

5 November 2010

ERRATA CORRIGE

Section 21.2 on pages 94 and 95 of the Prospectus dated 1 November 2010 should be identical to Section 7.2 on pages 29 and 30 of the Prospectus in all respects. The fifth line of the third paragraph of Section 21.2 should read as follows: “.....towards the **full construction and development** of Blocks T15 and T16...”.

This error is regretted.

A handwritten signature in black ink, appearing to read 'Albert Mizzi', with a stylized flourish at the end.

Mr Albert Mizzi
Chairman
MIDI p.l.c.

Prospectus

dated 1 November 2010

This document comprises a prospectus (the "**Prospectus**") relating to MIDI p.l.c. (the "**Company**") prepared in accordance with the provisions of the **Listing Rules** made by the Listing Authority under article 13 of the Financial Markets Act (Cap. 345 of the Laws of Malta) (the "**Listing Rules**") and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (the "**Regulation**").

This Prospectus includes information given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. All of the Directors whose names appear on page 9, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors, 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 does not omit anything likely to affect the import of such information.



MIDI p.l.c.

(a public limited company incorporated under the Laws of Malta,
company registration number C 15836)

Prospectus relating to the issue of

44,444,444 Ordinary Shares

(together with an over-allotment option of up to a further 22,222,222 Ordinary Shares)
which are being offered for subscription to the public;

And

22,222,222 Ordinary Shares

which are being offered for subscription to the Existing Shareholders

All Ordinary Shares have
a nominal value of twenty euro cents (€0.20) each and are being offered at an
issue price of forty five euro cents (€0.45) each payable in full on application

ISIN: MT0000420126

Application has been made to the Listing Authority for all of the Ordinary Shares, issued and to be issued, to be admitted to listing on a regulated market, and to **Malta Stock Exchange p.l.c.** ("Malta Stock Exchange") for all of the Ordinary Shares, issued and to be issued, to be admitted to the Official List of the Malta Stock Exchange.

A copy of this Prospectus has been submitted to the Listing Authority in accordance with the Listing Rules, and to the Malta Stock Exchange in accordance with the Malta Stock Exchange Bye-Laws and has been duly filed with the Registrar of Companies, in accordance with the Companies Act.

Each new Ordinary Share will rank in full for all dividends and distributions declared, made or paid after their issue and otherwise *pari passu* in all respects with each existing Ordinary Share, and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Ordinary Share, as set out in the Memorandum and Articles of Association of the Company.

The Issue will not proceed unless the Minimum Net Proceeds have been raised.

Prospective investors should read the whole of this document and, in particular the Section headed "Risk Factors", when considering an investment in the Ordinary Shares.

IMPORTANT INFORMATION

Investment in Ordinary Shares involves certain risks and special considerations. Investors should be able and willing to withstand the loss of their entire investment. The investments of the Company are subject to normal market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur. The price of the Ordinary Shares and the returns from the Ordinary Shares can go down as well as up, investors may not realise the value of their initial investment and past performance is not necessarily indicative of future performance. If you need advice you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the Laws of Malta).

The Listing Authority accepts no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this Prospectus.

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and an investment in the Ordinary Shares.

All the Advisers to the Company named in the Prospectus under the heading “Advisers to the Company” (page 9 of this Prospectus) have acted and are acting exclusively for the Company and have no contractual, fiduciary or other obligation towards any other person and will accordingly not be responsible to any prospective investor or any other person whomsoever in relation to the transactions proposed in the Prospectus. 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 Company and the merits and risks involved in investing in the Ordinary Shares.

None of the Ordinary Shares have been or will be registered under the laws of Canada, Japan, Australia, New Zealand, the Republic of South Africa or under the United States Securities Act of 1933, as amended, or with any securities regulatory authority of any State or other political subdivision of the United States, Canada, Japan, Australia, New Zealand or the Republic of South Africa. Accordingly, unless an exemption under such Act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Canada, Japan, Australia, New Zealand, the Republic of South Africa or the United States (as the case may be). If you subscribe for Ordinary Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Canada, Japan, Australia, New Zealand or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the US or Canada (or any political subdivision of either), Japan, Australia, New Zealand or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of Canada, Japan, Australia, New Zealand or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into the United States, Canada, Japan, Australia, New Zealand or the Republic of South Africa or to any US Person or resident in Canada, Japan, Australia, New Zealand or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a prospective holder having an address in the United States, Canada, Japan, Australia, New Zealand or the Republic of South Africa.

Any person (including, without limitation, custodians, nominees and trustees) who would or otherwise intends to, or may have a contractual or other legal obligation to forward this document or any accompanying documents in or into the United States, Canada, Japan, Australia, New Zealand, the Republic of South Africa or any other jurisdiction outside Malta should seek appropriate advice before taking any action.

Statements made in this Prospectus are based on the law and practice in force in Malta as at the date of this document and are subject to changes therein.

This Prospectus should be read in its entirety before making any application for Ordinary Shares. All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the memorandum and articles of association of the Company.

This Prospectus does not constitute, and may not be used for the purposes of an offer, invitation or solicitation to anyone in any jurisdiction (i) in which such offer invitation or solicitation is not authorised or (ii) in which the person making such offer, invitation or solicitation is not qualified to do so or (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Prospectus and the offering of Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus is received are required to inform themselves about, and to observe, such restrictions.

For the attention of United States Residents

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended, (the “Securities Act”) or with any securities regulatory authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act (“Regulation S”). In addition, the Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the “Investment Company Act”), and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of Ordinary Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Ordinary Shares in the United States or to US Persons may constitute a violation of US law or regulation. Applicants for Ordinary Shares will be required to certify that they are not US Persons and are not subscribing for Ordinary Shares on behalf of US Persons. Any person in the United States who obtains a copy of this document is requested to disregard it.

Notice to prospective investors in the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive other than Malta (each, a Relevant Member State), an offer to the public of the Ordinary Shares may only be made once a prospectus has been passported in accordance with the Prospectus Directive as implemented by the Relevant Member State. This document has not been passported into any Relevant Member State; therefore, an offer of the Ordinary Shares to the public in a Relevant Member State may only be made to “qualified investors” (as defined in the Prospectus Directive) or in any other circumstances which do not require the publication by the Company of a prospectus pursuant to article 3 of the Prospectus Directive. For the purposes of this provision, the expression an “offer to the public” in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the European Economic Area, this document may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any member state of the European Economic Area in which such offer or invitation would be unlawful.

Forward-Looking Statements

This Prospectus contains forward-looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or similar expressions. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such risks, uncertainties and other factors include, among others, general economic and business conditions, industry trends, competition, changes in government regulation, currency fluctuations, changes in business strategy or development, political and economic uncertainty and other risks described in “Risk Factors”. There can be no assurance that the results and events contemplated by the forward-looking statements contained in this Prospectus will, in fact, occur.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this Prospectus. The Company will not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this Prospectus except as required by law or by any appropriate regulatory authority. Any statements made in this Prospectus with regard to the competitive position of the Group are based on the Group’s own internal assessments.

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DIRECTORS, ADVISERS AND AUDITORS OF THE COMPANY

The Directors and Company Secretary

Name, Function and ID No. of Director		Interest held in the Company's Ordinary Shares
Mr. Albert Mizzi – Chairman	ID 718127 M	Holds a beneficiary interest in Alf. Mizzi & Sons Ltd.
Mr. Paul Bonello – Non-Executive Director	ID 589858 M	Holds a beneficiary interest in Fortress Developments Limited
Mr. David G. Curmi – Non-Executive Director	ID 477759 M	Chief Executive Officer of Middlesea Valletta Life Assurance Co. Ltd.
Mr. Tonio Depasquale – Non-Executive Director	ID 944148 M	Chief Executive Officer of Bank of Valletta p.l.c.
Mr. Joseph A. Gasan – Non-Executive Director	ID 311050 M	Holds a beneficiary interest in Gee Five Limited
Mr. Mario C. Grech – Non-Executive Director	ID 459849 M	Director of Middlesea Valletta Life Assurance Co. Ltd.
Dr. Alec A. Mizzi – Non-Executive Director	ID 511256 M	Holds a beneficiary interest in Alf. Mizzi & Sons Ltd.
Mr. Joseph Said – Non-Executive Director	ID 746249 M	Chief Executive Officer and director of Lombard Bank Malta p.l.c.

The address of the Directors is the same as that of the Company.

The company secretary is Mr. Luke Coppini, with ID 10764 M of 'Agadez' 17, Triq iċ-Ċirasa, Naxxar. Mr. Coppini is also the Financial Controller of the Company.

Advisers to the Company

Legal Advisers

Mamo TCV Advocates
Palazzo Pietro Stiges,
90, Strait Street,
Valletta, VLT 1436, Malta.

Joint Managers

HSBC Bank Malta p.l.c.
233, Republic Street,
Valletta, VLT 1116, Malta.

Bank of Valletta p.l.c.
BOV Centre, Cannon Road,
St. Venera, SVR 9030, Malta.

Sponsor

Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
Airways House, Third Floor,
High Street,
Sliema, SLM 1549, Malta.

Registrar

Lombard Bank Malta p.l.c.
67, Republic Street,
Valletta, VLT 1117, Malta.

Statutory Auditors

PricewaterhouseCoopers
167, Merchants Street,
Valletta, VLT 1174, Malta.

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

DEFINITIONS

In this Prospectus the following words and expressions shall bear the following meanings except where the context otherwise requires:

Admission	Admission of the Ordinary Shares to listing by the Listing Authority and admission of the Ordinary Shares to trading on the Official List of the Malta Stock Exchange;
Advisers to the Company	The Advisers to the Company whose names and addresses are set out under the heading 'Advisers to the Company';
Applicant	A person or persons (in the case of joint applicants) whose name or names appear in the registration details of an Application Form;
Application	The offer made by an Applicant to subscribe for Ordinary Shares by completing an Application Form and delivering it to the Registrar;
Application Forms	The forms of application to subscribe for Ordinary Shares, specimens of which are set out in Part E Annex 2 of this Prospectus;
Authorised Intermediaries	The banks, financial institutions, stockbrokers and other persons referred to in Part E Annex 10 of this Prospectus;
Business Day	Any day between Monday and Friday (both days inclusive) on which commercial banks in Malta settle payments and are open for normal banking business;
Central Securities Depository	The central registration system for dematerialised financial instruments operated by the Malta Stock Exchange and set up in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta);
Companies Act	The Companies Act (Cap. 386 of the Laws of Malta);
Company	MIDI p.l.c., a company registered in Malta with registration number C 15836;
Directors or Board	The board of directors of the Company;
Emphyteutical Deed	The public deed in the Records of Notary Vincent Miceli of 15 June 2000 (15/6/2000) whereby GOM, acting through the Land Department, granted the Company the Emphyteutical Grant;
Emphyteutical Grant	The temporary emphyteutical concession of the Emphyteutical Land for a period of ninety nine years commencing from 15 June 2000 made by GOM to the Company by virtue of the Emphyteutical Deed;
Emphyteutical Land	The immovable property comprising Tigné Point and Manoel Island forming the subject-matter of the Emphyteutical Grant;
Euro or €	The single currency recognised as legal tender by the member countries of the European Monetary Union;
Existing Shareholders	The shareholders of the Company whose names and addresses are set out under the heading "Share Capital and Existing Shareholders of the Company" (Section 15.1 of Part C of this Prospectus);
GOM	The Government of Malta;
Group	The Company and the subsidiary undertakings of the Company and the term "Group Company" shall be construed accordingly;
Issue	The issue of the Ordinary Shares by the Company pursuant to this Prospectus;
Issue Price	Forty five euro cents (€0.45) per Ordinary Share;
Joint Managers	Bank of Valletta p.l.c. and HSBC Bank Malta p.l.c.;

Listing Authority	The Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta), by virtue of L.N. 1 of 2003;
Listing Rules	The Listing Rules made by the Listing Authority under article 13 of the Financial Markets Act (Cap. 345 of the Laws of Malta);
Malta Stock Exchange	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta and company registration number C 42525;
Manoel Island	The divided portion of land at Manoel Island, limits of Gzira having an area of approximately two hundred and sixty seven thousand nine hundred square metres (267,900 m ²), comprised within the Emphyteutical Land as shown bordered in red on the plan Land Drawing letter 'L' letter 'D' one hundred and seventy five letter 'A' bar ninety nine (LD174A/99) attached to the Emphyteutical Deed;
Memorandum and Articles of Association	The memorandum and articles of association of the Company;
MEPA	Malta Environment and Planning Authority established in terms of the Development Planning Act (Cap. 356 of the Laws of Malta);
Minimum Net Proceeds	The Minimum Net Proceeds of the Issue equivalent to €19.2 million;
Offer Period	The period between 29 November 2010 and 3 December 2010 (or such earlier date as may be determined by the Company) during which the Offer to the Public and the Offer to the Existing Shareholders are open;
Offer to the Existing Shareholders	The offer to the Existing Shareholders for the subscription of 22,222,222 Ordinary Shares at the Issue Price, as described in Section 23 of Part D of this Prospectus;
Offer to the Public	The offer to the public, including Preferred Applicants, for the subscription of 44,444,444 Ordinary Shares at the Issue Price, including an over-allotment option, at the Directors' discretion, of up to a further 22,222,222 Ordinary Shares if the aforementioned offer to the public proves to be over-subscribed, as described in this Prospectus;
Ordinary Share or Ordinary Shares	Ordinary Shares of a nominal value of €0.20 in the capital of the Company;
Preferred Applicants	Bondholders as at 29 October 2010 of the 7% bonds due 2016-2018 issued by the Company pursuant to a prospectus dated 5 December 2008;
Project	The Company's project for the development of Tigné Point and Manoel Island and the operation of certain activities and businesses therein;
Prospectus	This document in its entirety;
Registrar	Lombard Bank Malta p.l.c.;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements;
Shareholders	The persons registered in the Company's register as being the holders of its Ordinary Shares;
Sponsor	Rizzo, Farrugia & Co. (Stockbrokers) Ltd. which is authorised to conduct investment services business by the Malta Financial Services Authority;
Tigné Point	The divided portion of land at Tigné Point, Sliema having an area of approximately one hundred and eight thousand four hundred and twenty square metres (108,420 m ²), comprised within the Emphyteutical Land as shown bordered in red on the plan Land Drawing letter 'L' letter 'D' one hundred and seventy five letter 'A' bar ninety nine (LD175A/99) attached to the Emphyteutical Deed.

