation.....	74
6.10.1	General	74
6.10.2	Malta Tax on Interest	75
6.10.3	European Union Savings Directive	75
6.10.4	Maltese Taxation on Capital Gains and Transfer of Notes	76
6.10.5	Duty on Documents and Transfers	76
6.11	Consent to Financial Intermediaries	76
6.12	Offer Expenses	77
Annex 1	78
7.	Terms and Conditions of the Global Note.....	78
7.1	Applicability of the Terms and Conditions of the Global Note	78
7.2	General, Currency, Denomination, Form and Title.....	78
7.2.1	General	78
7.2.2	Currency and Denomination	79
7.2.3	Form and Title	79
7.3	Status of the Global Note and Negative Pledge	79
7.4	Interest.....	80
7.5	Payments	80
7.6	Redemption	81
7.7	Covenants	81
7.7.1	Covenants by the Issuer and Guarantor.....	81
7.7.2	Further Covenants by the Issuer.....	83
7.7.3	Further Covenants by the Guarantor	84
7.8	Representations and Warranties	85
7.9	Functions and Powers of the Trustee.....	86
7.10	Events of Default.....	87
7.11	Register of Global Note Holders	89
7.12	Amendments to Terms and Conditions	89

7.13	Further Issues	90
7.14	Notices.....	90
7.15	Governing Law and Jurisdiction	90
Annex 2	91
8.	Terms and Conditions of the Participation Notes.....	91
8.1	Applicability of the Terms and Conditions of the Participation Notes	91
8.2	General, Currency, Denomination, Form and Title.....	91
8.2.1	General	91
8.2.2	Currency and Denomination	92
8.2.3	Form and Title.....	92
8.3	Interest.....	93
8.4	Payments	93
8.5	Redemption	94
8.6	Covenants	95
8.6.1	Covenants by the Issuer and Guarantor.....	95
8.6.2	Further Covenants by the Issuer	97
8.6.3	Further Covenants by the Guarantor	98
8.7	Representations and Warranties	99
8.8	Functions and Powers of the Trustee.....	100
8.9	Events of Default under the Global Note	101
8.10	Registration and Replacement of the Participation Notes	103
8.11	Transferability of Participation Notes	104
8.12	Meetings of Participation Holders.....	104
8.13	Participation Notes Held Jointly.....	105
8.14	Participation Notes held subject to Usufruct.....	105
8.15	Further Issues	105
8.16	Notices.....	105
8.17	Governing Law and Jurisdiction	105
Annex 3 – Architect’s Report	107

Definitions

The following words and expressions shall bear the following meanings, except where the context otherwise requires:

Acceleration	The process by which the Global Note and all principal monies and interest accrued owing thereunder shall be deemed to have become immediately due and payable upon the giving of notice by the Trustee to the Issuer and/or the Guarantor under the applicable Terms and Conditions;
Architect	Mr. Raymond Demicoli, having Maltese identity card number 780252M and having his business address at 70, Mill Street, Qormi, QRM 3104, Malta. Mr. Demicoli obtained a degree from the University of Malta in Architecture and Civil Engineering;
Architect's Report	The report prepared by the Architect in relation to the Hypothecated Immovable Property and certain parts of the Plant, Machinery and Vehicles, a copy of which is attached hereto and marked Annex 3;
Associated Companies	<p>The following companies:</p> <ul style="list-style-type: none"> i. Hal-Far Quarries Limited (C22832) of Hal Far Road, Birzebbugia, Malta; ii. Schembon Limited (C39734) of Bonnici House, Sardines Street, Burmarrad, Malta; iii. Black Top Limited (C26800) of Ta' Kandja, Siggiewi Road, Mqabba, Malta; iv. Roads Group International Limited (C21743) of Asfaltar, Birzebbugia Road, Hal Far, Birzebbugia, Malta; v. RN Construction Limited (C52237) of 46, Triq il-Kokka, San Gwann, Malta; vi. Bitumen Distributors Limited (C28572) of 1, Colonel Savona Street, Sliema, Malta; vii. Amalgamated Road Construction Supply Limited (C58208) of 46, Triq il-Kokka, Kappara, San Gwann, Malta; and viii. ASR Distributors Limited (C49352) of Schemson, Hal Far Road, Birzebbugia, Malta;
Business Day	Any day (other than Saturday, Sunday or any public holiday) on which commercial banks in Malta are open;
Civil Code	The Civil Code, Cap. 16 of the laws of Malta;
Companies Act	The Companies Act, Cap. 386 of the laws of Malta;
Corporate Finance Advisor	Deloitte Services Limited, a private limited liability company duly registered and validly existing under the laws of Malta with company registration number C51320 and with its registered office at Deloitte Place, Mriehel Bypass, Mriehel, Birkirkara, BKR 3000, Malta;

Deposited Monies	Means cash and balances held in the Pledged Account or in such bank account in the name of the Issuer as the same may be designated as such by agreement between the Issuer and the Trustee;
Deposited Monies Pledge Agreement	The pledge agreement dated on or around the date of this Prospectus, whereby the Issuer shall constitute a pledge on the Deposited Monies in favour of the Trustee for the benefit of the Participation Note Holders, subject to the terms and conditions contained therein, as the same may be amended, varied or supplemented from time to time;
Directors or Board	The Directors of the Issuer whose details appear in Section 5.16 hereof;
Dividend Policy	The dividend policy of the Issuer as referred to and defined under Section 5.7 of this Prospectus;
Early Redemption Dates	Any day falling between (and including) 15 th September, 2021 and 14 th September, 2024, on which, at the sole option of the Issuer, the Issuer shall be entitled to prepay all or part of the principal amount of the Global Note and all interest accrued up to the date of prepayment, by giving at least thirty (30) Business Days prior written notice to the Trustee of such prepayment between 15 th September 2021 and 14 th September, 2024 (both days included), and “ Early Redemption ” shall be construed accordingly;
Employee Secondment Agreement	The employee secondment agreement dated on or around the date of this Prospectus, to be entered into between the Guarantor, Schembri Infrastructure and several employees of Schembri Infrastructure whereby, <i>inter alia</i> , Schembri Infrastructure has agreed to second several of its employees to the Guarantor, in consideration for the payment of a fee, subject to the terms and conditions contained therein;
Expected Offer Date	1 st October 2014;
EU	The European Union;
EUR, Euro or €	The lawful currency for the time being of the Eurozone;
Event of Default	Each event or circumstance specified in Section 7.10 of the Terms and Conditions of the Global Note and Section 8.9 of the Terms and Conditions of the Participation Notes;
Financial Indebtedness	Any indebtedness in respect of (A) monies borrowed; (B) any debenture, bond, note, loan stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised

	under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;
Global Note	The global note having a face value of €3,000,000 (three million Euro) issued by the Issuer in favour of the Trustee (in its capacity as trustee for the benefit of the Participation Note Holders) representing the amount due by the Issuer to the Trustee and creating, acknowledging and representing the indebtedness of the Issuer to the Trustee in accordance with the Terms and Conditions set out in Annex 1;
Global Note Holder	The holder of the Global Note;
Group	Schembri Holdings, the Subsidiary Companies and the Associated Companies;
Guarantor	Schembri Asphalt Limited, a private limited liability company duly registered and validly existing under the laws of Malta with company registration number C58219 and having its registered office at Schemson, Hal Far Road, Birzebbugia, BBG 9035, Malta;
Guarantee	A guarantee to be granted by public deed, on or around the date as this Prospectus, by the Guarantor to the Trustee for the benefit of the Participation Note Holders, under which the Guarantor shall stand as surety, jointly and severally with the Issuer, and shall irrevocably and unconditionally guarantee the payment of all amounts of principal and interest which may become due and payable by the Issuer to the Trustee under the Global Note;
Hypothecated Immovable Property	The divided portion of land including all the buildings and improvements situated therein, having a superficial area of approximately four thousand four hundred and ninety six decimal point four (4,496.4) square meters, situated in Birzebbugia, in the limits of "Ta' Benghajsa" in the district known as "Tar-Ranzija", as shown on the relevant site-plan as may be attached to the Public Deed, which property is subject to an annual and perpetual ground rent of four hundred and sixty five euro and eighty eight cents (€465.88). Other than the above-mentioned annual and perpetual ground rent, the land is to be acquired with full title;
Hypothecs	The following Maltese law hypothecs to be constituted, on or around the date of this Prospectus, by the Guarantor in favour of the Trustee for the benefit of the Participation Note Holders, by means of a public deed: <ul style="list-style-type: none"> (i) The first-ranking general hypothec over all the Guarantor's assets, present and future; and (ii) The first-ranking special hypothec over the Hypothecated Immovable Property;
Immovable Property	The Hypothecated Immovable Property and all rights enjoyed and appertaining to the Vendor in respect of the contiguous portion of land having a superficial area of approximately twenty two

	thousand one hundred and eighty five decimal point six (22,185.6) square metres, which land or part thereof, constitutes the object of discussions being held with the competent authorities, and with its vacant possession, as shown on the relevant site-plan as may be attached to the Public Deed;
Income Tax Act	The Income Tax Act, Cap. 123 of the laws of Malta;
Interest Payment Date	15 th September of each year between the year 2015 and the year 2024, both years included, and 15 th March of each year between the year 2015 and the year 2024, both years included, unless redeemed earlier;
Inventory	The following: <ul style="list-style-type: none"> i. Aggregate (gravel); ii. Fuels and oils; iii. Bitumen emulsion;
Investment Management Agreement	The investment management agreement to be entered into on or around the date of this Prospectus between the Issuer and the Investment Manager, in terms of which the Investment Manager shall provide discretionary portfolio management services to the Issuer, and shall manage the Securities Account in accordance with the terms defined therein and in line with the Investment Policy;
Investment Manager	Calamatta Cuschieri & Co. Limited, a private limited liability company duly registered and validly existing under the laws of Malta with company registration number C13729 and with its registered office at 3 rd Floor, Valletta Buildings, South Street, Valletta, Malta. Calamatta Cuschieri & Co. Limited is authorised to conduct investment services by the MFSA in terms of the Investment Services Act;
Investment Policy	The investment policy to be implemented by the Investment Manager in terms of the Investment Management Agreement and as further specified in the Investment Management Agreement and as outlined in Section 5.9;
Investment Services Act	The Investment Services Act, Cap. 370 of the laws of Malta;
Issue Price	The price at which Participation Notes are issued;
Issuer	Schembri Finance p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta with company registration number C64755 and with its registered office at Schemson, Hal Far Road, Birzebbugia, BBG 9035, Malta;
Laws of Malta	The laws of the Republic of Malta;
Loan	The two million and nine hundred thousand Euro (€2,900,000) term loan facility to be granted by the Issuer to the Guarantor for the purposes of, <i>inter alia</i> , financing the purchase of the Property by the

	Guarantor;
Maintenance and Works Agreement	The maintenance and works agreement dated 28 th May 2014 entered into between the Guarantor and Schembri Infrastructure, whereby, <i>inter alia</i> , Schembri Infrastructure has agreed to carry out certain maintenance and repair works to the Plant, Machinery and Vehicles, in consideration for the payment of a fee, subject to the terms and conditions contained therein;
Malta Financial Services Authority Act	The Malta Financial Services Authority Act, Cap. 330 of the laws of Malta;
Maltese Public Registry	The Public Registry Office in the City of Valletta (Malta) or in the city of Victoria (Gozo), as the case may be, established in terms of the Public Registry Act (Chapter 56 of the Laws of Malta);
Memorandum and Articles of Association	The memorandum and articles of association of the Issuer and/or the Guarantor (as the case may be) in force at the time of publication of the Prospectus;
MFSA	The Malta Financial Services Authority as established under the Malta Financial Services Authority Act;
Note Holder/s	In respect of the Notes, any holders of the Global Note and/or Participation Notes;
Notes	the Global Note and Participation Notes;
Offer	The offer for participation in the Trust Property through the issuance of Participation Notes;
Offer Amount	€3,000,000 (three million Euro);
Offer Expenses	The expenses referred to in Section 6.12 of this Prospectus which expenses are to be borne by the Issuer;
Participation Note	The Participation Note/s issued by the Trustee representing the amount due by the Issuer to the Trustee on behalf of the Participation Note Holders and creating, acknowledging and representing the indebtedness of the Issuer to the Trustee on behalf of the Participation Note Holders, in accordance with the terms and conditions set out in Annex 2;
Participation Note Holder	A holder of a Participation Note, who is a beneficiary under the Trust, whose interest in and benefit over the Trust Property is recognised by the Trustee by means of an entry in the Register of Participation Note Holders;
Permitted Security Interest	(A) Any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Guarantor, in an aggregate outstanding amount not exceeding eighty per centum (80%) of the difference between the value of the

	Financial Indebtedness being secured and the aggregate principal amount of the Global Note outstanding at the time, provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the Unencumbered Assets of the Guarantor being less than one hundred and six per centum (106%) of the aggregate principal amount of the Global Note Still outstanding;
Placement Agent and Manager	Calamatta Cuschieri & Co. Limited, a private limited liability company duly registered and validly existing under the laws of Malta with company registration number C13729 and with its registered office at 3 rd Floor, Valletta Buildings, South Street, Valletta, Malta. Calamatta Cuschieri & Co. Limited is authorised to conduct investment services by the MFSA in terms of the Investment Services Act;
Plant, Machinery and Vehicles	The following: (a) Asphalt plant; (b) Concrete plant; (c) Weight bridge; (d) Laboratory equipment; (e) Sub-station; (f) Office furniture and equipment (excluding computers); (g) Garage tools and spare parts; (h) PV system; (i) Road building equipment; (j) Heavy vehicles, including cars and trucks; (k) Traffic management equipment; (l) Fire hydrants and equipment; and (m) Other equipment;
Pledge Agreements	The Deposited Monies Pledge Agreement, the Receivables Pledge Agreement and the Securities Account Pledge Agreement;
Pledge/s	Any of the pledges constituted by either of the Pledge Agreements;
Pledged Account	A bank account in the name of the Issuer, which is pledged in favour of the Trustee, for the benefit of the Participation Note Holders, in terms of the Deposited Monies Pledge Agreement, in which: (i) the proceeds and amounts paid by the Guarantor to the Issuer for the repayment of the Loan and (ii) the dividends declared and distributed by the Guarantor to the Issuer in accordance with the Dividend Policy - are deposited for the purposes of meeting the redemption of the Participation Notes;
Preliminary Agreement of Sale	The preliminary agreement of sale entered into between the Guarantor and the Vendor, dated 27 th October 2012 (as amended by the agreement dated 13 th January 2014, by the agreement dated 28 th May 2014, and by the agreement dated 22 nd August 2014, all entered into between the same parties) whereby, <i>inter alia</i> , the Guarantor has promised to buy, and the Vendor has promised to sell, the Property for the total amount of two million, seven hundred ninety five thousand, two hundred and forty eight Euro (€2,795,248);

Property	The Immovable Property, the Plant, Machinery and Vehicles and the Inventory;
Prospectus	This document in its entirety, including all annexes;
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, and as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010;
Prospectus Regulation	<p>Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive as amended by:</p> <ul style="list-style-type: none"> • Commission Delegated Regulation (EC) No 211/2007 of 27 February 2007; • Commission Delegated Regulation (EU) No 486/2012 of 30 March 2012; • Commission Regulation (EU) No 862/2012 of 4 June 2012; • Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013; • Commission Delegated Regulation (EU) 382/2014 of 7 March 2014 <p>And as may be amended from time to time;</p>
Public Deed	The public deed entered into on or around the date of this Prospectus, including all documents annexed thereto, constituting the Guarantee, the Hypothecs and setting out, <i>inter alia</i> , the sale of the Property pursuant to the Preliminary Agreement of sale, the Loan and the Subordination;
Redemption Date	15 th September 2024, unless redeemed earlier in accordance with this Prospectus;
Receivables	The sums owing by the Guarantor to the Issuer under the Loan and such other sums as may be specified in the Receivables Pledge Agreement;
Receivables Pledge Agreement	The pledge agreement dated on or around the date of this Prospectus, whereby the Issuer shall constitute a pledge on the Receivables in favour of the Trustee for the benefit of the Participation Note Holders, subject to the terms and conditions contained therein, as the same may be amended, varied or supplemented from time to time;
Reference Documents	<p>The following documents:</p> <ul style="list-style-type: none"> • The Memorandum and Articles of Association of the Issuer; • The Memorandum and Articles of Association of the Guarantor; and • The audited financial statements of the Guarantor up to the 31st December 2013;

Register of Participation Note Holders	The register maintained by the Trustee identifying the Participation Note Holders as beneficiaries of the Trust Property from time to time in accordance with the Trust Deed;
Schembri Holdings	F. Schembri Holdings Limited, a private limited liability company duly registered and validly existing under the laws of Malta, having company registration number C17763 and having its registered office at Schemson, Tal-Barrani Road, Tarxien, TXN 9020, Malta;
Schembri Infrastructure	Schembri Infrastructures Limited, a single member private exempt limited liability company duly registered and validly existing under the laws of Malta, having company registration number C17388 and having its registered office at Hal-Far Road, Birzebbugia, Malta;
Schembri & Sons	Schembri & Sons Limited, a limited liability company duly registered and validly existing under the laws of Malta, having company registration number C4225 and having its registered office at Hal-Far Road, Birzebbugia, Malta;
Securities Account	The client account opened by the Issuer with the Investment Manager as may be specified in the Securities Account Pledge Agreement;
Securities Account Assets	The, <i>inter alia</i> , (i) Securities Account including all present and future account balances in the Securities Account; and (ii) all assets in the Securities Account, including without limitation all securities and cash recorded as being held in the Securities Account from time to time - as may be further specified in the Securities Account Pledge Agreement;
Securities Account Pledge Agreement	The pledge agreement dated on or around the date of this Prospectus, whereby the Issuer shall constitute a pledge on the Securities Account Assets in favour of the Trustee for the benefit of the Participation Note Holders, subject to the terms and conditions contained therein, as the same may be amended, varied or supplemented from time to time;
Security	The following: (i) Pledges; (ii) the Guarantee; (iii) the Hypothecs; (iv) the benefit of the Subordination; and (v) any real or personal right or document which the Trustee and the Issuer and/or the Guarantor, may agree at any time is to be comprised within the term "Security" for the purposes of this Prospectus;
Security Document	Each document constituting Security, including without limitation the Pledge Agreements, the Public Deed constituting the Guarantee, the Hypothecs and the Public Deed setting out the Loan and the Subordination;
Security Interest	Any privilege, hypothec, pledge, lien, charge or other encumbrance

	or real right which grants rights of preference to a creditor;
Services	The Services to be provided by the Guarantor to Schembri Infrastructure in terms of the Services Agreement, namely the following: (a) the provision of storage facilities for concrete and asphalt material; and (b) the leasing of equipment.
Services Agreement	A services agreement dated on or around the date of this Prospectus, between the Guarantor and Schembri Infrastructure in terms of which, <i>inter alia</i> , the Guarantor agrees to provide the Services to Schembri Infrastructure;
Special Privilege	The special privilege arising in favour of the Issuer in terms of article 2010 (c) of the Civil Code in relation to the granting of the Loan;
Statutory Auditors	Kreston MC Malta (AB/26/84/37) of Suite 1, 141, Balzan Valley, Balzan, BZN 1404, Malta;
Subordination	The subordination by the Issuer of all its rights and remedies arising under the Special Privilege in favour of the rights vesting in the Trustee under the Hypothecs;
Subscription Date	The date on which Participation Notes representing the Global Note are subscribed for and issued in accordance with the Prospectus;
Subscription Period	29 th September 2014 to 30 th September 2014, both days included, which period may be extended by a further seven (7) Business Days, throughout which the Participation Notes representing the Global Note are to be issued;
Subsidiary Companies	The following companies: i. the Issuer; ii. the Guarantor; iii. Schembri Infrastructure; iv. Schembri & Sons; v. C. & F. Building Contractors Limited (C15308) of 'Schemson', Tal-Barrani Road, Tarxien, Malta; vi. Central Power Installations Limited (C19663) of 'Schemson', Tal-Barrani Road, Tarxien, Malta; vii. Clearway Drains Services Limited (C39278) of 'Schemson', Hal-Far Road, Birzebbugia, Malta; and viii. Ferretti Catering Limited (C43881) of 'Schemson', Hal-Far Road, Birzebbugia, Malta;
Summary	The summary of the Prospectus, as the same is contained in the section of the Prospectus named "Summary" and as the same may be amended, supplemented and updated from time to time;
Terms and Conditions	The Terms and Conditions respectively applicable to each of the

	Global Note and Participation Notes in the form set out in Annex 1 and Annex 2 respectively;
Trust Deed	The trust deed entered into between the Issuer, the Guarantor and the Trustee dated 12 th June 2014;
Trust Property	The following: (i) initially the Undertakings given by the Issuer and/or the Guarantor to the Trustee; (ii) and subsequently: (a) all rights and property attaching to and emanating from the Global Note, the Trust Deed and this Prospectus, including, without limitation, the right to payment of any sums due under the Global Note; (b) the rights and benefits of all the Security granted in favour of the Trustee, including for the avoidance of doubt, any proceeds derived from the realization of any such Security;
Trustee	Ganado Trustees & Fiduciaries Limited, a private limited liability company duly registered and validly existing under the laws of Malta with company registration number C7880 and having its registered office at 171, Old Bakery Street, Valletta, VLT 1455, Malta;
Trusts and Trustees Act	The Trusts and Trustees Act, Cap. 331 of the laws of Malta;
Undertakings	The undertakings respectively given by the Issuer and/or Guarantor in terms of the Trust Deed, namely: (i) in relation to the Issuer, the undertakings to: (a) issue the Global Note to the Trustee; (b) grant the Pledges in favour of the Trustee; (c) duly register the Special Privilege with the Public Registry and do all that is necessary to maintain it and not release or waive it in any manner whatsoever; and (d) subordinate all its rights and remedies under the Special Privilege in favour of the rights vesting in the Trustee under the Hypothecs; and (ii) in relation to the Guarantor, the undertakings to: (a) grant the Guarantee in favour of the Trustee; and (b) constitute the Hypothecs in favour of the Trustee;
Unencumbered Assets	Assets which are not subject to a Security Interest, and which includes assets subject to the first ranking general hypothec over the Issuer's assets, present and future, but excludes the first ranking special hypothec over the Hypothecated Immovable Property and the assets subject to the Pledges;
Vendor	Alfred Schembri and Sons Limited, a company incorporated and registered in Malta in terms of the Companies Act, having company registration number C11164 and having its registered office at Tar-Ranzija, Industrial Estate, Hal Far, Malta.

Summary

This Summary is issued in accordance with the provisions of the Prospectus Regulation. This Summary should be read as an introduction to the Prospectus.

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E. This Summary contains all the Elements required to be included in a summary for the Notes, the Issuer and the Guarantor. 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 a summary because of the type of securities and 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 the summary explaining why it is not applicable.

	Section A – Introduction and Warnings
A.1	<p>Prospective investors are hereby warned that:</p> <ul style="list-style-type: none"> i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer, the Guarantor and the Notes being offered pursuant to this 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 in making a decision as to whether to invest in the Notes described in this Prospectus. Any decision to invest in the Notes 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 investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; iii. Civil liability attaches only to those persons who have tabled this Summary including any translation thereof, and who applied for its notification, but only if this 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.
A.2	<p>The Issuer has given its express written consent to the Placement Agent and Manager for the use by the Placement Agent and Manager of this Prospectus for the purposes of any final placement and/or subsequent resale of the Notes. Any final placement and/or subsequent resale of the Notes by the Placement Agent and Manager may be carried out between the period of 29th September 2014 to 30th September 2014, both days included, which period may be extended by the Issuer by a further seven (7) Business Days. There are no other clear and objective conditions attached to the consent given by the Issuer to the Placement Agent and Manager which are relevant for the use of this Prospectus. All information on the Terms and Conditions of the Notes which are offered to any investor by the Placement Agent and Manager is to be provided by the Placement Agent and Manager to the investor prior to the investor subscribing to any Notes. Any interested investor has the right to request that the Placement Agent and Manager provide the investor with all the information on the Prospectus, including the Terms and Conditions of the Notes.</p>

	Section B – Issuer and Guarantor
B.1	The legal and commercial name of the Issuer is Schembri Finance p.l.c. C64755. The legal and commercial name of the Guarantor is Schembri Asphalt Limited C58219.
B.2	The Issuer is a public limited liability company, incorporated in Malta and operating in terms of the Companies Act. The Guarantor is a private limited liability company, incorporated in Malta and operating in terms of the Companies Act. Both the Issuer and the Guarantor are domiciled in Malta.
B.4b	There have been no material adverse changes to the prospects of the Issuer since its date of incorporation, and there have been no material adverse changes to the prospects of the Guarantor since the date of its latest audited financial statements. At the time of publication of this Prospectus, the Issuer and Guarantor consider that generally they shall be subject to the normal business risks associated with the industries in which the Issuer and/or Guarantors are involved, and, barring unforeseen circumstances, do not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the Issuer and/or Guarantor, at least up to the end of the next financial year.
B.5	<p>A simplified organisational structure of the Group companies which are related to the issuing of the Notes (namely Schembri Holdings, the Issuer and the Guarantor) is illustrated in the diagram below:</p> <pre> graph TD FSH[F. Schembri Holdings Limited] -- 99.9% --> SF[Schembri Finance p.l.c.] FS[Frank Schembri] -- 0.1% --> SF SF -- 99.9% --> SA[Schembri Asphalt Limited] FS -- 0.1% --> SA </pre>
B.9	Not Applicable: The Prospectus does not contain profit forecasts or estimates.
B.10	Not Applicable: the Issuer was only recently established on the 17 th April 2014 and no financial statements have been prepared since the date of their registration. The financial information regarding the Guarantor is included in the audited financial statements for the financial period up to 31 st December 2013. The said statements have been published and are available for inspection at the registered office of the Issuer. The audit reports on the said historical financial information do not contain any qualifications.

B.12	No historical information regarding the Issuer is available. However, since the Issuer's date of incorporation, there have been no material adverse changes to the prospects of the Issuer. With reference to the selected historical key financial information and applicable comparative information regarding the Guarantor referred to in Section B.10 above, there has been no material adverse change in the prospects of the Guarantor since the date of its latest published audited financial statements; nor significant changes in the financial or trading position subsequent to the period covered by the historical financial information.
B.13	Each of the Issuer and the Guarantor are each not aware of any recent events which are to a material extent relevant to the evaluation of its solvency.
B.14	The Issuer is a subsidiary of Schembri Holdings and was established principally to act as the financing arm of the Group and to raise funding through the issuance of the Global Note. The Issuer has no employees and is therefore reliant on the services made available to it by the Group, including the services of its senior management. The profitability of the Issuer is intrinsically linked to the loan repayments made under the Loan, and therefore linked closely to the business of the Guarantor. A decrease in the demand of Services of the Guarantor could affect the Issuer's ability to repay the Global Note. The Guarantor is a subsidiary of the Issuer, and was established, <i>inter alia</i> , to provide the Services to Schembri Infrastructure, to provide similar services to other third parties, and to purchase the Property. The business of the Guarantor is intrinsically linked to the business of Schembri Infrastructure. A decrease in activity for Schembri Infrastructure could result in reduced turnover for the Guarantor.
B.15	As at the date of this Prospectus, the Issuer operates principally as the financing arm of the Group and to raise funding through the issuance of the Global Note. In terms of its Memorandum and Articles of Association, the principal objects of the Issuer are to (a) finance the funding requirements of the Group (b) to issue notes and bonds and (c) to obtain loans, to borrow or raise money. As at the date of this Prospectus, the Guarantor operates for the purposes of manufacturing, storing and transporting concrete and asphalt material and related products, for the provision of the Services to Schembri Infrastructure and for the provision of similar services to other third party entities operating primarily in the road construction industry. In terms of its Memorandum and Articles of Association, the principal objects of the Guarantor are (a) to manufacture asphalt material and related products (b) to carry out all types of road works, (c) to borrow and to hypothecate the undertaking and its immoveable property and (d) to guarantee the obligation of third parties and to support such guarantee by the security of its assets including hypothecation of its immoveable property.
B.16	The Issuer is directly owned and controlled by Schembri Holdings, which holds all of the issued share capital in the Issuer, save for the 1 share held by Mr. Francesco Schembri. The Issuer is indirectly owned by Mr. Francesco Schembri and Ms. Roberta Farrugia Schembri, who own 500 Ordinary A Shares and 1 Ordinary B Share respectively in Schembri Holdings. The Guarantor is directly owned by the Issuer, who owns 502,499 Ordinary A Shares, and Mr. Francesco Schembri who owns 1 Ordinary B Share. The Guarantor is indirectly owned by Mr. Francesco Schembri and Ms. Roberta Farrugia Schembri, who own 500 Ordinary A Shares and 1 Ordinary B Share respectively in Schembri Holdings, which owns all but 1 share in the Issuer.
B.17	Not Applicable: Neither the Issuer nor the Guarantor have sought any credit rating from a independent rating agency, and there has been no assessment of the Notes by any independent rating

	agency.
B.18	The Guarantor shall stand as surety, jointly and severally with the Issuer, and shall irrevocably and unconditionally guarantee the payment of all amounts of principal and interest which may become due and payable by the Issuer to the Trustee under the Global Note.
B.19	For information in relation to the Guarantor, see Elements B.1, B.2, B.4b, B.5, B.9, B.10, B.12, B.13, B.14, B.15, B.16 and B.17 above.
	Section C – Securities
C.1	The Global Note shall be issued to the Trustee up to the Offer Amount and the Trustee shall be entered in the Register of Global Note Holders as the holder of the Global Note. The Trustee shall hold the Global Note on trust for the benefit of the Participation Note Holders. The Global Note shall be issued in fully certificated and registered form, without a coupon. Each Participation Note issued by the Trustee to a Participation Note Holder acknowledging the interest of the person named therein in the Trust Property and evidencing an entry in the Register of Participation Note Holder shall be in fully certificated and registered form, shall not be issued in bearer form, and shall be without coupons. Neither the Global Note nor the Participation Notes shall be admitted for trading.
C.2	The Notes are denominated in Euro (€).
C.5	The Global Note may only be transferred by the Global Note Holder to a trustee that is duly licensed in terms of the Trusts and Trustees Act. The Participation Notes are freely transferable and once registered by the Trustee may be transferred in whole for a minimum face value of €1,000 (one thousand Euro) and multiples of €1,000 (one thousand Euro) thereafter.
C.8	<p>Prospective investors wishing to participate in the Global Note will be able to do so by subscribing to Participation Notes. Subscribing to the Participation Notes will entitle such prospective investor to:</p> <ul style="list-style-type: none"> a. Participate in the Trust Property with respect to the rights and benefits under the Global Note and the Trust Deed in the proportion that the amount of that subscription constitutes in relation to the face value of the Global Note; b. To have his/her name entered in the Register of Participation Note Holders by the Trustee as a beneficiary in the Trust Property; c. To receive from the Trustee an acknowledgement of his/her interest in the Trust Property by the issue of a Participation Note; and d. To all such rights and benefits applicable to the Participation Notes as set out in the Terms and Conditions of the Participation Notes and the Trust Deed. <p>Upon subscribing to the Participation Notes, a prospective investor will also be bound by, and be deemed to have notice of, all the provisions of the Trust Deed and the Terms and Conditions. The Participation Notes shall entitle the Participation Note Holders to rank <i>pari passu</i> between themselves according to the rights and interest held by each Participation Note Holder in the Global Note and in the Trust Property as evidenced by the Register of Participation Notes Holders.</p> <p>The payment of the Global Note and interest thereon shall at all times constitute the direct and</p>

	<p>unconditional payment obligations of the Issuer and shall be secured by the Pledges in terms of the Pledge Agreements. The repayment of the principal amount of the Global Note and interest thereon shall be guaranteed by the Guarantor, whereby the Guarantor shall stand as surety, jointly and severally with the Issuer, and shall irrevocably and unconditionally guarantee the payment of all amounts of principal and interest which may become due and payable by the Issuer to the Trustee under the Global Note. The repayment of the principal amount of the Global Note and interest thereon is to be secured by a first ranking general hypothec over all the assets, present and future, of the Guarantor and by a first ranking special hypothec over the Hypothecated Immovable Property. The repayment of the principal amount of the Global Note and interest thereon is to be further secured by: (i) a pledge over the Deposited Monies; (ii) a pledge over the Receivables; and (iii) a pledge over the Securities Account Assets. In relation to the assets of the Issuer and of the Guarantor which are secured by the Security, the Note Holders shall rank ahead of other creditors of the Issuer and the Guarantor over those assets. In relation to the assets of the Issuer which are not secured by the Security or by any other Security Interest given to any creditor of the Issuer, the Note Holders shall rank <i>pari passu</i> and equally with other unsecured creditors of the Issuer.</p>
C.9	<p>Interest on amounts outstanding under the Notes shall accrue at the rate of 6% (six percent) <i>per annum</i>. Interest shall be payable bi-annually in arrears on the 15th September between the years 2015 and 2024, both years included, and on the 15th March between the years 2015 to 2024, both years included, unless redeemed earlier. The Global Note will be redeemed at par on 15th September, 2024 unless previously redeemed at the option of the Issuer upon an Early Redemption Date in accordance with the Terms and Conditions of the Global Note. Partial redemptions are allowed between 15th September, 2021 and 14th September, 2024, both days included, provided that any partial redemption is made in accordance with the Terms and Conditions of the Global Note at a minimum amount of €500,000 (five hundred thousand Euro) and in multiples of €10,000 (ten thousand Euro) thereafter. The yield on the Notes is equal to 6% (six percent).</p> <p>The remaining part of Element C9 is not applicable, since no person or body of persons have been appointed to represent the debt security holders and since the rate of interest due and payable under the Notes is fixed at 6% (six per cent).</p>
C.10	Not Applicable: The Notes do not include any derivative component in the interest payment.
C.11	Not Applicable: No application has been made, nor is it intended that an application be made, for the Notes to be admitted to listing on a regulated market or other equivalent market.
	Section D - Risks
D.1	<p>General</p> <p>An investment in the Participating Notes to be issued by the Issuer involves certain risks. The following risks are those identified by the Issuer as at the date of this Prospectus. Prospective investors should consider carefully, together with their independent financial and other professional advisers, the following risk factors and other investment considerations as well as all the other information contained in this Prospectus and Reference Documents before deciding to make an investment in the Issuer and the Participating Notes. Should any of the risks described below materialise, they could have a serious adverse effect on the Issuer's and/or Guarantor's financial results and trading prospects and the ability of the Issuer and/or</p>

	<p>Guarantor to fulfil its obligations under the Notes. The risks and uncertainties discussed below may not be the only ones that the Issuer and/or Guarantor face. Additional risks and uncertainties, including those the Directors of the Issuer may not currently be aware of, could well result in a material impact on the financial condition and operational performance of the Issuer and/or Guarantor. Accordingly, prospective investors should make their own independent evaluation of all risk factors, and should consider all other sections in the Prospectus before investing in the Participating Notes. In addition, prospective investors ought to be aware that risk may be amplified due to a combination of risk factors. Potential investors are advised to read this Prospectus in its entirety and, in particular, the section titled “<i>Risk Factors</i>” for a further discussion of the factors that could affect the Issuer’s and/or Guarantor’s future performance. The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the Participating Notes – 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 Participating Notes. The following is a summary of the principal risks:</p>
D.2	<p><i>Key information on the key risks that are specific to the Issuer and/or the Guarantor.</i></p> <ol style="list-style-type: none"> 1. The Issuer is dependent on the Loan repayments due by the Guarantor which may be affected by factors beyond the Issuer’s control. The operating results of the Guarantor shall have a direct effect on the Issuer’s financial position and as such the risks intrinsic in the business and operations of the Guarantor shall have a direct effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Global Note when due. 2. The Issuer has no trading record or history of operations and the Guarantor has a limited trading record. While the Issuer was set-up specifically to issue the Global Note and is seeking to raise finance for the purpose of providing the Loan to the Guarantor, the Guarantor was established for the purposes of purchasing the Property and providing the Services to Schembri Infrastructure, and therefore the Issuer and Guarantor are start-up operations with all the attendant risks that start-ups normally entail. These risks include, but are not limited to, the lack of financial stability and the risk of costs exceeding revenues. In the event that these risks were to materialise, they could have a significant impact on the financial position of the Issuer and Guarantor. 3. The asphalt and concrete producing business and the road construction industry in Malta are very competitive in nature. A decrease in the demand for asphalt and concrete material for road construction works, the lack of Government projects and EU funding in relation to the same road works could affect the level of demand of the Guarantor’s services, including a decrease in the demands of Services to be provided to Schembri Infrastructure, and the demand for the storage, transportation and sale of asphalt and concrete material generally, may all affect the Issuer’s financial operations and revenues. If these risks were to materialise, they could have a material adverse impact on the Issuer and Guarantor, and their ability to repay the Global Note and interest thereon. 4. The Guarantor may have to rely upon third-party service providers such as architects, suppliers, engineers, electricians, technicians and other contractors for the purposes of producing, storing and transporting the asphalt and concrete material, for the provision of the Services to Schembri Infrastructure, and for the provision of similar services to other third parties, as well as for the management and running of the Property. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Guarantor’s expectations and in accordance with their contractual obligations. 5. Payment of principal and accrued interest under the Notes will be guaranteed by the Guarantor, since the Guarantor will stand surety, jointly and severally with the Issuer, and