PART A: SUMMARY

Warning to Potential Investors

This summary forms part of the Prospectus containing information concerning the Company and the Ordinary Shares. This summary is intended to briefly convey the essential characteristics of, and risks associated with, the Company and the Ordinary Shares.

You should carefully take into consideration the following criteria for evaluation of this summary:

- The summary should be read as merely an introduction to the Prospectus which comprises the whole of this document;
- Any decision to invest in the Ordinary Shares should be based on a consideration of the Prospectus as a whole and not solely on this summary information;
- Where a claim relating to the information contained in this Prospectus is brought before a court in a member state of the European Economic Area, a plaintiff investor may, under the national legislation of a European Economic Area state where the claim is brought, be required to bear the costs of translating this Prospectus before legal proceedings are initiated.
- Under the Prospectus Directive (Directive 2003/71/EEC), in each member state of the European Economic Area, civil liability attaches to the Company which has tabled this summary as part of the Prospectus, including any translations of this summary, only if the summary is shown to be misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

1. SUMMARY OF RISK FACTORS

You should carefully consider the following matters, as well as the other information contained in the Prospectus, before making any investment decision with respect to the Company or the Ordinary Shares. This Section contains mere highlights of the Risk Factors set out in detail in Section 9 of Part B of the Prospectus, which you are strongly advised to review, if necessary with the assistance of your own financial and other professional advisers, prior to making any investment decision with respect to the Company or the Ordinary Shares.

Information contained in this Prospectus contains “forward-looking statements”, which are subject to the qualifications discussed below. If any of the risks described were to materialise, they could have a serious effect on the Company’s financial results, trading prospects and the ability of the Company to fulfil its obligations under the Ordinary Shares to be issued.

1.1 Risks Relating to the Company

The Company is subject to a number of risks which could have an adverse affect on its business and the business of the Group, the value of its assets and results of operations. These risks include but are not limited to those risks which are discussed below.

Interest Rate Risk

- The development of Tigné Point and of Manoel Island will, in part, be funded through bank borrowings bearing a variable interest rate. Therefore, the Company may be exposed to significant interest rate risk, particularly in the immediate years ahead, until such time as bank borrowings bearing a variable interest rate are reduced.

Sales and Letting

- The Project is expected to generate income from the sales of residential apartments and the operation of commercial facilities. While the sales experience enjoyed by the Company to date has been very positive, all future plans are inherently subject to the risk of adverse unexpected events which may result, for instance, in delays in the receipt of expected future cash inflows, from both the sale of property and commercial leases. Delays would also serve to prolong the Company's exposure to interest rate risk.

Personnel

- The Project's growth is in part attributable to the efforts and abilities of the members of its management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Company might not be able to replace them within the short-term, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Funding Risk

- The Group will be required to make substantial capital expenditure in the region of €340 million to complete the Project in its entirety. Bank facilities of €35 million are available for the next phase planned on Tigné Point. The Project depends on additional future finance being secured on a regular basis over the next ten years as new phases are developed, either from banks or otherwise from the financial markets.
- There can be no guarantee that the Group will be able to raise sufficient funds to pursue its future strategic decisions. The Group's inability to access sufficient capital for its operations may have a material adverse effect on its financial condition, results of operations and prospects.

Delays

- Any adverse factors associated with current works in progress, such as delays experienced in finalising apartments, and with future developments, such as the risk of unreasonable delays in concluding works, would have an adverse impact on the completion of the Project.
- The Company is currently in the course of negotiations with GOM in connection with a proposal made by GOM to decrease the volume of the proposed development on certain parts of the Project and to compensate, by way of additional development, the Company in other areas. Any undue delay in concluding these negotiations, or in implementing the resultant agreement, would have an adverse effect on the business, financial condition and profitability of the Company.

General Market Conditions

- The health of the local property market may also be affected by a number of factors such as political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, the availability of financing and yields of alternative investments. Such factors may be expected to cause property prices to fluctuate over the life-span of the development. An increase in the availability of up-market property units and/or a reduction in prospective purchasers or lessees who are interested in this type of property could result in a decrease in the value of the property and the income earned by the Group, on both the residential and commercial elements of the development.

Competition

- The Company expects to face competition from a number of property developments which are currently underway or projected in the surrounding areas of Tigné Point. Competition in the residential property market may be expected to be affected by the quality of development and finishing standards, location and vehicular accessibility, together with the amenities and facilities on offer.

Planning Permission

- The risk of delays or refusals in obtaining the necessary planning permissions is a risk commonly associated with property development projects. The Project has been undertaken on the basis of an outline development

permit which is attached to the Emphyteutical Deed contracted with GOM following a development brief issued by the MEPA. The Project is a long-term development, with construction works planned to continue until 2016-2018. Applications for full development permits have been lodged in respect of blocks T14, T15, T16 and T17. No applications have as yet been lodged in respect of block T20 and, with the exception of restoration, dredging and land reclamation works, in respect of Manoel Island. Delays or refusals in the issuance of full development permits would have an adverse effect on the business, financial condition and profitability of the Company.

Changes in Laws and Regulations

- The Company is subject to various laws and regulations. As with any business, the Company is at risk in relation to changes in the laws and regulations, and the timing and effects of changes in the laws and regulations, to which the Group is subject, including changes in the interpretation thereof which cannot be predicted; and in relation to other factors over which the Company has no control such as catastrophic events, terrorist attacks and other acts of war or hostility all of which could have an adverse effect on the business, financial condition and profitability of the Company.

Counter-party Risks

- The Company is also subject to various counter-party risks, such as contractors and subcontractors engaged for the demolition, excavation, construction and finishing of the development, and prospective purchasers defaulting on their obligations with the Company. Such parties (which may include both third parties as well as related parties) may fail to perform or default on their obligations to the Company due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Company's control.

1.2 Risks Relating to the Shares

An investment in the Ordinary Shares involves certain risks including, but not limited to, those described below:

No Prior Market for the Ordinary Shares

- Prior to the Issue, there has been no public market for the Company's Ordinary Shares within or outside Malta. The market price of the Ordinary Shares could be subject to significant fluctuations in response to numerous factors, including the Company's operating results. The Company cannot predict the extent to which investor interest in the Ordinary Shares will lead to the development of a trading market or how liquid such a market might become. Investors may experience greater price volatility and less efficient execution of buy and sell orders and may not be able to resell the Ordinary Shares at or above the Issue Price, or at all. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be materially and adversely affected.

Limited Liquidity on the Malta Stock Exchange

- The limited size and liquidity of the market for shares in Malta could increase the price volatility of the Ordinary Shares and may impair the ability of the holder of the Ordinary Shares to sell such Ordinary Shares in the market in the amount and at the price and time such holder wishes to do so. The liquidity of the market depends on, amongst others, factors beyond the Company's control, such as the willingness of potential buyers and sellers to invest in the Ordinary Shares and the absence of market makers on the Malta Stock Exchange.

The Price of the Ordinary Shares may be Volatile

- Following the Issue, the price at which the Ordinary Shares will be traded, as well as the sales volume of the Ordinary Shares traded, will be subject to fluctuations. These movements may not necessarily be caused by the Company's business activities or the actual or forecasted results of its operations but may be caused by factors beyond the Company's control, including but not limited to a drop in property prices in the market, changes in securities analysts' recommendations or estimates of earnings or financial performance of the Company, its competitors or the industry or the failure to meet expectations of securities analysts, fluctuations in stock market prices and

volumes, general market volatility, changes in laws, rules, regulations and taxes applicable to the Company, its operations and operations in which the Group has interests, loss of key personnel and involvement in litigation.

Future Sales of Ordinary Shares and Sales by the Existing Shareholders

- The Company cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Existing Shareholders were to sell, or the Company were to issue and sell, a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be adversely affected. Also, sales by the Existing Shareholders could make it more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate. The sale of a significant amount of Ordinary Shares in the public market, or the perception that such sales may occur, could materially affect the market price of the Ordinary Shares and could also impede the Company's ability to raise capital through the issue of equity securities in the future. Any of the Company's Restricted Shareholders (as defined in Section 24) can dispose of their shares after the lapse of the lock-up arrangements referred to in Section 24 of Part D.

Secondary Market

- There can be no assurance that an active secondary market for the Ordinary Shares will develop or, if it develops, that it will continue nor can there be any assurance that an investor will be able to re-sell his Ordinary Shares at or above the Issue Price or at all.

Dividends

- The Company's results can fluctuate and its ability to pay dividends is dependent upon, amongst other things, it achieving sufficient profits. Future dividends will also depend on, amongst other factors, the Company's future profits, financial position, working capital requirements, general economic conditions and other factors that the Directors may deem significant from time to time. In addition, the ability of the Group companies to make distributions to the Company as well as the ability of the Company to pay dividends is and may, from time to time, be restricted as a result of several factors, including restrictive covenants in loan agreements and the requirements of the applicable law together with regulatory, fiscal or other restrictions. The prospective dividend policy set out in Section 20.3 should be read accordingly. As at the date of this Prospectus, in terms of two of the Company's banking facilities, namely the sanction letter dated 3 May 2010 granted by Bank of Valletta p.l.c. and the sanction letter dated 28 September 2009 granted by HSBC Bank Malta p.l.c. and Bank of Valletta p.l.c., the Company undertook not to declare or pay any dividends without the Banks' prior consent in writing (see Section 12.4 of Part C and Section 20.3 of Part D).

Ordinary Shares in Public Hands

- In terms of the Listing Rules, an issuer must have at least twenty five percent (25%) of its listed share capital in the hands of the public. Should the number of Ordinary Shares in public hands subsequent to the Issue fall below the 25% threshold, the Company would be in breach of the said Listing Rules, which could possibly lead to the delisting of the Company from the Official List of the Malta Stock Exchange. Exceptionally, the Listing Authority may accept a lower percentage of Ordinary Shares in the hands of the public provided that the market continues to operate properly.

The delisting of the Company would have adverse effects on the marketability and transferability of the Ordinary Shares and on the fiscal impacts on Share transfers.

Currency Risk

- An investor in the Ordinary Shares will bear the risk of any fluctuations in exchange rates between the currency of the Ordinary Shares and the investor's currency of reference if different.

Value

- The value of investments can rise or fall, and past performance is not necessarily indicative of future performance. You should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the Laws of Malta).

2. THE COMPANY AND ITS ORGANISATIONAL STRUCTURE, HISTORICAL DEVELOPMENT AND THE EMPHYTEUTICAL GRANT

The Company is a public limited company incorporated, registered, and operating in Malta under the Companies Act, with registration number (C 15836) and whose registered office is at North Shore, Manoel Island, limits of Gzira, GZR 3016, Malta. The Company is domiciled in Malta and its telephone number is +356 2065 5500.

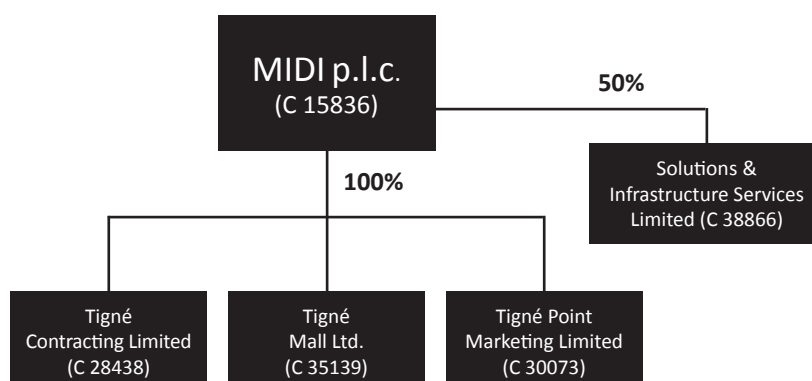
The Company's principal business is the development and disposal of immovable property situated in Malta at Tigné Point, Sliema and Manoel Island, limits of Gzira which entails a total gross development area of approximately 237,000 square metres.

The Company forms part of a Group which is composed of the Company and its wholly owned subsidiary companies, which are all incorporated, registered and operating in Malta, namely:

- Tigné Contracting Limited, which serves as the turnkey company through which almost all construction and related costs, except for selling and marketing, are accounted for;
- Tigné Mall Ltd. ("TML"), which owns and operates a retail mall complex and ancillary facilities at Tigné Point under the name "The Point"; and
- Tigné Point Marketing Limited, which handles all marketing (including advertising and PR campaigns) and sales activities of the Company.

The Company also entered into a joint venture with Siemens S.p.A through a company known as Solutions & Infrastructure Services Limited ("SIS").

The structure of the Group is as appears hereunder:



The Company was incorporated as a private limited liability company with the name "International Resorts Management Limited" on 31 January 1994 and was converted into a public limited company in June 1999 under the name it is now known as, that is MIDI p.l.c.

The Company acquired the Emphyteutical Land by virtue of a public deed in the records of Notary Vincent Miceli of the fifteenth day of June of the year two thousand (15/6/2000) (the "Emphyteutical Deed") from the Government of Malta ("GOM") by title of temporary emphyteusis for a period of ninety nine (99) years which commenced on the fifteenth day of June of the year two thousand (15/6/2000). Under the same Emphyteutical Deed, the Company also acquired from the Malta Maritime Authority, for a period of ninety nine (99) years, the right to develop and operate a yacht marina on a defined area facing the south shore of Manoel Island in Ta' Xbiex Creek, limits of Gzira. Development operations were commenced in late 2000.

3. BUSINESS OVERVIEW OF THE PROJECT

Tigné Point

Tigné Point is a residential, commercial and leisure development located on the north-eastern coast of Malta, approximately one kilometre north of Malta's capital Valletta.

The development of apartments represents circa 55% of the total area. This is complemented by the shopping mall, a premium office block, and Pjazza Tigné - the heart of the Tigné development, comprising commercial and leisure outlets. Strong emphasis has been put on the restoration of historic sites, including the fort, chapel, army barracks and Clock Tower, which are merged into the modern architecture that characterises the site.

The development will offer leisure activities such as a health and leisure centre, swimming pool, bars, cafés and restaurants. All traffic is routed underground, providing a car-free zone at ground floor level. The development has extensive public spaces.

Manoel Island

Manoel Island is located on the north-eastern coast of Malta, approximately one kilometre north-west of Valletta.

The development will be characterised by its marina village which, together with Lazzaretto and Fort Manoel, will form the major part of the development. The project will present a leisurely and recreational environment, including large open spaces for the use of residents and the general public alike, in addition to a yacht marina, and will hence offer a high quality living environment in the heart of Marsamxetto harbour. Manoel Island is currently at design stage, with construction commencement scheduled for 2012.