	<p>shall guarantee the due and punctual payment of all amounts of principal and interest which may become due and payable by the Issuer to the Global Note Holder under the Global Note. It is possible that both the Issuer and the Guarantor may be unable to pay any principal amounts and accrued interest which may be outstanding under the Notes. In that respect, the Participation Note Holders assume the credit risk of both the Issuer and the Guarantor.</p> <p>6. The main client of the Guarantor is Schembri Infrastructure, which pays the amounts due to the Guarantor in terms of the Services Agreement for the provision, by the Guarantor, of the Services. The ability of the Guarantor to repay the Loan depends on the level of services required by Schembri Infrastructure from the Guarantor. The ability of the Guarantor to repay the Loan will have an impact on the ability of the Issuer to fulfil its payment obligations under the Global Note.</p> <p>7. There can be no assurance that the Guarantor will be able to drive growth or enhance profitability to the extent desired in terms of its long-term business strategy.</p> <p>8. Changes in general economic conditions, the decrease in demand for the provision of the Services and other factors over which the Guarantor has little control may adversely impact the Guarantor's revenues. Should general economic conditions or the asphalt and concrete material business or the road construction industry deteriorate, the Guarantor's operations and financial condition may be substantially adversely affected.</p> <p>9. The Guarantor's operations are exposed to the risk of loss arising from a failure by any counter-party of the Guarantor to fully pay the Guarantor once it has provided any services to a counter-party. Negative changes in general business, economic or market factors may have an additional adverse impact on the Guarantor's credit losses and future earnings.</p> <p>10. The Guarantor has a number of competitors, some of which may have greater financial resources and are more diversified than Guarantor.</p> <p>11. The Issuer and the Guarantor are exposed to interest rate risk, which refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. An increase in interest rates may have a material adverse effect on their business, financial condition and operations.</p> <p>12. The Issuer and the Guarantor may be exposed to exchange rate risk, and can be impacted by transaction risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the Euro being their reporting currency, which fluctuation may adversely affect their operating performance.</p> <p>13. There are a number of factors, including general economic conditions, industry trends, local market conditions, structural and environmental problems, acts of nature and competition, that commonly affect the road construction industry, the provision of the Services and the asphalt and concrete material business generally, many of which are the beyond the Issuer's and Guarantor's control, and which could adversely affect the economic performance and value of the Issuer's and/or Guarantor's business. Any of such factors could have a material adverse effect on the Issuer's and Guarantor's business, and their respective financial condition and prospects.</p> <p>14. The Participation Note Holders assume the credit risk of the Issuer and the Guarantor. In the case of insolvency of the Issuer and/or Guarantor, the Participation Note Holders may suffer direct and materially adverse consequences, including, deferral of interest and, if the Issuer and/or Guarantor were insolvent, the Participation Note Holders may suffer loss of their entire investment.</p> <p>15. Concentration risk, which may occur both in relation to the Issuer as well as to the Guarantor, may arise because of the lack of diversification in business that may lead to excessive exposures or concentration in one counterparty, including reliance by the Guarantor on Schembri Infrastructure. Furthermore, concentration risk may also arise in</p>
--	---

	<p>the market and economic sectors.</p> <p>16. Operational risk events can be broadly categorised as: (a) losses arising from internal and external frauds as well as human errors and omissions; (b) losses arising from loss of key personnel; (c) losses arising from mechanical and technological failures, telecommunication problems and utility outages; and (d) losses from insurance arrangements not adequately addressing the risk these are intended to cover.</p> <p>17. The absence of an Audit Committee means that the Issuer may not have the optimal structures in place to enable it to scrutinise and evaluate any proposed transaction to be entered into between the Issuer and a related party (such as the Guarantor) and to ensure that any such transaction is carried out at arm's length and on a commercial basis as is recommended by the Corporate Governance Guidelines for Public Interest Companies.</p> <p>18. The Issuer has only appointed one (1) independent and non-executive Director to the Board of Directors, namely Mr. Benjamin Muscat. Furthermore, Mr. Muscat is retained by the Group to assist the executive chairman and senior group executives in the development and implementing of Group strategy covering group organization, funding, business development and commercial and legal matters but does not occupy an executive position within the Group. This state of affairs means that the shareholders of the Group are heavily represented in the Board of Directors of the Issuer, which position may give rise to conflicts of interest.</p>
D.3	<p><i>Key information on the key risks that are specific to the Participation Notes.</i></p> <p>An investment in the Participation Notes involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Participation Notes, 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.</p> <p><i>a. General risks</i></p> <ol style="list-style-type: none"> 1. The value of investments can go up or down and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed investment advisor licensed under the Investment Services Act. 2. Investment in the Participation Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Participation Notes. 3. A Participation Note Holder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Participation Notes and the Participation Note Holder's currency of reference, if different. 4. 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, may have on the market price of the Participation Notes prevailing from time to time. 5. The Issuer has the option to redeem the Global Note in whole or in part on any of the Early Redemption Dates, together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Participation Notes and there can be no guarantee that the Participation Note Holders may be able to re-invest the proceeds of such redemption at equivalent or higher rates of return. 6. In the event that the Issuer wishes to amend any of the Terms and Conditions or the Trust Deed it shall call a meeting of Participation Note Holders in accordance with the provisions of the Trust Deed and the same Terms and Conditions. These provisions permit defined majorities to bind all Participation Note Holders including Participation

	<p>Note Holders who did not attend and vote at the relevant meeting and Participation Note Holders who voted in a manner contrary to the majority.</p> <p>7. The Terms and Conditions 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.</p> <p>b. Trading and Liquidity risks</p> <ol style="list-style-type: none"> 1. The Participation Notes are transferable but shall not be traded on any regulated market or other trading facility, and as a result there may be no liquid market for the Participation Notes. The market for the Participation Notes may be less liquid than a regulated market or other trading facility, and Participation Note Holders may find it more difficult to identify willing buyers for their Participation Notes. Participation Note Holders who wish to sell their Participation Notes may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market for Participation Notes. 2. The ease of transferability of the Participation Notes depends on factors beyond the Issuer's control which could impact the trading value of the Participation Notes such as the willingness or otherwise of potential buyers and sellers of the Participation Notes. 3. The trading value of the Participation Notes may also be impacted by other factors such as the time remaining for maturity of the Participation Notes, the outstanding amount of the Participation Notes, and the level, direction and volatility of market interest rates generally. 4. Prior to the issue of the Participation Notes, there has been no public market nor trading record for the Participation Notes within or outside Malta. Due to the absence of any prior market for the Participation Notes, there can be no assurance that the Issue Price will correspond to the price at which the Participation Notes will be traded subsequent to the Offer. There can be no assurance that an investor will be able to re-sell his/her participation in the Global Note at or above the Issue Price. 5. The Issuer has not sought the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Notes. 6. In the event that the Issuer redeems the Global Note on an Early Redemption Date, the investor may not be able to reinvest the redemption proceeds at similar conditions.
	<p>Section E - Offer</p>
E.2b	<p>The proceeds from the Global Note, which are expected to amount to €3,000,000 (three million Euro), shall be used, net of expenses, to provide the Loan to the Guarantor, for the purposes of financing the purchase, by the Guarantor, of the Property.</p>
E.3	<p>The principal Terms and Conditions applicable to both the Global Note and Participation Notes are set out below:</p> <p>Global Note - The following is a summary of the terms and conditions of the €3,000,000 6% (six per cent) Global Note issued by the Issuer to the Trustee on trust for the benefit of the Participation Note Holders in terms of the Trust Deed, the Terms and Conditions of the Global Note and the Prospectus. A Participation Note Holder, as well as any person having an interest under the Global Note, is deemed to have invested in the Participation Notes, only after having received, read and understood the contents of the Trust Deed and the Prospectus, including the full Terms and Conditions contained in the annexes hereto:</p>

1. General

The Global Note shall be issued by the Issuer to the Trustee, and held by the Trustee on trust for the benefit of the Participation Note Holders, which, together with the Undertakings granted, and the Security to be constituted, in favour of the Trustee, shall constitute the Trust Property. The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Trustee for the benefit of the Participation Note Holders.

2. Negative Pledge

The Guarantor undertakes, for as long as any principal or interest under the Global Note remains outstanding, to be bound by a negative pledge, to the effect that the Guarantor shall not create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future assets or revenues, to secure any Financial Indebtedness of the Guarantor, unless at the same time or prior thereto the Guarantor's indebtedness under the Guarantee shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

3. Interest

Interest on any amounts outstanding under the Global Note shall accrue at the rate of 6% (six percent) *per annum*. Unless the Global Note is redeemed earlier, interest shall be payable bi-annually in arrears on 15th September in each year between the years 2015 and 2024, both years included, and on 15th March in each year between the years 2015 and 2024, both years included.

4. Payments

Payment of the principal amount (with interest accrued and unpaid to the Redemption Date), as well as payment of interest due on the Global Note, shall be made in Euro to the person in whose name such Global Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be). In the case of payment of the principal amount, this shall be made against surrender of the Global Note at the registered office of the Issuer or at such other place in Malta as may be notified by the Issuer. Such payment shall be effected by direct credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Global Note Holder. Such payment shall be effected seven (7) days prior to the date set for redemption or seven (7) days prior to the Interest Payment Date (as the case may be).

5. Redemption

Unless previously redeemed, purchased and cancelled, the Global Note shall be redeemed at the nominal value, together with interest accrued and which has remained unpaid at Redemption Date, on the Redemption Date. However, the Issuer reserves the right to redeem all or part of the Global Note on any day between 15th September, 2021 and 14th September, 2024 on giving not less than thirty (30) Business Days prior written notice to the Global Note Holder PROVIDED THAT any partial redemption is made in accordance with the Terms and Conditions of the Global Note at a minimum amount of €500,000 (five hundred thousand Euro) and in multiples of €10,000 (ten thousand Euro) thereafter. The redemption of the Global Note shall take place by payment of all principal and interest accrued until the Redemption Date. The notice of redemption shall be effective only on actual receipt by the Trustee, shall be irrevocable and shall oblige the Issuer to make, and the Trustee to accept, such redemption on the date specified in the notice. All or part of the Global Note being redeemed shall be cancelled forthwith and may not be re-issued or re-sold.

6. Covenants by the Issuer and Guarantor

Each of the Issuer and the Guarantor shall, throughout the term of the Global Note, be bound by the respective covenants made in favour of the Trustee for the benefit of the Participation Note Holders as set out in the Terms and Conditions of the Global Note, including covenants relating to the payment of interest and principal and the manner in which their respective businesses are to be conducted.

7. Functions and Powers of the Trustee

The Trustee may, but shall not be bound to, unless requested to do so in writing by not less than 60% (sixty *per centum*) in value of the Participation Note Holders, enforce or take any step to enforce the covenants in the Terms and Conditions of the Global Note, and (subject to any such request as aforesaid) may waive such Terms and Conditions as it shall deem expedient and waive any of the covenants on the part of the Issuer and/or Guarantor to be performed and observed.

8. Events of Default

The Terms and Conditions of the Global Note set out a list of Events of Defaults the occurrence of which could form the basis of the Trustee, at its discretion or further to a request in writing of not less than 60% (sixty *per centum*) in value of the Participation Note Holders, declaring by notice in writing to the Issuer, that the Global Note has become due and immediately payable. Upon any such declaration being made as aforesaid the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due and payable at the time of the event of default.

9. Register of Global Note Holders

The Issuer shall maintain a register, at its registered office or at such other place in Malta as the Directors of the Issuer may determine, in which it shall enter the name and address of the Trustee as the Global Note Holder, together with particulars of the Global Note. A copy of such register shall at all reasonable times during business hours be open to inspection by the Trustee.

10. Further Issues

The Issuer is at liberty, from time to time, without the consent of the Global Note Holder, to create and issue further bonds, notes, debentures, commercial paper and/or any other debt securities upon such terms as to status, conversion, redemption and otherwise as the Issuer may, at the time of issue thereof, determine.

11. Governing Law and Jurisdiction

The Global Note, the Terms and Conditions of the Global Note, the Prospectus, all the rights and obligations of the Issuer, the Guarantor and the Global Note Holder, and any non-contractual obligations arising out of or in connection with the Global Note, the Terms and Conditions of the Global Note and the Prospectus, shall be governed and construed in accordance with Maltese law. Any suit, action or proceedings arising out of, or in connection with, the Global Note, the Terms and Conditions of the Global Note, and the Prospectus shall be submitted to the Courts of Malta. The Trustee, the Issuer and the Guarantor each agree that the Courts of Malta shall have exclusive jurisdiction to hear and settle any dispute arising out of or in connection with the Global Note, the Terms and Conditions of the Global Note and the Prospectus, and each shall irrevocably submit to the jurisdiction of the Courts of Malta.

Participation Notes - The following is a summary of the terms and conditions of the €3,000,000 6% (six percent) Participation Notes issued to the Participation Note Holders in terms of the Trust Deed, the Terms and Conditions of the Participation Notes and the Prospectus. A Participation Note Holder,

as well as any person having an interest under the Participation Notes, is deemed to have invested in the Participation Notes, only after having received, read and understood the contents of the Trust Deed and the Prospectus, including the full Terms and Conditions contained in the annexes hereto:

1. General, Currency Denomination, Form and Title

The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Trustee for the benefit of the Participation Note Holders. The Participation Notes constitute the beneficial interest of the Participation Note Holders in the Trust Property, including the right to payment of any amounts due under the Global Note. The Participation Notes shall be freely transferable. The Participation Notes shall be issued in fully certificated and registered form, without coupons. Participation Notes shall be issued under the signature of a duly authorised signatory of the Trustee. The Trustee shall maintain a Register of Participation Note Holders which shall identify the Participation Note Holders from time to time. An entry in the Register of Participation Note Holders shall be conclusive evidence of the beneficial interest of the person or persons named therein in the Trust Property. Every Participation Note Holder shall be entitled to be entered in the Register of Participation Note Holders as a participant in the Global Note and shall be entitled to receive from the Trustee a Participation Note acknowledging the Participation Note Holder's beneficial interest in the Global Note and evidencing the appropriate entry in the Register of Participation Note Holders.

2. Interest

Interest on any amounts outstanding under the Participation Notes shall accrue at the rate of 6% (six percent) per annum. Unless redeemed earlier, interest shall be payable bi-annually in arrears on the 15th September in each year between the years 2015 and 2024, both years included and on the 15th March in each year between the years 2015 to 2024, both years included. The Participation Notes shall cease to bear interest from and including the Redemption Date.

3. Payments

Payment of the principal amount (with interest accrued and unpaid to the Redemption Date), as well as payment of interest due on the Participation Note, shall be made in Euro to the person in whose name such Participation Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be). In the case of payment of the principal amount, this shall be made against surrender of the Participation Note at the registered office of the Trustee or at such other place in Malta as may be notified by the Trustee. Such payment shall be effected by direct credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Participation Note Holder. The Trustee shall not be responsible for any loss or delay in transmission. The Trustee shall effect payments of principal or interest within three (3) Business Days from the date of actual receipt of payment thereof from the Issuer or Guarantor, as the case may be. **The Trustee shall be under an obligation to effect payments of principal or interest to the Participation Note Holders only if the Issuer has placed the Trustee in sufficient funds to effect such payments. No liability shall attach to the Trustee if it fails to effect such payments to Participation Note Holders when such failure is due to the non-payment by the Issuer and/or Guarantor of the necessary funds as aforesaid.**

4. Redemption

Unless previously redeemed, purchased and cancelled, the Participation Notes shall be redeemed at the nominal value, together with interest accrued and which has remained unpaid at Redemption Date, on the Redemption Date. In the event that the Issuer redeems the Global Note in part, the Trustee shall redeem an equivalent amount of Participation Notes. This amount shall be utilised to redeem

Participation Notes in accordance with the order in which applications for redemption were made prior to the Early Redemption Date, by the respective Participation Note Holders. Any other Participation Notes held by Participation Note Holders who had not submitted an application for redemption prior to the Early Redemption Date as aforesaid, shall be redeemed in accordance with the proportion of Participation Notes held by the respective Participation Note Holder to the aggregate holding of Participation Notes. Provided that the Trustee is provided with sufficient funds from the Issuer and/or Guarantor, the Trustee shall pay to the Participation Note Holder concerned the nominal value of that Participation Note Holder's Participation Notes and accrued and unpaid interest thereon. Upon an early redemption of the Global Note, the Participation Notes shall be cancelled in whole or in part. The Participation Note Holder shall hand over the Participation Note, and in the case of a redemption in part, receive a new Participation Note stating the new amount of the new Participation Note. Upon an early redemption of the Global Note following an Acceleration by the Trustee, and provided the principal and all accrued and unpaid interest under the Global Note is paid in full to the Trustee, all Participation Notes shall be redeemed in whole. The Trustee shall pay to all Participation Note Holders the nominal value of the Participation Note held by the Participation Note Holder and accrued and unpaid interest thereon, and the Participation Note Holder shall hand over the Participation Note to the Trustee.

5. Covenants by the Issuer and Guarantor

Each of the Issuer and the Guarantor shall, until such times as the Participation Notes remain outstanding, be bound by the respective covenants made in favour of the Trustee for the benefit of the Participation Note Holders as set out in the Terms and Conditions of the Participation Notes, including covenants relating to the payment of interest and principal and the manner in which their respective businesses are to be conducted.

6. Functions and Powers of the Trustee

The Trustee may, but shall not be bound to, unless requested to do so in writing by not less than 60% (sixty *per centum*) in value of the Participation Note Holders, enforce or take any step to enforce the covenants of the Terms and Conditions of the Participation Notes, and (subject to any such request as aforesaid) may waive such Terms and Conditions as it shall deem expedient and waive any of the covenants on the part of the Issuer and/or Guarantor to be performed and observed.

7. Events of Default

The Terms and Conditions of the Participation Notes make reference to the provision regulating "*Events of Default*" under the Global Note. Any payment of the Global Note made by the Issuer and/or Guarantor to the Trustee pursuant to an Acceleration by the Trustee shall automatically trigger an early redemption of the Participation Notes in accordance with the Terms and Conditions of the Participation Notes.

8. Register of Global Note Holders

The Trustee shall maintain a register, at its registered office or at such other place in Malta as the Trustee may determine, in which it shall enter the names and addresses of the Participation Note Holders and particulars of the Participation Notes held by them respectively. A copy of such register shall at all reasonable times during business hours be open to inspection by the Participation Note Holders and the Issuer.

9. Transferability of the Participation Notes

The Participation Notes are freely transferable and, once registered by the Trustee, may be

	<p>transferable in whole for a minimum face value of €1,000 and multiples of €1,000 thereafter. All transfers are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations. The costs and expenses of effecting any registration of transfer, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer has been made.</p> <p><i>10. Instructions of Participation Note Holders</i></p> <p>The provisions of the Terms and Conditions and of the Trust Deed may be amended with the approval of Participation Note Holders in accordance with the terms and procedure set out under the Trust Deed and under the Terms and Conditions of the Participation Notes.</p> <p><i>11. Participation Notes held Jointly</i></p> <p>In respect of a Participation Note held jointly by several persons (including but not limited to husband and wife), the joint Participation Note Holders shall nominate one (1) of their number as their representative and his/her name will be entered in the Register of Participation Note Holders with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. In the absence of such nomination and until such nomination is made, the person first named on the Register of Participation Note Holders in respect of such Participation Note shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. The Trustee shall not be bound to register more than three (3) persons as the joint Participation Note Holders.</p> <p><i>12. Participation Notes held subject to Usufruct</i></p> <p>In respect of a Participation Note held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall for all intents and purposes be deemed, vis-a-vis the Trustee, to be the holder of the Participation Note so held and shall have the right to receive the principal and interest on the Participation Note, but shall not, during the continuance of the Participation Note, have the right to dispose of the Participation Note so held without the consent of the bare owner.</p> <p><i>13. Governing Law and Jurisdiction</i></p> <p>These Terms and Conditions, the Participation Notes, the Prospectus, all the rights and obligations of the Trustee and any Participation Note Holder and any non-contractual obligations arising out of or in connection with the Participation Notes, the Prospectus and these Terms and Conditions, shall be governed by and construed in accordance with Maltese law. Any suit, action or proceedings arising out of, or in connection with, these Terms and Conditions, the Prospectus and the Participation Notes, shall be submitted to the Courts of Malta. The Trustee and every Participation Note Holder each agree that the Courts of Malta shall have exclusive jurisdiction to hear and settle any dispute arising out of or in connection with the Participation Notes, the Prospectus and these Terms and Conditions, and each shall irrevocably submit to the jurisdiction of the Courts of Malta.</p>
E.4	<p>The majority of the issued share capital of the Issuer is held by Schembri Holdings, while the majority of the issued share capital of the Guarantor is held by the Issuer. The presence of an independent non-executive Director on the Board of the Issuer and Guarantor aims to minimise the possibility of any abuse of control by their major shareholder. Furthermore, in terms of the Memorandum and Articles of Association of the Issuer and in terms of the Companies Act, in the event that a Director of the</p>

	Issuer or Guarantor has a personal material interest, either directly or indirectly, in any contract or arrangement with the Issuer or Guarantor, such Director shall be required to declare such an interest to the board.
E.7	Professional fees, management, placing and all other miscellaneous costs related to the Offer are estimated not to exceed one hundred thousand Euro (€100,000), and shall be borne by the Issuer out of the Offer Amount.

Time-Table

1.	Application Forms available	22 nd September 2014
2.	Subscription Period	29 th September 2014 to 30 th September 2014
3.	Commencement of interest on the Participation Notes issued upon closure of Subscription Period	1 st October 2014
4.	Announcement of basis of acceptance	1 st October 2014
5.	Issuance of Participation Notes	1 st October 2014
6.	Expected dispatch of allotment advices and refunds of unallocated monies	1 st October 2014

1. Risk Factors

1.1 General

An investment in the Participating Notes to be issued by the Issuer involves certain risks. The following risks are those identified by the Issuer as at the date of the Prospectus. Prospective investors should consider carefully, together with their independent financial and other professional advisers, the following risk factors and other investment considerations as well as all the other information contained in this Prospectus and Reference Documents before deciding to make an investment in the Issuer and the Participating Notes.

Prospective investors are warned that by investing in the Participating Notes they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment. The risk factors set out below are a summary of the risks associated with an investment in the Issuer and the Participating Notes – there may be other risks which are not mentioned in the Prospectus. Investors are therefore urged to consult their own financial or other professional advisers with respect to the suitability of investing in the Issuer and the Participating Notes.

Some of these risks are subject to contingencies that may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingencies occurring. The sequence in which the risks below are listed is not intended to be indicative of any order of probability of a particular cause of loss arising or of the extent of that loss should it arise.

Should any of the risks described below materialise, they could have a serious adverse effect on the Issuer's and/or Guarantor's financial results and trading prospects and the ability of the Issuer and/or Guarantor to fulfil their obligations under the Participating Notes.

The risks and uncertainties discussed below may not be the only ones that the Issuer and/or Guarantor face. Additional risks and uncertainties, including those the Directors of the Issuer may not currently be aware of, could well result in a material impact on the financial condition and operational performance of the Issuer and/or Guarantor. Accordingly, prospective investors should make their own independent evaluation of all risk factors, and should consider all other sections in the Prospectus before investing in the Participating Notes. In addition, prospective investors ought to be aware that risk may be amplified due to a combination of risk factors.

1.2 Forward Looking Statements

This Prospectus contains statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and its Directors concerning, amongst other things, the Issuer's and Guarantor's strategies and business plans, results of operations, financial condition, liquidity and prospects of the Issuer and Guarantor

and the markets in which they operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The actual results of operations, financial condition, liquidity and the strategic development of each of the Issuer and the Guarantor may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Issuer and/or Guarantor are consistent with the forward looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include:

- (i) continued, sustained or worsening global economic conditions and in particular economic weakness in the areas in which the Issuer and/or Guarantor operate;
- (ii) increased competition; and
- (iii) increased regulation.

Potential investors are advised to read this Prospectus in its entirety and, in particular, the section titled “Risk Factors” for a further discussion of the factors that could affect the Issuer’s and/or Guarantor’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Prospectus may not occur. All forward-looking statements contained in this Prospectus are made only as at the date hereof. The Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

1.3 Risks relating to the Issuer

1.3.1 Market and Economic Risks

The Issuer is subject to the general market and economic risks that may have a significant impact on the Group’s business. These include factors such as the level of demand of the Guarantor’s services, including a decrease in demand of the Services to be provided by the Guarantor to Schembri Infrastructure, a decrease in the demand for asphalt and concrete material generally, the number of tenders issued by the government for the construction of roads in Malta, the level of EU funding provided in relation to the construction of roads in Malta and fluctuations in interest rates. In the event that the general economic conditions experience a downturn which is not contemplated in the Issuer’s business plans, this shall have an adverse impact on the financial condition of the Issuer and its ability to meet its obligations under the Global Note.

1.3.2 Start-up Operation

Since the Issuer was incorporated on the 17th April 2014, it has no trading record or history of operations. It was set-up specifically for the purposes of acting as the financing arm of the Group and to issue the Global Note, as well as to grant the Loan to the Guarantor, which is a subsidiary of the Issuer. The investment by the Issuer in the Guarantor (by the subscription to all but one (1) share in the Guarantor) constitutes the Issuer’s main investment. Once the Loan

is granted to the Guarantor, the repayment of the Loan will constitute the main source of income of the Issuer. Therefore the Issuer is a start-up operation with all the attendant risks that start-up companies usually entail. These risks include the lack of financial stability and risks of costs exceeding revenues. In the event that these risks were to materialise, they could have a significant impact on the financial position of the Issuer.

1.3.3 Credit Risk

Credit risk is the risk that one party to a financial transaction might fail to discharge an obligation for borrowed money and cause the other party to incur a financial loss. The Issuer will grant the Loan to the Guarantor which entails exposure since the Guarantor may default on repaying the Loan which will affect the Issuer's capability of repaying the Global Note and interest thereon. The Issuer is dependent on the Loan repayments due by the Guarantor, which may be affected by factors beyond the Issuer's control. The operating results of the Guarantor shall have a direct effect on the Issuer's financial position and as such the risks intrinsic in the business and operations of the Guarantor shall have a direct effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Global Note when due.

1.3.4 Interest Rate Risk

The Issuer may be exposed to interest rate risk, which refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. An increase in interest rates may have a material adverse effect on its business, financial condition and operations.

1.3.5 The Guarantee

Payment of principal and accrued interest under the Notes will be guaranteed by the Guarantor, since the Guarantor will stand surety, jointly and severally with the Issuer, and shall guarantee the due and punctual payment of all amounts of principal and interest which may become due and payable by the Issuer to the Global Note Holder under the Global Note. It is possible that both the Issuer and the Guarantor may be unable to pay any principal amounts and accrued interest which may be outstanding under the Notes. In that respect, the Participation Note Holders assume the credit risk of both the Issuer and the Guarantor.

1.3.6 Absence of Audit Committee

The absence of an Audit Committee means that the Issuer may not have the optimal structures in place to enable it to scrutinise and evaluate any proposed transaction to be entered into between the Issuer and a related party (such as the Guarantor) and to ensure that any such transaction is carried out at arm's length and on a commercial basis as is recommended by the Corporate Governance Guidelines for Public Interest Companies.

1.3.7 Independent and Non-Executive Directors

The Issuer has only appointed one (1) independent and non-executive Director to the Board of Directors, namely Mr. Benjamin Muscat. Furthermore, Mr. Muscat is retained by the Group to assist the executive chairman and senior group executives in the development and implementing of Group strategy covering group organization, funding, business development and commercial

and legal matters but does not occupy an executive position within the Group. This state of affairs means that the shareholders of the Group are heavily represented in the Board of Directors of the Issuer, which position may give rise to conflicts of interest.

1.3.8 Issuer's Solvency

The Participation Note Holders assume the credit risk of the Issuer. In the case of insolvency of the Issuer, the Participating Note Holders may suffer direct and materially adverse consequences, including, deferral of interest and, if the Issuer were insolvent, the Participating Note Holders may suffer loss of their entire investment.

1.4 Risks relating to the Guarantor

1.4.1 Market and Economic Risks

The Guarantor is subject to the general market and economic risks that may have a significant impact on the Group's business. These include factors such as the level of demand of the Guarantor's services, including a decrease in demand of the Services to be provided to Schembri Infrastructure, a decrease in the demand for asphalt and concrete material generally, the number of tenders issued by the government for the construction of roads in Malta, the level of EU funding provided in relation to the construction of roads in Malta and fluctuations in interest rates and exchange rates. In the event that the general economic conditions experience a downturn which is not contemplated in the Guarantor's business plans, this shall have an adverse impact on the financial condition of the Guarantor and its ability to meet its obligations under the Global Note.

1.4.2 Start-Up Operation

The Guarantor was incorporated on 15th November 2012, and has a limited trading record and limited history of operations. It was set-up specifically for the purposes of manufacturing, storing and transporting asphalt and concrete material, for the provision of the Services to Schembri Infrastructure, for the provision of similar services to other third parties, and for the purchase of the Property. Therefore the Guarantor is a start-up operation with all the attendant risks that start-up companies usually entail. These risks include the lack of financial stability and risks of costs exceeding revenues. In the event that these risks were to materialise, they could have a significant impact on the financial position of the Guarantor.

1.4.3 Competitiveness of the Asphalt Producing Business

The asphalt and concrete storing, selling and producing business and the road construction industry in Malta are very competitive in nature. A decrease in the demands for asphalt and concrete material (and its storage) for road construction works, the lack of Government projects and/or EU funding in relation to the same road works could affect the level of demand of the Guarantor's services, including the demand of the Services to be provided to Schembri Infrastructure, the demand of asphalt and concrete material generally, which may all affect the Guarantor's financial operations and revenues. Also, the Guarantor has a number of competitors, some of which may have greater financial resources and may be more diversified than the Guarantor. If these risks were to materialise, they could have a material adverse impact on the Guarantor, and its ability to meet its obligations under the Global Note.

1.4.4 Reliance on Third Parties

The Guarantor may have to rely upon third-party service providers such as architects, suppliers, engineers, electricians, technicians and other contractors for the purposes of storing, transporting and producing the asphalt and concrete material and for the provision of the Services to Schembri Infrastructure, and for the provision of similar services to other parties, as well as for the management and running of the Property. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Guarantor's expectations and in accordance with their contractual obligations. If these risks were to materialise, the resulting delays could have an adverse impact on the Guarantor's business, and its respective financial condition, results of operation and prospects.

1.4.5 Reliance on Schembri Infrastructure

The main client of the Guarantor will be Schembri Infrastructure, which will pay the amounts due to the Guarantor in terms of the Services Agreement for the provision of the Services to be provided by the Guarantor. Schembri Infrastructure and the Guarantor form part of the same Group, since the majority of their share capital is indirectly held by the same person. The ability of the Guarantor to repay the Loan depends on the intra-group relationship that is present between the Guarantor and Schembri Infrastructure, especially the level of services required by Schembri Infrastructure from the Guarantor. The ability of the Guarantor to repay the Loan will have an impact on the ability of the Issuer to fulfil its payment obligations under the Global Note.

1.4.6 Credit Risk

Credit risk is the risk that one party to a financial transaction might fail to discharge an obligation and cause the other party to incur a financial loss. The Guarantor stores, transports and produces asphalt and concrete material and will provide the Services to Schembri Infrastructure, and will provide similar services to other entities, which entities use the same asphalt and concrete material for the construction of roads in Malta. This entails exposure since the debtor/s of the Guarantor may default on paying the Guarantor for the services provided by the Guarantor, which may affect the Guarantor's ability to repay the Loan, which may in turn affect the Issuer's capability of repaying the Global Note and interest thereon. Therefore, the Guarantor's operations are exposed to the risk of loss arising from a failure by any counter-party of the Guarantor to fully pay the Guarantor once it has provided any services to a counter-party. Negative changes in general business, economic or market factors may all have an additional adverse impact on the Guarantor's credit losses and future earnings.

1.4.7 Material Risks relating to the Asphalt Producing Business

The asphalt and concrete producing business and the road construction industry in Malta are very competitive in nature. A decrease in the demands for asphalt and concrete material for road construction works, the lack of Government projects and lack of EU Funding in relation to the same road works could affect the level of demand of the Guarantor's services, including a decrease in the demands of Services to be provided to Schembri Infrastructure, and the demand for the storage, transportation and sale of asphalt and concrete material generally, may all affect the Guarantor's financial operations and revenues. If these risks were to materialise,

they could have a material adverse impact on the Issuer and Guarantor, and their ability to repay the Global Note and interest thereon.

There are a number of factors that commonly affect the business related to the Services, the asphalt and concrete business generally and the road construction industry, many of which are beyond the Guarantor's control, and which could adversely affect the economic performance and value of the Guarantor's business. Such factors include:

- i. Changes in general economic conditions in Malta;
- ii. General industry trends, including the cyclical nature of the asphalt and concrete material business and the road construction industry;
- iii. Changes in local market conditions, such as a reduction in road construction projects and the subsequent decrease in demand for the Services and other services related to the asphalt and concrete industry;
- iv. Acts of nature, such as earthquakes and floods, that may delay road construction projects and could also result in a temporary decrease in the demands for the Services and other services related to the asphalt and concrete industry;
- v. Any material damages to the Plant, Machinery and Vehicles which may negatively affect the same Plant, Machinery and Vehicles to the extent that it would be inoperative and the Guarantor will not be able to produce or manufacture the required demand of asphalt and/or concrete for a period of time; and
- vi. Increased competition in the market segment in which the Guarantor competes.

Any of the factors described above could have a material adverse effect on the Guarantor's business, its respective financial condition and prospects and accordingly on the repayment of the Global Note and interest thereon.

Also, there can be no assurance that the Guarantor will be able to drive growth or enhance profitability to the extent desired in terms of its long-term business strategy.

1.4.8 Exchange Rate Risk

The Guarantor may be exposed to exchange rate risk, and can be impacted by transaction risk, which is the risk that the currency of the costs and liabilities of the Guarantor fluctuates in relation to the Euro being its reporting currency, which fluctuation may adversely affect its operating performance.

1.4.9 Interest Rate Risk

The Guarantor may be exposed to interest rate risk, which refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. An increase in interest rates may have a material adverse effect on its business, financial condition and operations.

1.4.10 Operational Risk

Operational risk events can be broadly categorised as: (a) losses arising from internal and external frauds, as well as human errors and omissions; (b) losses arising from loss of key personnel; (c) losses arising from technological failures, telecommunication problems and utility outages; and (d) losses arising from insurance arrangements not adequately addressing the risk these are intended to cover.

1.4.11 Guarantor's Solvency

The Participation Note Holders assume the credit risk of the Guarantor. In the case of insolvency of the Guarantor, the Participating Note Holders may suffer direct and materially adverse consequences, including, deferral of interest and, if the Guarantor were insolvent, the Participating Note Holders may suffer loss of their entire investment.

1.4.12 Concentration Risk

Concentration risk, which may occur both at the level of the Guarantor as well as the level of the Issuer and the Group, may arise because of the lack of diversification in business that may lead to excessive exposures or concentration in one counterparty or market/economic sectors and countries. This is relevant in relation to both the Issuer, which relies on the repayment of the Loan by the Guarantor, and to the Guarantor, which relies on the demands for Services from Schembri Infrastructure, which is the main client of the Guarantor.

1.5 Risks Relating to the Notes

An investment in the Participating Notes involves certain risks, including those set out below in this Section. In deciding whether to make an investment in the Participating Notes, 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 risks factors (not listed in order of priority) and other investment considerations, together with all the other information contained in this Prospectus.

1.5.1 No Assurance of Active Secondary Market for the Notes

The existence of an orderly and liquid market for the Participation Notes depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Participation Notes at any given time. The presence of a market is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Participation Notes will develop, or it will continue if one does develop. Furthermore, there can be no assurance that Participation Note Holders will be able to sell their Participation Notes at or above the price at which the Issuer issued the Participation Notes or at all. The trading value of the Participation Notes may also be impacted by other factors such as the time remaining for maturity of the Participation Notes, the outstanding amount of the Participation Note, and the level, direction and volatility of market interest rates generally.

1.5.2 Effect of Future Public offerings/Takeover/Merger Activity

No prediction can be made about the effect that any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the prevailing market price of any of the Participation Notes from time to time.

1.5.3 No prior market for the Notes

There has been no prior market for the Participation Notes within or outside Malta. Due to the absence of any prior market, there can be no assurance that the price at which the Participation Notes are issued will correspond to the price at which the Participation Notes will trade in the market. The market price of the Participation Notes could be subject to significant fluctuations in response to numerous factors, including the Issuer's and/or Guarantor's operating results and political and economic developments in or outside of Malta.

1.5.4 Interest Rates

Investment in the Participation Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Participation Notes.

1.5.5 Value of the Notes

The value of investments can rise or fall, and past performance is not necessarily indicative of future performance.

1.5.6 No Credit Rating

The Issuer and Guarantor have not sought the credit rating of an independent rating agency and there has been no assessment by an independent rating agency of the Notes.

1.5.7 Suitability

An investment in the Participating Notes may not be suitable for all recipients of this Prospectus and investors are urged to consult a licensed investment adviser licensed under the Investment Services Act as to the suitability or otherwise of an investment in any of the Notes before making an investment decision. An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Participating Notes and the inherent risks associated with the Issuer's and Guarantor's businesses. In the event that an investor in the Participating Notes does not seek professional advice and/ or does not read and fully understand the provisions of this Prospectus, there is a risk that the investor may acquire an investment that is not suitable for his or her profile.

1.5.8 Note Holder's Currency of Reference

A Participating Note Holder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Participating Notes and the Participating Note Holder's currency of reference, if different.

1.5.9 Modification and waivers by Note Holders' Meeting

In the event that the Issuer wishes to amend any of the Terms and Conditions or the Trust Deed, the Trustee shall ask for instructions from the Participation Note Holders in accordance with the provisions of the Terms and Conditions of the Participation Notes and the Trust Deed. These provisions permit defined majorities to bind all Participation Note Holders including Participation Note Holders who did not attend and vote at the relevant meeting and Participation Note Holders who voted in a manner contrary to the majority.

1.5.10 Change of Law

The Terms and Conditions 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.

1.5.11 Succession Currency Risk

Concerns over the European sovereign debt crisis could lead to the reintroduction of one of more Eurozone countries' national currencies. In a worst case scenario, the same concerns could result in the Euro being abandoned altogether. The occurrence of either of the above scenarios could adversely affect certain contractual relationships to which the Issuer and/or Guarantor are parties, both in terms of their ability to satisfy their obligations to counterparties and in terms of counterparties' abilities to satisfy their obligations to the Issuer and/or Guarantor, which would materially adversely affect their results of operations, business and financial condition.

1.5.12 Redemption of the Participation Note

The Issuer has the option to redeem the Global Note in whole or in part on any of the Early Redemption Dates, together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Participation Notes and there can be no guarantee that the Participation Note Holders may be able to re-invest proceeds of such redemption at equivalent or higher rates of return.

2. Persons Responsible

All of the Directors of the Issuer whose names appear under Section 5.16 of this Prospectus, namely, Mr. Francesco Schembri, Mr. Johan Farrugia, Mr. Edward Anthony Schembri and Mr. Benjamin Muscat, are the persons responsible for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors of the Issuer, who have taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import. The Directors of the Issuer accept responsibility accordingly.

3. Advisers and Statutory Auditors

3.1 Advisers

Legal Counsel	GANADO Advocates 171, Old Bakery Street, Valletta, VLT 1455, Malta.
Trustee	Ganado Trustees & Fiduciaries Limited 171, Old Bakery Street, Valletta, VLT 1455, Malta.
Placement Agent and Manager	Calamatta Cuschieri & Co Ltd. 3 rd Floor, Valletta Buildings, South Street, Valletta, Malta.
Investment Manager	Calamatta Cuschieri & Co Ltd. 3 rd Floor, Valletta Buildings, South Street, Valletta, Malta.
Corporate Finance Advisor	Deloitte Services Limited Deloitte Place, Mriehel Bypass, Mriehel, Birkirkara, BKR 3000, Malta.

3.2 Statutory Auditors

KRESTON MC MALTA
Suite 1, 141,
Balzan Valley,
Balzan, BZN 1404,
Malta.

KRESTON MC MALTA is a firm of Certified Public Accountants, holding a practising certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

4. Information about the Group, the Issuer and the Guarantor and Financial Information

4.1 The Issuer

4.1.1 Information about the Issuer

The legal and commercial name of the Issuer is Schembri Finance p.l.c. The Issuer is a public limited liability company, established and registered in Malta in terms of the Companies Act on 17th April, 2014 with company registration number C64755 and has its registered office at Schemson, Hal Far Road, Birzebbugia, BBG 9035 Malta. The telephone number of the Issuer is (+356) 21658152, while the fax number of the Issuer is (+356) 21658151. The Issuer was established for an indefinite period of time.

4.1.2 Business Overview

The Issuer was registered and incorporated for the purposes of acting as the finance arm of the Group and for the purposes of raising the Offer Amount through the issuance of the Notes.

4.1.3 Share Capital

The Issuer has an authorised share capital and issued share capital of five hundred thousand Euro (€500,000) divided into four hundred ninety nine thousand nine hundred and ninety nine (499,999) Ordinary A shares of one Euro (€1) each and one (1) Ordinary B share of one Euro (€1), fully paid-up. All 499,999 of the Ordinary A shares are owned by Schembri Holdings, while the one (1) Ordinary B share is owned by Mr. Francesco Schembri. The authorised share capital of the Issuer may be increased by an ordinary resolution of the shareholders in a general meeting.

The shares of the Issuer are not listed on the Malta Stock Exchange or on any other regulated market. Application has not been filed for the shares of the Issuer to be quoted on the Official List or the Alternative Companies List of the Malta Stock Exchange. The Directors of the Issuer have no intention of submitting an application for the admissibility of the Issuer's shares or the Notes to listing and subsequent trading on the Malta Stock Exchange.

The Issuer was registered on 17th April, 2014 with an issued share capital of fifty thousand Euro (€50,000). On the 27th May, 2014, the issued share capital of the Issuer was increased from fifty thousand Euro (€50,000) to five hundred thousand Euro (€500,000). Save for the capital issued on original subscription and the subsequent shares issued on 27th May, 2014, there is no capital of the issuer which has been issued during the time immediately preceding the publication of this Prospectus, nor is it expected that the Issuer issues, during the next financial year, any shares, whether fully or partly paid up, in consideration for cash or otherwise.

There are no shares of the Issuer which are currently under option, nor is there any agreement by virtue of which any part of the shares of the Issuer are to be put under option.

The majority of the issued share capital of the Issuer is held by Schembri Holdings. The presence of an independent non-executive Director on the Board of the Issuer aims to diminish the possibility of any abuse of control by its major shareholder. Furthermore, in terms of the Memorandum and Articles of Association of the Issuer, in the event that a Director has a personal material interest, either directly

or indirectly, in any contract or arrangement with the Issuer, such Director shall declare such an interest prior to voting on any decisions taken in connection therewith.

4.1.4 Memorandum and Articles of Association

In terms of Clause 4 of its Memorandum of Association, the principal objects of the Issuer are: (a) to carry on the business of the financing or re-financing of the funding requirements of the business of the Group of which the Issuer forms part of; (b) to issue notes, bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public; (c) to obtain loans, overdrafts, credits and other financial and monetary facilities without limit and otherwise borrow or raise money in such manner as the Issuer shall think fit, whether as sole borrower or jointly with other persons and/or severally, and to provide by way of security for the repayment of the principal and interest thereon and/or the fulfilment of any of the Issuer's obligations, a hypothec, pledge, privilege, lien, mortgage or other charge or encumbrance over the assets of the Issuer; and (d) to guarantee the obligations and/or the repayment of indebtedness of any person although not in furtherance of the Issuer's corporate purpose and whether or not the Issuer receives any consideration or derives any direct or indirect benefit therefrom, and to secure such guarantee by means of a hypothec, privilege, lien, mortgage, pledge or other charge or encumbrance over the assets of the Issuer. Clause 4 of the Memorandum of Association of the Issuer contains the full list of objects of the Issuer.

4.1.5 Financial Information

The Issuer was established on 17th April, 2014 and has no trading record (other than the entering into of the Trust Deed). No financial statements for the Issuer have been published. The Issuer shall prepare and maintain accounts in accordance with the standards required under the Companies Act. However, the following financial information sets out the assets and liabilities of the Issuer following the Offer and is based on the assumption that the Offer is fully subscribed:

Amounts in €'000s

ASSETS

The Loan	2,900
Issue Costs	100
Investment in the Guarantor	500
Total Assets	3,500

EQUITY

Share Capital	500
Total Share Capital & Reserves	500

INDEBTEDNESS

6% Secured Notes 2021-2024	3,000
Total Indebtedness	3,000

Total Capitalisation and Indebtedness	3,500
--	--------------

<u>GEARING RATIO (INDEBTEDNESS/TOTAL CAPITAL)</u>	86%
--	------------

Prior the issue of the Global Note, the Issuer has no loan capital or borrowings.

Other than the entering into of the Trust Deed, as at the date of this Prospectus the Issuer has not conducted any business and has no trading record, and therefore there is no historical financial information regarding the Issuer.

There has not been any significant change in the financial or trading position of the Issuer which has occurred since the date of its incorporation, and which are to a material extent relevant to the evaluation of the Issuer's solvency, other than the injection of further capital referred to under Section 4.1.3 above.

The Notes will be the first debt securities issued by the Issuer since the date of its incorporation.

4.2 The Guarantor

4.2.1 Information about the Guarantor

The legal and commercial name of the Guarantor is Schembri Asphalt Limited. The Guarantor is a private limited liability company, established and registered in Malta in terms of the Companies Act on the 15th November 2012, with company registration number C58219 and has its registered office at Schemson, Hal Far Road, Birzebugia, BBG 9035, Malta. The telephone number of the Guarantor is (+356) 21658152, while the fax number of the Guarantor is (+356) 21658151. The Guarantor was established for an indefinite period of time.

4.2.2 Business Overview

The principal activities of the Guarantor are the storing, transporting and manufacturing of asphalt and concrete material, the carrying out of all types of road works, the provision of the Services to Schembri Infrastructure and the provision of similar services to other entities. The principal market in which the Guarantor participates is the Maltese asphalt and concrete material market, and the local road construction industry. The Guarantor does not have any significant new products and/or services.

4.2.3 Share Capital

The Guarantor has an authorised share capital and issued share capital of five hundred two thousand and five hundred Euro (€502,500) divided into five hundred two thousand, four hundred and ninety nine (502,499) Ordinary A shares of one Euro (€1) each and one (1) Ordinary B share of one Euro (€1), fully paid-up. All 502,499 of the Ordinary A shares are owned by the Issuer, while the one (1) Ordinary B share is owned by Mr. Francesco Schembri.

The authorised share capital of the Guarantor may be increased by an ordinary resolution of the shareholders in a general meeting.

The shares of the Guarantor are not listed on the Malta Stock Exchange or on any other regulated market. Application has not been filed for the shares of the Guarantor to be quoted on the Official List or the Alternative Companies List of the Malta Stock Exchange. The Directors of the Guarantor have no intention of submitting an application for the admissibility of the Issuer's shares to listing and subsequent trading on the Malta Stock Exchange.

Save for the capital issued on original subscription and subsequently on the 6th June, 2014, there is no capital of the Guarantor which has been issued during the time immediately preceding the publication of this Prospectus, nor is it expected that the Guarantor issues, during the next financial year, any shares, whether fully or partly paid up, in consideration for cash or otherwise. There are no shares of the Guarantor which are currently under option, nor is there any agreement by virtue of which any part of the shares of the Guarantor are to be put under option.

The majority of the issued share capital of the Issuer is held by the Issuer. The presence of an independent non-executive Director on the Board of the Guarantor aims to diminish the possibility of any abuse of control by its major shareholder. Furthermore, in terms of the Companies Act, in the event that a Director has a personal material interest, either directly or indirectly, in any contract or arrangement with the Guarantor, such Director shall declare such an interest prior to voting on any decisions taken in connection therewith.

4.2.4 Memorandum and Articles of Association

In terms of Clause 3 of its Memorandum of Association, the principal objects of the Guarantor are: (a) to manufacture asphalt material and related products including all auxiliary products; (b) to carry out all types of road works, including patching, re-construction of roads and all other related types of road works; (c) to borrow or raise or secure the payment of money in such manner and upon such terms as the company shall deem fit; (d) to hypothecate, mortgage and charge the undertaking and all or any of the immoveable and moveable property and assets, present and future; and (e) to guarantee without limitation the obligation of third parties and to support such guarantee by the security of its assets including hypothecation of its immovable property or in any other manner whatsoever. Clause 3 of the Memorandum of Association of the Guarantor contains the full list of objects of the Guarantor.

4.2.5 Financial Information

The Guarantor was incorporated on 15th November 2012 and has published its first audited financial statements up to the 31 December 2013, a copy of which is available for inspection at the registered office of the Issuer. The financial information of the Guarantor is included in the audited financial statements for the period up to 31st December 2013. Set out below are highlights taken from the audit financial statements of the Guarantor up to 31st December 2013:

Item	Euro (€)
Total Assets	27,638
Total Liabilities	(30,428)
Equity	(2,790)
Loss Before Tax	(5,920)

The Guarantor's assets comprise a deposit paid upon registration of the Preliminary Agreement of Sale relating to the acquisition of the Property (€25,138) and cash in hand (€2,500). Liabilities comprise amounts payable to a related company (€29,928) and accrued expenditure (€500). The

Guarantor has not yet commenced operations and the financial results above are attributable to the initial set-up costs and the entering into of the Preliminary Agreement of Sale.

The following financial information sets out the assets and liabilities of the Guarantor to reflect the obtainment, by the Guarantor, of the Loan:

Amounts in €'000s

ASSETS

Property, Plant & Equipment	3,396
Total Assets	3,396

EQUITY

Share Capital	502
Loss Before Tax	6
Total Share Capital & Reserves	496

INDEBTEDNESS

The Loan	2,900
Total Indebtedness	2,900

Total Capitalisation and Indebtedness	3,396
--	--------------

<u>GEARING RATIO (INDEBTEDNESS/TOTAL CAPITAL)</u>	85%
--	------------

The financial results above are attributable to the limited amount of business and trading carried on by the Guarantor.

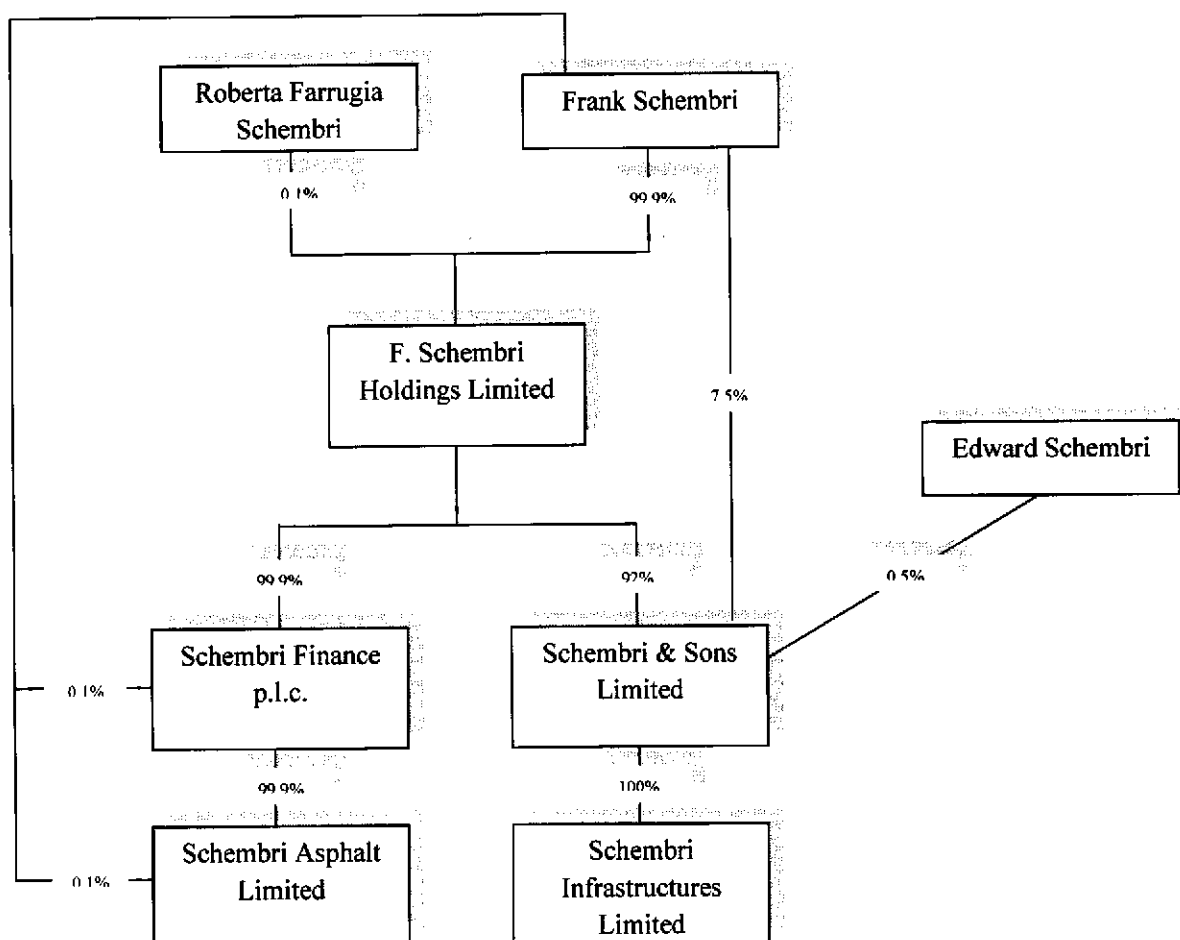
The Guarantor has no loan capital or borrowings. However, upon receipt by the Issuer of the Offer Amount, the Guarantor will enter into the Public Deed with the Issuer for the purposes of, *inter alia*, obtaining the Loan from the Issuer in the amount of €2,900,000 (two million and nine hundred thousand Euro).

Other than the Preliminary Agreement of Sale, the Trust Deed and the Maintenance and Works Agreement, the Guarantor has not conducted any business and has no trading record. Other than the capital injection referred to under Section 4.2.3 above, there has not been any significant change in the financial or trading position of the Guarantor which has occurred since the date of the latest audited accounts of the Guarantor, being the 31st December 2013.

4.3 Organisational Structure of the Group

4.3.1 The Schembri Group

A simplified organisation structure of the Group companies related to this Prospectus and to the issuing of the Notes is illustrated in the diagram below as at the date of this Prospectus:



The Schembri Group includes, amongst others, Schembri Holdings, the Issuer, the Guarantor, Schembri & Sons and Schembri Infrastructure. The Schembri Group is ultimately owned, predominantly, by Mr. Francesco Schembri.

Set-out below are consolidated financial information of the Group (excluding the Issuer and the Guarantor) taken from the audited financial statements of Schembri Holdings for the period up to 31st December 2012:

Item	Euro (€)
Revenue	23,994,041
Profit After Tax	392,337
Total Assets	38,362,289
Total Liabilities	(25,141,0510
Equity	13,221,238

4.3.2 F. Schembri Holdings Limited

F. Schembri Holdings Limited is a private limited liability company incorporated and registered in Malta in terms of the Companies Act, with registration number C17763 and having its registered at Schemson, tal-Barrani Road, Tarxien, TXN 9020, Malta. It has an authorised share capital of four thousand six hundred and fifty eight Euro and seventy five Euro Cents (€4,658.75) divided into two thousand ordinary shares of two Euro and thirty two nine three seven three Euro Cents (€2.329373) each and an issued share capital of one thousand one hundred and sixty seven Euro and two Euro Cents (1,167.02) divided into five hundred (500) Ordinary A Shares of two Euro and thirty two nine three seven three Euro Cents (€2.329373) each and one (1) Ordinary B Share of two Euro and thirty two nine three seven three Euro Cents (€2.329373). Schembri Holdings was established on the 9th of February 1995 to act as the holding structure of the Group. Schembri Holdings owns all but one (1) share in the Issuer. The shareholders of Schembri Holdings are Francesco Schembri (500 Ordinary A Shares) and Roberta Farrugia Schembri (1 Ordinary B Share).

Due to the substantial development and huge resources required for the different entities of the Schembri Group, it was decided that the subsidiary and associated entities forming part of the Schembri Group be consolidated with Schembri Holdings being the parent company of the Group. This eventually enabled sharing of resources and a more competitive platform for all the Group entities.

The head office of the Group and of Schembri Holdings is located in Hal-far, and the Group employs several administrative and technical staff which assist in the daily running of the Group entities. The Group continues to develop and venture further into other sectors besides the construction industry, including more recently the catering business.

4.3.3 Schembri Infrastructures Limited

Schembri Infrastructures Limited is a single member private exempt limited liability company incorporated and registered in Malta in terms of the Companies Act, with registration number C17388 and having its registered at Hal Far Road, Birzebbugia, Malta. It has an authorised and issued share capital of ninety three thousand one hundred and seventy four Euro and ninety two Euro cents (€93,174.92) divided into forty thousand (40,000) ordinary shares of two Euro and three two nine three seven three Euro cents (€2.329373) each, fully paid-up. It was established on the 29th December 1994 to: (a) carry out the business of a construction company in general, including but not limited to, develop, build, construct, act as turnkey contractor, reconstruct, renovate, alter, improve, decorate, enlarge, demolish, repair, maintain and furnish land, buildings, houses, flats, or any immovable property of any kind; (b) construct, reconstruct, renovate, alter, improve, decorate, enlarge, remove or replace, service and maintain roads of every description; and (c) do all such other things as may be deemed conducive or ancillary to the other objects of the company. The entire issued share capital is held by Schembri & Sons Limited (C4225), a limited liability company established and registered in Malta and having its registered office at Hal-Far Road, Birzebbugia, BBG 06, Malta.

Schembri Infrastructure, formerly known as General Road Servicing Limited, is a civil engineering company which provides road construction services to its clients. Schembri Infrastructure continues to make major investments in both modern machinery and human resources in order to keep up with modern market trends.

Since 1994, Schembri Infrastructures has been entrusted with numerous projects of different sizes and complexity, by a wide variety of entities. These projects range from the construction of rural and urban roads under the jurisdiction of local councils, to the construction of new arterial roads funded by the EU, as directed by the Malta Transport Authority. Amongst the services offered by Schembri Infrastructure, Schembri Infrastructure also performs infrastructural works for a number of service providers.

Schembri Infrastructure will be entering into the Services Agreement with the Guarantor, whereby the Guarantor will provide Schembri Infrastructure with certain services which will assist Schembri Infrastructure in carrying-on its business. The Services include: (i) the leasing of storage facilities of the Guarantor for the storage of asphalt and concrete material; and (ii) the leasing of certain equipment by the Guarantor to Schembri Infrastructure.

Set out below are highlights taken from the audited financial statements of Schembri Infrastructure for the period up to 31st December 2012.

Item	Euro (€)
Revenue	8,013,942
Profit After Tax	275,028
Total Assets	8,443,837
Total Liabilities	(6,457,449)
Equity	1,968,388

4.3.4 Schembri & Sons Limited

Schembri & Sons Limited, is a private a limited liability company duly registered and validly existing under the laws of Malta, having company registration number C4225 and having its registered office at Hal-Far Road, Birzebugia, Malta. Schembri & Sons was established the 25th October 1978.

It has an authorised share capital of one hundred and sixty three thousand and sixty six Euro and eleven Euro Cents (€163,056.11) divided into seventy thousand (70,000) shares of €2.329373 each. It has an issued share capital of one hundred and fifty one thousand, four hundred and nine Euro and twenty five Euro cents (€151,409.25) divided into sixty five thousand (65,000) ordinary shares of €2.329373 each, all fully paid-up. The issued share capital of Schembri and Sons is held in the following manner:

- i. Francesco Schembri – 4,900 shares;
- ii. Edward Schembri – 100 shares; and
- iii. F. Schembri Holdings Limited – 60,000 shares.

The main activity of Schembri & Sons is that of producing a wide range of building and civil engineering products, which include: ready mixed concrete, precast hollow concrete units, precast and

pre-stressed concrete roofing elements, precast concrete kerbs and various other structural precast elements.

Schembri & Sons has over twenty (20) years of experience in local private and public building projects, and the company currently operates from its factory premises in the Hal-Far Industrial Estate. Schembri & Sons operates a fully functional and professional staffed quality control laboratory that enables the regular testing of raw materials and manufactured products. It also allows testing of new materials and technological practices. Its other working divisions include: precast hollow concrete production, brick production, steel cutting and bending and precast fabrications.

4.4 Group Dependencies

The Issuer shall grant the Loan to the Guarantor for the purposes of financing the purchase, by the Guarantor, of the Property. The Issuer holds all but one (1) share in the Guarantor and has subscribed to and/or acquired 502,499 Ordinary A Shares in the Guarantor. Furthermore, the majority of the income of the Issuer will arise from the Loan repayments made by the Guarantor under the Loan, as well as from the dividends that may be declared and distributed by the Guarantor to the Issuer in terms of the Dividend Policy. Therefore, in order to pay the principal amount and interest due under the Global Note, the Issuer will be dependent on the Loan repayments made by the Guarantor to the Issuer under the Loan and on any declaration and distribution of dividends that may be made by the Guarantor to the Issuer.

The main client of the Guarantor will be Schembri Infrastructure, which will pay the amounts due to the Guarantor in terms of the Services Agreement for the provision of the Services to be provided by the Guarantor. Schembri Infrastructure and the Guarantor form part of the same Group, since the majority of both companies' share capital is indirectly held by the same person, namely Mr. Francesco Schembri. The proceeds and amounts to be received by the Guarantor from Schembri Infrastructure as payment for the Services provided by the Guarantor, shall be used, *inter alia*, for the purposes of repaying the Loan to the Issuer and for the declaration and distribution of dividends (if any) to the Issuer in terms of the Dividend Policy. The ability of the Guarantor to repay the Loan depends on the intra-group relationship that is present between the Guarantor and Schembri Infrastructure, especially the level of services required by Schembri Infrastructure from the Guarantor.

5. Important Information and Additional Information

5.1 Reasons for the Offer and Use of Proceeds

The Issuer is issuing the Global Note for the purposes of raising funds in the amount of €3,000,000 (three million Euro). Subsequently to the raising of the Offer Amount, the Issuer shall grant the Loan to the Guarantor in terms of the Public Deed, in terms of which, *inter alia*, the Issuer shall grant a two million and nine hundred thousand Euro (€2,900,000) loan to the Guarantor. The proceeds of the loan will be utilised by the Guarantor, together with its existing capital, to purchase the Property, make improvements, additions and carry out maintenance to the Property, as well as working capital to be used in relation to the Property.

Following the purchase of the Property, the Guarantor will provide the Services to Schembri Infrastructure in terms of the Services Agreement to be entered into between the Guarantor and Schembri Infrastructure. The proceeds and amounts received by the Guarantor from Schembri Infrastructure as payment for the Services provided by the Guarantor, shall be used for the repayment of the Loan to the Issuer and for the declaration and distribution of dividends to the Issuer in terms of the Dividend Policy. The loan repayments and dividends received by the Issuer from the Guarantor in terms of the Public Deed and the Dividend Policy respectively, will be utilised by the Issuer, *inter alia*, for the repayment of the Global Note.

5.2 The Loan

The Issuer is issuing the Global Note for the purposes of, *inter alia*, granting the Loan to the Guarantor by entering into the Public Deed, in terms of which, *inter alia*, the amount of two million and nine hundred thousand Euro (€2,900,000) shall be loaned by the Issuer to the Guarantor and shall be utilised, *inter alia*, for the purchase, by the Guarantor, of the Property. The Property consists of the Immovable Property, the Plant, Machinery and Vehicles and the Inventory, and will be used by the Guarantor for the purposes of producing, storing and transporting asphalt and concrete material. The Guarantor will provide the Services in relation to the asphalt and concrete material to Schembri Infrastructure in terms of the Services Agreement to be entered into between the Guarantor and Schembri Infrastructure. Schembri Infrastructure will use such asphalt and concrete material to carry out road construction works in Malta. The proceeds and amounts received by the Guarantor from Schembri Infrastructure as payment for the Services provided by the Guarantor, shall be used, *inter alia*, for the purposes of repaying the Loan to the Issuer and to declare and distribute dividends to the Issuer in terms of the Dividend Policy. The Guarantor will also be pursuing a policy of rendering similar services to other third parties outside the Group.

The interest rate payable under the Loan shall be fixed at a rate of eight per centum (8%) *per annum*. The principal amount of the Loan and interest accrued and unpaid under the Loan shall be repaid by the Guarantor to the Issuer in annual payments of *circa* four hundred and thirty two thousand Euro (€432,000) *per annum*.

The amounts due under the Global Note shall be repaid by means of: (i) the Loan repayments made by the Guarantor under the Loan; (ii) the dividend payments declared and distributed by the Guarantor to the Issuer in terms of the Dividend Policy; and (iii) the proceeds, returns and income received by the Issuer from the Securities Account.

5.3 The Guarantee

On or around the same time that the Issuer grants the Loan to the Guarantor, the Guarantor shall act as guarantor to the Issuer whereby the Guarantor will stand surety, jointly and severally with the Issuer, and shall irrevocably and unconditionally guarantee the due and punctual payment of all amounts of principal and interest which may become due and payable by the Issuer to the Global Note Holder under the Global Note, until the Global Note is redeemed. The Guarantor will be bound to pay all amounts of principal and interest due under the Global Note upon the Trustee demanding the same in writing, and the Guarantor shall be bound to pay the same notwithstanding that the Trustee has not first called upon the Issuer to pay such amounts.

As security for the purposes of the Guarantor standing as surety for the payment of all amounts of principal and interest under the Global Note, the Guarantor will constitute the Hypothecs in favour of the Trustee in terms of Section 5.4.1 below. The proceeds and amounts received by the Guarantor from Schembri Infrastructure as payment for the Services provided by the Guarantor shall be used, *inter alia*, for the purposes of repaying the Loan to the Issuer and to declare and distribute dividends (if any) to the Issuer in terms of the Dividend Policy. The loan repayments and dividends (if any) received by the Issuer from the Guarantor in terms of the Public Deed and the Dividend Policy respectively will be utilised by the Issuer, *inter alia*, for the repayment of the Global Note.

There are no conditions in the Guarantee which shall relieve the Guarantor from paying all amounts of principal and interest under the Global Note and the Guarantor shall not have any power of veto in relation to any changes to the Note Holders rights under the Notes and the Terms and Conditions.

5.4 Security

5.4.1 The Hypothecs

Other than certain hypothecs currently registered over the Hypothecated Immovable Property which shall be cancelled on or before the date of the Public Deed and the perpetual and annual ground-rent referred to under Section 5.5 below, the Hypothecated Immovable Property is otherwise unencumbered and there are no security interests registered over the Hypothecated Immovable Property. Pursuant to the Trust Deed, the Guarantor has agreed to constitute in favour of the Trustee for the benefit of the Participation Note Holders as beneficiaries, the Hypothecs, namely, a first ranking special hypothec over the Hypothecated Immovable Property and a first ranking general hypothec over all the assets, both present and future, of the Guarantor.

Accordingly, following the issue of the Global Note and application of the proceeds as set out above, the Trustee, for the benefit of the Participation Note Holders, will have the benefit of a special hypothec over the Hypothecated Immovable Property for the full amount of €3,000,000 (three million Euro) and interest thereon, in addition to the general hypothec over all the assets, present and future, of the Guarantor for the full amount of €3,000,000 (three million Euro).

5.4.2 Other Security and Collateral

For the purposes of securing the claim of the Trustee, on behalf of the Participation Note Holders, to the payment of the principal and interest under the Global Note, the Issuer shall:

1. On or around the same time as the issuing of the Global Note, enter into the Deposited Monies Pledge Agreement with the Trustee, whereby, *inter alia*, the Issuer shall constitute a pledge over the Deposited Monies in favour of the Trustee for the benefit of the Participation Note Holders;
2. On or around the same time as the issuing of the Global Note, enter into the Receivables Pledge Agreement with the Trustee, whereby the Issuer shall constitute a pledge over the Receivables in favour of the Trustee, for the benefit of the Participation Note Holders;
3. On or around the same time as the issuing of the Global Note, enter into the Securities Account Pledge Agreement with the Trustee, whereby the Issuer shall constitute a pledge over the Securities Account Assets in favour of the Trustee, for the benefit of the Participation Note Holders;
4. On or around the same time as the issuing of the Global Note, register the Special Privilege arising in its favour with the Maltese Public Registry, and the Issuer shall do all that is necessary to maintain the Special Privilege and it shall not release or waive it in any manner whatsoever;
5. Grant the Subordination in terms of article 1996A of the Civil Code, whereby the Issuer shall, upon registration by the Issuer of the Special Privilege, subordinate and/or postpone all its rights (including its rights of ranking) and remedies arising under the Special Privilege, in favour of the rights vesting in the Trustee under the Hypothecs granted by the Guarantor to the Trustee, for the benefit of the Participation Note Holders; and
6. In the event of an Acceleration by the Trustee, assign the Receivables, including the Special Privilege, to the Trustee, for the benefit of the Participation Note Holders.

5.5 The Property

The Loan granted by the Issuer to the Guarantor, in the amount of €2,900,000 (two million and nine hundred thousand Euro) shall be used, *inter alia*, by the Guarantor for the purposes of purchasing the Property. The Issuer has already increased its investment in the Guarantor by subscribing to an additional five hundred thousand (500,000) Ordinary A Shares of one Euro (€1) each, fully paid-up. The Guarantor entered into the Preliminary Agreement of Sale with the Vendor wherein, *inter alia*, the Guarantor has promised to buy, and the Vendor has promised to sell, the Property for the amount of €2,795,248.

The Property consists of the Immovable Property, the Plant, Machinery and Vehicles, and the Inventory. The respective acquisition costs of the Immovable Property, the Plant, Machinery and Vehicles, and the Inventory is indicated below:

1. €2,505,248 – purchase of the Immovable Property;
2. €140,000 – purchase of the Plant, Machinery and Vehicles; and
3. €150,000 – purchase of Inventory.

The Hypothecated Immovable Property is subject to an annual and perpetual ground rent of four hundred and sixty five euro and eighty eight cents (€465.88). Other than the above-mentioned annual and perpetual ground rent, the Hypothecated Immovable Property is being acquired with full-title.

Following the purchase of the Inventory by the Guarantor, the Guarantor will proceed to sell the same Inventory to Schembri Infrastructure for the amount of €150,000.

The Guarantor has already started carrying out certain maintenance, repairs and works in relation to the Immovable Property and the Plant, Machinery and Vehicles, and has entered into a Maintenance and Works Agreement with Schembri Infrastructure, in terms of which Schembri Infrastructure has agreed to provide certain services to the Guarantor in relation to the Immovable Property and the Plant, Machinery and Vehicles, in consideration for the payment of a fee by the Guarantor. The fee due by the Guarantor to Schembri Infrastructure for the provision of these services shall be that of *circa* five hundred thousand Euro (€500,000), which fee has already been paid by the Guarantor to Schembri Infrastructure.

In terms of the Architect's Report attached to this Prospectus and marked Annex 3, the Architect has valued the Hypothecated Immovable Property and certain parts of the Plant, Machinery and Vehicles at three million and five hundred thousand Euro (€3,500,000). The valuation given by the Architect in terms of the Architect's Report excludes the mechanical plant, tarmac plant and all other construction vehicles but applies to the Hypothecated Immovable Property and the other equipment and machinery as further described in the Architect's Report.

5.6 The Services Agreement

Following the purchase of the Property by the Guarantor, the Guarantor and Schembri Infrastructure will enter into the Services Agreement, whereby, *inter alia*, the Guarantor will provide certain services to Schembri Infrastructure, in consideration for the payment of certain fees. In terms of the same agreement, the Services to be provided by the Guarantor to Schembri Infrastructure will include:

- a. The provision of storage facilities for concrete and asphalt material; and
- b. The leasing of the batching plant, certain machinery and other equipment.

For the provision of the Services, Schembri Infrastructure will pay to the Guarantor the following fees:

- a. A fee which shall range on a ten (10) year basis from a minimum of €150,000 to a maximum of *circa* €189,000 *per annum* for the batching plant, machinery and other equipment leased to Schembri Infrastructure;
- b. A fee which shall range on a ten (10) year basis from a minimum of €300,000 to a maximum of *circa* €378,000 *per annum* for the storage by the Guarantor at its facilities of concrete and/or asphalt material owned by Schembri Infrastructure; and
- c. A variable throughput fee, which amount will include a minimum fixed fee and an additional fee which will vary depending on the amount of metric tons of concrete and/or asphalt material stored by Schembri Infrastructure at the Guarantor's facilities from time to time. The minimum fee to be charged by the Guarantor shall be €440,000 *per annum*, while the variable

fee to be charged by the Guarantor shall be that of thirty Euro (€30) per metric ton of concrete and/or asphalt material stored at the Guarantor's facilities from time to time.

The proceeds and amounts received by the Guarantor from Schembri Infrastructure as payment for the Services provided by the Guarantor, shall be used, *inter alia*, for the purposes of repaying the Loan to the Issuer and to declare and distribute dividends to the Issuer in terms of the Dividend Policy. The loan repayments and dividends received by the Issuer from the Guarantor in terms of the Public Deed and the Dividend Policy respectively, will be utilised by the Issuer, *inter alia*, for the repayment of the Global Note.

5.7 The Dividend Policy

In terms of the Memorandum and Articles of Association of the Guarantor, the holders of Ordinary 'A' Shares shall have the right to receive dividends and to participate in the profits of the Guarantor, while the holders of Ordinary 'B' Shares shall not have the right to receive any dividend or to participate in the profits of the Guarantor. Therefore in terms of the same Memorandum and Articles of Association, only the Issuer, as the holder of all the Ordinary A Shares of the Guarantor, shall be entitled to receive dividends from the Guarantor. Mr. Francesco Schembri, as the holder of the only one (1) Ordinary B Share, shall not be entitled to receive any dividends from the Guarantor.

The Guarantor shall pay a minimum annual gross dividend to the Issuer of one hundred and fifty thousand Euro (€150,000), provided that the Guarantor has sufficient profits to pay such a dividend and provided that no dividend shall be paid otherwise than out of the profits of the Guarantor available for distribution. The dividend paid by the Guarantor to the Issuer in terms of the Memorandum and Articles of Association of the Guarantor and in terms of this Section, shall be paid directly into the Pledged Account, which is pledged by the Issuer in favour of the Trustee in terms of the Deposited Monies Pledge Agreement. The dividends paid by the Guarantor to the Issuer in terms of this Section shall be used by the Issuer, *inter alia*, for the payment of the interest payments under the Global Note, for the payment of expenses and for transferring and crediting such excess cash and monies to the Securities Account in terms of Section 5.8 below.

5.8 The Securities Account

Amounts received by the Issuer from the Loan repayments made by the Guarantor in terms of the Public Deed and from the dividends received from the Guarantor in terms of the Dividend Policy, shall be paid to, and received in, the Pledged Account. Interest payments due under the Global Note on a bi-annual basis, as well as all operating costs and expenses of the Issuer, shall be paid and settled from the same Pledged Account. Any excess funds remaining at the end of any given financial year, following the payment of the interest payments due under the Global Note and payment of all operating costs of the Issuer, shall be transferred to the Securities Account which will be opened and maintained with the Investment Manager in terms of the Investment Management Agreement. All funds which may be transferred to the Securities Account shall be transferred on 1st January (or on such other date or dates as the Issuer, Investment Manager and Trustee may agree) of every year during which any amount under the Global Note is outstanding.

The Investment Manager shall, from time to time, invest and re-invest the monies, cash, balances, and all Securities Account Assets held in the Securities Account in such instruments and in such a manner as specified under the Investment Policy, for the purposes of accruing sufficient monies and cash for

the redemption of the Participation Notes on any of the Early Redemption Dates or at maturity on the Redemption Date.

The Investment Manager shall invest the Securities Account Assets in accordance with the Investment Policy. All income and gains made in relation to the investing of the Securities Account Assets shall be re-invested and rolled forward into the Securities Account.

All monies, cash, instruments, balances and Securities Account Assets held in the Securities Account shall be pledged by the Issuer to the Trustee, on behalf of the Participation Note Holders, in accordance with the Securities Account Pledge Agreement.

In the absence of unforeseen circumstances and subject to there being no material adverse changes in circumstances, the Directors of the Issuer are of the view that the excess cash and funds of the Issuer which shall be payable and credited by the Issuer to the Securities Account will be sufficient to cover the redemption of the Global Note at maturity on the Redemption Date.