4. KEY INFORMATION AND TREND INFORMATION

4.1 Selected Financial Information

4.1.1 Historical Financial Information

The historical information about the Company is available for inspection as set out under the heading "Documents available for inspection" in Section 8 of Part A of this Prospectus.

The most recent audited financial statements available for inspection are the audited consolidated financial statements of the Company for the financial year ended 31 December 2009. The audited consolidated financial statements of the Company for the financial periods ended 31 December 2007 and 31 December 2008 are also available for inspection. There were no significant changes in the financial or trading position of the Company which occurred since the end of the financial period to which the audited consolidated financial statements for the year ended 31 December 2009 relate.

Unaudited consolidated interim financial information covering the six-month period ended 30 June 2010, drawn up in accordance with the requirements of International Accounting Standard 34, 'Interim Financial Reporting', are set out in Annex 5 of Part E of the Prospectus. This unaudited consolidated interim financial information has already been published by way of Company Announcement number MDI 12 dated 31 August 2010 in terms of the Listing Rules.

Extracts from the audited consolidated financial statements of the Company for the three financial years ended 31 December 2007, 2008 and 2009 are set out below.

Consolidated Statements of Financial Position Extracts

	As at 31 December		
	2009	2008	2007
	Audited	Audited	Audited
	€000	€000	€000
ASSETS			
Non-current assets			
Property, plant and equipment	50,227	33,666	15,920
Investment property	23,322	-	-
Other non-current assets	390	276	355
Total non-current assets	73,939	33,942	16,275
Current assets			
Inventories – Development project	149,017	159,883	155,304
Other current assets	15,314	8,530	9,447
Total current assets	164,331	168,413	164,751
Total assets	238,270	202,355	181,026
EQUITY AND LIABILITIES			
Capital and reserves	32,680	32,037	31,683
Non-current liabilities			
Trade and other payables	24,615	28,237	31,210
Borrowings	76,079	40,035	25,598
Other non-current liabilities	1,765	1,063	610
Total non-current liabilities	102,459	69,335	57,418
Current liabilities			
Trade and other payables	75,840	80,810	91,925
Borrowings	27,291	20,173	-
Total current liabilities	103,131	100,983	91,925
Total liabilities	205,590	170,318	149,343
Total equity and liabilities	238,270	202,355	181,026

Consolidated Income Statements Extracts

	Year ended 31 December		
	2009	2008	2007
	Audited €000	Audited €000	Audited €000
Revenue	32,218	31,861	36,489
Gross profit	3,829	2,561	4,440
Operating profit	2,443	1,468	4,318
Profit before tax	1,752	959	3,795
Profit for the year	960	354	2,209
Earnings per share	0.7 cents	0.2 cents	1.5 cents

The presentation of earnings per share has been adjusted retrospectively in accordance with the requirements of IAS 33, 'Earnings per share', following a share split approved by the Existing Shareholders on 18 October 2010, such that the nominal value per share amounts to €0.20 as opposed to the previous value of €2.33 per share. Accordingly, the weighted average number of ordinary shares in issue utilised in the computation of earnings per share throughout the three-year period amounts to 146,790,000.

Consolidated Statements of Cash Flows Extracts

	Year ended 31 December		
	2009	2008	2007
	Audited €000	Audited €000	Audited €000
Net cash used in operating activities	(36,138)	(35,442)	(11,674)
Net cash used in investing activities	(4,588)	(887)	(163)
Net cash generated from financing activities	42,879	34,611	10,334
Net movement in cash and cash equivalents	2,153	(1,718)	(1,503)
Cash and cash equivalents at beginning of year	542	2,260	3,763
Cash and cash equivalents at end of year	2,695	542	2,260

4.1.2 Forecast Financial Information

Extracts from the consolidated forecast income statement for the year ending 31 December 2010 and the consolidated forecast statement of financial position as at that date are set out below. The forecast financial information can be found in Part E Annex 3 of this Prospectus. The basis of preparation of this forecast financial information and the principal assumptions upon which it is based are included in the same Annex. The Accountants' Report on the consolidated forecast financial information is presented in Part E Annex 4 of this Prospectus. The forecast financial information has been prepared on the basis of the assumption that the over-allotment option is not taken up and that the Minimum Net Proceeds of the Issue, amounting to €19.2 million, would be raised. If the over-allotment option is taken up, further proceeds up to a maximum of €9.8 million would be raised, which would principally have the effects of increasing the Company's equity levels and available liquidity. The consolidated forecast financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Group in accordance with International Financial Reporting Standards as adopted by the EU. Accordingly the Accountants' Report on the forecast financial information includes an emphasis of matter in this respect.

Consolidated Forecast Statement of Financial Position Extracts

	As at 31 December 2010 €000
ASSETS	
Non-current assets	
Property, plant and equipment	59,861
Investment property	26,348
Other non-current assets	1,297
Total non-current assets	<u>87,506</u>
Current assets	
Inventories – Development project	147,387
Other current assets	13,093
Total current assets	<u>160,480</u>
Total assets	<u>247,986</u>
EQUITY AND LIABILITIES	
Capital and reserves	<u>62,997</u>
Non-current liabilities	
Trade and other payables	23,770
Borrowings	83,386
Other non-current liabilities	2,317
Total non-current liabilities	<u>109,473</u>
Current liabilities	
Trade and other payables	56,872
Borrowings	18,644
Total current liabilities	<u>75,516</u>
Total liabilities	<u>184,989</u>
Total equity and liabilities	<u>247,986</u>

Consolidated Forecast Income Statement Extracts

	Year ending 31 December 2010 €000
Revenue	23,838
Gross profit	5,850
Operating profit	4,613
Profit before tax	1,579
Profit for the year	<u>951</u>
Earnings per share	<u>0.6 cents</u>

Earnings per share has been computed by dividing the forecast profit after taxation attributable to the equity holders by the weighted average number of ordinary shares forecast to be in issue during the year. The weighted average number of ordinary shares in issue, assuming the over-allotment option is not taken up, is 149,895,023 shares.

4.2 Capitalisation and Indebtedness

The Company's consolidated capitalisation and net indebtedness is summarised below:

	Published basis		Illustrative fair value basis	
	Actual as at 30 June 2010 €000	Reflecting impact of new issue €000	Actual as at 30 June 2010 €000	Reflecting impact of new issue €000
Shareholders' equity	33,268	62,476	104,049	133,257
Net borrowings	166,588	137,380	161,710	132,502
Total financing	199,856	199,856	265,759	265,759
Borrowings as a percentage of total financing	83%	69%	61%	50%

The Company's actual capitalisation and indebtedness as at 30 June 2010 has been extracted from the unaudited interim financial information, which has been published by the Company, drawn up in accordance with the requirements of International Financial Reporting Standards applicable to interim financial reporting (IAS 34, 'Interim financial reporting'). The data presented on an illustrative fair value basis is extracted from the illustrative fair value statement of financial position set out in Section 12.3 of Part C, which seeks in the main to explain to the reader of this Prospectus the impact on the Company's statement of financial position and gearing of the current value of the Company's immovable property as set out in the architect's valuation in Annex 6. **The architect's valuation is based on the market circumstances and conditions applicable as at the date of valuation. It is dependent on certain factors and assumptions which may change over time and accordingly impact the fair valuation figures. The illustrative fair value statement of financial position does not comply with the requirements of International Financial Reporting Standards. Considering its nature, this illustrative information is not subject to audit or review by the Company's external auditors.**

The illustrative fair value statement of financial position is presented solely for the purpose set out above and is intended to complement, and not in any way substitute, the Company's published financial information prepared in accordance with the requirements of International Financial Reporting Standards.

For both the published and illustrative fair value bases, an additional column has been inserted showing the impact of the share issue that is the subject of this Prospectus on amounts as at 30 June 2010, after deducting estimated issue costs of €792,000, assuming that the over-allotment option is not taken up. The Issue will have the impact both of enhancing the Company's capital base and of reducing net borrowings, significantly strengthening the Company's statement of financial position.

Net borrowings as at 30 June 2010 comprised the following:

	Published basis		Illustrative fair value basis	
	Actual as at 30 June 2010 €000	Reflecting impact of new issue €000	Actual as at 30 June 2010 €000	Reflecting impact of new issue €000
Cash and cash equivalents	7,461	26,669	7,461	26,669
Current bank debt	(28,441)	(28,441)	(28,441)	(28,441)
Current portion of non-bank debt				
Due to Government	(27,233)	(27,233)	(27,233)	(27,233)
Current financial debt	(55,674)	(55,674)	(55,674)	(55,674)
Net current financial indebtedness	(48,213)	(29,005)	(48,213)	(29,005)
Non-current bank loans	(46,525)	(46,525)	(46,525)	(46,525)
Bonds issued	(39,894)	(39,894)	(39,894)	(39,894)
Other non-current liabilities				
Amounts due to shareholders	(10,000)	-	(10,000)	-
Due to Government	(21,956)	(21,956)	(17,078)	(17,078)
Non-current financial indebtedness	(118,375)	(108,375)	(113,497)	(103,497)
Net financial indebtedness	(166,588)	(137,380)	(161,710)	(132,502)

The amount of €10 million due to Existing Shareholders represents an interim advance made by the Existing Shareholders in anticipation of the Issue that is the subject of this Prospectus, and will accordingly be converted into equity as explained in Section 7.4 below.

The amounts due to GOM in respect of the outstanding balance of premium, the payment of groundrent and the performance of related obligations regarding the acquisition of the Emphyteutical Land are secured by a special privilege on the Emphyteutical Land. The payment of groundrent is also secured by a general hypothec over the Company's property present and future. Further details of the privileges and hypothecs burdening Tigné Point and Manoel Island are described in Part E Annex 8 of this Prospectus.

The analysis of this GOM liability between current and non-current amounts in the Company's statutory financial statements is based on the initial phasing expectations determined when the Emphyteutical Deed was entered into in June 2000. The current portion of this liability represents infrastructural and restoration obligations the timing of which are, at this stage of the Project, largely determinable by the Company according to the development timeframes it selects. Amounts due to GOM that are contractually payable during the twelve-month period following 30 June 2010 amount to €1,165,000.

The Company issued 7% unsecured bonds with principal amounts of €31,702,900 and £7,214,300 due 2016-2018 ("the Bonds") pursuant to a prospectus dated 5 December 2008. The Bonds will, unless previously purchased and cancelled, be redeemed at the latest on 15 December 2018, subject to the Company's option for earlier redemption.

The Company has bound itself, with effect from the end of the financial year ending 31 December 2010, over the period up to the redemption of the Bonds, to build a reserve equivalent at least to 50% of the aggregate outstanding principal amount of the issued Bonds at the relevant time thus creating a cash reserve from its annual surpluses with a view to funding in part the repayment of capital on the Bonds. The Company shall set aside such monies for the purposes of building this reserve in a segregated account.

The Company's bank borrowings are principally secured by general hypothecs over the Company's assets as well as by special hypothecs and/or special privileges over the Emphyteutical Land or parts thereof. These hypothecs rank after the special privilege and general hypothecs in favour of GOM in respect of the outstanding balance of premium, the payment of

groundrent and the performance of related obligations regarding the acquisition of the Emphyteutical Land as well as prior charges in favour of prospective purchasers in respect of advance deposits affected with the Company for the purchase of apartments. Further details of these loans and of the security held by the financing banks is set out in Section 12.4 of Part C.

In addition to the above facilities, the Company has contracted a loan facility of €35 million to finance the construction of the next phases of the Tigné Point development, including commercial offices (T14) and residential accommodation (T17).

As at 30 June 2010, the contingent liabilities of the Company comprised:

- (a) the suretyship for TML's banking facilities as described in Section 12.4 of Part C of this Prospectus;
- (b) the bank guarantees issued by HSBC Bank Malta p.l.c. and Bank of Valletta p.l.c. described in Section 12.4 of Part C of this Prospectus;
- (c) the disagreement between the Company and GOM regarding the telecommunications public infrastructure described in Section 19.3 of Part C of this Prospectus.

In addition the Company will be reimbursing SIS for the expenditure incurred in relation to the installation of infrastructure as set out in more detail in Section 12.4 of Part C of this Prospectus.

4.3 Architect's Valuation

An architect's valuation has been prepared for the purposes of this Prospectus by Prof. Alex Torpiano on behalf of the Project's lead consultants aom Partnership of Fort Manoel Street, Manoel Island, Gzira and is set out in Part E Annex 6 of this Prospectus. The effective date of this valuation is 30 September 2010.

Tigné Point was valued at €166.7 million and Manoel Island at €136.5 million. For further details see Section 12.2 of Part C and Annex 6 Part E of this Prospectus.

4.4 Working Capital Statement

The Company is of the opinion that, taking into account bank facilities, which have already been secured by the Company, and the Minimum Net Proceeds, the Group has sufficient working capital for its present requirements, that is, for at least the next twelve months from the date of this Prospectus.

4.5 Trend Information

There have been no material adverse changes to the prospects of the Company since the date of its last published financial statements.

At the date of publication of this Prospectus, the Directors consider that the Company will be subject to the normal risks associated with the development of the property market in Malta and 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 Company and its business for at least the current financial year.

The following is a brief synopsis of the factors and trends expected in the key areas of operation of the Company in the foreseeable future, which are set out in detail in Section 13 of Part C of this Prospectus:

Residential Property

- Sale and promise of sale agreements have to date been entered into for 251 apartments at Tigné Point. In relation to this, a further 62 apartment sales are needed to complete the residential aspects of this development, including a block of 22 apartments overlooking Pjazza Tigné that have yet to be launched on the market, 7 apartments still to be sold in block T10, 1 apartment in block T8 and a further block of 32 apartments that has yet to be constructed.
- Looking ahead, the Company's main challenge, where the residential property market is concerned, is the successful development of Manoel Island, where construction of the marina village is planned to commence in 2012. Taking into account its location as an island in the centre of a harbour, its historical features and the adjacent yacht marina, it is the Directors' opinion that Manoel Island has the potential of being developed into a unique product attracting both overseas and local property investors.

Mixed-use Development

- Once the development stage of Tigné Point is completed, the commercial elements will represent circa 45% of the total developable area of the site. The considerable amounts invested to date in the construction of the underground relief road, the provision of residential units, the public areas and the extensive parking facilities are expected to lead to an increase in economic activity within the zone and to act as a catalyst for the growth in commercial activities.
- The Directors are encouraged by the successful launch of The Point shopping mall. Even so, more remains to be done to make a destination out of Pjazza Tigné, which has yet to attain its full potential. The construction of the office block that will shelter the north face of the square will help complete the piazza environment, besides increasing daily foot-fall to the location. The opening of the underground relief road will improve accessibility to the site. The mixed-use concept will also apply to Manoel Island, with the commercial, mainly recreational, uses foreseen for historical buildings such as the Lazzaretto and Fort Manoel, complemented by the yacht marina, for which substantial demand already exists.

Competitive Environment

- The Company offers an advantage due to its timing as the Project is already well underway. It is the Directors' opinion, that a trend which is emerging in this segment of the property market is a preference for high quality accommodation, particularly highly finished apartments forming part of a complex offering lifestyle and comfort, which is what is targeted by both the Tigné Point and Manoel Island developments.

Development Permit

- The Company holds an outline development permit which approves the layout and schedule of accommodation, as detailed in the annex to Schedule 14 of the Emphyteutical Deed, for development at Tigné Point and Manoel Island. Works are subject to the Company obtaining detailed development permits.

Cost of Land

- The emphyteutical concession under the Emphyteutical Deed is being made in consideration of a total premium of €92.2 million which was set in the course of negotiations with GOM in the period from 1996 to 2000. The value of property has increased significantly since then, giving the Company a competitive advantage.

Project Flexibility

- As with any other project, the Company is, and will continue to be, subject to the economic cycles and normal business risks associated with the industry in which it is involved. The Directors' confidence with respect to the Project's resilience in the face of cyclical swings in economic circumstances is in part based on the structure of the payments for the land acquisition outlined in the Emphyteutical Deed which are reflective of the extended timescale of the development (also refer to Section 13.6 Part C of this Prospectus). These include infrastructure and restoration obligations that are only triggered when the Company decides to commence a new phase within the development. They also include cash premia payable over an extended timescale. Given that the Company has already fulfilled the

more onerous obligations associated with the initial phases of the Project, and has advanced significantly with the restoration of Fort Manoel, it is now well placed to phase future developments without any undue pressures being caused by land cost related financial burdens.

Future Funding

- The completion of the development of Tigné Point, and the development of Manoel Island, are expected to entail a total development expenditure in the region of €340 million to be incurred in the main between 2011 and 2018. This development will be carried out in phases, such that maximum borrowings outstanding at any time are kept at sustainable levels, and such that new major commitments are entered into as prior project components come into fruition, avoiding an excessive accumulation of risk. Even so, the completion of the Project is expected to require substantial new borrowings over the next ten years. The Issue will assist this process by providing additional capital that can be leveraged to help raise the additional borrowings needed to complete the Project.
- The Company's plans currently indicate that the Issue will provide the additional equity needed by the Company in the foreseeable future. Having said this, any long-term projections for a project of this nature are necessarily subject to a high degree of uncertainty. It is difficult to project with any certainty, over a ten-year period, the financial market conditions that will help determine the Company's access to loan capital. Apart from additional borrowings, further issues of share capital may therefore be required in future years to complete the Project.
- The Company's funding plans are based on the assumption that the Company will complete from its own resources, and retain for the long-term, all the commercial elements of the Project. In practice, opportunities may arise for disposing of such facilities, or for undertaking them in partnership with third parties. Developments of this nature would liberate capital which would instead be applied to accelerate the completion of the Project and reduce the need for additional borrowings and/or issues of share capital.

5. SHAREHOLDING, DIRECTORS, MANAGEMENT AND EMPLOYEES

As at the date of this Prospectus, the Authorised Share Capital of the Company is ninety million euro (€90,000,000) divided into four hundred and fifty million (450,000,000) Ordinary Shares having a nominal value of twenty euro cents (€0.20) each. The Issued Share Capital of the Company is twenty nine million three hundred and fifty eight thousand euro (€29,358,000) divided into one hundred and forty six million seven hundred and ninety thousand (146,790,000) Ordinary Shares having a nominal value of twenty euro cents (€0.20) each which are subscribed and paid up as set out in Section 15.1 of Part C of this Prospectus. Following the Issue, the issued share capital of the Company will be fifty nine million three hundred and fifty eight thousand euro (€59,358,000) divided into two hundred and thirteen million four hundred and fifty six thousand six hundred and sixty seven (213,456,667) Ordinary Shares and in the event that the over-allotment option is exercised in full the issued share capital of the Company will be increased to sixty nine million three hundred and fifty eight thousand euro (€69,358,000) divided into two hundred and thirty five million six hundred and seventy eight thousand eight hundred and eighty nine (235,678,889) Ordinary Shares.

The Ordinary Shares rank *pari passu* amongst each other for all purposes irrespective of any premium paid thereon. Each ordinary share shall be entitled to one vote. There are currently no different classes of Ordinary Shares in the Company and accordingly all Ordinary Shares have the same rights, voting rights and entitlements in connection with any distribution whether of dividends or capital (on a winding up or otherwise).

The current shareholders of the Company are Alf. Mizzi & Sons Ltd., Fortress Developments Limited, Middlesea Valletta Life Assurance Co. Ltd., Gee Five Limited, Bank of Valletta p.l.c., Investors Limited, Vassallo Builders Group Limited, Gatt Investments Limited, Polidano Brothers Limited, Lombard Bank Malta p.l.c., First Gemini plc and Pininfarina Extra s.r.l.

Major Shareholders and Dilution Following Issue

Following Admission of the Ordinary Shares it is envisaged that the shareholding of the Company shall be divided in the following manner¹:

	<u>Excluding over-allotment option</u>		<u>Including over-allotment option</u>	
	Ordinary Shares	Percentage Shareholding (%)	Ordinary Shares	Percentage Shareholding (%)
Alf. Mizzi & Sons Ltd.	30,422,201	14.25	30,422,201	12.91
Fortress Developments Limited	25,351,833	11.88	25,351,833	10.76
Middlesea Valletta Life Assurance Co. Ltd.	21,971,589	10.29	21,971,589	9.32
Gee Five Limited	19,412,261	9.10	19,412,261	8.24
Bank of Valletta p.l.c.	16,096,402	7.54	16,096,402	6.83
Investors Limited	13,520,978	6.34	13,520,978	5.74
Gatt Investments Limited	10,140,733	4.75	10,140,733	4.30
Polidano Brothers Limited	10,140,733	4.75	10,140,733	4.30
Vassallo Builders Group Limited	10,140,733	4.75	10,140,733	4.30
Lombard Bank Malta p.l.c.	8,450,611	3.96	8,450,611	3.59
First Gemini plc	2,012,050	0.94	2,012,050	0.85
Pininfarina Extra s.r.l.	1,352,098	0.63	1,352,098	0.57
General Public	44,444,444	20.82	66,666,666	28.29
	213,456,666	100.00	235,678,888	100.00

The Company is not aware of any other arrangements, the operation of which may, at a subsequent date, result in a change in control of the Company.

Directors

The Company is currently managed by a Board consisting of eight members. Until recently the Board was composed of eleven members, however, in anticipation of the Issue, it was felt that the Board should be reduced to focus primarily on the Company's business needs rather than shareholder representation. As a result, the Memorandum and Articles of Association were amended to provide for a Board of a minimum of five and a maximum of eight members.

The current directors of the Company are:

Name and ID No. of Director		Function
Mr. Albert Mizzi	ID 718127 M	Chairman
Mr. Paul Bonello	ID 589858 M	Non-Executive Director
Mr. David G. Curmi	ID 477759 M	Non-Executive Director
Mr. Tonio Depasquale	ID 944148 M	Non-Executive Director
Mr. Joseph A. Gasan	ID 311050 M	Non-Executive Director
Mr. Mario C. Grech	ID 459849 M	Non-Executive Director
Dr. Alec A. Mizzi	ID 511256 M	Non-Executive Director
Mr. Joseph Said	ID 746249 M	Non-Executive Director

In terms of the Memorandum and Articles of Association, the maximum aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Company in General Meeting. As at the date of the Prospectus, none of the Directors receive remuneration.

Senior Management

The Senior Management team of the Company consists of:

Mr. Benjamin Muscat	Chief Executive Officer
Mr. Luke Coppini	Financial Controller and Company Secretary
Mr. James Vassallo	Sales and Marketing Manager
Mr. Edwin Borg	General Manager – Tigné Mall Ltd.

The total amount of remuneration paid and benefits in kind granted to senior management personnel in the last financial year ended 31 December 2009 amounts to approximately €325,000.

Employees

As at the date of the Prospectus, the Company has 57 employees.

Interests of Directors and Senior Management

Directors' interest in the share capital of the Company as at the date of this Prospectus is disclosed on page 9 under the heading "Directors, Advisers and Auditors of the Company".

The positions held by non-executive directors with shareholders' organisations that appointed them and with whom they have a business relationship with the Company are also disclosed on page 9.

Save for the matters disclosed under the heading "Interests of Directors" in Section 17.2 of Part C of this Prospectus, there are no potential conflicts of interests between any duties to the Company of the persons referred to under the heading "Directors and Company Secretary" on page 9 of this Prospectus and their private interests and/or other duties.

Related Party Transactions

In the normal course of business, the Group enters into various transactions with related parties. Related parties are defined as those that have an ability to control or exercise significant influence over the other party in making financial and operational decisions. These include directors and shareholders who hold a substantial amount of the votes that can be cast at general meetings.

Relevant particulars of related party transactions, all of which have been carried out on an arm's length basis, are described in Section 17.1 of Part C of this Prospectus.

Memorandum and Articles of Association

The Memorandum and Articles of Association of the Company (C 15836), described in Section 19.1 of Part C of this Prospectus, are registered with the Registrar of Companies and are available for inspection during the lifetime of this Prospectus at the registered office of the Company and at the Registrar of Companies.

6. THE SHARES

6.1 Rights attached to the Ordinary Shares

Each new Ordinary Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Ordinary Share, as set out in the Memorandum and Articles of Association of the Company.

The following are highlights of the rights attaching to the Ordinary Shares:

Dividends	The Ordinary Shares shall carry the right to participate in any distribution of dividend declared by the Company <i>pari passu</i> with all other Ordinary Shares in the same class;
Form	Ordinary Shares;
Currency of Ordinary Shares	Euro;
Voting Rights	Each Share shall be entitled to one vote at meetings of Shareholders;
Capital Distribution	The Ordinary Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether on a winding up or otherwise, <i>pari passu</i> with all other Ordinary Shares of the same class;
Transferability	The Ordinary Shares are freely transferable and once admitted to the Official List of the Malta Stock Exchange shall be transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time; provided that Ordinary Shares which will be issued to some of the Existing Shareholders are subject to lock-up arrangements (see Sections 7.4 and 7.5 below and Section 24 of Part D);
Pre-Emption	In accordance with article 88 of the Companies Act, should Ordinary Shares of the Company be proposed for allotment for consideration in cash, those Ordinary Shares must be offered on a pre-emptive basis to Shareholders in proportion to the share capital held by them. A copy of any offer of subscription on a pre-emptive basis indicating the period within which this right must be exercised must be delivered to the Registrar of Companies. The right of pre-emption must be exercised in accordance with Article 7 of the Articles of Association of the Company which states that on a fresh issue of ordinary shares, such shares shall be offered in the first instance to the existing Members of the Company pro-rata to the number of shares held by them respectively. The offer shall be made by notice in writing specifying the number of shares offered, as well as their price, and limiting a time, being not less than fourteen (14) days, within which the offer if not accepted shall be deemed to have been declined. Any remaining shares may then be offered to non-Members;
Other	The Ordinary Shares are not redeemable and not convertible into any other form of security;
Mandatory Takeover Bids, Squeeze-Out and Sell-Out Rules	Chapter 18 of the Listing Rules, implementing the relevant provisions of <i>Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004</i> regulates the acquisition by a person or persons acting in concert of the control of a company and provides specific rules on takeover bids, squeeze-out rules and sell-out rules. The Shareholders of the Company may be protected by the said Listing Rules in the event that the Company is subject to a Takeover Bid (as defined therein). The Listing Rules may be viewed on the official website of the Listing Authority – www.mfsa.com.mt

6.2 Dividend Policy

The Directors intend that the Company's dividend policy during the continued development of the Project should secure the payment of regular dividends that provide an adequate return to shareholders. Care will be taken during this period to ensure consistency in the payment of annual dividends, having regard to expected fluctuations in profitability linked to the timing of the signing of the final deeds of sale of the property. Furthermore, once the development is completed, and residential sales concluded, the Company is expected to generate a steady ongoing stream of profits that, in the absence of new commitments, would be largely earmarked for distribution to shareholders.

The above dividend policy will be subject to determination by the Board based on the Company's results of operations and financial condition and any other factors that the Board considers relevant, always subject to the requirements of the Companies Act. In making judgements on the above matters, the Company will be subject to normal business constraints and the Board will accordingly ensure that all the Company's obligations with its creditors are in order, that all contractual covenants have been met, that the Company's cash flow will not be strained by the distribution of dividends, and that such distributions would not jeopardise the future of the Project.

As at the date of this Prospectus, two of the Company's bank loan facilities provide that dividend payments should not be effected without the consent of the lending banks. This condition is generally intended to ensure that any dividend payments made are consistent with the needs of the Project so as not to jeopardise the Company's ability to meet its obligations, which is consistent with the dividend policy outlined above. The Company's bankers have confirmed that their acceptance of the Company's request for the declaration and payment of dividends will not be unreasonably withheld if, in the opinion of the banks, the business constraints defined have been respected.

Pursuant to a prospectus dated 5 December 2008, whereby the Company issued €31,702,900 and £7,214,300 aggregate principal amount of bonds due 2016-2018 ("the Bonds"), the Company in accordance with its obligations under the said bond issue, with effect from the end of the financial year ending 31 December 2010, over the period up to the redemption of the Bonds (2016/2018), will have to set aside monies to create a reserve equivalent at least to 50% of the aggregate outstanding principal amount of the issued Bonds at the relevant time.

7. DETAILS OF THE ISSUE

7.1 The Issue

The Ordinary Shares which are available under the Issue are as follows:

- (i) 44,444,444 Ordinary Shares are available to the public pursuant to the Offer to the Public and if the said offer proves to be over-subscribed, the Directors have the option, exercisable at their discretion, to increase it up to a further 22,222,222 Ordinary Shares; and
- (ii) 22,222,222 Ordinary Shares are available to the Existing Shareholders pursuant to the Offer to the Existing Shareholders.