5.9 The Investment Policy

The Investment Manager shall manage the Securities Account Assets with the objective of:

1. balancing risk and return such that the Securities Account Assets shall maximize a return over a ten (10) year period, while minimizing credit risk; and
2. managing portfolio term structure such that the Securities Account can be liquidated with minimal capital volatility upon Redemption of the Global Note.

The Investment Manager may only invest in Euro (€) denominated instruments, and may invest the Securities Account Assets solely in the following instruments: (1) money market instruments; (2) corporate bonds; (3) government bonds; (4) bond funds; and (5) equities.

The Investment Manager may not invest the Securities Account Assets in any instruments which are rated lower than BBB by Standard & Poor's, Moody's or Fitch.

5.10 Further Issues

The Issuer is at liberty, from time to time, and without requiring the consent of the Global Note Holder or any other person, to create and issue further bonds, notes, debentures or any other debt securities upon such terms as to status, interest, conversion, redemption and otherwise as the Issuer may, at the time of issue thereof, determine at its discretion.

5.11 Investments

5.11.1 Investments by the Issuer

Other than the Trust Deed, the Issuer is not party to any principal investments, and has not entered into or committed for any principal investments. However, upon the receipt by the Issuer of the Offer Amount, the Issuer will be entering into the Public Deed, for the purposes of, *inter alia*, granting the Loan to the Guarantor and constituting the Security in favour of the Trustee. The granting of the Loan will be financed through the issuing of the Notes and the receipt of the Offer Amount.

5.11.2 Investments by the Guarantor

Other than the Trust Deed, the Preliminary Agreement of Sale and the Maintenance and Works Agreement, the Guarantor is not a party to any principal investments, and has not entered into or committed for any principal investments subsequent to 31st December 2013, being the date of the latest audited financial statements of the Guarantor. However, upon the granting of the Loan by the Issuer to the Guarantor, the Guarantor will purchase the Property from the Vendor. The Guarantor will also be entering into a Services Agreement with Schembri Infrastructure, whereby, *inter alia*, the Guarantor will provide the Services to Schembri Infrastructure in consideration for the payment of the fees indicated thereunder. Furthermore, the Guarantor will enter into an Employee Secondment Agreement with Schembri Infrastructure, in terms of which, *inter alia*, certain employees of Schembri Infrastructure will be seconded to the Guarantor. The purchase of the Property by the Guarantor and the payment of the fees due under both the Maintenance and Works Agreement and the Employee Secondment Agreement will be funded as follows:

1. €2,900,000 – Loan granted by the Issuer to the Guarantor;
2. €502,500 – issued share capital of the Guarantor.

5.12 Trend Information and Trading Prospects

There have been no material adverse changes to the prospects of the Issuer since its date of incorporation, and there have been no material adverse changes to the prospects of the Guarantor since the date of its latest audited financial statements.

At the time of publication of this Prospectus, the Issuer and Guarantor consider that generally they shall be subject to the normal business risks associated with the industries in which the Issuer and Guarantors are involved, and, barring unforeseen circumstances, do not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the Issuer or Guarantor, at least up to the end of the next financial year.

5.13 Material Contracts

Other than the Trust Deed the Issuer has not entered into any material contracts that are not in the ordinary course of its business, which could result in any member thereof being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Note Holders in respect of the Notes.

Other than the Preliminary Agreement of Sale, the Trust Deed and the Maintenance and Works Agreement, the Guarantor has not entered into any material contracts, that are not in the ordinary course of its business, which could result in any member thereof being under an obligation or entitlement that is material to the Guarantor's ability to meet its obligations to Note Holders in respect of the Notes.

5.14 Related Party Transactions

Subsequently to the receipt by the Issuer of the Offer Amount, the Issuer shall grant the Loan to the Guarantor by entering into the Public Deed, in terms of which, *inter alia*, the Offer Amount shall be

transferred to the Guarantor by means of the Loan. Furthermore, the Issuer shall enter into the Deposited Monies Pledge Agreement with the Trustee and the Guarantor, in terms of which the Issuer shall constitute a pledge on the Deposited Monies in favour of the Trustee for the benefit of the Participation Note Holders.

The Guarantor shall, after purchasing the Property, enter into the following transactions with Schembri Infrastructure:

- a. a Services Agreement, in terms of which the Guarantor shall provide the Services to Schembri Infrastructure in consideration for the payment of certain fees; and
- b. an Employee Secondment Agreement, in terms of which certain employees of Schembri Infrastructure shall be seconded to the Guarantor in consideration for the payment of certain fees.

5.15 Litigation

There have not been governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Issuer or Guarantor are aware during the period covering 12 (twelve) months prior to the date of this Prospectus, which may have, or have had, in the recent past, significant effects on the financial position or profitability of the Issuer and/or Guarantor.

5.16 Directors and Senior Management

A board of directors manages each of the Issuer and Guarantor. The board of directors is responsible for the overall management of the said companies, establishing policy guidelines for the management thereof, including the responsibility of the appointment of all executive officers and other key members of management. The Board of Directors of both the Issuer and the Guarantor consist of Mr. Francesco Schembri, Mr. Edward Anthony Schembri, Mr. Johan Farrugia and Mr. Benjamin Muscat. Mr. Francesco Schembri, Mr. Edward Anthony Schembri and Mr. Johan Farrugia are the executive directors of the Issuer and Guarantor, while Mr. Benjamin Muscat is a non-executive director of the Issuer and Guarantor.

The business address of each director of the Issuer and the Guarantor is the registered office of the respective company on which the individual acts as director. The following are the respective curriculum vitae of the directors of the Issuer and the Guarantor:

1. **Mr. Francesco Schembri** – *Executive Director*:

Francesco Schembri has been involved in the construction business since an early age and has run the Schembri Group business since 1993. Francesco Schembri has vast experience in the trading and operation of heavy machinery and equipment.

Francesco Schembri has been responsible for the growth of the Group, as well as the establishment of the various Schembri Group entities throughout the years. This eventually led to further services being provided by the Group, including building and civil engineering, road works and mechanical and electrical services. A number of important projects have been carried out and are also currently in hand. The SGS Factory was perhaps one of the first major projects followed by a series of other EU funded projects both directly with Government entities and also in the private sector.

Francesco is the chairman of Schembri Holdings, which is the ultimate parent holding company of the Group, and which has a shareholding in several companies and joint ventures which carry on different businesses, ranging from demolition and civil works, building and construction, mechanical and electrical works and catering. He is the Chairman of the Board of Directors of Schembri Holdings.

2. Mr. Edward Anthony Schembri – Executive Director:

When joining the Schembri Group, Edward Anthony started working in the plant and vehicle maintenance division of the Group. He then assumed the position of foreman with Schembri Infrastructure and over the years worked his way up the organization and today runs all operations pertaining to Schembri Infrastructure.

Over the years Edward was responsible for a number of major roadwork contracts most of which were funded under the Italian Protocol Agreement with Malta or through EU Structural Funds. Amongst such works are the Hal Far Luqa road, Hal Far B' Bugia road, San Lawrenz, Ghajnsielem, Xlendi, Ta' Pinu roads in Gozo, and recently the Garibaldi Marsa/Luqa road and the December 13 Marsa underpass road network inaugurated in March 2014. Under Edward's direction, Schembri Infrastructure has also carried out major landscaping projects, including MIA Skyparks office complex surrounds, Pjazza San Gorg Valletta, the recently completed Senglea Waterfront and paving works at Fort St Elmo Valletta, presently underway.

Edward is a member of Schembri Group senior executive team and participates in board of directors meetings of the Schembri Holdings.

3. Mr. Johan Farrugia – Executive Director:

Johan Farrugia joined Schembri Holdings in 1994 initially as a project manager on pre-cast production and erection of pre-cast structural elements on various contracts awarded to the Group. From 2005 onwards Johan assumed responsibility for the complete delivery of major projects and contracts awarded to the Group subsidiary entities responsible for civil engineering works. From 2010 onwards, whilst retaining responsibility for the delivery of major contracts, he assumed responsibility of the tendering function within C&F Building Contractors Ltd.

Johan was responsible for pursuing the Group's diversification strategy into catering which today comprises three restaurants, namely: Ferretti Restaurant in Birzebbugia, The Exiles in Sliema and Haywharf Complex in Floriana.

Johan is the executive within the Group responsible for the implementation of ITC systems throughout the Group and for their ongoing management and improvement. Over the years Johan was responsible for a number of major civil works and turnkey contracts most of which were funded under EU Structural Funds. These works include the General Soft Drinks Factory in Marsa and MIA Skyparks in Gudja. Recently Johan was also appointed as project director on the National Interactive Science Centre in Bighi, currently underway.

Johan is a member of Schembri Holdings senior executive team and participates in board of director meetings of the team.

4. Mr. Benjamin Muscat – *Non-Executive Director*:

Benjamin Muscat is a Certified Public Accountant by profession (Fellow of the Association of Chartered and Certified Accountants – FCCA) with a long career in finance and management at senior executive positions. He has worked in various industry sectors including switchgear manufacturing, food production, beer and soft drink brewing and production and bottling, international fast food franchising, hospitality and timeshare, construction and real estate development, including marketing and selling luxury condominiums.

In his capacity as Chief Executive Officer of MIDI Plc a Maltese listed company, Benjamin was key in the development of the Tigne' Point Project, Malta, an iconic €300 million mixed use development comprising retail facilities, luxury residential complexes, office development, restoration and regeneration of heritage buildings, catering, 'well being' and leisure facilities, supporting car parking complexes, campus wide ICT infrastructure and extensive public spaces.

Benjamin was also instrumental in the promotion of the re-generation of part of Malta's historical Grand Harbor including the development of a cruise ship porting facility locally known as the Valletta Waterfront project. Today this project is a success story having, amongst other achievements, increased cruise passenger arrivals from 100,000 eight years ago to 600,000, making Malta one of the major cruise ship destinations in the Mediterranean.

He also has extensive experience in raising project specific funding via banking facilities, third party investment, private placements, issue of equity and debt instruments through retail offers subsequently listed on the Malta Stock Exchange. As of June 2012 is providing professional services as a freelance consultant.

5.17 Directors' Remuneration

In accordance with the Issuer's and Guarantor's respective Articles of Association, the remuneration of the directors shall from time to time be determined by the respective company in general meeting. Save for Mr. Benjamin Muscat, none of the Directors of the Issuer or Guarantor will be receiving emoluments for the financial period ending 31st December 2014. The aggregate emoluments receivable by Mr. Benjamin Muscat as the independent Director in the aforesaid period will amount to €6,000 in relation to the Issuer and €6,000 in relation to the Guarantor.

All Directors of the Issuer and Guarantor may be removed by an ordinary resolution of the respective shareholders in general meeting. The Directors currently in office are expected to remain in office at least until the next Annual General Meeting (as defined in the Memorandum and Articles of Association of the respective companies).

5.18 Conflicts of Interest

Mr. Francesco Schembri is a director of the Issuer, the Guarantor, Schembri Holdings and Schembri Infrastructure. Mr. Edward Anthony Schembri is a director of the Issuer, the Guarantor and Schembri Infrastructure. Mr. Johan Farrugia is a director of the Issuer, the Guarantor and Schembri Holdings. Mr. Benjamin Muscat is a director of both the Issuer and the Guarantor.

In view of the above roles and positions, the above-mentioned Directors may be subject to conflicts of potentially diverging interests of the companies that they are directors on.

In terms of the Companies Act, and the Memorandum and Articles of Association of the Issuer (in relation to the directors of the Issuer), in the event that a Director has a personal material interest, either directly or indirectly, in any contract or arrangement with the Issuer and/or Guarantor, such Director shall be required to declare such an interest to the board.

Mr. Benjamin Muscat is a free lance consultant and is retained by the Group to assist the executive chairman and senior group executives in the development and implementing of Group strategy covering group organization, funding, business development and commercial and legal matters but does not occupy an executive position within the Group. Mr. Muscat has been engaged and is currently similarly engaged by other parties for consultancy work involving capital projects, organizational and corporate restructuring exercises, corporate funding and advice on business processes. He also offers his services for appointment as an independent director on regulated and non-regulated entities. In this respect he holds directorship positions on a number of regulated collective investment schemes, a trust and fiduciary services provider and a credit institution, and has been appointed as a member of the investment committees of a number of self managed collective investment schemes, wherein he advises on real estate investment proposals. Mr Muscat is also approved by the MFSA for appointment as a money laundering reporting officer and is so appointed for two SICAVs of which he is also a member of the audit and risk committee. Mr. Muscat is also appointed as an independent director and company secretary on a number of non- regulated entities.

Although Ben Muscat assists the Group as a freelance consultant, he occupies a number of posts unrelated to the Group and is not reliant on the services he offers to the Group. On this basis the Directors of the Issuer are of the view that Mr. Muscat is independent from the Group and his existing relationship with the Group does not create a conflict of interest such as to jeopardise exercise of his free judgement, nor does it materially interfere with the exercise of his independent and impartial judgement.

To the extent known or potentially known to the Issuer and/or the Guarantor as at the date of this Prospectus, there are no other potential conflicts of interest between any duties of the directors of the Issuer and/or of the Guarantor and their private interests and/or their duties which require disclosure in terms of law.

5.19 Directors' Interests

Mr. Francesco Schembri has a direct and indirect interest in the Issuer, the Guarantor, Schembri Holdings, Schembri Infrastructure and Schembri & Sons, while Mr. Edward Schembri has a direct and indirect interest in Schembri & Sons and Schembri Infrastructure. In view of the above shareholdings, the Mr. Francesco Schembri and Mr. Edward Anthony Schembri may be subject to conflicts of potentially diverging interests of the companies that they are shareholders of. Save for the matters disclosed herein, there are no known potential conflicts of interests between any duties of any Directors of the Issuer and Guarantor and their private interests and/or other duties.

5.20 Loans to Directors

There are no loans outstanding by the Issuer and/or Guarantor to any of their respective Directors nor any guarantees issued for their benefit by the Issuer and/or Guarantor.

5.21 Board Practices

During the period since its incorporation to the date of this Prospectus, the Issuer has not complied with the requirements of the Corporate Governance Guidelines for Public Interest Companies (the “Code”) since the Issuer was not regulated by the Code due to the fact that it did not qualify as a public interest company (as defined in the Code). As a consequence of the present issue of the Notes, the Issuer will qualify as a public interest company and intends to support the Code and firmly believes that strong corporate governance will permit the Issuer to benefit from greater transparency in its activities as well as in its relations with the market, thereby enhancing integrity and confidence. Although the guidelines set-out in the Code are not mandatory, the Board has considered them to be in the best interests of the shareholders.

Ultimate responsibility for good corporate governance remains with the Directors who have therefore resolved to adopt the guidelines set-out in the Code and endorse them accordingly, except for those instances where particular circumstances exist that warrant non-adherence thereto, or at least postponement for the time being.

The Directors of the Issuer are of the view that, in light of the circumstances and particular business of the Issuer, the Issuer has a sufficient balance between, and mix of, executive and non-executive directors on the Board, in order for it to be in compliance with the Code.

In light of the fact that the same individuals are directors of both the Guarantor and the Issuer, it is not possible for the Issuer to comply with Guideline 8.2 of the Code regarding conflicts of interest, namely that directors should refrain from voting on a matter where they have an actual or potential conflict of interest. Compliance with Guideline 8.2 would result in a dead-lock situation for the Issuer since none of the directors would be able to vote at any board meeting, which is not in the interests of neither the Issuer, nor of the Note Holders. In any case, both the Issuer and the Guarantor will comply with the relevant provisions of the Companies Act regarding the declaration of an actual or potential conflict of interest during board meetings.

Due to the fact that the Guarantor is not a public interest company (as defined in the Code) it does not comply with the Code.

It is envisaged that board meetings will be held on a quarterly basis. Mr. Benjamin Muscat was appointed by the board of directors as the non-executive director who is independent from the Issuer and the Group.

5.22 Employees

As at the date of this Prospectus, the Issuer and Guarantor have no employees. The Issuer will therefore be reliant on the resources which are made available to it by the Group, including the services of the Group’s administrative staff.

The Guarantor will enter into an Employee Secondment Agreement with Schembri Infrastructure, in terms of which the certain employees of Schembri Infrastructure will be seconded to the Guarantor, subject to the payment of certain fees as further described therein.

5.23 Third Party Information and Statements by Experts

Save for the Architect's Report in Annex 3, this Prospectus does not contain any statement or report attributed to any person as an expert. The Architect's Report has been included in the form and context in which it appears with the authorisation of the Architect, who has given and has not withdrawn his consent to its inclusion herein. The Issuer confirms that the Architect's Report has been accurately reproduced in this Prospectus and that there are no facts which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading. The Architect does not have any beneficial interest in the Group, the Issuer, the Guarantor, Schembri Holdings, Schembri Infrastructure or Schembri & Sons.

5.24 Reference Documents

The following Reference Documents are incorporated by reference into this Prospectus and are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the Issuer's registered office for the duration of this Prospectus:

- a The Memorandum and Articles of Association of the Issuer;
- b The Memorandum and Articles of Association of the Guarantor; and
- c The audited financial statements of the Guarantor up to 31st December 2013.

5.25 Documents on Display

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excluded) at the offices of the Issuer at Schemson, Hal Far Road, Birzebbugia, BBG 9035, Malta, for the duration of this Prospectus:

- a. This Prospectus;
- b. The Memorandum and Articles of Association of both the Issuer and the Guarantor;
- c. The audited financial statements of the Guarantor up to 31st December 2013;
- d. The Trust Deed;
- e. The Security Documents (to be executed);
- f. The Architect's Report; and
- g. The Services Agreement (to be executed).

6. Global Note and Participation Notes

6.1 Details of the Global Note and Participation Notes

The Issuer is making an offer to the public by the issuing of the Global Note and by the participation in the Trust Property through the issuance of Participation Notes. The Global Note shall be issued by the Issuer to the Trustee, and held by the Trustee on trust for the benefit of Participation Note Holders, which, together with the Undertakings granted to, and the Security to be constituted in favour of, the Trustee, shall constitute the Trust Property.

The Global Note represents a principal amount of €3,000,000 (three million euro) due by the Issuer to the Trustee under the terms and conditions of the Global Note. The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Trustee for the benefit of the Participation Note Holders.

The Global Note is redeemable on the Redemption Date PROVIDED THAT the Issuer reserves the right to redeem part or all of the Global Note in whole or in part on an Early Redemption Date by announcing at least thirty (30) Business Days prior to such Early Redemption Date. Early redemptions may be made by the Issuer provided that any partial redemption made in accordance with the Terms and Conditions of the Offer is a minimum amount of five hundred thousand Euro (€500,000) and in multiples of ten thousand Euro (€10,000) thereafter together with any interest accrued up to the date fixed for redemption.

The Participation Notes constituted by means of the Trust Deed represent participations in the Trust Property corresponding to the amount stated in the Participation Notes, and represent also the proportionate entitlement of a Participation Note Holder to the rights over the Trust Property, including in particular the Participation Note Holder's entitlement to receive the repayment of any amounts due under the Global Note. By subscribing to the Participation Notes, the Participation Note Holder acknowledges and accepts that all enforcement action against the Issuer and/or Guarantor shall vest in the Trustee, and the Participation Note Holder shall not have the right to make any claim against the Issuer and/or Guarantor other than through the Trustee. By subscribing to the Participation Notes, the Participation Note Holder irrevocably authorises the Trustee for and on its behalf to exercise such rights, powers and discretions as are specifically delegated to it by the terms of the Trust Deed and this Prospectus, together with all such rights, powers and discretions as are incidental thereto, and to give a good discharge for any moneys payable under the Global Note.

The Global Note will be issued in registered and certificated form and will not be issued in bearer form and is issued and created in terms of the Companies Act. The Global Note may only be transferred by the Global Note Holder to a trustee that is duly licensed in terms of the Trusts and Trustees Act. The Global Note is denominated in Euro (€).

The issuance of the Global Note has been duly authorised by a resolution of the Board of Directors of the Issuer on the 28th May 2014 by virtue of the power contained in the Memorandum of Association.

The Notes will not be listed on the Malta Stock Exchange or on any other regulated market. Application has not been filed for the Notes to be quoted on the Official List or the Alternative Companies List of the Malta Stock Exchange. The Directors of the Issuer have no intention of

submitting an application for the admissibility of the Notes to listing and subsequent trading on the Malta Stock Exchange or any other regulated market.

6.2 Description of the Offer

The Offer by the Issuer consists of the issue of €3,000,000 (three million euro) six per cent (6%) Secured Notes 2021-2024, to be issued to the Trustee pursuant to and under the Terms and Conditions of the Global Note. Investors can participate in the Trust Property by virtue of the subscription to Participation Notes.

The Participation Notes relating to the Global Note shall be available for subscription during the Subscription Period on a first-come-first-served basis. Such subscription shall be for an amount of €3,000,000 and the Issuer shall make use of such proceeds in the manner set out in Section 5.1 above.

The Subscription Period shall close immediately upon attaining full subscription. The Issuer has not established an aggregate minimum subscription level for the Global Note. Accordingly, in the event that the Participation Notes representing the rights and interests of the Participation Note holders in the Global Note are not fully subscribed, the subscribed portion of the Global Note shall be allocated in accordance with the terms of the Terms and Conditions of the Participation Notes.

6.3 Interest

Interest on any amounts outstanding under the Global Note shall accrue at the rate of six per cent (6%) *per annum*.

Unless previously redeemed, purchased and cancelled in accordance with these Terms and Conditions of the Global Note, interest shall be payable bi-annually in arrears on 15th September in each year between the years 2015 and 2024, both years included, and on 15th March in each year between the years 2015 and 2024, both years included. The first interest payment on 15th March 2015 shall cover the period 1st October 2014 to 14th March 2015, both days included. Thereafter, interest shall be payable bi-annually in arrears on 15th September in each year between the years 2015 and 2024, both years included and on 15th March in each year between the years 2016 and 2024, both years included. However, any Interest Payment Date which falls on a day other than a Business Day will be carried over to the following day that is a Business Day.

The Global Note shall cease to bear interest from and including the Redemption Date, including an Early Redemption Date, unless, upon due presentation, payment of the principal in respect of the Global Note is improperly withheld or refused, or unless the Issuer defaults in respect of payment, in which event interest shall continue to accrue at the greater of six per cent (6%) or at the rate of two per cent (2%) *per annum* above the European Central Bank's refinancing rate, but in any event not in excess of the maximum rate of interest allowed by Maltese law.

For the avoidance of doubt, when interest is payable for a period of less than one (1) year, it shall be calculated on the basis of the actual number of days elapsed and a year of 365 (three hundred sixty five) days.

Any claim to be brought by the Trustee against the Issuer and/or the Guarantor for the payment of principal and interest due under the Global Note shall be barred by the lapse of five (5) years in accordance with the provisions of Article 2156 of the Civil Code.

6.4 Maturity and Redemption

The Global Note will be redeemed at par on 15th September 2024 unless previously redeemed at the option of the Issuer upon an Early Redemption Date in accordance with the Terms and Conditions of the Global Note. Partial redemptions are allowed between 15th September, 2021 and 14th September, 2024 (both days included) provided that any partial redemption is made in accordance with the Terms and Conditions of the Global Note at a minimum amount of five hundred thousand Euro (€500,000) and in multiples of ten thousand Euro (€10,000) thereafter together with any interest accrued up to the date fixed for redemption.

In the event that the Issuer redeems the Global Note in part, the Trustee shall redeem an equivalent amount of Participation Notes. The Trustee shall pay to the Participation Note Holder concerned the nominal value of that Participation Note Holder's Participation Notes and accrued and unpaid interest thereon. Upon an early redemption, the Participation Notes shall be cancelled in whole or in part. The Participation Note Holder shall hand over the Participation Note, and in the case of a redemption in part receive a new Participation Note stating the new amount of the Participation Note.

Each Participation Note Holder may, even before any Early Redemption Date, apply to the Trustee to have his participation in the Global Note or part thereof cancelled. The Trustee may accede to such request by a Participation Note Holder and cancel a Participation Note (whether in whole or in part) on any Early Redemption Date, but shall be under no obligation so to do.

6.5 Status and Security and Negative Pledge

The payment of the Global Note and interest thereon shall at all times constitute the direct and unconditional payment obligations of the Issuer and shall be secured by the Pledges in terms of the Pledge Agreements. The repayment of the principal amount of the Global Note and interest thereon is to be guaranteed by the Guarantor, whereby the Guarantor shall stand as surety, jointly and severally, and shall irrevocably and unconditionally guarantee the payment of all amounts of principal and interest which may become due and payable by the Issuer to the Trustee under the Global Note. The repayment of the principal amount of the Global Note and interest thereon is to be secured by a first ranking general hypothec over all the assets, present and future, of the Guarantor and by a first ranking special hypothec over the Hypothecated Immovable Property constituted by the Guarantor. The repayment of the principal amount of the Global Note and interest thereon is to be further secured by: (i) a pledge over the Deposited Monies granted by the Issuer in favour of the Trustee for the benefit of the Participation Note Holders in terms of the Deposited Monies Pledge Agreement; (ii) a pledge over the Receivables granted by the Issuer in favour of the Trustee for the benefit of the Participation Note Holders in terms of the Receivables Pledge Agreement; and (iii) a pledge over the Securities Account Assets granted by the Issuer in favour of the Trustee for the benefit of the Participation Note Holders in terms of the Securities Account Pledge Agreement. In virtue of the Security to be constituted, the Notes shall enjoy privileged ranking status on those assets subject to the Security and shall rank above other creditors of the Issuer and Guarantor in relation specifically to those assets subject to the Security. In relation to the other assets of the Issuer which are not subject to the Security or to any Security Interest, the Note Holders shall rank *pari passu* with other unsecured creditors of the Issuer.

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer may incur additional indebtedness or grant guarantees in respect of the indebtedness of third parties.

The Guarantor undertakes, for as long as any principal or interest under the Global Note remains outstanding, to be bound by a negative pledge, in that the Guarantor shall not create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future assets or revenues, to secure any Financial Indebtedness of the Guarantor, unless at the same time or prior thereto the Guarantor's indebtedness under the Global Note, shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

6.6 Rights of Participation Note Holders

The Participation Note Holders have the benefit of the Undertakings granted to, and the Security constituted in favour of, the Trustee, in terms of the Trust Deed.

Investors wishing to participate in the Global Note will be able to do so by duly subscribing to the Participation Notes. Subscription to the Participation Notes will entitle such investor to:

- a. Participate in the Trust Property with respect to the rights and benefits under the Global Note and the Trust Deed in the proportion that the amount of that subscription constitutes in relation to the face value of the Global Note;
- b. Have his/her name entered in the Register of Participation Note Holders by the Trustee as a beneficiary in the Trust Property;
- c. Receive from the Trustee an acknowledgement of his/her interest in the Trust Property by the issue of a Participation Note; and
- d. All such rights and benefits applicable to the Participation Notes as set out in the Terms and Conditions of the Participating Notes and Trust Deed.

Upon subscription to the Participation Notes, an investor will also be bound by and be deemed to have notice of, all the provisions of the Trust Deed, the Prospectus and the Terms and Conditions.

The Participation Notes shall entitle the Participation Note Holders to rank *pari passu* according to the rights and interests held by each Participation Note Holder in the Trust Property as evidenced by the Register of Participation Note Holders.

6.7 Participation Notes

Participation Notes are transferable certificates issued by the Trustee to a Participation Note Holder acknowledging the interest of the Participation Note Holder named therein in the Trust Property and evidences an entry in the Register of Participation Note Holders held by the Trustee. The Participation Notes will be issued in registered form and will not be issued in bearer form. The Participation Notes will be denominated in Euro (€) and will be issued and created in terms of the Companies Act. Any Participation Note issued by the Trustee in favour of a single or joint Participation Note Holder shall be for an amount not below one thousand Euro (€1,000) and in multiples of one thousand Euro (€1,000) each, and shall be for an amount not exceeding the Offer Amount.

6.8 The Trustee

The Issuer and Guarantor have entered into the Trust Deed as settlors, pursuant to which the Trustee has been appointed to hold the Trust Property on trust for the benefit of the Participation Note Holders in accordance with the provisions of the Trust Deed.

The Trustee will be the legal owner of the Trust Property which consists of the Undertakings, the Security and all the rights and benefits emanating from the Trust Deed. The Security will be vested in the Trustee for the benefit of the Participation Note Holders in proportion to their participation. The Trustee recognises the interests of the Participation Note Holders in the Trust Property and in effect holds the Trust Property in the interest of and acts for the benefit of the Participation Note Holders under the Trust Deed.

The Trustee's role includes the status of the Trustee to enforce all the rights under the Participation Notes and the Trust Deed as well as to hold the Trust Property for the benefit of the Participation Note Holders. As the legal owner of the Global Note and all rights attaching thereto the Trustee will receive all payments of interest for distribution to the Participation Note Holders. The Trustee will also hold and have registered in its name, but for the benefit of the Participation Note Holders, the Security.

6.9 Distribution and Allotment

The Issuer has appointed Calamatta Cuschieri & Co. Limited as Placement Agent and Manager for the purposes of this Offer and interested investors may contact the Placement Agent and Manager for the purposes of subscribing to Participation Notes as from 29th September 2014 up until 30th September 2014. Such a period may be extended by a further seven (7) Business Days. Subscription to the Participation Notes must be accompanied by the full price of the Participation Notes applied for in Euro (€) and in cleared funds at the Issue Price. Payment may be made either in cash or by cheque payable to 'Calamatta Cuschieri & Co. Limited'. In the event that cheques are not honoured on their first presentation, the Issuer and the Placement Agent and Manager reserve the right not to issue the Participation Note/s to the interested investor.

By not later than 1st October 2014, the Issuer shall announce the results of the Offer through a press release in at least one (1) local newspaper.

The Participation Notes are expected to be issued and mailed to the subscribers on 1st October 2014 ("**Expected Offer Date**"). Dealing in the Participation Notes may not commence prior to the said notification.

6.10 Taxation

6.10.1 General

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

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

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Notes from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

6.10.2 Malta Tax on Interest

To the extent that interest is payable in respect of a Note which is the subject of a public issue, unless an Investor otherwise instructs, or if the Investor does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act, (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).

Investors who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply. This withholding tax is considered as a final tax and a Maltese resident individual Investor need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. Nevertheless, a Maltese resident individual Investor may alternatively declare the gross interest in the tax return, in which case such income would be assessed at the standard rates of tax applicable to that person, and the tax so withheld would be available as a credit against the individual’s tax liability or for a refund as the case may be.

In the case of a valid election made by an eligible Investor resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case the Inland Revenue would be notified on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. Any such election made by a resident Investor at the time of subscription may be subsequently changed by a notice given in writing. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Investors who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

6.10.3 European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Revenue who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

6.10.4 Maltese Taxation on Capital Gains and Transfer of Notes

On the assumption that the Notes would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, no tax on capital gains is chargeable in respect of transfer of the Notes.

6.10.5 Duty on Documents and Transfers

On the assumption that the Notes would fall within the definition of “marketable securities” in terms of article 2 of the Duty on Documents and Transfers Act, which includes, “any share, stock, debenture, bond and any interest in any company or corporation and any document representing the same”, duty should be levied on a transfer of the Notes, at an effective rate of 2% or 5%.

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

6.11 Consent to Financial Intermediaries

The Issuer has given its express written consent to the Placement Agent and Manager for the use of this Prospectus by the same Placement Agent and Manager for the purposes of final placement and/or subsequent resale of the Notes. The Issuer accepts full responsibility for the content of this Prospectus also with respect to any subsequent resale or final placement of the Notes by the Placement Agent and Manager.

The Placement Agent and Manager may use the Prospectus for a period of three (3) months which period shall commence from 18th September 2014. Any final placement and/or subsequent resale of the Notes by the Placement Agent may be carried out between the period of 29th September 2014 to 30th September 2014, both days included, which period may be extended by the Issuer by a further seven (7) Business Days.

The Placement Agent and Manager will only be permitted to use this Prospectus in the Republic of Malta, and shall not be permitted to use it in any other Member State or any jurisdiction other than the Republic of Malta.

There are no other clear and objective conditions attached to the consent given by the Issuer to the Placement Agent and Manager which are relevant for the use of this Prospectus.

Calamatta Cuschieri & Co. Limited, a private limited liability company duly registered and validly existing under the laws of Malta with company registration number C13729 and with its registered office at 3rd Floor, Valletta Buildings, South Street, Valletta, Malta (the “**Placement Agent and Manager**”) is the only financial intermediary that is permitted to use this Prospectus.

Any new information with respect to any additional financial intermediaries (other than the Placement Agent and Manager) who can use this Prospectus will be published and may be found at the Issuer's registered office which is situated at Schemson, Hal Far Road, Birzebbugia, BBG 9035, Malta.

All information on the Terms and Conditions of the Notes which are offered to any investor by the Placement Agent and Manager is to be provided by the Placement Agent and Manager to the investor prior to the investor subscribing to any Notes. Any interested investor has the right to request that the Placement Agent and Manager provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Notes.

The Placement Agent and Manager and any other financial intermediaries using this Prospectus (if applicable) are required to clearly state on their website that they are using this Prospectus in accordance with the consent given by the Issuer, and the conditions arising in terms of this Section 6.11 of this Prospectus.

6.12 Offer Expenses

Professional fees, management, placing and all other miscellaneous costs related to the Offer are estimated to not exceed one hundred thousand Euro (€100,000), and shall be borne by the Issuer out of the Offer Amount.

Annex 1

7. Terms and Conditions of the Global Note

7.1 Applicability of the Terms and Conditions of the Global Note

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €3,000,000 6% GLOBAL NOTE, ISSUED BY SCHEMBRI FINANCE PLC (THE “ISSUER”) IN TERMS OF THESE TERMS AND CONDITIONS AND THE TRUST DEED.

THE ISSUE OF THE GLOBAL NOTE IS BEING MADE SUBJECT TO THE PROVISIONS OF THESE TERMS AND CONDITIONS AND OF THE TRUST DEED DATED 12TH JUNE 2014 (HEREINAFTER REFERRED TO AS THE “TRUST DEED”). A PARTICIPATION NOTE HOLDER AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE GLOBAL NOTE IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THESE TERMS AND CONDITIONS, THE PROSPECTUS AND THE TRUST DEED AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THESE TERMS AND CONDITIONS, THE PROSPECTUS AND THE TRUST DEED AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT HEREIN, IN THE PROSPECTUS AND THE TRUST DEED.

ALL TERMS USED HEREIN SHALL, UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED, HAVE THE SAME MEANINGS ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE TRUST DEED. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THESE TERMS AND CONDITIONS AND OF THE TRUST DEED AND/OR THE PROSPECTUS, THESE TERMS AND CONDITIONS SHALL APPLY TO THE EXTENT OF THE CONFLICT OR INCONSISTENCY.

7.2 General, Currency, Denomination, Form and Title

7.2.1 General

The Global Note shall be constituted by the entry made by the Issuer of the Global Note Holder in the Register of Global Note Holders of the issuance of the Global Note. The issuance of the Global Note has been duly authorised by a resolution of the Board of Directors of the Issuer on the 28th May 2014 by virtue of the power contained in the Memorandum of Association.

The Global Note shall be issued to the Trustee, on trust for the benefit of the Participation Note Holders, which together with the Undertakings granted, and the Security to be constituted, in favour of the Trustee, shall constitute the Trust Property.

The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Trustee on behalf of the Participation Note Holders.

Unless previously redeemed, purchased and cancelled, the Global Note shall be redeemable at the nominal value including accrued but unpaid interest on the Redemption Date, subject to the Issuer's option to redeem all or part of the Global Note at any time between 15th September, 2021 and 14th

September, 2024 (both days included) in whole or in part, on giving not less than thirty (30) Business Days prior notice to the Trustee. In making an early redemption as aforesaid, the Issuer reserves the right to adopt such redemption policy as it may consider appropriate at its sole discretion.

7.2.2 Currency and Denomination

The Global Note issued by the Issuer shall be issued in Euro in the aggregate principal amount of €3,000,000 (three million Euro).

7.2.3 Form and Title

The Global Note shall be issued in fully certificated and registered form, without a coupon. The Global Note shall be issued to the Trustee for the Offer Amount and the Trustee shall be entered in the Register of Global Note Holders as the holder of the Global Note. The Trustee shall hold the Global Note on trust for the benefit of the Participation Note Holders which, together with the Undertakings granted, and the Security to be constituted, in favour of the Trustee, shall constitute the Trust Property.

The Global Note may only be transferred by the Global Note Holder to a trustee that is duly licensed in terms of the Trusts and Trustees Act.

7.3 Status of the Global Note and Negative Pledge

The payment of the Global Note and interest thereon shall at all times constitute the direct and unconditional payment obligations of the Issuer and shall be secured by the Pledges in terms of the Pledge Agreements. The repayment of the principal amount of the Global Note and interest thereon is being guaranteed by the Guarantor, whereby the Guarantor shall stand as surety, jointly and severally with the Issuer, and shall irrevocably and unconditionally guarantee the payment of all amounts of principal and interest which may become due and payable by the Issuer to the Trustee under the Global Note. The repayment of the principal amount of the Global Note and interest thereon is to be secured by a first ranking general hypothec over all the assets, present and future, of the Guarantor and by a first ranking special hypothec over the Hypothecated Immovable Property. The repayment of the principal amount of the Global Note and interest thereon is to be further secured by: (i) a pledge over the Deposited Monies granted in terms of Deposited Monies Pledge Agreement; (ii) a pledge over the Receivables granted in terms of the Receivables Pledge Agreement; and (iii) a pledge over the Securities Account Assets granted in terms of the Securities Account Pledge Agreement. In virtue of the Security to be constituted, the Notes shall enjoy privileged ranking status on those assets subject to the Security and shall rank above other creditors of the Issuer and Guarantor in relation specifically to those assets subject to the Security. In relation to the other assets of the Issuer which are not subject to the Security or to any Security Interest, the Note Holders shall rank *pari passu* with other unsecured creditors of the Issuer.

There is no restriction on the amount of debt which the Issuer may issue or guarantee. The Issuer may incur additional indebtedness whatsoever or grant guarantees in respect of indebtedness of third parties.