The Issue, which is not underwritten, is conditional upon:

- (i) Admission; and
- (ii) the Minimum Net Proceeds being raised.

In the event that any of the above conditions is not satisfied, the Issue will not proceed and the relevant Application monies will be refunded.

7.2 Reasons for the Issue

The Issue is intended to strengthen the Group's equity base and put the Group in a position to have the capacity to raise additional long-term borrowings ahead of the substantial development that has yet to take place. This development will be carried out in phases, so that the maximum borrowings outstanding at any time are kept at sustainable levels and so that any new major commitments are entered into once prior Project components are concluded.

Additionally, the Directors believe that the Issue will offer the Company a number of ancillary benefits, including increasing its strategic and financial flexibility, enhancing the profile of its business with existing and potential partners, and broadening the shareholder base.

The estimated net proceeds from the Issue, which are being assumed to be circa €19.2 million (and a further €9.8 million if the over-allotment option is exercised), are intended to be used: firstly, for the end financing of a number of phases at Tigné Point that are close to final completion, namely the underground relief road-north access, T8, T9 and T10 apartments and common areas, T12 Clubhouse, piazza and Piazza Tigné apartments, Blocks T14 and T17 sub-structures, to meet recurrent operating expenditure and to reduce bank borrowings; secondly, towards the full construction and development of Blocks T15 and T16; and thirdly for the carrying out of minor infrastructural works on Manoel Island (other than for these works, no funds are expected to be allocated to Manoel Island). Due to the nature of the Company's business and the uses indicated, the proceeds may be used for all the aforementioned purposes concurrently.

7.3 The Offer to the Public

The Company is making an offer for subscription of 44,444,444 Ordinary Shares to be issued to the public pursuant to the Offer to the Public at forty five euro cents (€0.45) per Ordinary Share and if the said offer proves to be over-subscribed, the Directors have the option, exercisable at their discretion, to increase it up to a further 22,222,222 Ordinary Shares. The Issue Price is payable in full upon Application.

The Ordinary Shares shall be available for subscription in two tranches:

- (a) By Authorised Intermediaries for the account of their clients by way of pre-placement pursuant to, *inter alia*, the provisions of Section 7.3.1 below; and
- (b) By the general public and Preferred Applicants through Authorised Intermediaries pursuant to, *inter alia*, the provisions of Section 7.3.2 below.

7.3.1 Pre-Placement

Prior to the commencement of the Offer Period, the Company intends to enter into conditional placement agreements with Authorised Intermediaries (the "Placement Agreements") with respect to the subscription of Ordinary Shares, which are available pursuant to the Offer to the Public, up to an amount not exceeding 22,222,222 Ordinary Shares, that is 50% of the maximum aggregate amount of Ordinary Shares which are available pursuant to the Offer to the Public (excluding the over-allotment option) (the "Placed Portion"). The Placement Agreements and the obligations of the Company and Authorised Intermediaries arising therefrom will be subject, *inter alia*, to Admission. Each Placement Agreement will become binding on both the Company and the Authorised Intermediaries upon delivery, subject to the Company having received all subscription proceeds in cleared funds on delivery of the Placement Agreement.

Authorised Intermediaries may submit the completed Placement Agreements together with subscription proceeds in cleared funds on 26 November 2010 (the "Pre-Placement Date").

The minimum aggregate subscription amount for each Placement Agreement on the Pre-Placement Date shall be 250,000 Ordinary Shares and Placement Agreements for a lesser amount shall not be eligible for the Placed Portion and shall be disregarded. The minimum subscription amount for each Application lodged shall be for 25,000 Ordinary Shares.

The above shall be subject to the following:

- (a) any amount not taken up by Authorised Intermediaries for the benefit of their clients shall be available for subscription by the general public and Preferred Applicants during the Offer Period;
- (b) in the event that subscriptions received from Authorised Intermediaries pursuant to the Placement Agreements are in excess of the said amount, such subscriptions shall be scaled back and the unsatisfied portion shall automatically participate during the Offer Period and shall rank *pari passu* with other Applicants.

7.3.2 General Public and Preferred Applicants

22,222,222 Ordinary Shares (which can be increased up to 44,444,444 in case the Company exercises the over-

allotment option) and any Ordinary Shares forming part of the Placed Portion which are not taken up, are available for subscription by the general public and Preferred Applicants pursuant to the Offer to the Public.

Preferred Applicants shall receive a pre-printed Application Form by mail directly from the Company and shall be required to submit same to Authorised Intermediaries together with cleared funds during the Offer Period. Applications by Preferred Applicants will be allocated the first six thousand five hundred Ordinary Shares (6,500 Ordinary Shares) in full whereas any excess amount shall be subject to the Allocation Policy as determined by the Company in line with Section 22.4 of Part D of this Prospectus.

7.3.3 Plans for Distribution

Under the Offer to the Public, the Company is issuing Ordinary Shares to all categories of investors, subject to what is provided under the Section titled “Important Information” at the beginning of this Prospectus.

The Terms and Conditions applicable to any Application for Ordinary Shares under the Offer to the Public are set out in the Terms and Conditions of Application contained in Section 26 of Part D of this Prospectus.

On the Pre-Placement Date and during the Offer Period, Applications for the Ordinary Shares may be made through any of the Authorised Intermediaries whose names are set out in Part E Annex 10 of this Prospectus.

7.4 The Offer to the Existing Shareholders

The Company is also making an offer for subscription of 22,222,222 Ordinary Shares to be issued to the Existing Shareholders, pursuant to the Offer to the Existing Shareholders, at forty five euro cents (€0.45) per Ordinary Share.

By virtue of an agreement entered into between the Company and the Existing Shareholders dated 6 November 2008, the Existing Shareholders made available funds (pro rata to their shareholding in the Company) of an aggregate amount of €10 million. Pursuant to an agreement dated 18 October 2010 between the Existing Shareholders and the Company, each of the Existing Shareholders agreed to subscribe for, and the Company agreed to allot to each of the Existing Shareholders, the number of Ordinary Shares shown against their name in the first column of the table below, for the Issue Price and credited as fully paid up, in lieu of the Company paying the Sum Owed to each of the Existing Shareholders in cash as shown against their respective names in the second column of the table below and the Existing Shareholders shall accept those shares in full satisfaction of the Sum Owed.

Shareholder	Additional number of shares allotted on issue of shares in lieu of advances	Sum Owed €
Alf. Mizzi & Sons Ltd.	4,000,001	1,800,000
Fortress Developments Limited	3,333,333	1,500,000
Middlesea Valletta Life Assurance Co. Ltd.	2,888,889	1,300,000
Gee Five Limited	2,552,381	1,148,571
Bank of Valletta p.l.c.	2,116,402	952,381
Investors Limited	1,777,778	800,000
Gatt Investments Limited	1,333,333	600,000
Polidano Brothers Limited	1,333,333	600,000
Vassallo Builders Group Limited	1,333,333	600,000
Lombard Bank Malta p.l.c.	1,111,111	500,000
First Gemini plc	264,550	119,048
Pininfarina Extra s.r.l.	177,778	80,000
	22,222,222	10,000,000

7.5 Lock-Up

By virtue of an agreement dated 18 October 2010 (“the Lock-Up Agreement”) entered into between the Company and Alf. Mizzi & Sons Ltd., Fortress Developments Limited, Middlesea Valletta Life Assurance Co. Ltd., Gee Five Limited, Bank of Valletta p.l.c. and First Gemini plc (“the Restricted Shareholders”), each of the Restricted Shareholders has agreed to lock-up arrangements with respect to their holding of Ordinary Shares in the Company. For further information see Section 24 of Part D of this Prospectus.

7.6 Authorisations

The Issue has been authorised by means of a resolution taken at an extraordinary general meeting of the company on 18 October 2010 and a resolution of the Board of Directors adopted on the same day.

7.7 Admission to Trading

Application has been made to the Listing Authority for all of the Ordinary Shares, issued and to be issued, to be admitted to listing on a regulated market. In addition, application has been made to the Malta Stock Exchange for all of the Ordinary Shares, issued and to be issued, to be admitted to the Official List. The Ordinary Shares are expected to be admitted to the Official List of the Malta Stock Exchange with effect from 22 December 2010 and trading is expected to commence on 23 December 2010.

7.8 Expenses of the Issue

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsoring, management, pre-placement, registrar fees, a 1.5% selling commission and other miscellaneous expenses in connection with the Issue, are estimated not to exceed €792,000, or €942,000 in the case of exercise of the over-allotment option, and shall be borne by the Company.

7.9 Issue Statistics

ISIN	MT0000420126
Number of Ordinary Shares available under the Offer to the Public	
• assuming the over-allotment option is not exercised	44,444,444 Ordinary Shares
• assuming the over-allotment option is exercised in full	66,666,666 Ordinary Shares
Number of Ordinary Shares available under the Offer to the Existing Shareholders	22,222,222 Ordinary Shares
Issue Price per Ordinary Share	€0.45
Estimated Net Proceeds of the Issue	
• assuming the over-allotment option is not exercised	€19.2 million
• assuming the over-allotment option is exercised in full	€29.0 million
Form	The Ordinary Shares will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Company at the Central Securities Depository

Listing	Application has been made to the Listing Authority for the admissibility of the Ordinary Shares, issued and to be issued, to listing and to the Malta Stock Exchange for the Ordinary Shares, issued and to be issued, to be listed and traded on its Official List
Offer Period	The period between 29 November 2010 and 3 December 2010 (or such earlier date as may be determined by the Company) during which the Offer to the Public and the Offer to the Existing Shareholders are open
Markets	Application has been made to the Malta Stock Exchange for the Ordinary Shares to be listed and traded on its Official List. The Ordinary Shares are expected to be admitted to the Malta Stock Exchange with effect from 22 December 2010 and trading is expected to commence on 23 December 2010
Joint Managers	Bank of Valletta p.l.c. and HSBC Bank Malta p.l.c.
Registrar	Lombard Bank Malta p.l.c.
Sponsor	Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
Governing Law	The Issue is governed by and shall be construed in accordance with Maltese law
Submission to Jurisdiction	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Issue and accordingly any legal action or proceedings arising out of or in connection with the Issue shall be brought exclusively before the Maltese Courts

Your attention is drawn to Section 26 of Part D of this Prospectus “Terms and Conditions of Application”.

7.10 Expected Timetable

Issuance of Formal Notice	Thursday 4 November 2010
Application Forms Available	Monday 8 November 2010
Pre-Placement Date	Friday 26 November 2010
Opening Offer Period	Monday 29 November 2010
Closing Offer Period	Friday 3 December 2010
Expected announcement of basis of acceptance	Friday 10 December 2010
Expected dispatch of allotment advices and refund of unallocated monies (if any)	Friday 17 December 2010
Admission of Ordinary Shares on the Malta Stock Exchange	Wednesday 22 December 2010
Expected Commencement of trading of Ordinary Shares on the Malta Stock Exchange	Thursday 23 December 2010

The Company reserves the right to close the Offer Period before Friday 3 December 2010 in the event of over-subscription, in which case the subsequent events set out in the ‘Expected Timetable’ shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the said events.

8. DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Prospectus the following documents shall be available for inspection at the registered address of the Company:

- (a) Memorandum and Articles of Association;
- (b) Audited Consolidated and Individual Financial Statements of the Company and audited Individual Financial Statements of the subsidiaries for the financial year ended 31 December 2009;
- (c) Audited Consolidated and Individual Financial Statements of the Company and audited Individual Financial Statements of the subsidiaries for the financial year ended 31 December 2008;
- (d) Audited Consolidated and Individual Financial Statements of the Company and audited Individual Financial Statements of the subsidiaries for the financial year ended 31 December 2007;
- (e) The Emphyteutical Deed;
- (f) Searches of privileges and hypothecs carried out up to 15 October 2010; and
- (g) Deed in the records of Notary Pierre Attard of 22 October 2010 by virtue of which the Company granted TML the building comprising the retail mall complex.

PART B: RISK FACTORS

9. RISK FACTORS

An investment in the Ordinary Shares carries a high degree of risk, including the risks in relation to the Company and the Shares referred to in this Section, which could materially and adversely affect the Company's business, financial condition and results, and may therefore not be suitable for all recipients of this Prospectus. In addition to the other information contained in this Prospectus, prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations before deciding to make an investment in the Ordinary Shares. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

9.1 Risks Relating to the Company

The Company is subject to a number of risks which could have an adverse affect on its business and the business of the Group, the value of its assets and results of operations. These risks include but are not limited to those risks which are discussed below.

The Project involves a large property development, targeted in the main at the commercial and residential markets, and in part at the tourism sector.

All development projects are subject to a number of specific risks – the risk of delays in the construction schedule; the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of sales transactions not materialising at the prices and the tempo envisaged; and the risk of sales delays resulting in liquidity strain, higher interest costs and the erosion of profitability. Any of these potential circumstances would have an adverse impact on the Project's profitability and cash flows.

The success of the Project as a whole may also be impacted by the Company's relationship with GOM, in terms of obligations falling upon both parties in terms of the Emphyteutical Deed.

Interest Rate Risk

- The development of Tigné Point and of Manoel Island will, in part, be funded through bank borrowings bearing a variable interest rate. Therefore the Company may be exposed to significant interest rate risk, particularly in the immediate years ahead, until such time as bank borrowings bearing a variable interest rate are reduced.

Sales and Letting

- The Project is expected to generate income from the sales of residential apartments and the operation of commercial facilities. While the sales experience enjoyed by the Company to date has been very positive, all future plans are inherently subject to the risk of adverse unexpected events which may result, for instance, in delays in the receipt of expected future cash inflows, from both the sale of property and commercial leases. Delays would also serve to prolong the Company's exposure to interest rate risk.

Personnel

- The Project's growth is in part attributable to the efforts and abilities of the members of its management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Company might not be able to replace them within the short-term, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Funding Risk

- The Group will be required to make substantial capital expenditure in the region of €340 million to complete the Project in its entirety. Bank facilities of €35 million are available for the next phase planned on Tigné Point. The Project depends on additional future finance being secured on a regular basis over the next ten years as new phases are developed, either from banks or otherwise from the financial markets.
- There can be no guarantee that cash generated by operations or additional debt or equity financing will be available or will be sufficient to meet the Group's funding requirements to pursue its future strategic decisions or that if additional debt or equity financing is available, that it will be on terms acceptable to the Group. The Group's inability to access sufficient capital for its operations may have a material adverse effect on its financial condition, results of operations and prospects.