The Guarantor undertakes, for as long as any principal or interest under the Global Note remains outstanding, to be bound by a negative pledge, in that the Guarantor shall not create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its

present or future assets or revenues, to secure any Financial Indebtedness of the Guarantor, unless at the same time or prior thereto the Guarantor's indebtedness under the Global Note, shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

7.4 Interest

Interest on any amounts outstanding under the Global Note shall accrue at the rate of six per cent (6%) *per annum*.

Unless previously redeemed, purchased and cancelled in accordance with these terms and conditions, interest shall be payable bi-annually in arrears on 15th September in each year between the years 2015 and 2024, both years included, and on 15th March in each year between the years 2015 and 2024, both years included. The first interest payment on 15th March 2015 shall cover the period 1st October 2014 to 14th March 2015, both days included. Thereafter, interest shall be payable bi-annually in arrears on 15th September in each year between the years 2015 and 2024, both years included and on 15th March in each year between the years 2016 and 2024, both years included. However, any Interest Payment Date which falls on a day other than a Business Day will be carried over to the following day that is a Business Day.

The Global Note shall cease to bear interest from and including the Redemption Date, including an Early Redemption Date, unless, upon due presentation, payment of the principal in respect of the Global Note is improperly withheld or refused, or unless the Issuer defaults in respect of payment, in which event interest shall continue to accrue at the greater of six per cent (6%) or at the rate of two per cent (2%) *per annum* above the European Central Bank's refinancing rate, but in any event not in excess of the maximum rate of interest allowed by Maltese law.

For the avoidance of doubt, when interest is payable for a period of less than one (1) year, it shall be calculated on the basis of the actual number of days elapsed and a year of 365 (three hundred sixty five) days.

Any claim to be brought by the Trustee against the Issuer and/or the Guarantor for the payment of principal and interest due under the Global Note shall be barred by the lapse of five (5) years in accordance with the provisions of Article 2156 of the Civil Code.

7.5 Payments

- i. Payment of the principal amount (with interest accrued and unpaid to the Redemption Date), as well as payment of interest due on the Global Note, shall be made in Euro to the person in whose name such Global Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be). In the case of payment of the principal amount, this shall be made against surrender of the Global Note at the registered office of the Issuer or at such other place in Malta as may be notified by the Issuer. Such payment shall be effected by direct credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Global Note Holder. Such payment shall be effected seven (7) days prior to the date set for redemption or seven (7) days prior to the Interest Payment Date (as the case may be).
- ii. All payments with respect to the Global Note are subject in all cases to any pledge (duly constituted) of the Global Note and to any applicable fiscal or other laws and regulations. In

particular, but without limitation, all payments by the Issuer in respect of the Global Note may be made gross of any amount to be deducted or withheld for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or any other authority thereof or therein having power to tax.

- iii. No commissions or expenses shall be charged to the Global Note Holder in respect of such payments.
- iv. For the purposes of paragraphs (i), (ii) and (iii) hereof, the term Redemption Date shall be deemed to include an Early Redemption Date where such may have been set from time to time by the Issuer in respect of all or part of the Global Note.

7.6 Redemption

Unless previously redeemed, purchased and cancelled, the Global Note shall be redeemed at the nominal value, together with interest accrued and which has remained unpaid at Redemption Date, on the Redemption Date.

However, the Issuer reserves the right to redeem all or part of the Global Note on any day between 15th September, 2021 and 14th September, 2024 on giving not less than thirty (30) Business Days prior written notice to the Global Note Holder specifying the date when such redemption shall be affected. Such redemption may be made in whole or in part, PROVIDED THAT any partial redemption is made in accordance with these Terms and Conditions at a minimum amount of five hundred thousand Euro (€500,000) and in multiples of ten thousand Euro (€10,000) thereafter.

The redemption of the Global Note shall take place by payment of all principal and interest accrued until the date of redemption. The notice of redemption shall be effective only on actual receipt by the Trustee, shall be irrevocable and shall oblige the Issuer to make, and the Trustee to accept, such redemption on the date specified in the notice.

All or part of the Global Note being redeemed shall be cancelled forthwith and may not be re-issued or re-sold.

7.7 Covenants

7.7.1 Covenants by the Issuer and Guarantor

Each of the Issuer and Guarantor hereby severally covenants in favour of the Trustee, for the benefit of the Participation Note Holders, that at all times during which any of the Global Note shall remain outstanding, it shall:

1. Pay to the Trustee for the benefit of the Participation Note Holders interest at the rate of six per cent (6%) per annum on each Interest Payment Date and the principal amount of the Global Note on the Redemption Date or on an Early Redemption Date;
2. Maintain its corporate existence as a limited liability company duly organised, existing and in good standing under Maltese law;
3. Promptly notify the Trustee upon the happening of an Event of Default;

4. Maintain and keep in proper order, repair and condition such parts of the Property as are of a repairable nature and the Trustee shall have power, but shall not be bound, in the event of any such part of the Property being or becoming out of proper order, repair or condition to call upon the Issuer and/or Guarantor to effect such repairs within a reasonable time as may be specified in the notice. If the Issuer or Guarantor fails to undertake the repairs requested by the Trustee in the notice after the lapse of the time granted to it by the Trustee in the notice, the Trustee may, but shall not be bound to do so, call a meeting of the Participation Note Holders for the purpose of determining which action, if any, should be taken in the circumstances. PROVIDED THAT, if requested to do so in writing by not less than 60% (sixty per cent) in value of the Participation Note Holders, and provided the Trustee is indemnified by the Participation Note Holders to its satisfaction, the Trustee shall have the power to engage itself such persons as may be necessary to repair or to put and maintain the Property in proper order, repair and condition. Any expenses incurred by the Trustee and its costs and charges therein shall be a debt due from the Issuer and Guarantor, jointly and severally, payable on demand;
5. Insure and keep insured, to the satisfaction of the Trustee, and to the full replacement value thereof, all such parts of the Property, as are of an insurable nature, against loss or damage by fire, explosion, lightning, storm, tempest, flood (where appropriate), aircraft and things dropped therefrom and such other risks as in accordance with sound commercial practice are normally insured against by companies carrying on a similar business as the Guarantor, with one or more insurance companies licensed to transact insurance business in Malta or such other insurance company agreed to between the Issuer or Guarantor and the Trustee. It will procure that the interest of the Trustee as hypothecary creditor, on behalf of the Participation Note Holders, is duly noted on the policies of insurance and will produce the policies of such insurance to the Trustee if required, and duly pay or cause to be paid the premium and other sums of money payable in respect of such insurance, and if required produce and deliver to the Trustee the receipt for the same within fifteen (15) days of the same becoming due. All monies received by virtue of any such insurance shall so far as they are in respect of part of the Property be deemed to part of the Property and shall be paid to the Trustee and shall be applied in making good the loss or damage in respect of which the monies were received or in such other manner as the Trustee shall approve;
6. Duly and punctually pay, perform and observe all rents, rates, taxes, stamp duties, covenants and other obligations whatsoever which ought properly to be paid or to be observed or to be performed by it in respect of any part of the Property;
7. Permit the Trustee or any person or persons authorised by it, at any time and from time to time during the usual times of business so long as the Global Note shall remain outstanding, to inspect and examine any part of the Property and render them such assistance as may be required for any of the purposes aforesaid; PROVIDED THAT the aforementioned inspection may only be made by the Trustee after having notified either the Issuer or Guarantor in writing of its intention and provided further that the aforementioned inspection is made during reasonable business hours;
8. Keep proper books of account which shall at all reasonable times be open to inspection by the Trustee or any person appointed by the Trustee for that purpose, and will furnish to the Trustee or any such agent all such information relating to its business or affairs as the Trustee

shall require, and shall deliver to the Trustee at least five (5) before its annual general meeting of each year a copy of its balance sheet and profit and loss account certified by its auditors and copies of its auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto;

9. Carry on and conduct its business in a proper and efficient manner;
10. Forthwith on receipt of the same, deliver to the Trustee all orders, directions, notices and any other thing whatsoever affecting or likely to adversely affect the Property; and
11. Comply with the requirements of all applicable laws in force in Malta from time to time, including all legislation applicable to the Property and its management and running, and all regulations made thereunder, and will promptly produce to the Trustee any notice, order, direction, requisition, permission or other document served on it in connection with such law which affects or is likely to affect the Property or any part thereof.

7.7.2 Further Covenants by the Issuer

The Issuer hereby further covenants in favour of the Trustee, for the benefit of the Participation Note Holders, that it shall:

1. Upon the issuing of the Global Note, enter into the Deposited Monies Pledge Agreement with the Trustee, whereby, *inter alia*, the Issuer shall constitute a pledge in favour of the Trustee, on behalf of the Participation Note Holders, over the Deposited Monies;
2. Upon the receipt by the Issuer of the Offer Amount, enter into and execute the Public Deed, in terms of which, *inter alia*, the Issuer shall grant the Loan to the Guarantor;
3. At around the same time as the entering into of the Public Deed, enter into the Receivables Pledge Agreement with the Trustee and the Guarantor, whereby, *inter alia*, the Issuer shall constitute a pledge in favour of the Trustee, on behalf of the Participation Note Holders, over the Receivables;
4. At around the same time as the entering into of the Public Deed, enter into the Securities Account Pledge Agreement with the Trustee and the Manager, whereby, *inter alia*, the Issuer shall constitute a pledge in favour of the Trustee, on behalf of the Participation Note Holders, over the Securities Account Assets;
5. Upon entering into the Public Deed, register the Special Privilege with the Maltese Public Registry, and do all that is necessary to maintain the Special Privilege and not release or waive it in any manner whatsoever;
6. Upon entering into the Public Deed, grant the Subordination in terms of article 1996A of the Civil Code, whereby the Issuer shall, upon registering the Special Privilege, subordinate/postpone its rights (including its rights of ranking) and remedies arising under the Special Privilege, in favour of the rights vesting in the Trustee under the Hypothecs; and
7. Upon an Event of Default, and upon demand by the Trustee, either acting on its own discretion or upon the demand of 60% (sixty per cent) in value of the Participation Note

Holders, assign to the Trustee, for the benefit of the Participation Note Holders, the Receivables, including the Special Privilege ancillary thereto.

The Issuer hereby undertakes and binds itself in favour of the Trustee to do, or procure that they be done, as the case may be, all of the matters referred to in sub-paragraphs (1) to (6) (both inclusive) above as soon as possible, but in any case within a maximum period of one (1) month from the closure of the Subscription Period.

7.7.3 Further Covenants by the Guarantor

The Guarantor hereby further covenants in favour of the Trustee, for the benefit of the Participation Note Holders, that it shall:

1. At all times during which any amount owing under the Global Note is outstanding, stand surety, jointly and severally with the Issuer, and irrevocably and unconditionally guarantee the due and punctual payment of all amounts of principal and interest which may become due and payable by the Issuer to the Global Note Holder under the Global Note;
2. Upon receipt by the Issuer of the Offer Amount, enter into and execute the Public Deed, in terms of which, *inter alia*, the Guarantor shall obtain the Loan from the Issuer;
3. At the same time as the entering into of the Public Deed, enter into the Receivables Pledge Agreement with the Trustee and the Issuer, whereby, *inter alia*, the Issuer shall constitute a pledge in favour of the Trustee, for the benefit of the Participation Note Holders, over the Receivables;
4. On or around the same time as granting the Guarantee, grant to the Trustee, for the benefit of the Participation Note Holders, a first ranking general hypothec over all its property, present and future, for the full amount of €3,000,000 (three million Euro) and to register the same first ranking general hypothec with the Maltese Public Registry, and do all that is necessary to maintain the first ranking general hypothec and not release or waive it in any manner whatsoever;
5. On or around the same time as granting the Guarantee, grant to the Trustee, for the benefit of the Participation Note Holders, a first ranking special hypothec over the Hypothecated Immovable Property, for the full amount of €3,000,000 (three million Euro) and to register the same first ranking special hypothec over the Hypothecated Immovable Property with the Maltese Public Registry, and do all that is necessary to maintain the first ranking special hypothec over the Hypothecated Immovable Property and not release or waive it in any manner whatsoever;
6. To observe the Dividend Policy as set-out in the Prospectus;
7. At all times during which any amount owing under the Global Note is outstanding, not create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future assets or revenues, to secure any Financial Indebtedness of the Guarantor, unless at the same time or prior thereto the Guarantor's indebtedness under the Guarantee, shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides;

8. At all times during which any amount owing under the Global Note is outstanding, not transfer ownership and/or any other real right over the Property under any title whatsoever without the Trustee's prior written consent. For the avoidance of doubt, a transfer of control of the Guarantor shall be deemed to constitute a transfer of the Property under this paragraph. For the purposes of this paragraph a transfer of control shall include, but, without prejudice to the generality of the foregoing, shall not be limited to: (a) the transfer of voting shares in the Guarantor which amounts to a transfer of 50% (fifty per cent) plus 1 (one) share of the total shareholding having voting rights in the Guarantor; (b) the transfer in any manner of the ability to appoint a majority of the directors of the Guarantor; and (c) the transfer to any person of the ability to determine the financial and operational decision making power of the Guarantor. For the avoidance of doubt, a transfer of control in the Guarantor arising as a result of a series of separate transactions shall also be deemed to constitute a transfer of the Property under this paragraph.

The Guarantor hereby undertakes and binds itself in favour of the Trustee to do, or procure that they be done, as the case may be, all of the matters referred to in sub-paragraphs (1) to (5) (both inclusive) above as soon as possible, but in any case within a maximum period of one (1) month from the closure of the Subscription Period.

7.8 Representations and Warranties

Each of the Issuer and Guarantor severally represents and warrants to the Trustee and Participation Note Holders, and each of the Trustee and Participation Note Holder relies on such representations and warranties, that:

1. It is duly registered and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its properties and other assets under valid legal title;
2. It has the power to execute, deliver, and perform its obligations under these Terms and Conditions, the Prospectus and the Trust Deed; and that all necessary corporate, shareholder and other action has been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its powers to borrow or guarantee shall be exceeded as a result of these Terms and Conditions, the Trust Deed or the Prospectus;
3. These Terms and Conditions, the Prospectus and the Trust Deed constitute its valid and legally binding obligations;
4. The execution and performance of its obligations under and in compliance with the provisions of these Terms and Conditions, the Prospectus and the Trust Deed shall not:
 - (a) contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which it is subject;
 - (b) conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which it is a party, or is subject, or by which it or any of its property is bound;
 - (c) contravene any provision of its Memorandum and Articles of Association;

5. No litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of its Directors or officers, threatened against it, which could have a material adverse effect on its business, assets or its financial condition;
6. The Prospectus contains all material information with respect to it and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to it, its business and its financial position, the omission of which would in the context of the issue of the Global Note make any statement in the Prospectus misleading or inaccurate in any material respect;
7. Every consent, authorisation, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by it in connection with the execution, validity, enforceability of these Terms and Conditions, the Trust Deed and the Prospectus or the performance of its obligations under these Terms and Conditions, the Trust Deed and the Prospectus have been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed in, or in connection with, any of the same;
8. No default mentioned in these Terms and Conditions, the Prospectus or the Trust Deed has occurred.

7.9 Functions and Powers of the Trustee

The Trustee may, but shall not be bound to, unless requested to do so in writing by not less than sixty percent (60%) in value of the Participation Note Holders, enforce or take any step to enforce the covenants in Section 7.7 hereof, and (subject to any such request as aforesaid) may waive, on such terms and conditions as it shall deem expedient, any of the covenants and provisions hereinabove contained and on the part of the Issuer and/or Guarantor to be performed and observed.

The Trustee may, but shall not be bound to, monitor financial information relating to the Issuer and/or Guarantor, on behalf of the Participation Note Holders, as shall be forwarded to the Trustee by the Issuer and/or Guarantor on an annual basis.

Without prejudice to the powers and reliefs conferred on Trustees by the applicable law and by the Trust Deed, the Trustee shall have the following powers:

- (a) To employ and pay at the reasonable cost of the Issuer and/or Guarantor in discharge of its duties any servant or agent to do anything or transact any business to be done or transacted under the Trust Deed or these Terms and Conditions, without being under any liability for any default of such servant or agent; PROVIDED THAT prior to employing any servant or agent as aforementioned, notice in writing of the estimated costs to be incurred is to be given to the Issuer or Guarantor;
- (b) To rely on the advice of any lawyer, broker, surveyor, valuer, architect, auditor or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer and/or Guarantor or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic;

- (c) Subject to applicable law, to delegate any of its discretions under these Terms and Conditions and the Trust Deed (other than the discretion to appoint a Beneficiary (as defined in the Trust Deed), the discretion to make a distribution to Beneficiaries and the discretion to sell or dispose of the Trust Property) to any officer or servant of the Trustee believed by it to be competent and responsible and to delegate any of its powers and duties under these Terms and Conditions and the Trust Deed to such persons (including any such officer or servant as aforesaid) as it shall think fit, and to confer the power to sub-delegate, without incurring any liability for the default of any person to whom such discretions powers or duties are delegated or sub-delegated;
- (d) To deposit any land registry certificates or other documents of title relating to the Property with any banker or firm of lawyers or accountants or notary or in any safe or other place where documents such as these are commonly kept without being further responsible for their safe keeping;
- (e) To accept such title as the Guarantor has to the Property without being liable for accepting a defective title;

And generally the Trustee shall not be liable for any error of judgement committed in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts and the Trustee, its officers, servants and agents shall be entitled to be indemnified out of the Property so far as may be lawful in respect of all liabilities incurred in the execution of the trusts under the Trust Deed.

Upon the payment of all principal and interest owing under the Global Note and upon the redemption of the Global Note, the Trustee shall pay any excess funds held by it to the Issuer after having ascertained and confirmed that all expenses relative to the issue and redemption of the Notes have been paid.

7.10 Events of Default

The Trustee may, at its discretion, and shall, upon the request in writing of not less than sixty percent (60%) in value of the Participation Note Holders, give notice to the Issuer and the Guarantor that the Global Note is, and it shall accordingly immediately become, due and payable at its principal amount together with interest accrued on the occurrence of any of the following events (each an “**Event of Default**”) and without the need of any authorisation and/or confirmation from a competent court:

1. there is default for a period of twenty (20) days (in the case of interest) or ten (10) days (in the case of principal) in the payment on the due date of interest or principal in respect of the Global Note; or
2. the Issuer failing to do all of the matters referred to in sub-paragraphs (1) to (6) (both inclusive) of Section 7.7.2 of these Terms and Conditions within the time-frames and maximum periods set-out in that same section;
3. the Guarantor failing to do all of the matters referred to in sub-paragraphs (1) to (5) (both inclusive) of Section 7.7.3 of these Terms and Conditions within the time-frames and maximum periods set-out in that same section;

4. the Issuer or the Guarantor failing to perform or observe any material covenant, material condition or material provision contained in these Terms and Conditions, the Trust Deed, the Prospectus or the Security Documents (other than any obligation for the payment of principal or interest in respect of the Global Note) and on its part to be performed and observed which default is incapable of remedy or is not remedied within forty-five (45) days after notice of such default shall have been given to the Issuer or the Guarantor, as the case may be, by the Trustee; or
5. any other Indebtedness (as defined below) of the Issuer or the Guarantor, as the case may be, (i) is not paid when due nor within any grace period applicable to such Indebtedness, or (ii) has become or becomes capable of being rendered due and payable before its scheduled maturity by reason of a default by the Issuer or the Guarantor, as the case may be, or (iii) if payable on demand, is not paid when demanded, or (iv) any guarantee or indemnity given by the Issuer or the Guarantor, as the case may be, in respect of any Indebtedness of any other person is not honoured when due and called upon; or
6. the security for any Indebtedness of the Issuer or the Guarantor becomes enforceable and the creditors entitled thereto take steps to enforce the same; or
7. all, or in the opinion of the Trustee, a material part of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or the Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government; or
8. the Issuer or Guarantor is deemed unable or admits its inability to pay its debts as they fall due within the meaning of section 214(5) of the Companies Act; or
9. the Issuer or the Guarantor shall be adjudicated or found bankrupt or insolvent, or any order shall be made by any competent court for, or any resolution shall be passed by the Issuer or the Guarantor, as the case may be, to apply for its dissolution, liquidation or winding-up, other than for the purposes of a company recovery procedure, reorganisation, administration, reconstruction, merger, division, amalgamation or other similar arrangement on terms approved by the Trustee.

Upon the giving of notice of an Event of Default as aforesaid, the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due and payable at the time of the Event of Default.

At any time after the Global Note shall have become immediately due and payable, the Trustee may, at its discretion, institute such proceedings as it may think fit against the Issuer or, as the case may be, the Guarantor, to enforce repayment of the principal together with accrued but unpaid interest, including the enforcement of the Security, PROVIDED that the Trustee shall not be bound to do so unless:

- i. it shall have been so requested in writing by not less than sixty percent (60%) in value of Participation Note Holders; and
- ii. it shall have been indemnified to its satisfaction.

Only the Trustee may enforce the provisions of the Trust Deed and of these Terms and Conditions as well as the obligations of the Issuer or, as the case may be, Guarantor, to pay principal and interest due in respect of the Global Note, and no Participation Note Holder shall be entitled to enforce performance of any such provisions unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure shall be continuing.

For the purposes of these Terms and Conditions:

“Indebtedness” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed), (ii) liabilities under or in respect of any acceptance or acceptance credit), or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than in cash, in each case in an aggregate principal amount in excess of one hundred thousand Euro (€100,000) or its equivalent in other currencies.

7.11 Register of Global Note Holders

The Issuer shall maintain a register, at its registered office or at such other place in Malta as the directors of the Issuer may determine, in which it shall enter the name and address of the Trustee as the holder of the Global Note, together with particulars of the Global Note. A copy of such register shall at all reasonable times during business hours be open to inspection by the Trustee.

Any person becoming entitled to the Global Note in consequence of bankruptcy or winding-up of a holder thereof may, upon such evidence being produced as may from time to time properly be required by the Issuer, request in writing the redemption and cancellation of such Global Note followed by the issuance of a Global Note of the same amount and may elect either to be registered himself as holder of the Global Note or to have some person nominated by him registered as the holder thereof.

In the event that any Global Note represented by a certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Issuer may at its discretion require, and in the case of wearing out, or defacement, or change of address of the Global Note Holder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of fifty Euro (€50). In case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Issuer all expenses incidental to the investigation by the Issuer of the evidence of such destruction or loss and to such indemnity.

7.12 Amendments to Terms and Conditions

1. The provisions of the Terms and Conditions of both the Global Note and the Participation Notes and of the Trust Deed may be amended with the approval of the Participation Note Holders at a meeting called for that purpose by the Trustee in accordance with the terms of the Trust Deed or by written instructions given by not less than sixty per cent (60%) in value of Participation Note Holders.
2. In the event that the Issuer wishes to amend any of the provisions set out in the Terms and Conditions, it shall call upon the Trustee, in writing, seeking its consent to such amendment or

amendments. The Trustee, prior to granting or refusing such consent, shall call a meeting of Participation Note Holders registered in the Register of Participation Note Holders as at that date, by giving such Participation Note Holders not less than fourteen (14) days notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat, including sufficient information on any amendment of the Terms and Conditions that is proposed to be voted upon at the meeting and seeking the approval of the Participation Note Holders registered as aforesaid. Following a meeting of Participation Note Holders held in accordance with the provisions contained in the Trust Deed, the Trustee shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Issuer whether its consent to a request of the Issuer is granted or withheld. Subject to having obtained the necessary approval by the said Participation Note Holders in accordance with the terms set out in the Trust Deed at a meeting called for that purpose as aforesaid, any such proposed amendment or amendments to the provisions set out in the Terms and Conditions shall subsequently be given effect to by the Issuer in consultation with the Trustee.

3. For all intents and purposes it is hereby set out that any meeting of Participation Note Holders, including but not limited to meetings held for the purposes set out in paragraphs (1) and (2) above, shall be held in accordance with the provisions of the Trust Deed and the procedure set out therein.

7.13 Further Issues

The Issuer is at liberty, from time to time, and without requiring the consent of the Global Note Holder, to create and issue further bonds, notes, debentures or any other debt securities upon such terms as to status, interest, conversion, redemption and otherwise as the Issuer may, at the time of issue thereof, determine.

7.14 Notices

Notices shall be mailed to the Global Note Holder or the Issuer (as the case may be) at their registered address and shall be deemed to have been served at the expiration of 24 (twenty-four) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to the Issuer or the Global Note Holder (as the case may be) at their registered address and posted.

7.15 Governing Law and Jurisdiction

These Terms and Conditions, the Prospectus, the Global Note, all the rights and obligations of the Issuer, Guarantor and Global Note Holder, and any non-contractual obligations arising out of or in connection with these Terms and Conditions, the Prospectus and the Global Note, shall be governed by and construed in accordance with Maltese law.

Any suit, action or proceedings arising out of, or in connection with, these Terms and Conditions, the Prospectus and the Global Note, shall be submitted to the Courts of Malta. The Trustee, the Guarantor and the Issuer each agree that the Courts of Malta shall have exclusive jurisdiction to hear and settle any dispute arising out of or in connection with the Global Note, the Prospectus and these Terms and Conditions, and each shall irrevocably submit to the jurisdiction of the Courts of Malta.

Annex 2

8. Terms and Conditions of the Participation Notes

8.1 Applicability of the Terms and Conditions of the Participation Notes

GENERAL TERMS AND CONDITIONS APPLICABLE TO THE €3,000,000 6% PARTICIPATION NOTES, ISSUED IN TERMS OF THESE TERMS AND CONDITIONS, THE TRUST DEED AND THE PROSPECTUS.

THE ISSUE OF THE PARTICIPATION NOTES IS BEING MADE SUBJECT TO THE PROVISIONS OF THE TRUST DEED DATED 12TH JUNE 2014 (HEREINAFTER REFERRED TO AS THE “TRUST DEED”), THE PROSPECTUS AND OF THESE TERMS AND CONDITIONS. A PARTICIPATION NOTE HOLDER, AS WELL AS ANY PERSON HAVING AN INTEREST UNDER THE PARTICIPATION NOTES, IS DEEMED TO HAVE INVESTED ONLY AFTER HAVING RECEIVED, READ AND UNDERSTOOD THE CONTENTS OF THESE TERMS AND CONDITIONS, THE PROSPECTUS AND THE TRUST DEED AND THEREFORE ONLY AFTER HAVING FULL KNOWLEDGE OF THE INFORMATION CONTAINED IN THESE TERMS AND CONDITIONS, THE PROSPECTUS AND THE TRUST DEED AND IS ACCORDINGLY DEEMED TO HAVE ACCEPTED ALL THE TERMS AND CONDITIONS SET OUT HEREIN, IN THE PROSPECTUS AND THE TRUST DEED.

ALL TERMS USED HEREIN SHALL, UNLESS THE CONTEXT OTHERWISE REQUIRES OR UNLESS OTHERWISE DEFINED, HAVE THE SAME MEANINGS ATTRIBUTED TO THEM IN THE PROSPECTUS AND THE TRUST DEED. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE PROVISIONS OF THESE TERMS AND CONDITIONS AND OF THE TRUST DEED AND/OR THE PROSPECTUS, THESE TERMS AND CONDITIONS SHALL APPLY TO THE EXTENT OF THE CONFLICT OR INCONSISTENCY.

8.2 General, Currency, Denomination, Form and Title

8.2.1 General

The Participation Notes shall be constituted by the Trust Deed. The Global Note shall constitute the Issuer as the true and lawful debtor of the Offer Amount in favour of the Trustee on behalf of the Participation Note Holders. The Participation Notes constitute the beneficial interest of the Participation Note Holders in the Trust Property. Participation Note Holders shall rank *pari passu* between themselves according to the rights and interests held by each Participation Note Holder in the Global Note.

Unless previously redeemed, purchased and cancelled, the Participation Notes shall be redeemable at their nominal value including accrued but unpaid interest on the Redemption Date. In the event of an early redemption by the Issuer of the Global Note on an Early Redemption Date in accordance with the Terms and Conditions of the Global Note, all Participation Notes shall be redeemed in whole or in part according and up to the amount received by the Trustee from the redemption of the Global Note.

Upon an early redemption of the Global Note following an Acceleration by the Trustee, and provided the principal and all accrued and unpaid interest under the Global Note is paid in full to the Trustee, all Participation Notes shall be redeemed in whole. The Trustee shall pay to all Participation Note Holders the nominal value of the Participation Note held by the Participation Note Holder and accrued and unpaid interest thereon, and the Participation Note Holder shall hand over the Participation Note to the Trustee.

8.2.2 Currency and Denomination

The Participation Notes issued by the Trustee shall be issued in Euro (€) and in the aggregate principal amount of €3,000,000 (three million Euro).

8.2.3 Form and Title

The Participation Notes shall be issued in fully certificated and registered form, without coupons. Participation Notes shall be issued under the signature of a duly authorised signatory of the Trustee.

The Trustee shall maintain a Register of Participation Note Holders which shall identify the Participation Note Holders from time to time. An entry in the Register of Participation Note Holders shall be conclusive evidence of the beneficial interest of the person or persons named therein in the Trust Property. The Register of Participation Note Holders shall contain the following information:

1. Name of Participation Note Holder;
2. Address of Participation Note Holder;
3. Identity card number of Participation Note Holder (in the case of an individual);
4. Company registration number of Participation Note Holder (in the case of a company);
5. The value expressed in Euro (€) of the beneficial interest of the Participation Note Holder in the Trust Property; and
6. The date of entry into the Register of Participation Note Holders.

Every Participation Note Holder shall be entitled to be entered into the Register of Participation Note Holders as a beneficiary under the Trust Deed and shall be entitled to receive from the Trustee a Participation Note acknowledging the Participation Note Holders' beneficial interest in the Trust Property and evidencing the appropriate entry in the Register of Participation Note Holders.

Any such Participation Note issued by the Trustee in favour of a single or joint Participation Note Holder shall be for an amount not below one thousand Euro (€1,000) and in multiples of one thousand Euro (€1,000) each, and shall be for an amount not exceeding the Offer Amount.

Joint Participation Note Holders shall be entitled to only one entry in the Register of Participation Note Holders and accordingly to only one Participation Note, and such Participation Note shall be issued and delivered to that joint Participation Note Holder whose name first appears in the Register of Participation Note Holders and the Trustee shall not be bound to register more than three (3) persons as the joint Participation Note Holder.

The Participation Notes are freely transferable.

8.3 Interest

Interest on any amounts outstanding under the Participation Notes shall accrue at the rate of six per cent (6%) *per annum*.

Unless previously redeemed, purchased and cancelled in accordance with these Terms and Conditions, interest shall be payable bi-annually in arrears on 15th September in each year between the years 2015 and 2024, both years included, and on 15th March in each year between the years 2015 and 2024, both years included. The first interest payment on 15th March 2015 shall cover the period 1st October 2014 to 14th March 2015, both days included. Thereafter, interest shall be payable bi-annually in arrears on 15th September in each year between the years 2015 and 2024, both years included and on 15th March in each year between the years 2016 and 2024, both years included. However, any Interest Payment Date which falls on a day other than a Business Day will be carried over to the following day that is a Business Day.

The Participation Note shall cease to bear interest from and including the Redemption Date, including an Early Redemption Date.

For the avoidance of doubt, when interest is payable for a period of less than one (1) year, it shall be calculated on the basis of the actual number of days elapsed and a year of 365 (three hundred sixty five) days.

Any claim to be brought by the Trustee against the Issuer and/or the Guarantor for the payment of principal and interest due under the Global Note shall be barred by the lapse of five (5) years in accordance with the provisions of Article 2156 of the Civil Code.

8.4 Payments

- i. Payment of the principal amount (with interest accrued and unpaid to the Redemption Date), as well as payment of interest due on the Participation Note, shall be made in Euro to the person in whose name such Participation Note is registered as at the close of business fifteen (15) days prior to the date set for redemption or fifteen (15) days prior to the relevant Interest Payment Date (as the case may be). In the case of payment of the principal amount, this shall be made against surrender of the Participation Note at the registered office of the Trustee or at such other place in Malta as may be notified by the Trustee. Such payment shall be effected by direct credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the Participation Note Holder. The Trustee shall not be responsible for any loss or delay in transmission. The Trustee shall effect payments of principal or interest within three (3) Business Days from the date of actual receipt of payment thereof from the Issuer or Guarantor, as the case may be.
- ii. All payments with respect to the Participation Notes are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Trustee in respect of the Participation Note may be made net of any amount which the Trustee is compelled to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed or levied by or on behalf of the Government of Malta or any other authority thereof or therein having power to tax.

- iii. No commissions or expenses shall be charged to the Participation Note Holder in respect of such payments.
- iv. For the purposes of paragraphs (i), (ii) and (iii) hereof, the term Redemption Date shall be deemed to include an Early Redemption Date, where applicable.
- v. **The Trustee shall only be under an obligation to effect payments of principal and/or interest to the Participation Note Holders if it has effectively received such payments from the Issuer or Guarantor (as the case may be). No liability shall attach to the Trustee if it fails to effect such payments to Participation Note Holders when such failure is due to the non-payment thereof by the Issuer or Guarantor.**
- vi. Payment of the principal and interest by the Issuer or Guarantor to the Trustee under the Global Note shall relieve the Issuer and Guarantor from any further liability, to the extent of the payment made, towards the Participation Note Holders, and the Participation Note Holders shall have no right or claim against the Issuer or Guarantor should they not receive the relative payment from the Trustee.

8.5 Redemption

Unless previously redeemed, purchased and cancelled, the Participation Notes shall be redeemed at their nominal value (together with interest accrued and which has remained unpaid to the date set for redemption) on the Redemption Date.

Each Participation Note Holder may, even before the Redemption Date, apply to the Trustee to have his Participation Notes or any part thereof cancelled, provided that in the case of a request for cancellation, the cancellation request shall be for a minimum face value of one thousand Euro (€1,000) and multiples of one thousand Euro (€1,000) thereafter. The Trustee may, but shall be under no obligation to, accede to such request, to be made in writing, by a Participation Note Holder. In the event that the Trustee accedes to the Participation Note Holder's request it shall cancel the entry of such Participation Note Holder in the Register of Participation Note Holders and shall cancel the Participation Note of the Participation Note Holder concerned in whole or in part, as the case may be, for the nominal value of the Participation Note or that part thereof which is being cancelled. In such event: (i) the Trustee shall pay to the Participation Note Holder concerned the nominal value of that Participation Note Holder's Participation Notes and accrued and unpaid interest thereon; and (ii) the Trustee shall be deemed to have a beneficial interest in the Global Note for the value corresponding to the cancellation.

The Trustee may also receive requests from persons willing to have a beneficial interest in the Global Note. The Trustee may, from its own beneficial interest in the Global Note, if any, accede to such request, but shall be under no obligation to do so. In the event that the Trustee accedes to such request it shall register the beneficial interest of such person in the Global Note in the Register of Participation Note Holders and issue a Participation Note in terms of the provisions of these Terms and Conditions, against payment by the applicant of the value of the Participation Note.

The Issuer has reserved the right to redeem all or part of the Global Note on any day between 15th September, 2021 and 14th September, 2024 on giving not less than thirty (30) Business Days prior written notice to the Global Note Holder specifying the date when such redemption shall be affected. Such redemption may be made in whole or in part, PROVIDED THAT any partial redemption is

made in accordance with these Terms and Conditions at a minimum amount of five hundred thousand Euro (€500,000) and in multiples of ten thousand Euro (€10,000) thereafter.

In the event that the Issuer redeems the Global Note in whole or in part, the Trustee shall redeem an equivalent amount of Participation Notes. This amount shall be utilised to redeem Participation Notes in accordance with the order in which applications for redemption were made prior to the Early Redemption Date, by the respective Participation Note Holders. Any other Participation Notes held by Participation Note Holders who had not submitted an application for redemption prior to the Early Redemption Date as aforesaid, shall be redeemed in accordance with the proportion of Participation Notes held by the respective Participation Note Holder to the aggregate holding of Participation Notes. The Trustee shall pay to the Participation Note Holder concerned the nominal value of that Participation Note Holder's Participation Notes and accrued and unpaid interest thereon, and the Participation Note Holder shall hand over the Participation Note to the Trustee.

The redemption of the Participation Note shall take place by payment of all principal and interest accrued until the date of redemption.

Upon an early redemption, the Participation Notes shall be cancelled in whole or in part and the Participation Note Holder shall hand over the Participation Note, and in case of redemption in part, receive a new Participation Note stating the new amount of the Participation Note.

Upon an early redemption of the Global Note following an Acceleration by the Trustee, and provided the principal and all accrued and unpaid interest under the Global Note is paid in full to the Trustee, all Participation Notes shall be redeemed in whole. The Trustee shall pay to all Participation Note Holders the nominal value of the Participation Note held by the Participation Note Holders and accrued and unpaid interest thereon, and the Participation Note Holders shall hand over the Participation Note to the Trustee.

The Trustee may, at its discretion, charge a fee to Participation Note Holder for each cancellation and subsequent entry made in the Register of Participation Note Holders, which fee shall not exceed sixty Euro (€60) per cancellation or subsequent entry.