Delays

- Any adverse factors associated with current works in progress, such as delays experienced in finalising apartments, and with future developments, such as the risk of unreasonable delays in concluding works, would have an adverse impact on the completion of the Project.
- The Company is currently in the course of negotiations with GOM in connection with a proposal made by GOM to decrease the volume of the proposed development on certain parts of the Project and to compensate, by way of additional development, the Company in other areas. Any undue delay in concluding these negotiations, or in implementing the resultant agreement, would have an adverse effect on the business, financial condition and profitability of the Company.

General Market Conditions

- The health of the local property market may also be affected by a number of factors such as political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, the availability of financing and yields of alternative investments. Such factors may be expected to cause property prices to fluctuate over the life-span of the development. An increase in supply and/or a reduction in demand in the up-market property segments in which the Company intends to operate could impact negatively upon capital values and income streams, on both the residential and commercial elements of the development.

Competition

- The Company expects to face competition from a number of property developments which are currently underway or projected in the vicinity of surrounding areas of Tigné Point. Competition in the residential property market may be expected to be affected by the quality of development and finishing standards, location and vehicular accessibility, together with the amenities and facilities on offer.

Planning Permission

- The risk of delays or refusals in obtaining the necessary planning permissions is a risk commonly associated with property development projects. The Project has been undertaken on the basis of an outline development permit which is attached to the Emphyteutical Deed contracted with GOM following a development brief issued by the MEPA. The Project is a long-term development, with construction works planned to continue until 2016-2018. Applications for full development permits have been lodged in respect of blocks T14, T15, T16 and T17. No applications have as yet been lodged in respect of block T20 and, with the exception of restoration, dredging and land reclamation works, in respect of Manoel Island. Delays or refusals in the issuance of full development permits would have an adverse effect on the business, financial condition and profitability of the Company.

Changes in Laws and Regulations

- The Company is subject to various laws and regulations. As with any business, the Company is at risk in relation to changes in the laws and regulations, and the timing and effects of changes in the laws and regulations, to which

the Group is subject, including changes in the interpretation thereof which cannot be predicted; and in relation to other factors over which the Company has no control such as catastrophic events, terrorist attacks and other acts of war or hostility all of which could have an adverse affect on the business, financial condition and profitability of the Company.

Counter-party Risks

- The Company is also subject to various counter-party risks, such as contractors and subcontractors engaged for the demolition, excavation, construction and finishing of the development, and prospective purchasers defaulting on their obligations with the Company. Such parties (which may include both third parties as well as related parties) may fail to perform or default on their obligations to the Company due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Company's control.

9.2 Risks Relating to the Shares

An investment in the Ordinary Shares involves certain risks including, but not limited to, those described below:

No Prior Market for the Ordinary Shares

- Prior to the Issue, there has been no public market for the Company's Ordinary Shares within or outside Malta. In view of this, the Company can give no assurance that an active and liquid trading market will develop subsequent to the Issue, or, if developed, that can be sustained or that the price of the Ordinary Shares will not decline below the Issue Price. The market price of the Ordinary Shares could be subject to significant fluctuations in response to numerous factors, including the Company's operating results. The Company cannot predict the extent to which investor interest in the Ordinary Shares will lead to the development of a trading market or how liquid such a market might become. Investors may experience greater price volatility and less efficient execution of buy and sell orders and may not be able to resell the Ordinary Shares at or above the Issue Price, or at all. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be materially and adversely affected.

Limited Liquidity on the Malta Stock Exchange

- Application has been made to seek a listing of the Ordinary Shares on the Official List of the Malta Stock Exchange, which is smaller and less liquid than the more developed stock markets in Europe and the United States. Currently only 20 companies have their equities traded on the Malta Stock Exchange, of which 19 equity securities are listed on the Official List and one on the Alternative Companies List. The limited liquidity of the market for shares could increase the price volatility of the Ordinary Shares and may impair the ability of the holder of the Ordinary Shares to sell such Ordinary Shares in the market in the amount and at the price and time such holder wishes to do so. To control price volatility, the Malta Stock Exchange may not allow matching deals in Ordinary Shares of a listed company when the price falls outside a ten percent range (up or down) from the previous day's trade weighted average price. Moreover, the Malta Stock Exchange can temporarily lift trade ranges in a number of circumstances such as (i) when an equity is inactive for three consecutive trading sessions, in which case the trade range will only be re-instated when the equity resumes trading for three consecutive sessions; and (ii) when a corporate action is announced, in which case the trade range is lifted for the following three trading sessions and re-instated in the subsequent session irrespective of whether any trades were executed. Similar liquidity limitations may exist in the market for the Ordinary Shares once admitted to trading on the Malta Stock Exchange. The liquidity of the market depends on, amongst others, factors beyond the Company's control, such as the willingness of potential buyers and sellers to invest in the Ordinary Shares and the absence of market makers on the Malta Stock Exchange.

The Price of the Ordinary Shares may be Volatile

- Following the Issue, the price at which the Ordinary Shares will be traded, as well as the sales volume of the Ordinary Shares traded, will be subject to fluctuations. These movements may not necessarily be caused by the Company's

business activities or the results of its operations. The market price of the Ordinary Shares may, in addition to being affected by the Company's actual or forecast operating results, fluctuate significantly as a result of factors beyond the Company's control, including but not limited to a drop in property prices in the market, changes in securities analysts' recommendations or estimates of earnings or financial performance of the Company, its competitors or the industry or the failure to meet expectations of securities analysts, fluctuations in stock market prices and volumes, general market volatility, changes in laws, rules, regulations and taxes applicable to the Company, its operations and operations in which the Group has interests, loss of key personnel and involvement in litigation. It is also possible that the Company's operational results or its business outlook may fall short of expectations, in which case the price of the Ordinary Shares could be negatively affected. In addition, stock markets have in the recent past experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for the Ordinary Shares.

Future Sales of Ordinary Shares and Sales by the Existing Shareholders

- The Company cannot predict what effect, if any, future sales of Ordinary Shares will have on the market price of the Ordinary Shares. If the Existing Shareholders were to sell, or the Company were to issue and sell, a substantial number of Ordinary Shares in the public market, the market price of the Ordinary Shares could be adversely affected. Also, sales by the Existing Shareholders could make it more difficult for the Company to sell equity securities in the future at a time and price that it deems appropriate. The sale of a significant amount of Ordinary Shares in the public market, or the perception that such sales may occur, could materially affect the market price of the Ordinary Shares and could also impede the Company's ability to raise capital through the issue of equity securities in the future. Any of the Company's Restricted Shareholders (as defined in Section 24) can dispose of their shares after the lapse of the lock-up arrangements referred to in Section 24 of Part D.

Secondary Market

- There can be no assurance that an active secondary market for the Ordinary Shares will develop or, if it develops, that it will continue nor can there be any assurance that an investor will be able to re-sell his Ordinary Shares at or above the Issue Price or at all.

Dividends

- The Company's results can fluctuate and its ability to pay dividends is dependent upon, amongst other things, it achieving sufficient profits. Future dividends will also depend on, amongst other factors, the Company's future profits, financial position, working capital requirements, general economic conditions and other factors that the Directors may deem significant from time to time. In addition, the ability of the Group companies to make distributions to the Company as well as the ability of the Company to pay dividends is and may, from time to time, be restricted as a result of several factors, including restrictive covenants in loan agreements and the requirements of the applicable law together with regulatory, fiscal or other restrictions. The prospective dividend policy set out in Section 20.3 should be read accordingly. As at the date of this Prospectus, in terms of two of the Company's banking facilities, namely the sanction letter dated 3 May 2010 granted by Bank of Valletta p.l.c. and the sanction letter dated 28 September 2009 granted by HSBC Bank Malta p.l.c. and Bank of Valletta p.l.c., the Company undertook not to declare or pay any dividends without the Banks' prior consent in writing (see Section 12.4 of Part C and Section 20.3 of Part D).

Ordinary Shares in Public Hands

- In terms of the Listing Rules, an issuer must have at least twenty five percent (25%) of its listed share capital in the hands of the public. Should the number of Ordinary Shares in public hands subsequent to the Issue fall below the 25% threshold the Company would be in breach of the said Listing Rules, which could possibly lead to the delisting of the Company from the Official List of the Malta Stock Exchange. Exceptionally, the Listing Authority may accept a lower percentage of Ordinary Shares in the hands of the public provided that the market continues to operate properly.

The delisting of the Company would have adverse effects on the marketability and transferability of the Ordinary Shares and on the fiscal impacts on Share transfers.

Currency Risk

- An investor in the Ordinary Shares will bear the risk of any fluctuations in exchange rates between the currency of the Ordinary Shares and the investor's currency of reference if different.

Value

- The value of investments can rise or fall, and past performance is not necessarily indicative of future performance. You should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the Laws of Malta).

PART C: INFORMATION CONCERNING THE COMPANY

10. ORGANISATIONAL STRUCTURE, HISTORICAL DEVELOPMENT AND THE EMPHYTEUTICAL GRANT

10.1 Organisational Structure

10.1.1 Organisation of the Company

The Company is a public limited company incorporated, registered and operating in Malta under the Companies Act, with registration number (C 15836) and whose registered office is at North Shore, Manoel Island, limits of Gzira, GZR 3016, Malta.

The Company's principal business is the development and disposal of immovable property situated in Malta at Tigné Point, Sliema and Manoel Island, limits of Gzira.

The Company is managed by a Board of Directors (see Section 16.1 below). The principal function of the Board is to establish policy for the Company and to appoint all executive officers and other key members of management. The day-to-day management of the Company is carried out by senior management headed by a Chief Executive Officer (see Section 16.2 below).

As at the date of this Prospectus the following committees have been set up:

- **Executive Committee**

The Board delegates authority and accountability for the Company to an Executive Committee, which was composed of the Chairman Mr. Albert Mizzi, Mr. Mario C. Grech and Mr. Maurice F. Mizzi as Directors, together with the Chief Executive Officer Mr. Benjamin Muscat. In view of the recent resignation of Mr Maurice F. Mizzi as Director, it is the Board's intention to shortly fill in his position on the Executive Committee by another Director. The Executive Committee supervises the management of the Company, to ensure the attainment of its strategy and objectives. The Executive Committee is responsible to supervise the process of awarding contracts. In particular it is responsible for assisting and directing the CEO in negotiations with contractors, suppliers and service providers and is ultimately responsible for the award of such tenders (see Section 17.3.1). Often matters within the terms of reference of the Executive Committee have been referred directly to the Board.

At present there is no Remuneration Committee, however, it is the Board's intention to set this up following the Company's next Annual General Meeting.

- **Audit Committee**

The Audit Committee consists of Mr. Paul Bonello, who is independent and competent in accounting, Mr. Joseph A. Gasan and Mr. Tonio Depasquale, who chairs the Committee. The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Group. The Audit Committee is also responsible for protecting the interests of the Company's shareholders and assisting the Directors in conducting their role effectively so that the Company's decision-making capability and the reliability of its statutory reporting and financial results are maintained at a high level at all times (see Section 18.2 of this Part C).

10.1.2 Organisation of the Group

The Company has a number of subsidiary companies (which together with the Company constitute a Group of companies) through which it carries out some aspects of its operations. The Group is composed of the Company and its wholly owned subsidiary companies, Tigné Contracting Limited, Tigné Mall Ltd. and Tigné Point Marketing Limited. The Company also entered into a joint venture with Siemens S.p.A. through a company known as Solutions & Infrastructure Services Limited.

Tigné Contracting Limited

Tigné Contracting Limited (C 28438) ("TCL") was established on 10 July 2001. It has an authorised share capital of €116,468.67 divided into 50,000 ordinary shares of €2.329373 each and an issued share capital of €23,293.73 divided into 10,000 ordinary shares of €2.329373 each, fully paid up. TCL serves as the turnkey company through which almost all construction and related costs except for selling and marketing are accounted for. Most contracts with contractors are signed by TCL.

Tigné Mall Ltd.

Tigné Mall Ltd. (C 35139) ("TML") was established on 1 December 2004. It has an authorised share capital of €23,293,733.98 divided into 10,000,000 ordinary shares of €2.329373 each and an issued share capital of €7,313,066.53 divided into 3,139,500 ordinary shares of €2.329373 each, fully paid up. TML was set up to build and operate a retail mall complex, and ancillary facilities at Tigné Point. Building works were completed and the mall commenced operations in March 2010 under the name "The Point".

By virtue of a deed in the records of Notary Pierre Attard of 22 October 2010, the Company granted TML the building comprising the said retail mall complex and ancillary facilities known as "The Point" on temporary sub-emphyteusis commencing from 22 October 2010 for the period remaining out of the original period of ninety nine (99) years which commenced on the 15 June 2000 under the terms and conditions stated in the said deed. For further details see Section 19.2 "TML Deed" Part C of this Prospectus.

Tigné Point Marketing Limited

Tigné Point Marketing Limited (C 30073) ("TPML") was established on 7 August 2002. It has an authorised share capital of €116,468.67 divided into 50,000 ordinary shares of €2.329373 each and an issued share capital of €23,293.73 divided into 10,000 ordinary shares of €2.329373 each, 20% paid up. TPML handles all marketing (including advertising and PR campaigns) and sales activities of the Company. It represents the Company's main point of contact with customers. TPML was set up in order for the Company to have its own specialised selling and marketing team.

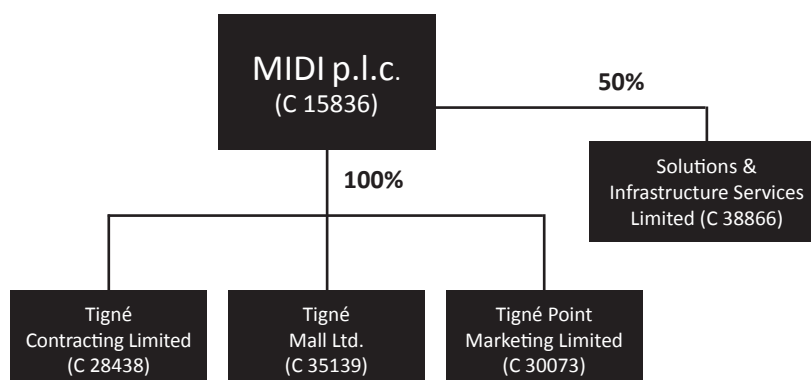
Solutions & Infrastructure Services Limited

Solutions & Infrastructure Services Limited (C 38866) ("SIS") was established on 5 June 2006 and is regulated by its Memorandum and Articles of association and a joint venture agreement between the Company and Siemens S.p.A., with each having a 50% stake in SIS. The purpose of the joint venture, *inter alia*, is that of supplying, installing and operating technological products, systems, solutions, plants and services related to the Project.