8.6 Covenants

8.6.1 Covenants by the Issuer and Guarantor

Each of the Issuer and Guarantor hereby severally covenants in favour of the Trustee, for the benefit of the Participation Note Holders, that at all times during which any of the Global Note shall remain outstanding, it shall:

1. Pay to the Trustee for the benefit of the Participation Note Holders interest at the rate of six per cent (6%) per annum on each Interest Payment Date and the principal amount of the Global Note on the Redemption Date or on an Early Redemption Date;
2. Maintain its corporate existence as a limited liability company duly organised, existing and in good standing under Maltese law;
3. Promptly notify the Trustee upon the happening of an Event of Default;

4. Maintain and keep in proper order, repair and condition such parts of the Property as are of a repairable nature and the Trustee shall have power, but shall not be bound, in the event of any such part of the Property being or becoming out of proper order, repair or condition to call upon the Issuer and/or Guarantor to effect such repairs within a reasonable time as may be specified in the notice. If the Issuer or Guarantor fails to undertake the repairs requested by the Trustee in the notice after the lapse of the time granted to it by the Trustee in the notice, the Trustee may, but shall not be bound to do so, call a meeting of the Participation Note Holders for the purpose of determining which action, if any, should be taken in the circumstances. PROVIDED THAT, if requested to do so in writing by not less than 60% (sixty per cent) in value of the Participation Note Holders, and provided the Trustee is indemnified by the Participation Note Holders to its satisfaction, the Trustee shall have the power to engage itself such persons as may be necessary to repair or to put and maintain the Property in proper order, repair and condition. Any expenses incurred by the Trustee and its costs and charges therein shall be a debt due from the Issuer and Guarantor, jointly and severally, payable on demand;
5. Insure and keep insured, to the satisfaction of the Trustee, and to the full replacement value thereof, all such parts of the Property, as are of an insurable nature, against loss or damage by fire, explosion, lightning, storm, tempest, flood (where appropriate), aircraft and things dropped therefrom and such other risks as in accordance with sound commercial practice are normally insured against by companies carrying on a similar business as the Guarantor, with one or more insurance companies licensed to transact insurance business in Malta or such other insurance company agreed to between the Issuer or Guarantor and the Trustee. It will procure that the interest of the Trustee as hypothecary creditor, on behalf of the Participation Note Holders, is duly noted on the policies of insurance and will produce the policies of such insurance to the Trustee if required, and duly pay or cause to be paid the premium and other sums of money payable in respect of such insurance, and if required produce and deliver to the Trustee the receipt for the same within fifteen (15) days of the same becoming due. All monies received by virtue of any such insurance shall so far as they are in respect of part of the Property be deemed to part of the Property and shall be paid to the Trustee and shall be applied in making good the loss or damage in respect of which the monies were received or in such other manner as the Trustee shall approve;
6. Duly and punctually pay, perform and observe all rents, rates, taxes, stamp duties, covenants and other obligations whatsoever which ought properly to be paid or to be observed or to be performed by it in respect of any part of the Property;
7. Permit the Trustee or any person or persons authorised by it, at any time and from time to time during the usual times of business so long as the Global Note shall remain outstanding, to inspect and examine any part of the Property and render them such assistance as may be required for any of the purposes aforesaid; PROVIDED THAT the aforementioned inspection may only be made by the Trustee after having notified either the Issuer or Guarantor in writing of its intention and provided further that the aforementioned inspection is made during reasonable business hours;
8. Keep proper books of account which shall at all reasonable times be open to inspection by the Trustee or any person appointed by the Trustee for that purpose, and will furnish to the Trustee or any such agent all such information relating to its business or affairs as the Trustee

shall require, and shall deliver to the Trustee at least five (5) before its annual general meeting each year a copy of its balance sheet and profit and loss account, certified by its auditors and copies of its auditors' and directors' reports thereon, together with copies of any other documents required by law to be attached thereto;

9. Carry on and conduct its business in a proper and efficient manner;
10. Forthwith on receipt of the same, deliver to the Trustee all orders, directions, notices and any other thing whatsoever affecting or likely to adversely affect the Property;
11. Comply with the requirements of all applicable laws in force in Malta from time to time, including all legislation applicable to the Property and its running and management, and all regulations made thereunder, and will promptly produce to the Trustee any notice, order, direction, requisition, permission or other document served on it in connection with such law which affects or is likely to affect the Property or any part thereof.

8.6.2 Further Covenants by the Issuer

The Issuer hereby further covenants in favour of the Trustee, for the benefit of the Participation Note Holders, that it shall:

1. Upon the issuing of the Global Note, enter into the Deposited Monies Pledge Agreement with the Trustee, whereby, *inter alia*, the Issuer shall constitute a pledge in favour of the Trustee, on behalf of the Participation Note Holders, over the Deposited Monies;
2. Upon the receipt by the Issuer of the Offer Amount, enter into and execute the Public Deed, in terms of which, *inter alia*, the Issuer shall grant the Loan to the Guarantor;
3. At the same time as the entering into of the Public Deed, enter into the Receivables Pledge Agreement with the Trustee and the Guarantor, whereby, *inter alia*, the Issuer shall constitute a pledge in favour of the Trustee, on behalf of the Participation Note Holders, over the Receivables;
4. At the same time as the entering into of the Public Deed, enter into the Securities Account Pledge Agreement with the Trustee and the Manager, whereby, *inter alia*, the Issuer shall constitute a pledge in favour of the Trustee, on behalf of the Participation Note Holders, over the Securities Account Assets;
5. Upon entering into the Public Deed, register the Special Privilege with the Maltese Public Registry, and do all that is necessary to maintain the Special Privilege and not release or waive it in any manner whatsoever;
6. Upon entering into the Public Deed, grant the Subordination in terms of article 1996A of the Civil Code, whereby the Issuer shall, upon registering the Special Privilege, subordinate/postpone its rights (including its rights of ranking) and remedies arising under the Special Privilege, in favour of the rights vesting in the Trustee under the Hypothecs; and
7. Upon an Event of Default, and upon demand by the Trustee, either acting on its own discretion or upon the demand of 60% (sixty per cent) in value of the Participation Note

Holders, assign to the Trustee, for the benefit of the Participation Note Holders, the Receivables, including the Special Privilege ancillary thereto.

The Issuer hereby undertakes and binds itself in favour of the Trustee to do, or procure that they be done, as the case may be, all of the matters referred to in sub-paragraphs (1) to (6) (both inclusive) above as soon as possible, but in any case within a maximum period of one (1) month from the closure of the Subscription Period.

8.6.3 Further Covenants by the Guarantor

The Guarantor hereby further covenants in favour of the Trustee, for the benefit of the Participation Note Holders, that it shall:

1. At all times during which any amount owing under the Global Note is outstanding, stand surety, jointly and severally with the Issuer, and irrevocably and unconditionally guarantee the due and punctual payment of all amounts of principal and interest which may become due and payable by the Issuer to the Global Note Holder under the Global Note;
2. Upon receipt by the Issuer of the Offer Amount, enter into and execute the Public Deed, in terms of which, *inter alia*, the Guarantor shall obtain the Loan from the Issuer;
3. At the same time as the entering into of the Public Deed, enter into the Receivables Pledge Agreement with the Trustee and the Issuer, whereby, *inter alia*, the Issuer shall constitute a pledge in favour of the Trustee, on behalf of the Participation Note Holders, over the Receivables;
4. On or around the same time as granting the Guarantee, grant to the Trustee, for the benefit of the Participation Note Holders, a first ranking general hypothec over all its property, present and future, for the full amount of €3,000,000 (three million Euro) and to register the same first ranking general hypothec with the Maltese Public Registry, and do all that is necessary to maintain the first ranking general hypothec and not release or waive it in any manner whatsoever;
5. On or around the same time as granting the Guarantee, grant to the Trustee, for the benefit of the Participation Note Holders, a first ranking special hypothec over the Hypothecated Immovable Property, for the full amount of €3,000,000 (three million Euro) and to register the same first ranking special hypothec over the Hypothecated Immovable Property with the Maltese Public Registry, and do all that is necessary to maintain the first ranking special hypothec over the Hypothecated Immovable Property and not release or waive it in any manner whatsoever;
6. To observe the Dividend Policy as set out in the Prospectus;
7. At all times during which any amount owing under the Global Note is outstanding, not create or permit to subsist any Security Interest, other than a Permitted Security Interest, upon the whole or any part of its present or future assets or revenues, to secure any Financial Indebtedness of the Guarantor, unless at the same time or prior thereto the Guarantor's indebtedness under the Guarantee, shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

8. At all times during which any amount owing under the Global Note is outstanding, not transfer ownership and/or any other real right over the Property under any title whatsoever without the Trustee's prior written consent. For the avoidance of doubt, a transfer of control of the Guarantor shall be deemed to constitute a transfer of the Property under this paragraph. For the purposes of this paragraph a transfer of control shall include, but, without prejudice to the generality of the foregoing, shall not be limited to: (a) the transfer of voting shares in the Guarantor which amounts to a transfer of 50% (fifty per cent) plus 1 (one) share of the total shareholding having voting rights in the Guarantor; (b) the transfer in any manner of the ability to appoint a majority of the directors of the Guarantor; and (c) the transfer to any person of the ability to determine the financial and operational decision making power of the Guarantor. For the avoidance of doubt, a transfer of control in the Guarantor arising as a result of a series of separate transactions shall also be deemed to constitute a transfer of the Property under this paragraph.

The Guarantor hereby undertakes and binds itself in favour of the Trustee to do, or procure that they be done, as the case may be, all of the matters referred to in sub-paragraphs (1) to (5) (both inclusive) above as soon as possible, but in any case within a maximum period of one (1) month from the closure of the Subscription Period.

8.7 Representations and Warranties

Each of the Issuer and Guarantor severally represents and warrants to the Trustee for the benefit of the Participation Note Holders, and the Trustee in such capacity relies on such representations and warranties, that:

1. It is duly registered and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its properties and other assets under valid legal title;
2. It has the power to execute, deliver, and perform its obligations under these Terms and Conditions, the Prospectus and the Trust Deed; and that all necessary corporate, shareholder and other action has been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its powers to borrow or guarantee shall be exceeded as a result of these Terms and Conditions, the Trust Deed or the Prospectus;
3. These Terms and Conditions, the Prospectus and the Trust Deed constitute its valid and legally binding obligations;
4. The execution and performance of its obligations under and in compliance with the provisions of these Terms and Conditions, the Prospectus and the Trust Deed shall not:
 - (a) contravene any existing applicable law, statute, rule or regulation or any judgement, decree or permit to which it is subject;
 - (b) conflict with or result in any breach of any terms of or constitute a default under any bond or other instrument to which it is a party, or is subject, or by which it or any of its property is bound;
 - (c) contravene any provision of its Memorandum and Articles of Association;

5. No litigation, arbitration or administrative proceeding is taking place, pending or, to the knowledge of its Directors or officers, threatened against it, which could have a material adverse effect on its business, assets or its financial condition;
6. The Prospectus contains all material information with respect to it and that all information contained therein is in every material respect true and accurate and not misleading and that there are no other facts in relation to it, its business and its financial position, the omission of which would in the context of the issue of the Global Note make any statement in the Prospectus misleading or inaccurate in any material respect;
7. Every consent, authorisation, approval or registration with, or declaration to governmental or public bodies or authorities or courts, required by it in connection with the execution, validity, enforceability of these Terms and Conditions, the Trust Deed and the Prospectus or the performance of its obligations under these Terms and Conditions, the Trust Deed and the Prospectus have been obtained or made and are in full force and effect and there has been no default in the observance of any of the conditions or restrictions, if any, imposed in, or in connection with, any of the same;
8. No Event of Default mentioned in these Terms and Conditions, the Prospectus or the Trust Deed has occurred.

8.8 Functions and Powers of the Trustee

The Trustee may, but shall not be bound to, unless requested to do so in writing by not less than sixty percent (60%) in value of the Participation Note Holders, enforce or take any step to enforce the covenants in Section 8.6 hereof, and (subject to any such request as aforesaid) may waive, on such terms and conditions as it shall deem expedient, any of the covenants and provisions hereinabove contained and on the part of the Issuer and/or Guarantor to be performed and observed.

The Trustee may, but shall not be bound to, monitor financial information relating to the Issuer and/or Guarantor, on behalf of the Participation Note Holders, as shall be forwarded to the Trustee by the Issuer and/or Guarantor on an annual basis.

Without prejudice to the powers and reliefs conferred on Trustees by the applicable law and by the Trust Deed, the Trustee shall have the following powers:

- (a) To employ and pay at the reasonable cost of the Issuer and/or Guarantor in discharge of its duties any servant or agent to do anything or transact any business to be done or transacted under the Trust Deed or these Terms and Conditions, without being under any liability for any default of such servant or agent; PROVIDED THAT prior to employing any servant or agent as aforementioned, notice in writing of the estimated costs to be incurred is to be given to the Issuer or Guarantor;
- (b) To rely on the advice of any lawyer, broker, surveyor, valuer, architect, auditor or accountant or other professional person without incurring any liability for so relying notwithstanding that such professional person may have been employed by the Issuer and/or Guarantor or may otherwise not be disinterested and without incurring liability for any error in the transmission of any such advice or by reason of the same not being authentic;

- (c) Subject to applicable law, to delegate any of its discretions under these Terms and Conditions and the Trust Deed (other than the discretion to appoint a Beneficiary (as defined in the Trust Deed), the discretion to make a distribution to Beneficiaries and the discretion to sell or dispose of the Trust Property) to any officer or servant of the Trustee believed by it to be competent and responsible and to delegate any of its powers and duties under these Terms and Conditions and the Trust Deed to such persons (including any such officer or servant as aforesaid) as it shall think fit, and to confer the power to sub-delegate, without incurring any liability for the default of any person to whom such discretions powers or duties are delegated or sub-delegated;
- (d) To deposit any land registry certificates or other documents of title relating to the Property with any banker or firm of lawyers or accountants or notary or in any safe or other place where documents such as these are commonly kept without being further responsible for their safe keeping;
- (e) To accept such title as the Guarantor has to the Property without being liable for accepting a defective title;

And generally the Trustee shall not be liable for any error of judgement committed in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts and the Trustee, its officers, servants and agents shall be entitled to be indemnified out of the Property so far as may be lawful in respect of all liabilities incurred in the execution of the trusts under the Trust Deed.

Upon the payment of all principal and interest owing under the Global Note and upon the redemption of the Global Note, the Trustee shall pay any excess funds held by it to the Issuer after having ascertained and confirmed that all expenses relative to the issue and redemption of the Notes have been paid.

8.9 Events of Default under the Global Note

The Trustee may, at its discretion, and shall, upon the request in writing of not less than sixty percent (60%) in value of the Participation Note Holders, give notice to the Issuer and the Guarantor that the Global Note is, and it shall accordingly immediately become, due and payable at its principal amount together with interest accrued on the occurrence of any of the following events (each an “**Event of Default**”) and without the need of any authorisation and/or confirmation from a competent court:

1. there is default for a period of twenty (20) days (in the case of interest) or ten (10) days (in the case of principal) in the payment on the due date of interest or principal in respect of the Global Note; or
2. the Issuer failing to do all of the matters referred to in sub-paragraphs (1) to (6) (both inclusive) of Section 8.6.2 of these Terms and Conditions within the time-frames and maximum periods set-out in that same section;
3. the Guarantor failing to do all of the matters referred to in sub-paragraphs (1) to (5) (both inclusive) of Section 8.6.3 of these Terms and Conditions within the time-frames and maximum periods set-out in that same section;

4. the Issuer or the Guarantor failing to perform or observe any material covenant, material condition or material provision contained in these Terms and Conditions, the Trust Deed, the Prospectus or the Security Documents (other than any obligation for the payment of principal or interest in respect of the Global Note) and on its part to be performed and observed which default is incapable of remedy or is not remedied within forty-five (45) days after notice of such default shall have been given to the Issuer or the Guarantor, as the case may be, by the Trustee; or
5. any other Indebtedness (as defined below) of the Issuer or the Guarantor, as the case may be, (i) is not paid when due nor within any grace period applicable to such Indebtedness, or (ii) has become or becomes capable of being rendered due and payable before its scheduled maturity by reason of a default by the Issuer or the Guarantor, as the case may be, or (iii) if payable on demand, is not paid when demanded, or (iv) any guarantee or indemnity given by the Issuer or the Guarantor, as the case may be, in respect of any Indebtedness of any other person is not honoured when due and called upon; or
6. the security for any Indebtedness of the Issuer or the Guarantor becomes enforceable and the creditors entitled thereto take steps to enforce the same; or
7. all, or in the opinion of the Trustee, a material part of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or the Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government; or
8. the Issuer or Guarantor is deemed unable or admits its inability to pay its debts as they fall due within the meaning of section 214(5) of the Companies Act; or
9. the Issuer or the Guarantor shall be adjudicated or found bankrupt or insolvent, or any order shall be made by any competent court for, or any resolution shall be passed by the Issuer or the Guarantor, as the case may be, to apply for its dissolution, liquidation or winding-up, other than for the purposes of a company recovery procedure, reorganisation, administration, reconstruction, merger, division, amalgamation or other similar arrangement on terms approved by the Trustee.

Upon the giving of notice of an Event of Default as aforesaid, the Global Note and all principal monies and interest accrued shall be deemed to have become immediately due and payable at the time of the Event of Default.

At any time after the Global Note shall have become immediately due and payable, the Trustee may, at its discretion, institute such proceedings as it may think fit against the Issuer or, as the case may be, the Guarantor, to enforce repayment of the principal together with accrued but unpaid interest, including the enforcement of the Security, PROVIDED that the Trustee shall not be bound to do so unless:

- i. it shall have been so requested in writing by not less than sixty percent (60%) in value of Participation Note Holders; and
- ii. it shall have been indemnified to its satisfaction.

Only the Trustee may enforce the provisions of the Trust Deed and of these Terms and Conditions as well as the obligations of the Issuer or, as the case may be, Guarantor, to pay principal and interest due in respect of the Global Note, and no Participation Note Holder shall be entitled to enforce performance of any such provisions unless the Trustee, having become bound to proceed, fails to do so within a reasonable time and such failure shall be continuing.

Any payment made by the Issuer and/or Guarantor under the Global Note to the Trustee pursuant to an Acceleration by the Trustee shall automatically trigger an early redemption of the Participation Notes in terms of Section 8.5.

For the purposes of these Terms and Conditions:

“Indebtedness” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed), (ii) liabilities under or in respect of any acceptance or acceptance credit), or (iii) any notes, bonds, debentures, debenture stock, loan stock or other securities offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than in cash, in each case in an aggregate principal amount in excess of one hundred thousand Euro (€100,000) or its equivalent in other currencies.

8.10 Registration and Replacement of the Participation Notes

A register of the Participation Notes shall be maintained by the Trustee at its registered office or at such other place in Malta as the Trustee may determine, wherein there will be entered the names and addresses of the Participation Note Holders and particulars of the Participation Notes held by them respectively and a copy of such register will at all reasonable times during business hours be open to inspection by Participation Note Holders.

Any person becoming entitled to a Participation Note in consequence of bankruptcy or winding-up of a Participation Note Holder may, upon such evidence being produced as may from time to time properly be required by the Trustee, request in writing the redemption and cancellation of such Participation Note followed by the issuance of a new Participation Note of the same amount and may elect either to be registered himself as Participation Note Holder or to have some person nominated by him registered as Participation Note Holder.

In the event that any Participation Note represented by certificate shall be worn out, defaced, destroyed or lost, it may be replaced on such evidence being produced and such indemnity (if any) being given as the Trustee may at its discretion require, and in the case of wearing out, or defacement, or change of address of the Participation Note Holder, on delivery of the old certificate, and in the case of destruction or loss, on the execution of such indemnity as is considered necessary, and in any case upon the payment of fifty Euro (€50). In case of destruction or loss, the person to whom such replacement certificate is given shall also bear and pay to the Trustee all expenses incidental to the investigation by the Trustee of the evidence of such destruction or loss and to such indemnity.

The Trustee shall be required to provide the Issuer with an updated copy of the register of Participation Note Holders, including extracts therefrom, as may be required by the Issuer from time to time, and the Participation Note Holder shall, by subscribing to the Participation Notes, be deemed to have given his express, unequivocal and irrevocable consent to the communication of such information to the Issuer.

8.11 Transferability of Participation Notes

The Participation Notes are freely transferable and, once registered by the Trustee, may be transferable in whole for a minimum face value of one thousand Euro (€1,000) and multiples of one thousand Euro (€1,000) thereafter.

All transfers are subject in all cases to any pledge (duly constituted) of the Participation Notes and to any applicable laws and regulations.

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

Any person to whom the transfer has been made shall, upon such evidence being produced as may from time to time properly be required by the Trustee, request in writing the transfer of such Participation Note from a registered Participation Note Holder and may elect either to be registered himself as Participation Note Holder or to have some person nominated by him registered as Participation Note Holder.

The Trustee will not register the transfer of Participation Notes for a period of fifteen (15) days preceding an Interest Payment Date in relation to the Participation Notes.

8.12 Meetings of Participation Holders

1. The provisions of the Terms and Conditions of both the Global Note and the Participation Notes and of the Trust Deed may be amended with the approval of the Participation Note Holders at a meeting called for that purpose by the Trustee in accordance with the terms of the Trust Deed or by written instructions given by not less than sixty per cent (60%) in value of Participation Note Holders.
2. In the event that the Issuer wishes to amend any of the provisions set out in the Terms and Conditions, it shall call upon the Trustee, in writing, seeking its consent to such amendment or amendments. The Trustee, prior to granting or refusing such consent, shall call a meeting of Participation Note Holders registered in the Register of Participation Note Holders as at that date, by giving such Participation Note Holders not less than fourteen (14) days notice in writing, setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat, including sufficient information on any amendment of the Terms and Conditions that is proposed to be voted upon at the meeting and seeking the approval of the Participation Note Holders registered as aforesaid. Following a meeting of Participation Note holders held in accordance with the provisions contained in the Trust Deed, the Trustee shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Issuer whether its consent to a request of the Issuer is granted or withheld. Subject to having obtained the necessary approval by the said Participation Note Holders in accordance with the terms set out in the Trust Deed at a meeting called for that purpose as aforesaid, any such proposed amendment or amendments to the provisions set out in the Terms and Conditions shall subsequently be given effect to by the Issuer in consultation with the Trustee.

3. For all intents and purposes it is hereby set out that any meeting of Participation Note Holders, including but not limited to meetings held for the purposes set out in paragraphs (1) and (2) above, shall be held in accordance with the provisions of the Trust Deed and the procedure set out therein.

8.13 Participation Notes Held Jointly

In respect of a Participation Note held jointly by several persons (including but not limited to husband and wife), the joint Participation Note Holders shall nominate one of their number as their representative and his/her name will be entered in the Register of Participation Note Holders with such designation. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. In the absence of such nomination and until such nomination is made, the person first named on the Register of Participation Note Holders in respect of such Participation Note shall, for all intents and purposes, be deemed to be the registered holder of the Participation Note so held. The Trustee shall not be bound to register more than three (3) persons as the joint Participation Note Holders.

8.14 Participation Notes held subject to Usufruct

In the respect of a Participation Note held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall for all intents and purposes be deemed, vis-a-vis the Trustee, to be the holder of the Participation Note so held and shall have the right to receive interest on the Participation Note, but shall not, during the continuance of the Participation Note, have the right to dispose of the Participation Note so held without the consent of the bare owner.

8.15 Further Issues

The Issuer is at liberty, from time to time, and without requiring the consent of the Global Note Holder or the Participating Note Holders, to create and issue further bonds, notes, debentures or any other debt securities upon such terms as to status, interest, conversion, redemption and otherwise as the Issuer may, at the time of issue thereof, determine.

8.16 Notices

Notices will be mailed to the Trustee or the Participation Note Holders (as the case may be) at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to the Trustee or the Participation Note Holders (as the case may be) at their registered address and posted.

8.17 Governing Law and Jurisdiction

These Terms and Conditions, the Participation Notes, the Prospectus, all the rights and obligations of the Trustee and any Participation Note Holder and any non-contractual obligations arising out of or in connection with the Participation Notes, the Prospectus and these Terms and Conditions, shall be governed by and construed in accordance with Maltese law.

Any suit, action or proceedings arising out of, or in connection with, these Terms and Conditions, the Prospectus and the Participation Notes, shall be submitted to the Courts of Malta. The Trustee and every Participation Note Holder each agree that the Courts of Malta shall have exclusive jurisdiction to hear and settle any dispute arising out of or in connection with the Participation Notes, the Prospectus and these Terms and Conditions, and each shall irrevocably submit to the jurisdiction of the Courts of Malta.

Postal Address: 70, MH Street, Domus Domus 3104 - Malta
tel: (+356) 21381500 **fax:** (+356) 21381600 **e-mail:** info@demicoli.com.mt **web:** www.demicoli.com.mt



DeMicoli & Associates
Chartered Surveyors

11th June 2014

ANNEX 3.

The Directors
Schembri Finance plc.
Hal Far Road
B'Bugia BBG 9035

Re: Valuation of Land and Buildings (ex-Schembri Bros Tarmac Plant) at Hal Far Industrial Estate.

Dear Sir,

Further to your request, I have visited the site mentioned above for the purposes of drawing up a valuation, and I would like to report as follows.

The subject of this valuation is a plot of land in Hal Far Industrial Estate including buildings existing thereon but excluding mechanical plant, the tarmac plant, trucks and all other construction vehicles. The valuation is therefore limited to a large plot of land of an area of 5232 s.m (4.48 *tumoli*) and existing buildings consisting of offices, testing laboratory, aggregate screens, fine aggregate stores, large garages, workshops, storage rooms, canteen, restrooms, generator room, heater room and bitumen loading bay, weigh bridge room and weighbridge, all as shown on attached approved permit drawings done by Architect Leonard Zammit.

The area of land being purchased known as Tar-Ranzija is shown on a site plan attached herewith, and on a Lands Registry Plan which indicates the portion of land (5232 s.m) being purchased outlined in red on the latter plan. Access to the site is through a formed road on an adjacent plot of land (touching on the west side of the site) of a superficial area of 13,500 s.m. This adjacent plot has vacant possession and the purchaser is buying any rights which the seller enjoys and possesses on this land where discussions are at present in progress with the Competent Authorities about the legal title. We interpret this to mean that both sites have rights of passage by man and beast as described in the promise of sale dated 27th October 2012, herewith attached.

This vehicular passage is a concession granted on encroachment terms by the Commissioner of Land to the seller since 1994 for a recognition fee of €46.59 per annum and it is reasonable to presume that the encroachment will be transferred to the purchaser, Mr.F.Schembri (See letters dated 9th March 1994 and 28th March 1994 together with letter dated 29th September 2000 and attached Land Department plan No 33/94 dated 25th February 1994, and Drg No HFM 16-0 dated March 1994).



DeMicoli & Associates

ARCHITECTS

The existing buildings referred to above are covered by permit numbers PA1717/95 and PA924/99, as can be verified in drg. Nos.13a,13b and 13c drawn by Architect Leonard Zammit, attached herewith. The tarmac plant is fully licensed.

The site (land and buildings) to be purchased is situated within the Hal Far Industrial Estate and qualifies as building land for industrial purposes as designated by the Malta Environment and Planning Authority in map No HF1 "Hal Far Area Policy Map", of the South Malta Local Plan. The site is in fact classified as industrial land under policy SMHF01, which states that priority in this area will be given to the efficient use of this industrial land for industrial uses only, with a building height limitation of three floors (12 metres). This means that the land qualifies and has the potential for the construction of factories, warehouses, workshops for SME's, garages, stores etc. so long as the industrial activity does not cause problems to neighbouring units by reason of noise, smell, vibration, emissions etc, which may also be allowed if steps are taken to mitigate, minimize and control these adverse effects.

The entire site is therefore being valued on the basis of industrial land qualifying for the construction of industrial buildings up to three floors high.

The topography of the land is flat and rock is very close to the surface thus minimizing foundation costs. The area is fed with water and three-phase electricity services. The road beyond the access point to the main Hal Far/Kalafrana Road is wide and well formed with bitmac. Access to the site for trucks and other heavy vehicles required for the tarmac plant from the public road is through a vehicular passage marked in yellow in the enclosed Lands Registry drawing.

The existing buildings within the site are relatively new and in good condition. The offices are built over two stories and the garages have a clear height of 4.9m, giving a generous volumetric internal space closed by wide galvanized sheet metal doors for easy access of heavy vehicles.

The re-sale value of the property is high due to its location within a developable industrial zone. Market trends are not expected to change significantly for this category and location in the short and medium term. Moreover, the forthcoming review of all Malta Local Plans cannot exclude the property from the industrial zone. If anything, the review may include ODZ (Outside Development Zone) land to the east of the site as developable land thus possibly increasing the value of the existing property due to such upgrade.

I consider the property under review to be suitable to secure a loan over the short to medium term. The land to be purchased is freehold.



DeMicoli & Associates

Architects

It is to be noted that this valuation is being made on the basis of a promise of sale dated 27 October 2012 and its extensions dated 13 January 2014 and 28 May 2014, meaning that the full legal title of ownership on the property will be vested in Schembri Asphalt Ltd when the public deed is signed.

It is understood that the purpose of this Architect's Report is in connection with the proposed issuing of the Notes to be issued by Schembri Finance p.l.c., and that a copy of this report will be included in the Prospectus. To this end I confirm that I have given my consent to the inclusion of this report in the Prospectus and that I have not withdrawn my consent thereto.

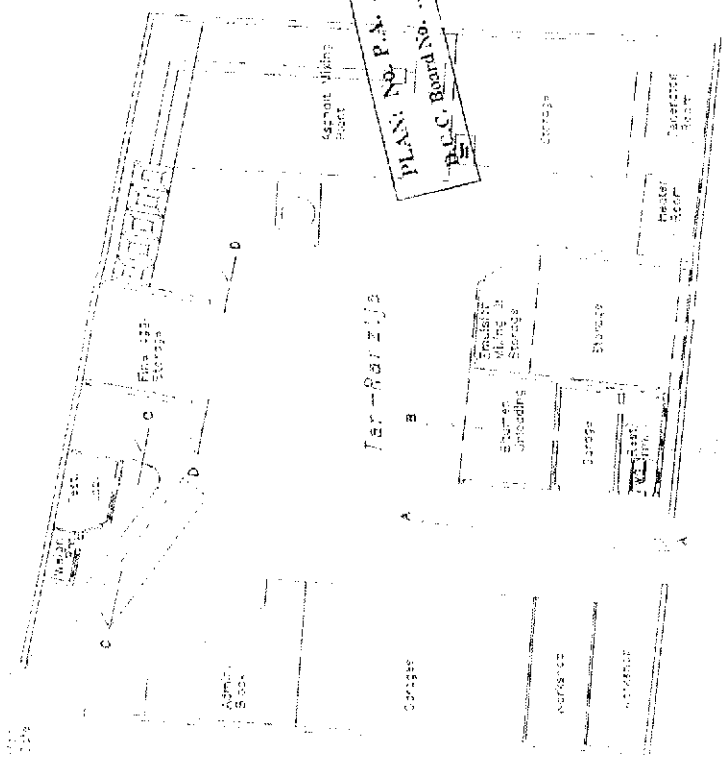
Having considered all the factors described above, I assess the value of the plot of land and buildings thereon (the property) of an area of 5232 s.m. (as outlined in red on the relevant site plans attached to this report) on the open market as of today to be €3,500,000 (three million five hundred thousand euro)

Perit Ray DeMicoli

Encs Drg. Nos 13a, 13b, 13c (approved Mepa plans)
 Site Plan (Mepa format) (9.6.14).
 Land Registry Plan (9.6.14).
 9 Photos
 Copy of promise of sale dated 28.5.14.
 Letters dated 9th March 1994 and 29th September 2000
 Land Department Drg No. 33/94 dated 25th February 1994.
 MDC Letter dated 28th March 1994.
 MDC drg No HFM 16-0 dated March 1994.

100

For site elevation in 30' x 30' grid
 Survey lines indicate the area of
 existing buildings are shown on
 permit No. B-17-192



PLAN: No. P.A. 192-119
 P.A.C. Board No. 192-119

DAVIDSON & ASSOCIATES
 Architects
 70 1st Street
 Great Falls, VA 22064
 Tel: (703) 213-1100 • Fax: (703) 213-1100
 e-mail: info@daavidson.com
 www.daavidson.com

Project No.	0000-192
Scale	1" = 100'
Sheet No.	1 of 1

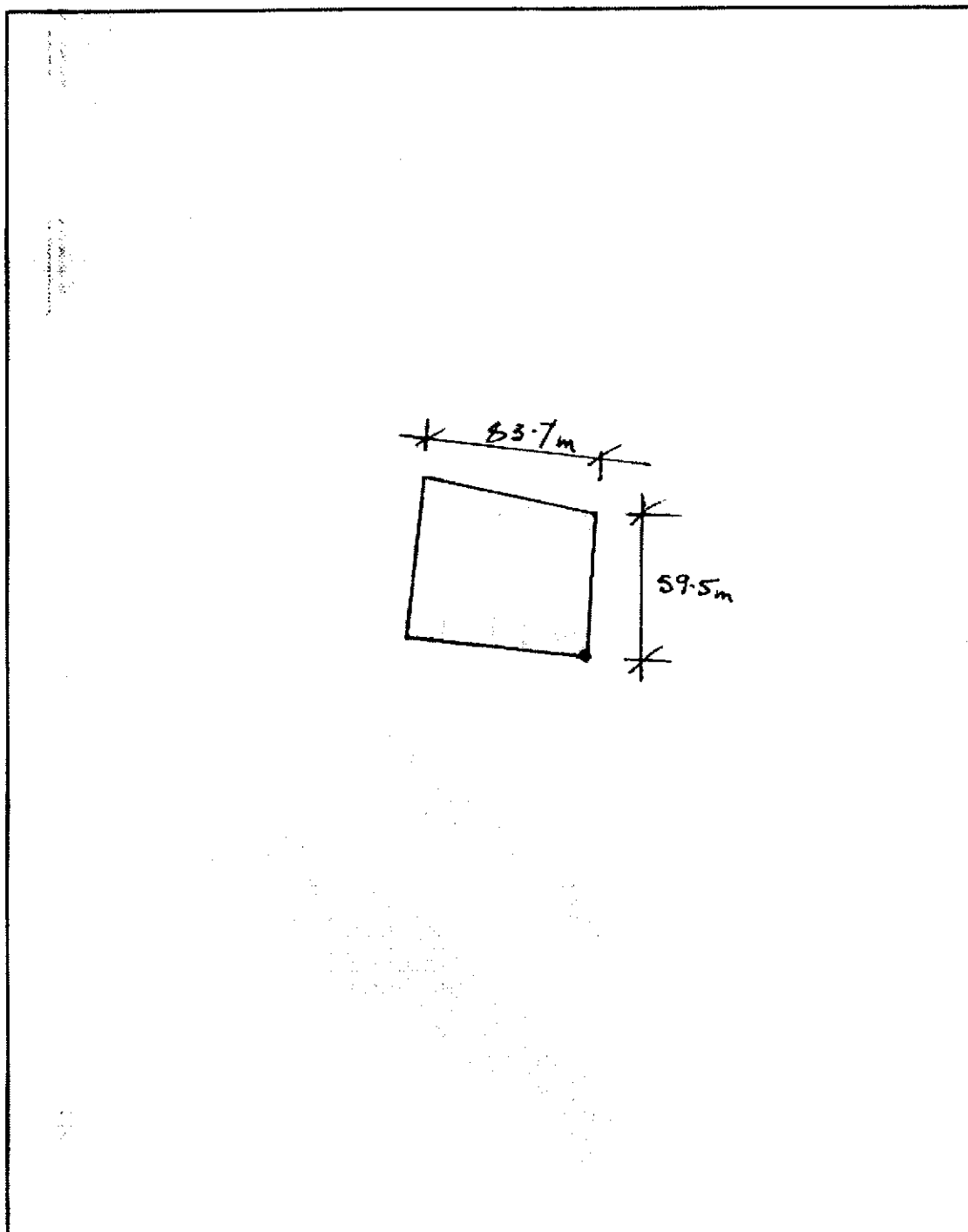
Project Title	Expansion of land on construction of storage, storage and steel, steel.
Project No.	192-119
Scale	1" = 100'

DAVIDSON & ASSOCIATES
 70 1st Street
 Great Falls, VA 22064
 Tel: (703) 213-1100 • Fax: (703) 213-1100
 e-mail: info@daavidson.com
 www.daavidson.com