The authorised and issued share capital of SIS is €4,000,000 divided into 2,000,000 ordinary "A" shares of €1 each and 2,000,000 ordinary "B" shares of €1 each.

All the above-mentioned companies have been incorporated and registered in Malta under the Companies Act.

10.1.3 Group Structure



10.1.4 Other Investments

Manoel Island Yacht Yard Limited

The Company holds a 10% stake in Manoel Island Yacht Yard Limited (C 48138) (“MIYY”) which was established on 1 December 2009. MIYY was granted an emphyteutical concession from GOM for a period of thirty (30) years to operate the ship repair yard situated at Manoel Island.

The authorised and issued share capital of MIYY is €2,000,000 divided into 2,000,000 ordinary shares of €1 each.

10.2 Historical Development

The origins of the Company can be traced back to a consortium originally formed in 1992 (although its composition has in some respects changed over the years) for the purpose of submitting a proposal in response to the request for submissions made by GOM on the basis of the Development Brief for Manoel Island and Tigné Point.

The Company was incorporated as a private limited liability company in Malta with the name “International Resorts Management Limited” and Company Registration number C 15836 on 31 January 1994. Pursuant to a resolution passed on 4 June 1999 and registered on 9 June 1999, the Company was converted into a public limited company, with a new Memorandum and Articles of Association under the name it is now known as, that is MIDI p.l.c. The Company is incorporated in, and operates under the Laws of Malta with its registered address at North Shore Manoel Island, limits of Gzira. The telephone number of the registered office is +356 20655500.

By virtue of a public deed in the records of Notary Vincent Miceli of 15 June 2000 (the “Emphyteutical Deed”), the Company acquired the Emphyteutical Land from the Government of Malta (“GOM”) by title of temporary emphyteusis for a period of ninety nine (99) years which commenced on 15 June 2000. Under the same Emphyteutical Deed, the Company also acquired from the Malta Maritime Authority, for a period of ninety nine (99) years, the right to develop and operate a yacht marina on a defined area facing the south shore of Manoel Island in Ta’ Xbiex Creek, limits of Gzira. The Emphyteutical Grant is central to the Company’s operations and is amplified upon below.

The large scale of the Project was from the outset recognised as constituting a unique challenge. Tigné Point and Manoel Island combined will entail a total gross development of approximately 237,000 square metres and over 3,900 car spaces, making it by far the largest development within the Maltese Islands since the building of Valletta. The shareholding of the Company reflects the needs of a Project of this scale, and includes a number of Malta’s leading business enterprises and institutions:

- Alf. Mizzi & Sons Ltd.
- Bank of Valletta p.l.c.
- First Gemini plc
- Fortress Developments Limited
- Gatt Investments Limited
- Gee Five Limited
- Investors Limited
- Lombard Bank Malta p.l.c.
- Middlesea Valletta Life Assurance Co. Ltd.
- Pininfarina Extra s.r.l.
- Polidano Brothers Limited
- Vassallo Builders Group Limited

Development operations commenced in late 2000 following the signing of the Emphyteutical Deed. Up to 2008, this development was funded by a combination of equity and bank borrowings, supplemented by cash flows derived from sales on plan.

Pursuant to a prospectus dated 5 December 2008, the Company issued bonds due 2016-2018 with an aggregate principal amount of €31,702,900 having a nominal value of €100 per bond and bonds also due 2016-2018 with an aggregate principal amount of £7,214,300 having a nominal value of £100 per bond (together referred to as “the Bonds”). The Bonds are unsecured and bear interest at the rate of 7% per annum. The Bonds were admitted to listing and are listed on the Official List of the Malta Stock Exchange.

10.3 The Emphyteutical Grant

General

A summary of the Emphyteutical Deed, with particular reference to the legal title, obligations and charges is contained in Annex 1 of Part E. Points of particular commercial significance are further elaborated upon below.

All large scale projects entail particular commercial risks not encountered in smaller scale projects. These factors were recognised both by GOM and by the Company when the Emphyteutical Grant was negotiated, and various measures were agreed to limit and mitigate risk while ensuring an arm’s length and adequately valued transaction.

Payment Terms

The consideration payable by the Company for the Emphyteutical Grant is the payment of a premium of €92,173,305 (partly payable in cash and partly by the carrying out of infrastructural and restoration works) and an annual groundrent which amounts to €1,118,100 until 31 March 2025, increasing to €1,956,673 from 1 April 2025 until 31 March 2050 and increasing to €2,236,198 from 1 April 2050 onwards.

It was recognised during contract negotiations that the first phases of both Tigné Point and Manoel Island entail high infrastructural elements and that the scale of the two sites which comprise the Emphyteutical Land is such that the development thereof will necessitate an extended timescale. The cash elements of the premium are accordingly to be settled over a period extending to 2023, while the payment of groundrent was abated in the early years of the Project.

GOM holds a special privilege, in terms of law, over the whole Emphyteutical Land, in respect of the outstanding balance of premium and the performance of related obligations. The payment of groundrent and the performance of the other obligations arising under the Emphyteutical Deed are also secured by the said special privilege in terms of law over the Emphyteutical Land as well as a general hypothec over the Company’s property present and future.

The Emphyteutical Deed also provides in certain circumstances for the postponement of the special privilege which secures the outstanding premium as well as the release of the emphyteutical property from the effects of the privilege under certain terms and conditions. The Emphyteutical Deed (clause 4.3 and Schedule 10) binds GOM to reduce the value of the privilege and release parts of the Emphyteutical Land from the effects of the privilege (in so far as it secures the payment of premium) upon payment of premium in cash or by carrying out of works or upon the provision by the Company of first class bank guarantees or first ranking hypothecs on property.

The payment terms (gradual payment of land) with GOM form a key competitive strength for the Company since it may adjust the pace of development to maximise market conditions however it must always stay within the maximum time frame for completion of the various phase areas as stipulated in the Emphyteutical Deed.

Completion of Project and Phasing

The Emphyteutical Grant provides that the overall Project should be completed by 31 March 2023.

The two sites, namely Tigné Point and Manoel Island, are each divided into various phase areas. Each phase area constitutes a fairly sizeable development designed to ensure an adequate critical mass of adjacent development when completed. The Emphyteutical Deed sets out maximum construction duration periods for each phase but in respect of phases yet to be initiated it leaves it up to the Company to determine when a particular phase should be commenced. This permits the Company to phase the development in line with changes in market demand from time to time.

Each phase area is moreover assigned with specific premium obligations, in cash or in kind (by the carrying out of works related to that phase area), which when fulfilled enables the Company to release the phase area from the effects of the special privilege held by GOM in respect of the premium. It is possible for the Company to complete a phase area before the cash premium relating thereto has been settled. In such cases, alternative security must be provided to GOM to permit the release of the related privilege.

Transfers to Subsidiaries

The Emphyteutical Deed contains restrictions on the transfer of undeveloped land yet it allows the Company, without the need of obtaining GOM consent, to transfer undeveloped land to a Subsidiary. A "Subsidiary" is defined as "a company or commercial partnership in which at least sixty percent (60%) of the ordinary share capital and of the voting rights are held by the Company". This provision, amongst other things, allows the Company to involve third parties as "partners" in the development of the Project. The Company may utilise this right particularly in the development of Manoel Island. In such an eventuality, although the land would not remain part of the assets of the Company, the price of the land would become an asset in the form of, for instance, equity in the Subsidiary, with a right to the outstanding balance of price or cash depending on the nature and form of the transaction.

Simplicity vis-à-vis the Client

To facilitate sales and reassure buyers with respect to their legal rights in the context of a complex transaction, the Emphyteutical Deed provides pre-defined and simple formulae for calculating the groundrent due in respect of a unit within the Emphyteutical Land and the release of the special privilege for the premium in respect of any such unit.

Residential Accommodation

The Emphyteutical Grant is a temporary concession with a duration of 99 years. Residential buyers are however entitled to convert the title of their property into that of perpetual emphyteusis upon payment of a sum equivalent to one year's groundrent.

Public Infrastructure

In terms of the Emphyteutical Deed, the Company is, *inter alia*, responsible for the construction and installation of the public infrastructure including the drainage, water, electricity and telecommunications distribution systems (referred to as "the Public Infrastructure"). On completion of each phase, the responsibility and control of the Public Infrastructure and the Public Areas comprised in that phase shall *ipso facto* pass to GOM (or to any authority, corporation, company or

person designated by GOM), following which the Company is obliged, at the request of GOM, to appear on and sign a public deed for the purposes of vesting title in the said Public Areas and Public Infrastructure in favour of GOM or any authority, corporation, company or person (as the case may be). There is disagreement between the Company and GOM regarding the “telecommunications” Public Infrastructure and what it consists of. GOM is insisting that the Company should deliver the physical infrastructure and the cables. There is no litigation as yet but correspondence on the matter has been exchanged.

Outline Development Permit

The Project entails the regeneration of two key, central sites, including large scale restoration and infrastructure works, and was initiated on the initiative of GOM through a Development Brief that was drawn up and issued by the Planning Authority in 1992. The defining principles set out in the Brief were amplified upon in subsequent negotiations and the results were embodied in an outline development permit issued by the MEPA in 1999 and attached to the Emphyteutical Deed. This served to ensure that the Emphyteutical Deed clearly defined the type and volume of development that the Company was entitled to erect, and which it is required to complete by 2023.

The development is of a long-term nature and is expected to continue, in subsequent phases, until circa 2016-2018. Full development permits are applied for in respect of each phase, or in respect of particular components of a phase, as the Project progresses.

The Company has to date applied for, and received, full development permits for circa 75% of the gross superstructure area planned for Tigné Point. Full development permits have also been applied for in respect of the next elements of Tigné Point (including the superstructure of the office block T14 and the adjacent residential blocks T17, together with commercial blocks T15 and T16). No applications for full development permits have to date been lodged in respect of the last phase of Tigné Point block T20, which is not due for commencement before 2012/13.

Where Manoel Island is concerned, full development permits have been applied for, and received, in respect of the restoration of Fort Manoel. Applications have also been lodged in respect of the restoration of the Lazzaretto Buildings and the construction of a breakwater.

Full details of the status of the planning process are set out in the Architect’s Valuation Report in Part E Annex 6.

Negotiations with GOM

In the course of its discussions with the MEPA on its applications for detailed building permits, and in the course of its ongoing meetings with GOM on the progress of the Project, the Company received proposals from GOM to decrease the volume of the proposed development on certain parts of the Project and to compensate the Company in other areas. The Company has accepted to enter into negotiations on these proposals, on the basis that a solution can be identified that is not detrimental to the interests of either party.

The property valuations set out in this Prospectus and the Project description, business plans and prospects of the Company as also set out in this Prospectus have been based on the Outline Development Permit currently enjoyed by the Company. It is not expected that the outcome of the negotiations referred to above will have a material impact, favourable or adverse, on the value and future prospects of the Company.

Alternative solutions have been discussed to date with GOM, some of which would require changes to the Outline Development Permit and to the Emphyteutical Deed.

Changes to the Deed may also be necessitated in respect of phase boundaries. The original phase boundaries indicated in the Emphyteutical Deed were based on the plans forming the subject-matter of the outline development permit issued by the MEPA in 1999. Subsequently, the Company applied for full development permits for a number of buildings at Tigné Point. The full development permits and subsequent development differ in some respects from the original phase boundaries. The phase boundaries have significance in the Emphyteutical Deed, for example, in relation to the release of privileges and in defining completion time limits.

Changes, if any, to the Emphyteutical Deed, once agreed to by the Company and by GOM, will require Parliamentary approval in terms of the Disposal of Government Land Act (Cap. 268 of the Laws of Malta).

11. BUSINESS OVERVIEW OF THE PROJECT

11.1 Principal Markets

The Company operates principally in the high-end segment of the property market in Malta.

11.2 Tigné Point

Tigné Point is a residential, commercial and leisure development located on the north-eastern coast of Malta, approximately one kilometre north of Malta's capital Valletta.

Development of Tigné Point commenced in December 2000. The development of apartments represents circa 55% of the total area. This is complemented by The Point shopping mall which opened in March this year, a premium office block, a hospitality offering and Pjazza Tigné - the heart of the Tigné development, comprising public commercial and leisure outlets. Strong emphasis has been put on the restoration of historic sites (e.g. fort, chapel, army barracks and Clock Tower), which are merged into the modern architecture that characterises the site.



The development offers a number of cafés and restaurants and plans to offer leisure activities such as the health and leisure centre. All traffic is routed underground, providing a car-free zone at ground floor level. The development has extensive public spaces.

11.2.1 Tigné Point Project Progress

Project phases completed or underway at Tigné Point include the following:

- The T4-T9 apartments facing Valletta, which have all been sold, or are subject to preliminary sales agreements, with the exception of a show flat in T8.
- Final finishes are currently being carried out on residential block T10, and 52 out of the 59 apartments in this block have, as of the date of this Prospectus, been sold or are subject to preliminary sales agreements.
- A group of 22 apartments overlooking Pjazza Tigné have been substantially completed and are expected to be launched on the market in the near future.
- The Point shopping mall opened in March 2010 together with certain outlets on Pjazza Tigné. Further outlets within the square are expected to open in the coming months.
- A multi-storey public car park catering for 821 vehicles, situated below the shopping mall and the piazza, was opened in March 2010 concurrently with The Point.
- The swimming pool located on the south shore of Tigné Point is complete and in use. Two adjoining restaurants on the foreshore have opened in recent months.
- The restoration of Fort Tigné is nearing completion and proposals for its commercial use are currently being evaluated.
- The substructure and car parking under the blocks designated as T14, T15, T16 and T17 sites is substantially complete. This substructure also includes all foundations, plant rooms and underground service areas supporting these planned developments, and materially enhances the value of the overlying airspace.
- The underground relief road that joins the north and south shores of Tigné Point has been substantially completed and will be available for use once GOM completes own works at the north exit of the tunnel.

Development of the superstructure within the zone delineated in red in the plan is planned to commence shortly. This includes the T17 east and west residential blocks, which are expected to be fully completed by 2014. Works in relation to the office block T14 will be carried out simultaneously with the construction of T17. The commercial blocks T15 and T16 are expected to commence construction in 2011, to be completed by 2012/2013. Plans for the T20 hospitality offering are still underway with work on the substructure expected to commence in 2012/2013.