1. NAME _____
 2. ADDRESS _____
 3. CITY _____
 4. STATE _____
 5. ZIP _____
 6. PHONE _____
 7. DATE _____
 8. SIGNATURE _____
 9. PRINT NAME _____
 10. PRINT ADDRESS _____
 11. PRINT CITY _____
 12. PRINT STATE _____
 13. PRINT ZIP _____
 14. PRINT PHONE _____
 15. PRINT DATE _____
 16. PRINT SIGNATURE _____
 17. PRINT NAME _____
 18. PRINT ADDRESS _____
 19. PRINT CITY _____
 20. PRINT STATE _____
 21. PRINT ZIP _____
 22. PRINT PHONE _____
 23. PRINT DATE _____
 24. PRINT SIGNATURE _____
 25. PRINT NAME _____
 26. PRINT ADDRESS _____
 27. PRINT CITY _____
 28. PRINT STATE _____
 29. PRINT ZIP _____
 30. PRINT PHONE _____
 31. PRINT DATE _____
 32. PRINT SIGNATURE _____
 33. PRINT NAME _____
 34. PRINT ADDRESS _____
 35. PRINT CITY _____
 36. PRINT STATE _____
 37. PRINT ZIP _____
 38. PRINT PHONE _____
 39. PRINT DATE _____
 40. PRINT SIGNATURE _____
 41. PRINT NAME _____
 42. PRINT ADDRESS _____
 43. PRINT CITY _____
 44. PRINT STATE _____
 45. PRINT ZIP _____
 46. PRINT PHONE _____
 47. PRINT DATE _____
 48. PRINT SIGNATURE _____
 49. PRINT NAME _____
 50. PRINT ADDRESS _____
 51. PRINT CITY _____
 52. PRINT STATE _____
 53. PRINT ZIP _____
 54. PRINT PHONE _____
 55. PRINT DATE _____
 56. PRINT SIGNATURE _____
 57. PRINT NAME _____
 58. PRINT ADDRESS _____
 59. PRINT CITY _____
 60. PRINT STATE _____
 61. PRINT ZIP _____
 62. PRINT PHONE _____
 63. PRINT DATE _____
 64. PRINT SIGNATURE _____
 65. PRINT NAME _____
 66. PRINT ADDRESS _____
 67. PRINT CITY _____
 68. PRINT STATE _____
 69. PRINT ZIP _____
 70. PRINT PHONE _____
 71. PRINT DATE _____
 72. PRINT SIGNATURE _____
 73. PRINT NAME _____
 74. PRINT ADDRESS _____
 75. PRINT CITY _____
 76. PRINT STATE _____
 77. PRINT ZIP _____
 78. PRINT PHONE _____
 79. PRINT DATE _____
 80. PRINT SIGNATURE _____
 81. PRINT NAME _____
 82. PRINT ADDRESS _____
 83. PRINT CITY _____
 84. PRINT STATE _____
 85. PRINT ZIP _____
 86. PRINT PHONE _____
 87. PRINT DATE _____
 88. PRINT SIGNATURE _____
 89. PRINT NAME _____
 90. PRINT ADDRESS _____
 91. PRINT CITY _____
 92. PRINT STATE _____
 93. PRINT ZIP _____
 94. PRINT PHONE _____
 95. PRINT DATE _____
 96. PRINT SIGNATURE _____
 97. PRINT NAME _____
 98. PRINT ADDRESS _____
 99. PRINT CITY _____
 100. PRINT STATE _____
 101. PRINT ZIP _____
 102. PRINT PHONE _____
 103. PRINT DATE _____
 104. PRINT SIGNATURE _____
 105. PRINT NAME _____
 106. PRINT ADDRESS _____
 107. PRINT CITY _____
 108. PRINT STATE _____
 109. PRINT ZIP _____
 110. PRINT PHONE _____
 111. PRINT DATE _____
 112. PRINT SIGNATURE _____
 113. PRINT NAME _____
 114. PRINT ADDRESS _____
 115. PRINT CITY _____
 116. PRINT STATE _____
 117. PRINT ZIP _____
 118. PRINT PHONE _____
 119. PRINT DATE _____
 120. PRINT SIGNATURE _____
 121. PRINT NAME _____
 122. PRINT ADDRESS _____
 123. PRINT CITY _____
 124. PRINT STATE _____
 125. PRINT ZIP _____
 126. PRINT PHONE _____
 127. PRINT DATE _____
 128. PRINT SIGNATURE _____
 129. PRINT NAME _____
 130. PRINT ADDRESS _____
 131. PRINT CITY _____
 132. PRINT STATE _____
 133. PRINT ZIP _____
 134. PRINT PHONE _____
 135. PRINT DATE _____
 136. PRINT SIGNATURE _____
 137. PRINT NAME _____
 138. PRINT ADDRESS _____
 139. PRINT CITY _____
 140. PRINT STATE _____
 141. PRINT ZIP _____
 142. PRINT PHONE _____
 143. PRINT DATE _____
 144. PRINT SIGNATURE _____
 145. PRINT NAME _____
 146. PRINT ADDRESS _____
 147. PRINT CITY _____
 148. PRINT STATE _____
 149. PRINT ZIP _____
 150. PRINT PHONE _____
 151. PRINT DATE _____
 152. PRINT SIGNATURE _____
 153. PRINT NAME _____
 154. PRINT ADDRESS _____
 155. PRINT CITY _____
 156. PRINT STATE _____
 157. PRINT ZIP _____
 158. PRINT PHONE _____
 159. PRINT DATE _____
 160. PRINT SIGNATURE _____
 161. PRINT NAME _____
 162. PRINT ADDRESS _____
 163. PRINT CITY _____
 164. PRINT STATE _____
 165. PRINT ZIP _____
 166. PRINT PHONE _____
 167. PRINT DATE _____
 168. PRINT SIGNATURE _____
 169. PRINT NAME _____
 170. PRINT ADDRESS _____
 171. PRINT CITY _____
 172. PRINT STATE _____
 173. PRINT ZIP _____
 174. PRINT PHONE _____
 175. PRINT DATE _____
 176. PRINT SIGNATURE _____
 177. PRINT NAME _____
 178. PRINT ADDRESS _____
 179. PRINT CITY _____
 180. PRINT STATE _____
 181. PRINT ZIP _____
 182. PRINT PHONE _____
 183. PRINT DATE _____
 184. PRINT SIGNATURE _____
 185. PRINT NAME _____
 186. PRINT ADDRESS _____
 187. PRINT CITY _____
 188. PRINT STATE _____
 189. PRINT ZIP _____
 190. PRINT PHONE _____
 191. PRINT DATE _____
 192. PRINT SIGNATURE _____
 193. PRINT NAME _____
 194. PRINT ADDRESS _____
 195. PRINT CITY _____
 196. PRINT STATE _____
 197. PRINT ZIP _____
 198. PRINT PHONE _____
 199. PRINT DATE _____
 200. PRINT SIGNATURE _____
 201. PRINT NAME _____
 202. PRINT ADDRESS _____
 203. PRINT CITY _____
 204. PRINT STATE _____
 205. PRINT ZIP _____
 206. PRINT PHONE _____
 207. PRINT DATE _____
 208. PRINT SIGNATURE _____
 209. PRINT NAME _____
 210. PRINT ADDRESS _____
 211. PRINT CITY _____
 212. PRINT STATE _____
 213. PRINT ZIP _____
 214. PRINT PHONE _____
 215. PRINT DATE _____
 216. PRINT SIGNATURE _____
 217. PRINT NAME _____
 218. PRINT ADDRESS _____
 219. PRINT CITY _____
 220. PRINT STATE _____

1. 1/2" = 1'-0"
 2. 1/4" = 1'-0"
 3. 1/8" = 1'-0"
 4. 1/16" = 1'-0"
 5. 1/32" = 1'-0"
 6. 1/64" = 1'-0"
 7. 1/128" = 1'-0"
 8. 1/256" = 1'-0"
 9. 1/512" = 1'-0"
 10. 1/1024" = 1'-0"
 11. 1/2048" = 1'-0"
 12. 1/4096" = 1'-0"
 13. 1/8192" = 1'-0"
 14. 1/16384" = 1'-0"
 15. 1/32768" = 1'-0"
 16. 1/65536" = 1'-0"
 17. 1/131072" = 1'-0"
 18. 1/262144" = 1'-0"
 19. 1/524288" = 1'-0"
 20. 1/1048576" = 1'-0"
 21. 1/2097152" = 1'-0"
 22. 1/4194304" = 1'-0"
 23. 1/8388608" = 1'-0"
 24. 1/16777216" = 1'-0"
 25. 1/33554432" = 1'-0"
 26. 1/67108864" = 1'-0"
 27. 1/134217728" = 1'-0"
 28. 1/268435456" = 1'-0"
 29. 1/536870912" = 1'-0"
 30. 1/1073741824" = 1'-0"
 31. 1/2147483648" = 1'-0"
 32. 1/4294967296" = 1'-0"
 33. 1/8589934592" = 1'-0"
 34. 1/17179869184" = 1'-0"
 35. 1/34359738368" = 1'-0"
 36. 1/68719476736" = 1'-0"
 37. 1/137438953472" = 1'-0"
 38. 1/274877906944" = 1'-0"
 39. 1/549755813888" = 1'-0"
 40. 1/1099511627776" = 1'-0"
 41. 1/2199023255552" = 1'-0"
 42. 1/4398046511104" = 1'-0"
 43. 1/8796093022208" = 1'-0"
 44. 1/17592186044416" = 1'-0"
 45. 1/35184372088832" = 1'-0"
 46. 1/70368744177664" = 1'-0"
 47. 1/140737488355328" = 1'-0"
 48. 1/281474976710656" = 1'-0"
 49. 1/562949953421312" = 1'-0"
 50. 1/1125899906842624" = 1'-0"
 51. 1/2251799813685248" = 1'-0"
 52. 1/4503599627370496" = 1'-0"
 53. 1/9007199254740992" = 1'-0"
 54. 1/18014398509481984" = 1'-0"
 55. 1/36028797018963968" = 1'-0"
 56. 1/72057594037927936" = 1'-0"
 57. 1/144115188075855872" = 1'-0"
 58. 1/288230376151711744" = 1'-0"
 59. 1/576460752303423488" = 1'-0"
 60. 1/1152921504606846976" = 1'-0"
 61. 1/2305843009213693952" = 1'-0"
 62. 1/4611686018427387904" = 1'-0"
 63. 1/9223372036854775808" = 1'-0"
 64. 1/18446744073709551616" = 1'-0"
 65. 1/36893488147419103232" = 1'-0"
 66. 1/73786976294838206464" = 1'-0"
 67. 1/147573952589676412928" = 1'-0"
 68. 1/295147905179352825856" = 1'-0"
 69. 1/590295810358705651712" = 1'-0"
 70. 1/1180591620717411303424" = 1'-0"
 71. 1/2361183241434822606848" = 1'-0"
 72. 1/4722366482869645213696" = 1'-0"
 73. 1/9444732965739290427392" = 1'-0"
 74. 1/18889465931478580854784" = 1'-0"
 75. 1/37778931862957161709568" = 1'-0"
 76. 1/75557863725914323419136" = 1'-0"
 77. 1/151115727451828646838272" = 1'-0"
 78. 1/302231454903657293676544" = 1'-0"
 79. 1/604462909807314587353088" = 1'-0"
 80. 1/1208925819614629174706176" = 1'-0"
 81. 1/2417851639229258349412352" = 1'-0"
 82. 1/4835703278458516698824704" = 1'-0"
 83. 1/9671406556917033397649408" = 1'-0"
 84. 1/19342813113834066795298816" = 1'-0"
 85. 1/38685626227668133590597632" = 1'-0"
 86. 1/77371252455336267181195264" = 1'-0"
 87. 1/154742504910672534362390528" = 1'-0"
 88. 1/309485009821345068724781056" = 1'-0"
 89. 1/618970019642690137449562112" = 1'-0"
 90. 1/1237940039285380274899124224" = 1'-0"
 91. 1/2475880078570760549798248448" = 1'-0"
 92. 1/4951760157141521099596496896" = 1'-0"
 93. 1/9903520314283042199192993792" = 1'-0"
 94. 1/19807040628566084398385987584" = 1'-0"
 95. 1/39614081257132168796771975168" = 1'-0"
 96. 1/79228162514264337593543950336" = 1'-0"
 97. 1/158456325028528675187087900672" = 1'-0"
 98. 1/316912650057057350374175801344" = 1'-0"
 99. 1/633825300114114700748351602688" = 1'-0"
 100. 1/1267650600228229401496703205376" = 1'-0"
 101. 1/2535301200456458802993406410752" = 1'-0"
 102. 1/5070602400912917605986812821504" = 1'-0"
 103. 1/10141204801825835211973625643008" = 1'-0"
 104. 1/20282409603651670423947251286016" = 1'-0"
 105. 1/40564819207303340847894502572032" = 1'-0"
 106. 1/81129638414606681695789005144064" = 1'-0"
 107. 1/162259276829213363391578010288128" = 1'-0"
 108. 1/324518553658426726783156020576256" = 1'-0"
 109. 1/649037107316853453566312041152512" = 1'-0"
 110. 1/1298074214633706907132624082305024" = 1'-0"
 111. 1/2596148429267413814265248164610048" = 1'-0"
 112. 1/5192296858534827628530496329220096" = 1'-0"
 113. 1/10384593717069655257060992658440192" = 1'-0"
 114. 1/20769187434139310514121985316880384" = 1'-0"
 115. 1/41538374868278621028243970633760768" = 1'-0"
 116. 1/83076749736557242056487941267521536" = 1'-0"
 117. 1/166153499473114484112975882535043072" = 1'-0"
 118. 1/332306998946228968225951765070086144" = 1'-0"
 119. 1/664613997892457936451903530140172288" = 1'-0"
 120. 1/1329227995784915872903807060280344576" = 1'-0"
 121. 1/2658455991569831745807614120560689152" = 1'-0"
 122. 1/5316911983139663491615228241121378304" = 1'-0"
 123. 1/10633823966279326983230456482242756608" = 1'-0"
 124. 1/21267647932558653966460912964485513216" = 1'-0"
 125. 1/42535295865117307932921825928971026432" = 1'-0"
 126. 1/85070591730234615865843651857942052864" = 1'-0"
 127. 1/170141183460469231731687303715884105728" = 1'-0"
 128. 1/340282366920938463463374607431768211456" = 1'-0"
 129. 1/680564733841876926926749214863536422912" = 1'-0"
 130. 1/1361129467683753853853498429727072845824" = 1'-0"
 131. 1/2722258935367507707706996859454145691648" = 1'-0"
 132. 1/5444517870735015415413993718908291383296" = 1'-0"
 133. 1/10889035741470030830827987437816582766592" = 1'-0"
 134. 1/21778071482940061661655974875633165533184" = 1'-0"
 135. 1/43556142965880123323311949751266331066368" = 1'-0"
 136. 1/87112285931760246646623899502532662132736" = 1'-0"
 137. 1/174224571863520493293247799005065324265472" = 1'-0"
 138. 1/348449143727040986586495598010130648530944" = 1'-0"
 139. 1/696898287454081973172991196020261297061888" = 1'-0"
 140. 1/1393796574908163946345982392040522594123776" = 1'-0"
 141. 1/2787593149816327892691964784081045188247552" = 1'-0"
 142. 1/5575186299632655785383929568162090376495104" = 1'-0"
 143. 1/11150372599265311570767859136324180752990208" = 1'-0"
 144. 1/22300745198530623141535718272648361505980416" = 1'-0"
 145. 1/44601490397061246283071436545296723011960832" = 1'-0"
 146. 1/89202980794122492566142873090593446023921664" = 1'-0"
 147. 1/178405961588244985132285746181186892047843328" = 1'-0"
 148. 1/356811923176489970264571492362373784095686656" = 1'-0"
 149. 1/713623846352979940529142984724747568191373312" = 1'-0"
 150. 1/1427247692705959881058285969449495136382746624" = 1'-0"
 151. 1/2854495385411919762116571938898990272765493248" = 1'-0"
 152. 1/5708990770823839524233143877797980545530986496" = 1'-0"
 153. 1/11417981541647679048466287755595961091061972992" = 1'-0"
 154. 1/22835963083295358096932575511191922182123945984" = 1'-0"
 155. 1/45671926166590716193865151022383844364247891968" = 1'-0"
 156. 1/91343852333181432387730302044767688728495783936" = 1'-0"
 157. 1/182687704666362864775460604089535377456991567872" = 1'-0"
 158. 1/365375409332725729550921208179070754913983135744" = 1'-0"
 159. 1/730750818665451459101842416358141509827966271488" = 1'-0"
 160. 1/1461501637330902918203684832716283019655932542976" = 1'-0"
 161. 1/2923003274661805836407369665432566039311865085952" = 1'-0"
 162. 1/5846006549323611672814739330865132078623730171904" = 1'-0"
 163. 1/11692013098647223345629478661730264157247460343808" = 1'-0"
 164. 1/23384026197294446691258957323460528314494920687616" = 1'-0"
 165. 1/46768052394588893382517914646921056628989841375232" = 1'-0"
 166. 1/93536104789177786765035829293842113257979682750464" = 1'-0"
 167. 1/187072209578355573530071658587684226515959365500928" = 1'-0"
 168. 1/374144419156711147060143317175368453031918731001856" = 1'-0"
 169. 1/748288838313422294120286634350736906063837462003712" = 1'-0"
 170. 1/1496577676626844588240573268701473812127674924007424" = 1'-0"
 171. 1/2993155353253689176481146537402947624255349848014848" = 1'-0"
 172. 1/5986310706507378352962293074805895248510699696029696" = 1'-0"
 173. 1/11972621413014756705924586149611790497021399392059392" = 1'-0"
 174. 1/23945242826029513411849172299223580994042798784118784" = 1'-0"
 175. 1/47890485652059026823698344598447161988085597568237568" = 1'-0"
 176. 1/95780971304118053647396689196894323976171195136475136" = 1'-0"
 177. 1/191561942608236107294793378393788647952342390272950272" = 1'-0"
 178. 1/383123885216472214589586756787577295904684780545900544" = 1'-0"
 179. 1/766247770432944429179173513575154591809369561091801088" = 1'-0"
 180. 1/1532495540865888858358347027150309183618739122183602176" = 1'-0"
 181. 1/3064991081731777716716694054300618367237478244367204352" = 1'-0"
 182. 1/6129982163463555433433388108601236734474956488734408704" = 1'-0"
 183. 1/12259964326927110866866776217202473468949912977468817408" = 1'-0"
 184. 1/24519928653854221733733552434404946937899825954937634816" = 1'-0"
 185. 1/49039857307708443467467104868809893875799651909875269632" = 1'-0"
 186. 1/98079714615416886934934209737619787751599303819750539264" = 1'-0"
 187. 1/196159429230833773869868419475239575503198607639501078528" = 1'-0"
 188. 1/392318858461667547739736838950479151006397215279002157056" = 1'-0"
 189. 1/784637716923335095479473677900958302012794430558004314112" = 1'-0"
 190. 1/1569275433846670190958947355801916604025588861116008628224" = 1'-0"
 191. 1/3138550867693340381917894711603833208051177722232017256448" = 1'-0"
 192. 1/6277101735386680763835789423207666416102355444464034512896" = 1'-0"
 193. 1/12554203470773361527671578846415332832204710888928069025792" = 1'-0"
 194. 1/25108406941546723055343157692830665664409421777856138051584" = 1'-0"
 195. 1/50216813883093446110686315385661331328818843555712276103168" = 1'-0"
 196. 1/100433627766186892221372630771322662657637687111424552206336" = 1'-0"
 197. 1/200867255532373784442745261542645325315275374222849104412672" = 1'-0"
 198. 1/401734511064747568885490523085290650630550748445698208825344" = 1'-0"
 199. 1/803469022129495137770981046170581301261101496891396417650688" = 1'-0"
 200. 1/1606938044258990275541962092341162602522202993782792835301376" = 1'-0"
 201. 1/3213876088517980551083924184682325205044405987565585670602752" = 1'-0"
 202. 1/6427752177035961102167848369364650410088811975131171341205504" = 1'-0"
 203. 1/12855504354071922204335696738729300820177623950262342682411008" = 1'-0"
 204. 1/25711008708143844408671393477458601640355247900524685364822016" = 1'-0"
 205. 1/51422017416287688817342786954917203280710495801049370729644032" = 1'-0"
 206. 1/102844034832575377634685573909834406561420991602098741459288064" = 1'-0"
 207. 1/205688069665150755269371147819668813122841983204197482918576128" = 1'-0"
 208. 1/411376139330301510538742295639337626245683966408394965837152256" = 1'-0"
 209. 1/822752278660603021077484591278675252491367932816789931674304512" = 1'-0"
 210. 1/1645504557321206042154969182557350504982735865633579863348609024" = 1'-0"
 211. 1/3291009114642412084309938365114701009965471731267159726697218048" = 1'-0"
 212. 1/6582018229284824168619876730229402019930943462534319453394436096" = 1'-0"
 213. 1/13164036458569648337239753460458804039861886925068638906788872192" = 1'-0"
 214. 1/26328072917139296674479506920917608079723773850137277813577744384" = 1'-0"
 215. 1/52656145834278593348959013841835216159447547700274555627155488768" = 1'-0"
 216. 1/105312291668557186697918027683670432318895095400549111254310975536" = 1'-0"
 217. 1/210624583337114373395836055367340864637790190801098222508621951072" = 1'-0"
 218. 1/421249166674228746791672110734681729275580381602196445017243902144" = 1'-0"
 219. 1/842498333348457493583344221469363458551160763204392890034487804288" = 1'-0"
 220. 1/1684996666696914987166688442938726917102321526408785780068975608576" = 1'-0"
 221. 1/3369993333393829974333376885877453834204643052817571560137951217152" = 1'-0"
 222. 1/6739986666787659948666753771754907668409286105635143120275902434304" = 1'-0"
 223. 1/13479973333575319897333507543509815336818572211270286240551804868608" = 1'-0"
 224. 1/26959946667150639794667015087019630673637144422540572481103609737216" = 1'-0"
 225. 1/53919893334301279589334030174039261347274288845081144962207219474432" = 1'-0"
 226. 1/107839786668602559178668060348078522694548577690162289924414438948864" = 1'-0"
 227. 1/215679573337205118357336120696157045389097155380324579848828877897728" = 1'-0"
 228. 1/431359146674410236714672241392314090778194310760649159697657755795456" = 1'-0"
 229. 1/862718293348820473429344482784628181556388621521298319395315511590912" = 1'-0"
 230. 1/172543658669764094685868896556925636311277724304259663879063

500m



0m

Min Easting 56475.42, Min Northing 63025.32, Max Easting 56875.42, Max Northing 63525.32

0m

SITE PLAN OF HALFAR INDUSTRIAL ESTATE

400m

MEPA - www.mepa.org.mt

St. Francis Bavelin

Floriana FRN 1230, Malta

PO Box 200, Marsa MRS 1000, Malta

Tel: +356 2290 0000 Fax: +356 2290 4200

Site Plan, Scale 1:2500

Printed on: Monday, June 09, 2014

Site plan is subject to interpretation and approval by the competent authority.

Copyright © MEPA - Malta Environment & Planning Authority



DNV & Associates

Architects

10, 118 Street

Qormi GRM 1181, Malta (Europe)

Tel: +356 2290 0000 Fax: +356 2290 4200

www.dnv.com.mt

[Handwritten signature]

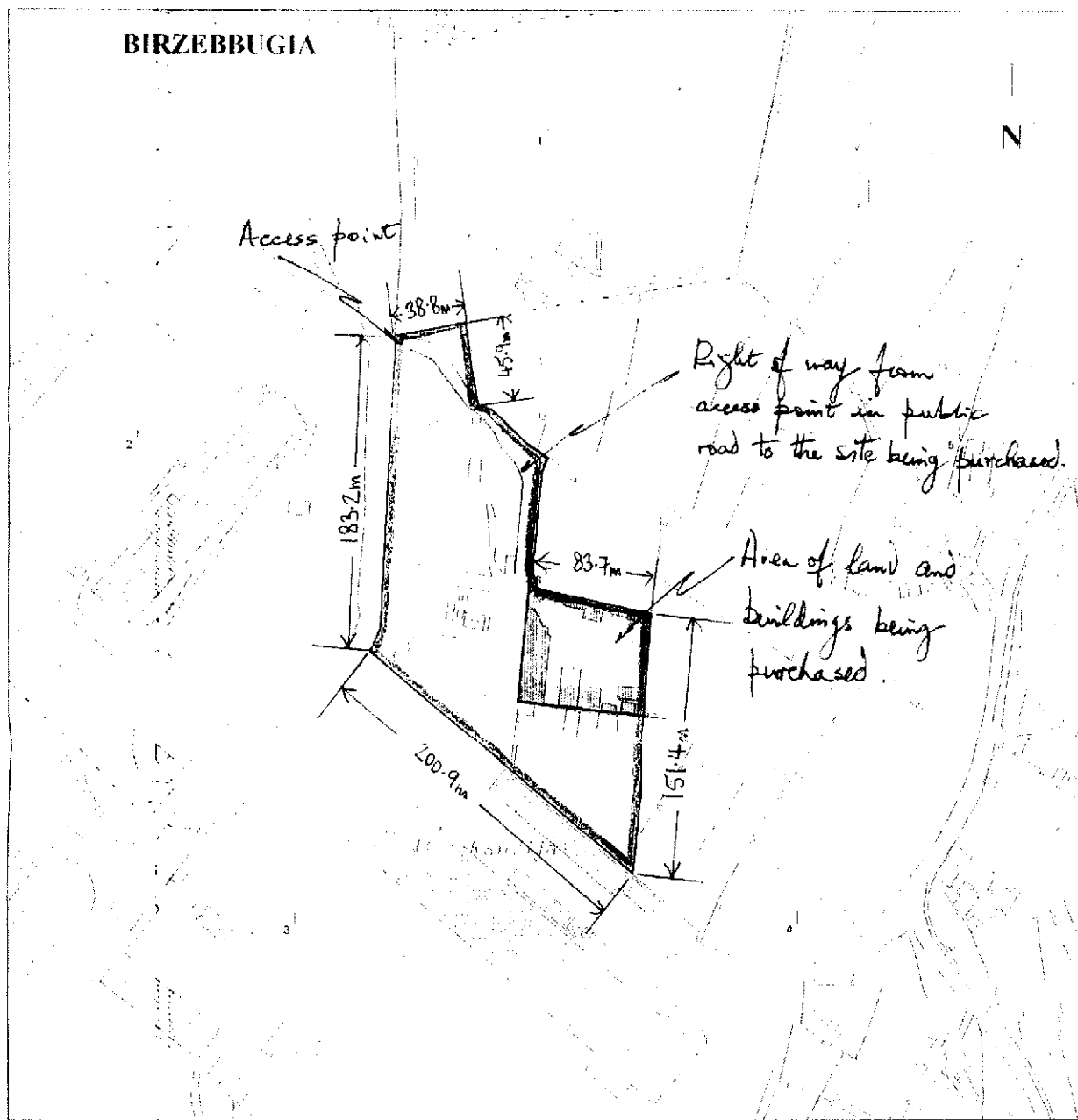
9.6.14.

**AREA OF
LAND**

5232 s.m.

4.45 tumoli





Pjanna tas-sit 1:2500 Site Plan

Gvern ta' Malta

Registru ta' l-Artijiet

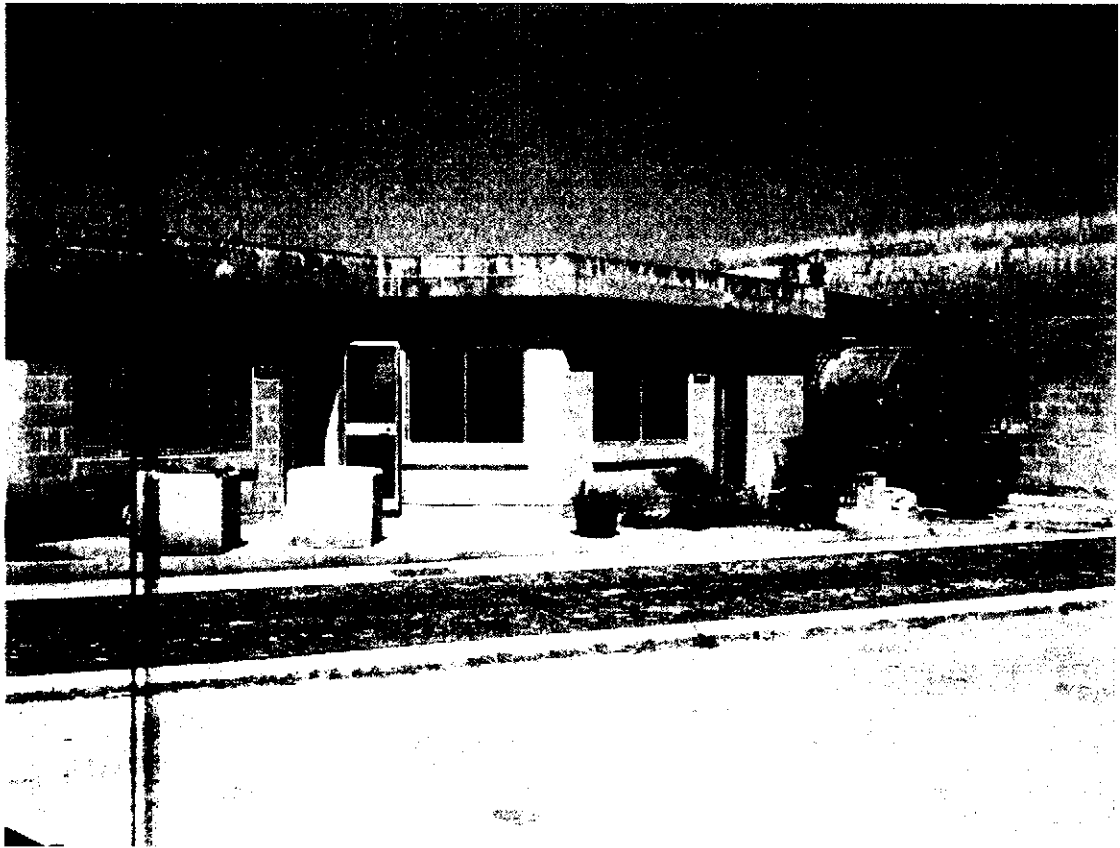
Casa Bolino, 116 Triq il-Panent, Valletta

Government of Malta

Land Registry

Casa Bolino, 116 West Street, Valletta

Nru tal-Mappa: Map Number	235482M	Pozizzjoni Ċentrali Centre Coordinates	x 50457 y 63916	Parti minn SS Extracted from SS	SS063	Data: Date	04/02/2014
Perit Architect				Qies (metri kwadrati) Area (square metres)	5232.2 m² 5232.2 m ²		
Fimbru tal-Perit Architect's Stamp				Firma tal-Applikant Applicant's signature			
STEPHEN SCHAGIAR B.E. & A.A. & C.E. Architect & Civil Engineer 126, Triq Sirena Zerola, Marsa. Tel: 235479		DeMicoli & Associates Architects 70, Mill Street Corrali, GR1 3104, Malta (P.O. Box) Tel: (+358) 21381500 Fax: (+358) 21381501 e-mail: info@demicoli.com.mt www.demicoli.com.mt		3.6.14 Area marked in red <input checked="" type="checkbox"/>		Dm Athollas Fee Paid	

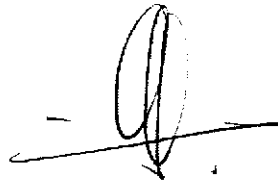


LABORATORY

SCHEMBRI TARMAC PLANT

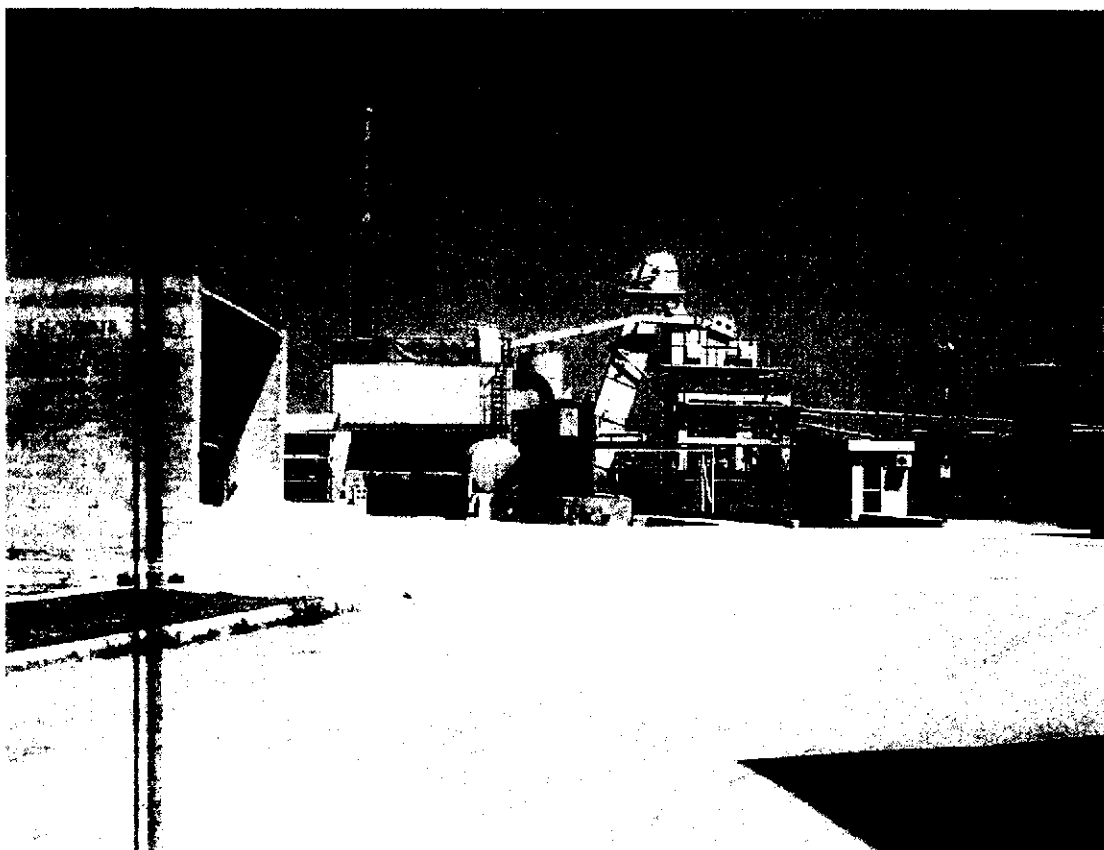
HAL FAR INDUSTRIAL ESTATE

HAL FAR



DeMicoli & Associates
Architects

70, Mill Street,
Qormi QRM 3104 - Malta (Europe)
tel: (+356) 21381500 - fax: (+358) 21381600
e-mail: info@danda.com.mt
www.danda.com.mt



WIDE OPEN YARD AND TARMAC PLANT

SCHEMBRI TARMAC PLANT

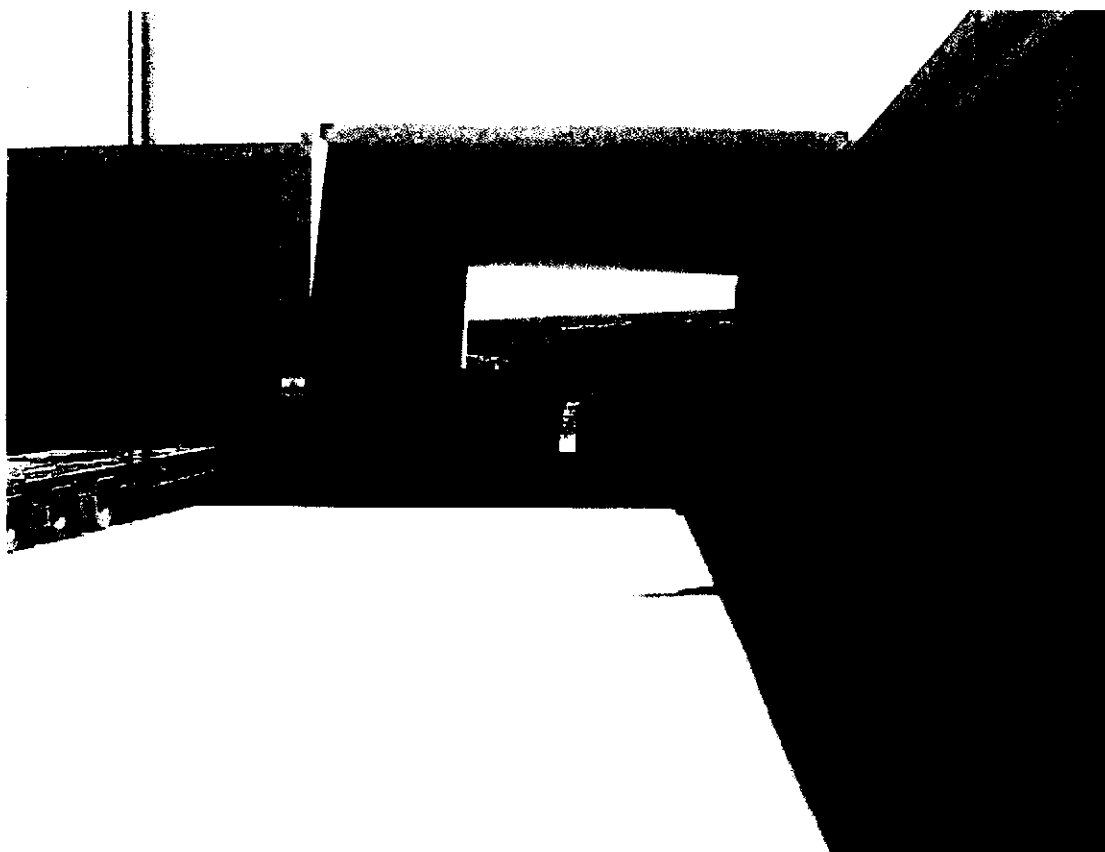
HAL FAR INDUSTRIAL ESTATE

HAL FAR



DeMicoli & Associates
Architects

70, Mill Street,
Cormi QRM 3104 - Malta (Europe)
tel: (+356) 21381500 - fax: (+356) 21381600
e-mail: info@danda.com.mt
www.danda.com.mt

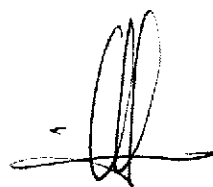


GARAGES AND COVERED AREAS FOR PLANT AND MACHINERY

SCHEMBRI TARMAC PLANT

HAL FAR INDUSTRIAL ESTATE

HAL FAR



DeMicoli & Associates
Architects

70, Mill Street,
Qormi QRM 3104 - Malta (Europe)
tel: (+356) 21381500 - fax: (+356) 21381600
e-mail: info@danda.com.mt
www.danda.com.mt



COVERED AREAS FOR PLANT

SCHEMBRI TARMAC PLANT

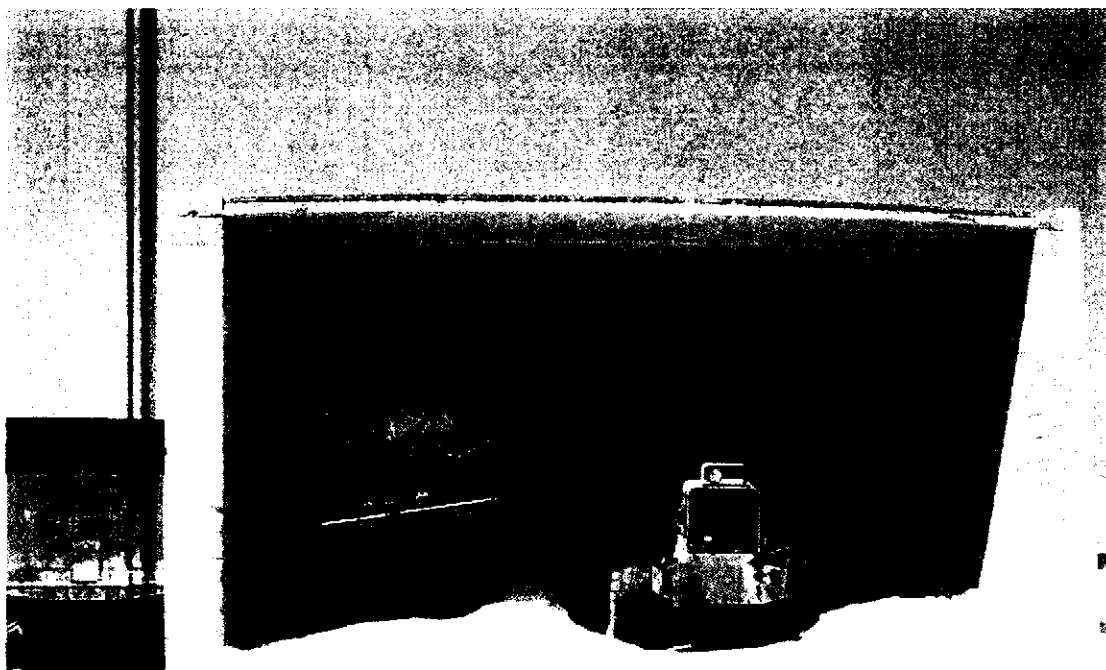
HAL FAR INDUSTRIAL ESTATE

HAL FAR



DeMicoli & Associates
Architects

70, MHI Street,
Qormi QRM 3104 - Malta (Europe)
tel: (+356) 21381500 - fax: (+356) 21381600
e-mail: info@danda.com.mt
www.danda.com.mt

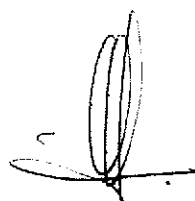


AGGREGATE SHED

SCHEMBRI TARMAC PLANT

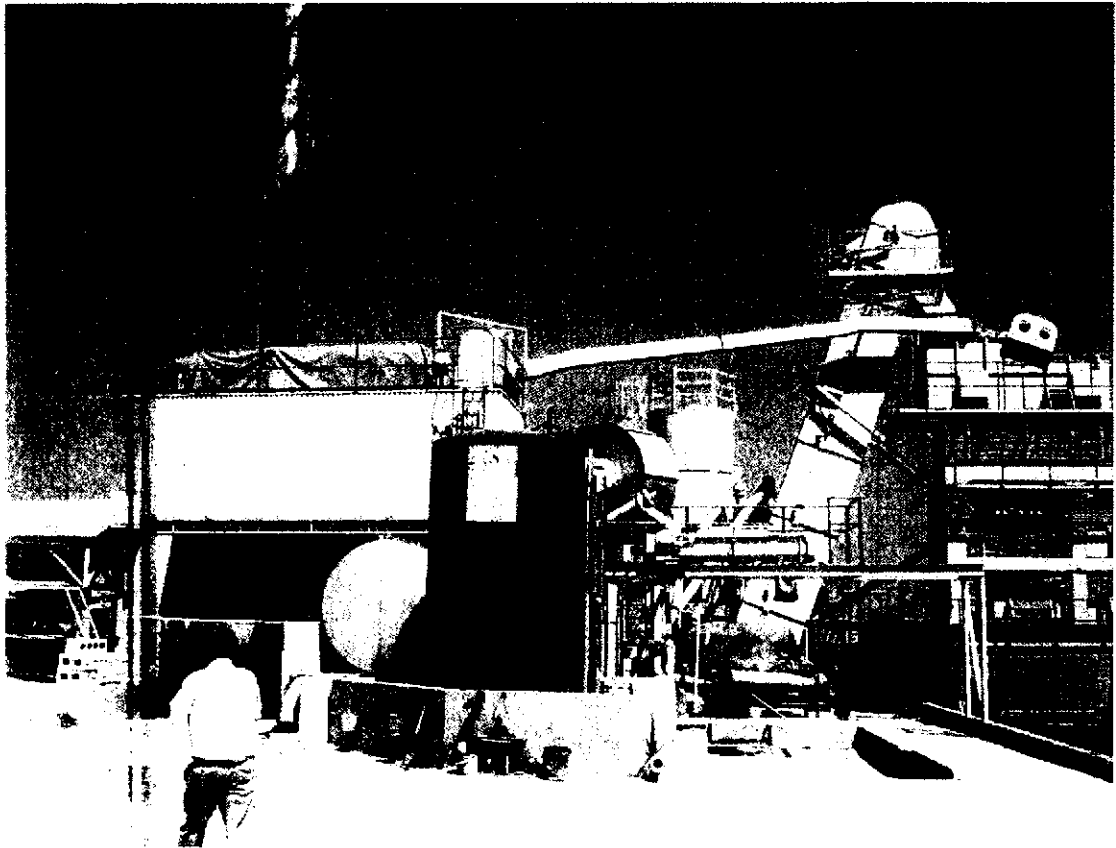
HAL FAR INDUSTRIAL ESTATE

HAL FAR



DeMicoli & Associates
Architects

70, Mili Street,
Qormi QRM 3104 - Malta (Europe)
tel: (+356) 21381500 - fax: (+356) 21381600
e-mail: info@danda.com.mt
www.danda.com.mt

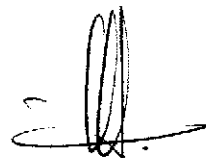


TARMAC PLANT AND EQUIPMENT

SCHEMBRI TARMAC PLANT

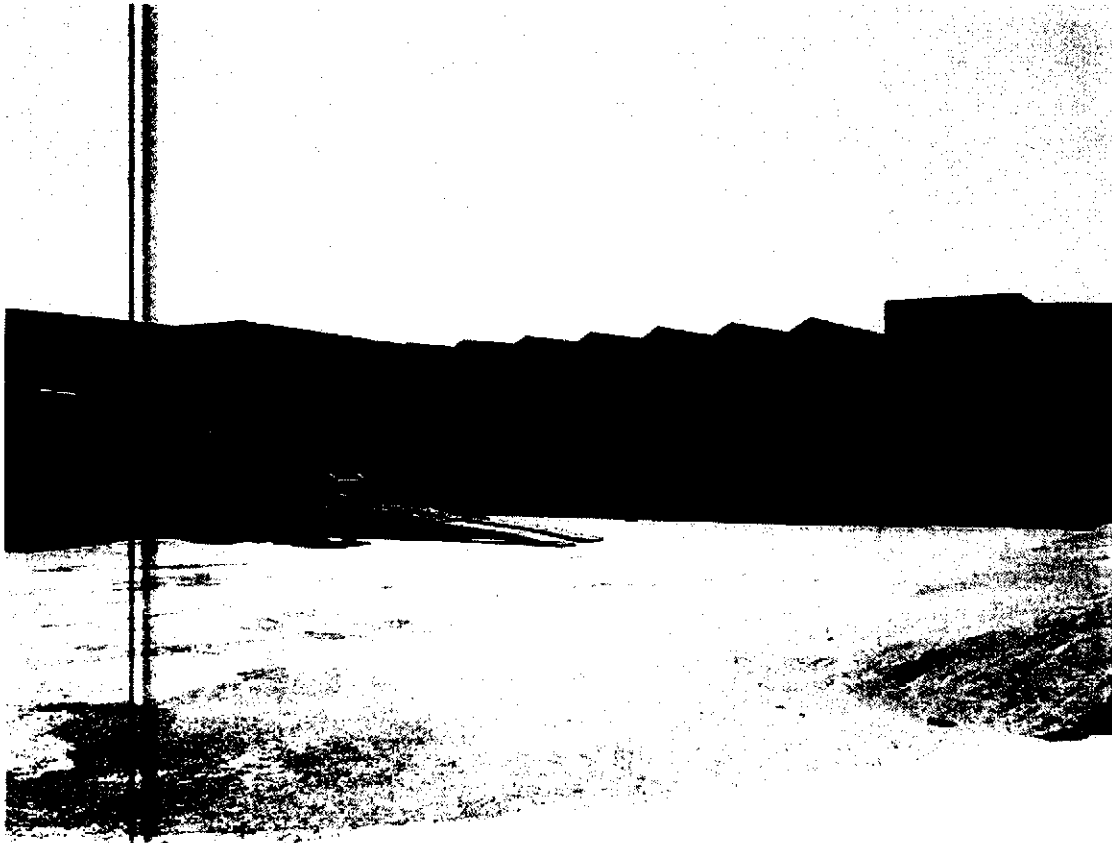
HAL FAR INDUSTRIAL ESTATE

HAL FAR



DeMicoli & Associates
Architects

70, Mill Street,
Qormi QRM 3104 - Malta (Europe)
tel: (+356) 21381500 - fax: (+356) 21381600
e-mail: info@danda.com.mt
www.danda.com.mt

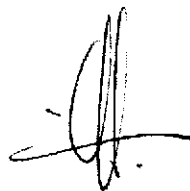


GENERAL VIEW OF COVERED AREAS, GARAGES AND OFFICES

SCHEMBRI TARMAC PLANT

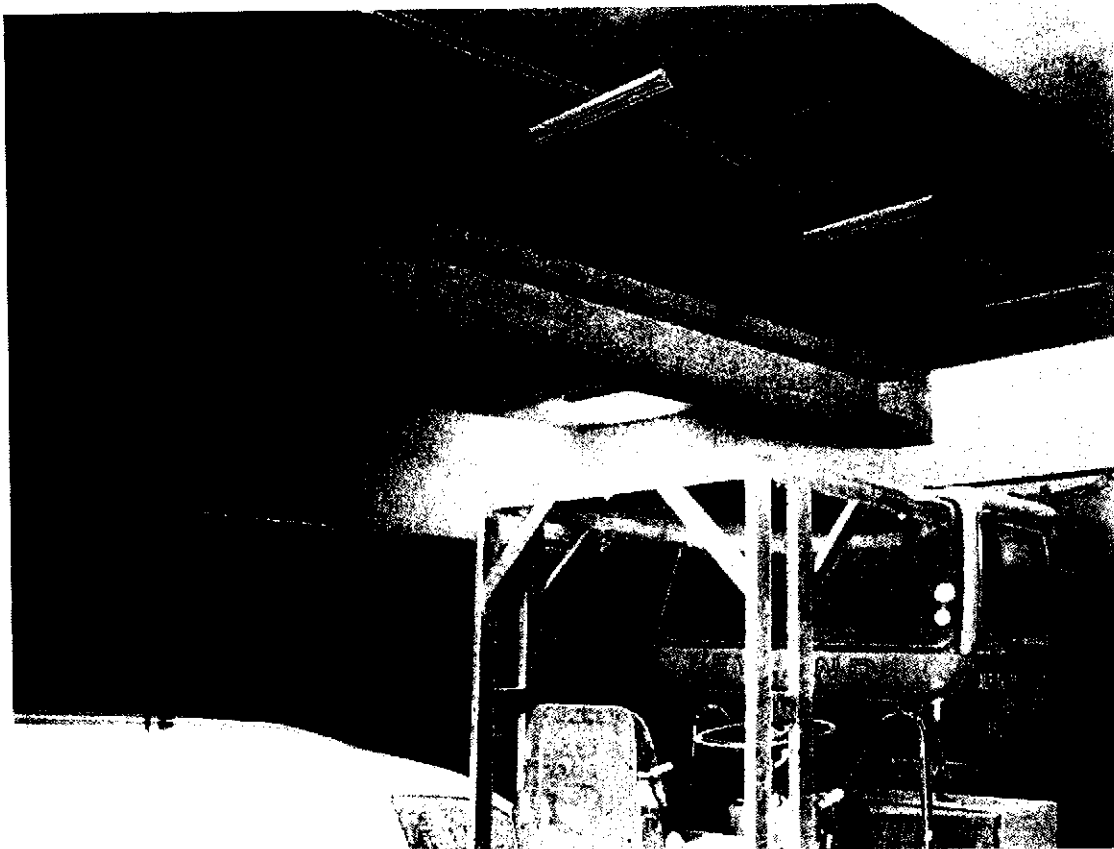
HAL FAR INDUSTRIAL ESTATE

HAL FAR



DeMicoli & Associates
Architects

70, Mill Street,
Qormi QRM 3104 - Malta (Europe)
tel: (+356) 21381500 - fax: (+356) 21381600
e-mail: info@danda.com.mt
www.danda.com.mt



INTERNAL VIEW OF LARGE SPAN GARAGES

SCHEMBRI TARMAC PLANT

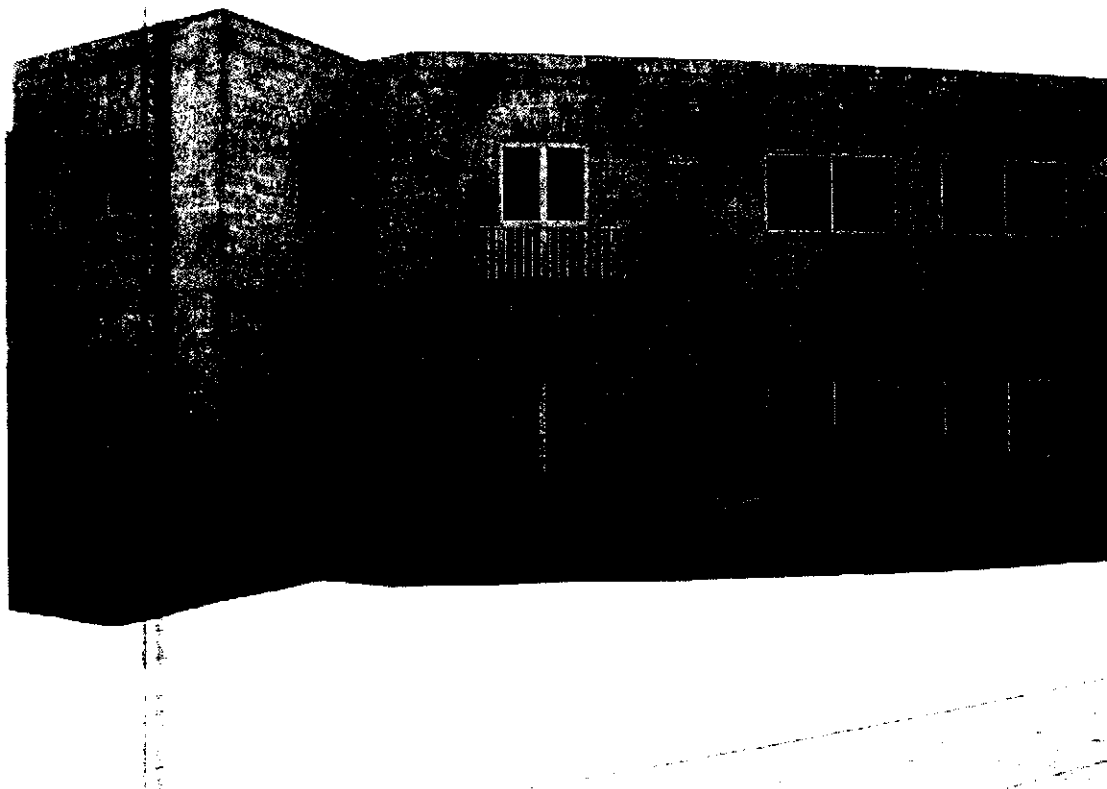
HAL FAR INDUSTRIAL ESTATE

HAL FAR



DeMicoli & Associates
Architects

70, Mill Street,
Qormi QRM 3104 - Malta (Europe)
tel: (+356) 21381500 - fax: (+356) 21381800
e-mail: info@danda.com.mt
www.danda.com.mt



OFFICE BLOCK

SCHEMBRI TARMAC PLANT

HAL FAR INDUSTRIAL ESTATE

HAL FAR



DeMicoli & Associates
Architects

70, Mill Street,
Gormi, QRM 3104 - Malta (Europe)
tel: (+356) 21381500 - fax: (+356) 21381600
e-mail: info@danda.com.mt
www.danda.com.mt

Illum *Antonia u jgħewda ta' Alfred Rosaria elfejn u*
arbitraz (28/5/2014)
Permezz tal-presenti qeghdin jidhru:-

Mill-ewwel parti:-

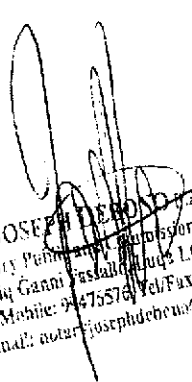
Catherine Schembri armla ta' Alfred, direttrici, bint Gaetano Abdilla u Rosaria nee' Zammit, imwielda Tarxien u residenti numru sitta u disghin (96), "Janice", Saint Philip Street, Birzebbugia (karta tal-identita' numru 328339 (M)) li qeghda tidher fuq dan il-konvenju ghan-nom u in rapprezentanza tas-Socjeta' Kummercjali **Alfred Schembri and Sons Limited** (C 11164 - "Tar-Ranzija", Industrial Estate, Hal Far) debitament awtorizzata in forza tal-Memorandum u l-Articles of Association tal-istess Socjeta'

Mit-tieni parti:-

Francis sive Frank Schembri, direttur, bin Antonio u Antonia nee' Cassar, imwieled Zejtun u residenti Tarxien (karta tal-identita' numru 599257 (M)) li qiegħed jidher fuq dan il-konvenju ghan-nom u in rapprezentanza tas-Socjeta' Kummercjali Schembri Asphalt Limited (C 58219 - Triq Hal Far, Birzebbugia) debitament awtorizzat in forza tal-Memorandum u l-Articles of Association tal-istess Socjeta'

Bis-sahha tal-prezenti il-partijiet jaqblu li jgeddu l-konvenju datat sebgha u ghoxrin ta' Ottubru tas-sena elfejn u tnax (27/10/2012) u registrat għand il-Kummissarju tat-Taxxi Interni bin-numru PS 201206826 sad-*aktar ta' Antonia Rosaria*
elfejn u arbitraz (31/8/2014).

C. Schembri
F. Schembri


DR. JOSEPH DEBONO, B.A., M.A., LL.D.
Notary Public and Commissioner for Oaths
40, Triq Ganni Jussall, Luqa LQA 1513, Malta
Mobile: 99475576 Tel/Fax: 21663588
Email: notaryjosephdebono@hotmail.com

Ilum...
Permezz tal-presenti qeghdin jidhru:-

Mill-ewwel parti:-

Catherine Schembri armia ta' Alfred, direttrici, bint Gactano Abdilla u Rosaria nee' Zammit, imwiela Tarxien u residenti numru sitta u disghin (96), "Janice", Saint Philip Street, Birzebbugia (karta tal-identita' numru 328339 (M)) li qeghda tidher fuq dan il-konvenju ghan-nom u in rappresantanza tas-Socjeta' Kummercjali **Alfred Schembri and Sons Limited** (C 11164 - "Tar-Ranzija", Industrial Estate, Hal Far) debitament awtorizzata in forza tal-Memorandum u l-Articles of Association tal-istess Socjeta'

- aktar 'l isfel imsejhin il-"Kumpanija venditrici".

Mit-tieni parti:-

Francis sive Frank Schembri, direttur, bin Antonio u Antonia nee' Cassar, imwield Zejtun u residenti Tarxien (karta tal-identita' numru 599257 (M)) li qiegheg jidher fuq dan il-konvenju ghan-nom u in rappresantanza tas-Socjeta' Kummercjali Schembri Asphalt Limited (C 11164 - Triq Hal Far, Birzebbugia) debitament awtorizzat in forza tal-Memorandum u l-Articles of Association tal-istess Socjeta'

- aktar 'l isfel imsejjah il-"Kumpanija kompratrici".

Bis-sahha ta' dan il-konvenju l-Kumpanija venditrici qeghda twieghed li tblegh, titttrasferixxi u tassinja a favur tal-Kumpanija kompratrici, li taccetta li tixtri u takkwsita s-segwenti u cioe':-

(1) il-porzjon diviza ta' art bil-benefikati u l-mobbli u/jew ingeni li jinsabu go fiha, f'Birzebbugia, fil-kontrada "Ta' Benghajsa" maghrufa "Tar-Ranzija", inkluz il-benefikati eretti fl-istess porzjon diviza ta' art, tal-kejl ta' circa erbat elef erba' mija u sitta u disghin punt decimali erbgha (4496.4) metri kwadri, kif immarkata fuq pjanta annessa m'att tan-Nutar Dottor Joseph Raphael Darmanin tat-tnejn u ghoxrin ta' Frar tas-sena elf disa' mija u erbgha u disghin (22/2/1994), u

(2) kwalunkwe drittijiet li l-Kumpanija venditrici tgawdi u tipposiedi fuq art attigwa tal-kejl superficjali ta' circa tlettax-il elf u hames mitt (13,500) metri kwadri u fuq liema art hemm diskussjonijiet ghaddejjin mal-Awtoritajiet kompetenti u bil-pussess battal,

u kif dawn l-immobbli kollha huna ricentati.

Dawn l-istess immobbli huma accessibli minn fuq ghelieqi vicini beni ta' terzi, bir-rigel u bil-bhima u soggetta ghall-istess drittijiet u passagg u konfinanti mit-tramuntana ma' beni ta' Carmelo Aquilina jew is-successuri fit-titolu, mill-Punent ma' beni tal-Gvern ta' Malta jew is-successuri fit-titolu u mil-Lvant ma' beni tal-Knisja ta' San Pawl jew is-successuri fit-titolu, jew irjeh aktar precisi, liberi u franki, bid-drittijiet u l-pertinenzi kollha taghhom. Jigi dikjarat li c-cens li kien jiggrava l-immobbli oggett ta' dan il-konvenju f'paraagrafu wiehed gie mifdi mill-Kumpanija venditrici.

Site plan bil-kejl aktar precisa ghandha tigi maghmula u annessa mal-att finali.

Din il-weghda ta' bejgh qeghda ssir u tigi accettata bil-pattijiet u l-kondizzjonijiet li għejjin:-

(1) Versu l-prezz ta' zewg miljuni hames mija u hamest elef mitejn u tmienja u erbgħin ewro (€2,505,248) li jithallas kollu fuq l-att definitiv.

(2) Il-Kumpanija venditrici tiggarantixxu l-pacifiku pussess u liberu godiment kontra kull molestja, evizjoni u kontra il-vizzji mohbija u dan skond il-ligi tal-immobli oggett ta' dan il-konvenju b'ipoteka generali ta' gidha kollu presenti u futuri, af favur tal-Kumpanija kompratrici accettanti.

(3) Bil-pussess liberu u battal, hieles minn kwalunkwe drittijiet reali u/jew personali favur terzi, hieles minn kwalsiasi litigazzjoni u/jew bil-permess tal-Onorabbli Qrati ta' Malta u hieles minn kull dejn, privilegg, ipoteka jew charge, enforcement notice, ordni ta' rekwisizzjoni u/jew espropriazzjoni.

(4) Il-Kumpanija venditrici tiggarantixxi a favur tal-Kumpanija kompratrici accettanti illi l-benefikati eretti fuq il-porzjon diviza ta' art in vendita inbnew skond kif titlob is-sengha u l-arti bil-permessi tal-bini validi u kollox huwa konformi mal-istess permessi tal-bini li wkoll jinsabu mhalisa u skond il-ligijiet u regoli tal-bini u dawk sanitarji. Il-Kumpanija venditrici tiggarantixxu a favur tal-Kumpanija kompratrici accettanti illi l-benefikati huma strutturalment sodi u ma fihomx difetti strutturali.

(5) Il-Kumpanija venditrici tiggarantixxi a favur tal-Kumpanija kompratrici accettanti illi kwalunkwe kontribuzzjonijiet tat-triq u tad-dranagg jinsabu mhalisa u li ma hemm ebda kontijiet pendenti f'dan ir-rigward inkluz kontijiet ma' kuntratturi, haddiema, fornituri u periti.

(6) Dan il-konvenju jibqa' validu għall-perjodu ta' xahrejn minn meta s-self jigi approvat mill-Bnak u minn meta l-Onorabbli Qorti taghti l-approvazzjoni tagħha għal dan il-bejgh u sa massimu ta' sena mid-data fuq kalendata.

Fi kwalunkwe kaz dan il-konvenju għandu jigi estiz għal sitt xhur ohra mis-sena imsemmija kemm il-darba ma jkunx hemm ezitu min-naha tal-Awtoritajiet kompetenti inkluz l-Onorabbli Qorti.

(7) Inkluz f'dan il-bejgh hemm is-segwenti mobbli u cioe':-

Asphalt plant

Concrete plant li tinsab fuq l-art

Weight bridge

Laboratory equipment

Substation

Office furniture and equipment esxkluz computers

Garage tools and spare parts

PV system

Road building equipment

Heavy vehicles inkluz il-vetturi u t-trakkijiet

Other equipment

Traffic management equipment

Fire hydrants and equipment

u dan skond l-istess inventarju tal-istess Kumpanja venditrici u versu l-prezz komplessiv ta' mija u erbgħin elf ewro (€140,000)

kif wkoll materja prima li jikkonsisti fis-segwenti u cioè:-

Aggregate (zrar).

Fuels and oils

Bitumen emulsion (circa 220 tuncallati)

u dan versu l-prezz komplessiv ulterjuri ta' mija u hamsin elf ewro (€150,000)

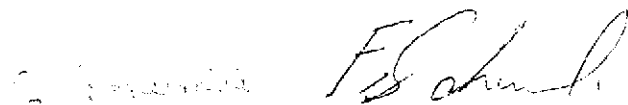
Il-partijiet qegħdin inoltre jaqblu u jiftchu li l-immobbli, l-mobbli u l-materja prima għandhom jinbiegħu flimkien u fl-intier.

(8) Suggett għall-fatt li l-Kumpanija kompratrici tottjeni self minn xi Bank kummerċjali.

(9) Il-kumpanija kompratrici prospettiva tista' tissosstitwixxi ruhha għal terzi.

(10) A skans ta' ekwivoku qed jigi konfermat li l-prezz komplessiv għall-immobbli, il-mobbli u l-materja prima huwa ta' zewg miljun seba' mija u hamsa u disgħin elf mitejn u tmienja u erbgħin ewro (ewro 2,795,248).

(11) Il-partijiet jawtorizzaw lili Nutar sottofirmat sabiex naghmel ir-registrazzjonijiet relattivi mal-Kummissarju tat-Taxxi Interni.





DIPARTIMENT TA' L-ARTIJET
AUBERGE DE BAVIERE
IL-BELT



LAND DEPARTMENT
AUBERGE DE BAVIERE
VALLETTA

L.233/72/IV/6

Permit No. 28/94

Enc. No. 95957

9 March 1994

Permission is hereby being granted to Mr Mario Schembri on behalf of (Alfred Schembri and Sons Co Ltd), 'Farfar Office', Alexander Street, Birzebbugia to use area washed red on L.D. 33/94 for the formation of a passage.

1. This concession is granted on encroachment terms, that is it shall hold good during the pleasure of the Government and the grantee shall pay therefor into the office of the Commissioner of Land a recognition fee of Lm20 (Twenty Maltese Liri) on the first working day of each year. The fee for the current year shall be paid in full on issue of this permit.
2. The grantee shall on no account encroach on land other than that shown on the said plan.
3. The grantee shall at no time have any claim for compensation for any expense incurred by him in consequence of this permit.
4. The grantee is absolutely forbidden from transferring this concession to third parties either in whole or in part.
5. This permit shall not exempt the grantee from the obligation of obtaining any other permit and/or regulation in force from time to time.

M Camilleri

M Camilleri (Ms)
f/Commissioner of Land

MALTA DEVELOPMENT CORPORATION

Postal Address: P.O. Box 111, Marsa GPO 01, Malta
Offices: Villa Portelli, Marina Street, Kalkara CSP 11
Tel: (+356) 667100 Fax: (+356) 667111
E-mail: mdc@maltanet.net
Web site: <http://www.investinmalta.com>

29th September 2000

**The Managing Director
Alfred Schembri & Sons Co. Ltd
'Tar - Ranzija'
Hal Far Industrial Estate,
Hal Far BBG 06**

Dear Sir,

Re - Encroachment of an area of land at Hal Far

In accordance with the terms stipulated in our attached letter dated 28th March 1994, the sum of **Lm 120.00** is due by you as a recognition fee in respect of an area at the Industrial Estate, Hal Far for the period from 1st January 1995 up to 31st December 2000.

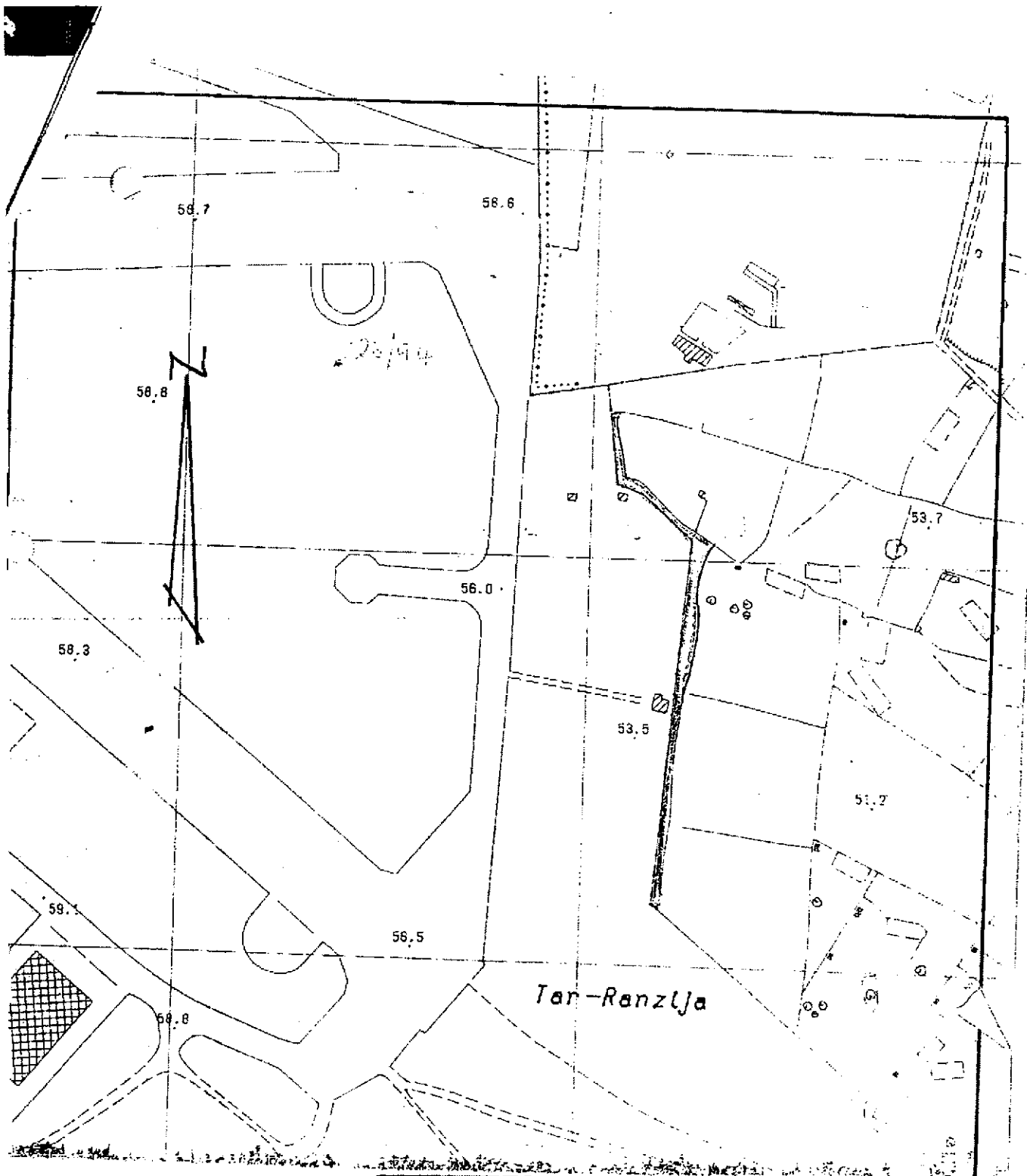
Kindly note that the sum of Lm 20.00 paid by you on the 25th April 1994 covers the encroachment period from 1st January 1994 up to 31st December 1994.

Early settlement of the said amount would be greatly appreciated.

Yours faithfully,


Eugenio Duca
Lease Management Unit

*Paid by chq. 8801
dated 3/10/2000
Jm 120*



S.S. 5663
 I.R. 566-634
 ZONE 51

LAND DEPARTMENT - VALLETTA	
LOCALITY: B' BUGIA	L/O SCALE: 1/2500
DRWG. NO: LD. 33/94	DRAWN BY: <i>[Signature]</i>
FILE: LAND 233/72/IV/6	CHECKED: <i>[Signature]</i>
SMD. J. SCIBERRAS A. & C.A. ENGINEER DATE: 25 FEB 1994	SMD. A. GOUDER COMMISSIONER DATE: 25 FEB 1994

MALTA DEVELOPMENT CORPORATION

Postal Address: P.O. Box 571, Valletta, CMR 01, Malta
Offices: Mriehel, Malta
Tel: (+356) 448944 Cables: Devcor Malta Fax: (+356) 448966

March 28, 1994

The Managing Director
Alfred Schembri & Sons Co. Ltd.
'Farfar Office'
Alexander Street
Birzebbugia

Dear Sir,

Permission is hereby being granted to Mr. Mario Schembri to use area washed green on Plan No. HFM16-0 for the formation of a passage.

1. This concession is granted on encroachment terms, that is, it shall hold good during the pleasure of the MDC and the grantee shall pay therefor into the office of the Malta Development Corporation a recognition fee of Lm 20 (Twenty Maltese Liri) on the first working day of each year. The fee for the current year shall be paid in full on issue of this permit.
2. The grantee shall on no account encroach on land other than that shown on the said plan.
3. The grantee shall at no time have any claim for compensation for any expense incurred by him in consequence of this permit.


/4.....

MALTA DEVELOPMENT CORPORATION

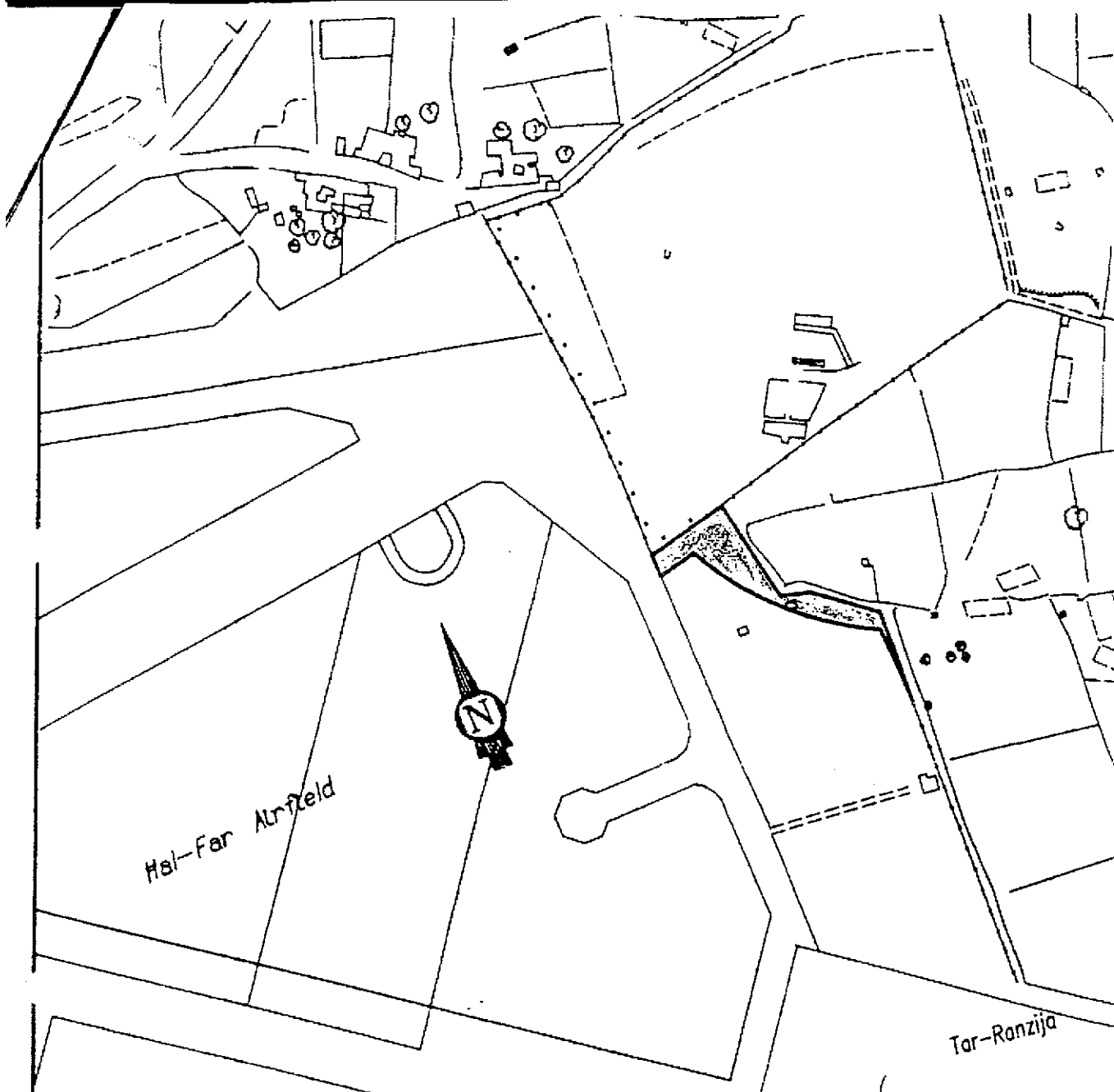
- 2 -

4. The grantee is **absolutely forbidden** from transferring this concession to third parties either in whole or in part.
5. This permit shall not exempt the grantee from the obligation of obtaining any other permit and/or regulation in force from time to time.

Yours faithfully,


Ernest Mallia
Environmental Services Division

GF/as




Hal-Far Airfield

Tar-Ranzija

SITE PLAN
P/O S.S. 5663

Handwritten signatures and initials

DRAWN BY: F. CACCHIA		INDUSTRIAL ESTATE: HAL FAR	
DATE: MARCH '74	 MALTA DEVELOPMENT CORPORATION		ARCH. I/C: C.R. MALTA
SCALE: 1:2500			DRAWING NO.: HFM16-0
DRAWING TITLE: HAL FAR PASSAGE WAY			CHECKED BY: /

ISSUER

Schembri Finance p.l.c.
Schemson,
Hal Far Road,
Birzebbugia, BBG 9035,
Malta

TRUSTEE

Ganado Trustees & Fiduciary Limited
171, Old Bakery Street,
Valletta, VLT1455,
Malta

LEGAL COUNSEL

GANADO Advocates
171, Old Bakery Street,
Valletta, VLT 1455,
Malta

PLACEMENT AGENT & MANAGER

Calamatta Cuschieri & Co. Ltd
3rd Floor, Valletta Buildings,
South Street,
Valletta,
Malta