11.2.2 Tigné Point Residential

Tigné Point will, when completed, comprise around 313 residential apartments with a wide selection of layouts, including penthouses, duplexes and split levels. Of these, 281 apartments have been substantially completed to date, of which 251 have been sold or are subject to promise of sale agreements.

The residential aspect of Tigné Point is therefore substantially complete, and future sales of residential units will be limited to 62 apartments, including:

- One apartment in block T8, 7 apartments in block T10 and 22 piazza apartments that are completed or are in the final stages of completion.
- 32 apartments to be constructed at the two blocks comprising T17. The substructure of these blocks, including all excavation, foundations, car parking and all construction up to ground floor level, has already been substantially completed.

11.2.3 Tigné Point Commercial

The Project includes the development of a total commercial gross area of 61,347 square metres. As illustrated in the table below, 63% of the total commercial area is located in the piazza retail, in The Point commercial centre and in the office block known as T14. The proposed hospitality offering at T20 occupies 23% of the commercial area. The Clubhouse health and leisure centre, retail units in T15 and T16 and the Fort will account for the remaining 14% of the commercial area at Tigné Point.

Tigné Point Commercial Areas

	Gross Area in square metres	%
T2 - The Point	22,739	37
Piazza - retail and catering	2,880	5
T14 - office block (including retail at ground level)	12,770	21
Clubhouse - catering and leisure centre	3,460	6
T15 & T16 - retail and catering	2,895	5
Fort Tigné	2,103	3
T20 - hospitality offering	14,500	23
Total gross commercial area	61,347	100

Construction works for The Point commenced in May 2007. The complex was opened to the public and commenced operations during March 2010. The Point shopping centre is spread over three levels and offers commercial outlets including a department store, a supermarket, individual boutiques and specialty stores. The shopping centre is directly accessible from Piazza Tigné, as well as via designated parking bays and walkways.

Over 95% of the retail space available within the mall has been rented out. The Point's tenants represent a number of popular global and local brands.

Piazza Tigné comprises a 2,225 square metre open square that will represent the heart of the completed development at Tigné Point. It today comprises 14 commercial units, which include shops, cafés and bars. Above the shops and restaurants, apartments overlook the piazza and underneath the piazza is an extensive public car park with approximately 400 car spaces.

To the north, the piazza will be bordered by the T14 office complex. Enjoying views both on the sea and the piazza, the office block will be divided into two buildings encompassing 8 floors in the north wing and 8 floors in the south wing. These will in turn be connected by an atrium bridge. Offices will be located from the first floor upwards. The ground floor and an additional amount of storage space located at basement level is to be reserved for retail and/or catering. It is planned that a number of car parking spaces will be reserved for the use of the office tenants on a 24/7 basis. A significant number of public car spaces will be made available for use by tenants during office hours.

Works on these offices are expected to be completed in 2014.

Further retail and catering units will be spread around the apartments located on the north shore and will be situated within the blocks designated as T15 and T16.

The last phase in the development of Tigné Point is the proposed hospitality offering referred to as T20. The building is earmarked to occupy a gross area of 14,500 square metres, together with supporting underground parking facilities. Plans for this building are currently at an early stage of development, and the Company may be looking to identify a suitable strategic partner for the development and operation of this facility.

11.2.4 Communal Facilities for Tigné Point

The communal facilities area spans over 3,460 square metres. Only circa 40% of this area is expected to generate revenue, while the rest will provide services to complement the residential units at Tigné Point.

11.2.5 Tigné Point Infrastructure and Ongoing Management

Tigné Point is designated as an above ground car free zone with an extensive underground traffic distribution system at various levels. The Tigné Point car parking facilities can accommodate 1,922 car spaces, of which circa 1,102 are/will be available to the public (57%) and 820 for Tigné Point residents (43%). The majority of parking facilities lie within the central and northern parts of Tigné Point. As the Project matures these public parking facilities are expected to have high occupancy rates.

The Company has an agreement with SIS for the management of parking facilities within Tigné Point. Furthermore, SIS provides building technologies to the Project including access control, fire detection and CCTV.

Provision is also being made for the ongoing management of the various condominiums and for the management of the estate as a whole. Public spaces within the Project will revert to GOM following the completion of each phase and GOM will be responsible for street lighting and their subsequent maintenance. This ensures, *inter alia*, that residents within the Project will be encumbered solely with the cost of maintaining areas that are restricted for their enjoyment, and all sales contracts make full provision for this.

11.2.6 Tigné Point Restoration Works

One of the key features of the Tigné Point project is the combination of modern style living alongside a restored prestigious historical setting.

The main buildings that required restoration are:

- Fort Tigné, the restoration of which is substantially complete;
- St Luke's Garrison chapel, that was restored in 2002 and is now used by the Company as a sales and marketing office;
- The Clock Tower and certain elements of the former UK services barrack blocks, which were dismantled and reconstructed; and
- The Tigné Point Garden Battery, which has been preserved and shall be restored and incorporated within the Project, despite being excluded from the obligations laid down in the Emphyteutical Deed.

11.3 Manoel Island

Manoel Island is located on the north-eastern coast of Malta, approximately one kilometre north-west of Valletta. The island flanks one side of the Valletta peninsula and borders Sliema creek to the North and Lazzaretto creek to the South.

The island's main feature is Fort Manoel, an 18th century fortification built by the Knights of St John. The restoration of Fort Manoel is one of the Company's obligations as laid down in the Emphyteutical Deed. Restoration works at Fort Manoel commenced in 2004 and are now in an advanced stage of completion.

The development will be characterised by its marina village which, together with the Lazzaretto and Fort Manoel, will form the major part of the development. Manoel Island is currently at design stage, with construction expected to commence in 2012.



The development is expected to have a wide variety of commercial developments and will include a casino, a marina, a variety of restaurants, retail outlets, sporting facilities and parking, as summarised below:

Manoel Island Area Analysis

	Gross Area in square metres	%
Marina Village - residential units	79,023	62
Lazzaretto - residential units	9,718	8
Lazzaretto - hostel	1,950	1
Lazzaretto - casino	2,868	2
Marina Village - retail, catering, leisure	15,450	12
Lazzaretto - commercial units	6,320	5
Fort Manoel	6,100	5
Heritage buildings - commercial/catering	6,000	5
Total	127,429	100
Number of apartments		469
Number of parking spaces - public		1,200
Number of parking spaces - residential		800

While Tigné Point was always conceived within the original Development Brief for the Project as an extension of Sliema, with its urban characteristics, the overall philosophy of the planned development of Manoel Island is a very different one. The Manoel Island development offers a unique opportunity for a unitary development and has been planned in a comprehensive manner consistent with the MEPA Development Brief that has guided this Project from its inception.

Manoel Island is envisaged as a quiet, low lying, residential and recreational environment that is characterised by space. Buildings will in total occupy less than 25% of the site. Large tracts of the island, in particular around the fort, will be a green area - an open park that will be cleaned and rehabilitated - including the provision of public footpaths, for the enjoyment of the public and of residents alike. These large green areas will be integrated with other open spaces, including the ditch of the Fort, and with the foreshore around the island, that will be enhanced and made accessible to all.

These open spaces will be supplemented by sports facilities and by large public underground car parks. The planned yacht marina, and the car free nature of the whole development, will further emphasise the recreational and relaxed environment of the island.

The Project, once completed, will hence provide generous and much needed recreational space in the heart of the Gzira and Sliema areas. The Emphyteutical Deed provides safeguards to ensure that the public enjoyment of this space is safeguarded for future generations. Ownership of all public areas will revert back to GOM after each phase in the Project is completed. The Company will however retain a servitude on all such spaces, to help ensure that no future development thereof would be permitted.

Set within this context, the planned marina village is expected to constitute an environment of the highest quality, yet one that is situated within the heart of Marsamxett. It will be a residential development that will be aimed primarily at foreign investors, but that is likely to be equally popular with Maltese buyers. Construction of the marina village is expected to commence in 2012 and is estimated to be completed by 2016-2017.

The marina village will be a quiet and intimate residential zone, free of large entertainment or catering facilities that would detract from the residential experience. It is anticipated to house approximately 415 apartments, while a further 54 apartments are expected to be built on the upper floors of the Lazzaretto.

Catering, entertainment and cultural facilities would instead be concentrated within the restored Lazzaretto complex and within Fort Manoel, that contain a number of large spaces, mainly at ground floor level, that are ideally suited for such purposes. These two buildings will also house cultural and crafts activities, a casino, and will moreover be supported by

adjoining public car parking. Their presence, and the neighbouring open park spaces, should lead to the creation of an attractive family and touristic environment at the eastern end of the island.

Commercial and office facilities will, in contrast to Tigné Point, be limited in volume, and will be housed primarily in the commercial strip that will be used to separate the marina village from the boat yard. The restored cattle shed and canteen buildings at the centre of the island will also be used for commercial purposes.

The commercial strip will occupy land that is currently part of the boat yard, and will be substituted by land that will be reclaimed on the north shore and passed on to the yard, thus further removing it from the marina village. The Company has a 10% share in the company that has recently entered into an agreement with GOM for the operation of the Manoel Island Yacht Yard. The Company's main interest in this Project is that of ensuring that the yard is operated profitably to high quality standards that will complement, rather than detract from, the residential aspects of the Company's own development.

Apart from helping to define the relaxed and recreational nature of the planned development, the marina development will be an interesting commercial proposition in its own right, with an aggregate number of marina berths expected to exceed 300 and with the possibility of a super yacht basin opposite the Lazzaretto.

The development of Manoel Island entails a number of public infrastructure and restoration works, including:

- the restoration of Fort Manoel, which is possibly the largest single obligation burdening the whole Manoel Island and Tigné Point project, and which is today at an advanced stage of completion;
- the full restoration of the Lazzaretto buildings, which is planned to commence in 2012 and which will take circa four years to complete;
- the widening of the channel leading to the island, improving water circulation but also better differentiating the development from its immediate environs;
- the building of a new bridge;
- the reclamation of land on the north shore of the boat yard, as already explained above;
- the building of a small breakwater at the outer edge of the Lazzaretto buildings; and
- the creation of the sports facilities and park around the environs of Fort Manoel that have already been referred to in this Section.

12. KEY INFORMATION

12.1 Selected Financial Information

Extracts from the audited consolidated financial statements of the Company for the three financial years ended 31 December 2007, 2008 and 2009 and extracts from the forecast financial information for the financial year ending 31 December 2010, included within Part E Annex 3 of this Prospectus, are set out below.

12.1.1 Historical Financial Information

Consolidated Statements of Financial Position Extracts

	As at 31 December		
	2009 Audited €000	2008 Audited €000	2007 Audited €000
ASSETS			
Non-current assets			
Property, plant and equipment	50,227	33,666	15,920
Investment property	23,322	-	-
Other non-current assets	390	276	355
Total non-current assets	73,939	33,942	16,275
Current assets			
Inventories – Development project	149,017	159,883	155,304
Other current assets	15,314	8,530	9,447
Total current assets	164,331	168,413	164,751
Total assets	238,270	202,355	181,026
EQUITY AND LIABILITIES			
Capital and reserves	32,680	32,037	31,683
Non-current liabilities			
Trade and other payables	24,615	28,237	31,210
Borrowings	76,079	40,035	25,598
Other non-current liabilities	1,765	1,063	610
Total non-current liabilities	102,459	69,335	57,418
Current liabilities			
Trade and other payables	75,840	80,810	91,925
Borrowings	27,291	20,173	-
Total current liabilities	103,131	100,983	91,925
Total liabilities	205,590	170,318	149,343
Total equity and liabilities	238,270	202,355	181,026

Consolidated Income Statements Extracts

	Year ended 31 December		
	2009	2008	2007
	Audited €000	Audited €000	Audited €000
Revenue	32,218	31,861	36,489
Gross profit	3,829	2,561	4,440
Operating profit	2,443	1,468	4,318
Profit before tax	1,752	959	3,795
Profit for the year	960	354	2,209
Earnings per share	0.7 cents	0.2 cents	1.5 cents

The presentation of earnings per share has been adjusted retrospectively in accordance with the requirements of IAS 33, 'Earnings per share', following a share split approved by the Existing Shareholders on 18 October 2010, such that the nominal value per share amounts to €0.20 as opposed to the previous value of €2.33 per share. Accordingly, the weighted average number of ordinary shares in issue utilised in the computation of earnings per share throughout the three-year period amounts to 146,790,000.

Consolidated Statements of Cash Flows Extracts

	Year ended 31 December		
	2009	2008	2007
	Audited €000	Audited €000	Audited €000
Net cash used in operating activities	(36,138)	(35,442)	(11,674)
Net cash used in investing activities	(4,588)	(887)	(163)
Net cash generated from financing activities	42,879	34,611	10,334
Net movement in cash and cash equivalents	2,153	(1,718)	(1,503)
Cash and cash equivalents at beginning of year	542	2,260	3,763
Cash and cash equivalents at end of year	2,695	542	2,260

The Group's revenues throughout the three-year period ended 31 December 2009 relate principally to the sale of residential units constructed on Tigné South, in residential blocks T4 to T9, which were handed over to the purchasers during the respective financial year. The Group delivered 54 apartments during the financial year ended 31 December 2009, 54 residential units in 2008 and 73 during the preceding financial year. Revenue recognised during each financial year reflects the timing of finalisation of the respective contract of sale for the apartments sold. The Group's long-term revenues from the Project will comprise apartment sale revenues derived from the residential phases and rental income streams derived from the commercial phases, within both Tigné Point and Manoel Island. In view of the nature of the related revenues, recognition of apartment sales throughout the coming financial years is dependent on the stage of development of the respective residential phases. However, taking cognisance of the planned residential phases in Tigné Point and Manoel Island, which will be developed in the coming years, apartment sales will continue to represent a steady and significant flow of revenues to the Company. Rental income streams from the commercial phases, which commenced during the financial year ending 31 December 2010, will constitute a constant contributor to Group revenues once the operation of the commercial phases stabilises.

Gross profitability of the Group varied throughout the three-year period ended 31 December 2009 in view of the fact that the relationship between contracted sales amounts and costs directly attributable to the residential units sold varies by residential block and by nature of apartment within each block. The operating profitability and results after taxation of the Group are heavily dependent on, and significantly influenced by, the gross profit returns earned by the Group.

The Group's total asset base as at 31 December 2009 increased to €238.3 million, compared to €202.4 million as at 31 December 2008 and €181.0 million as at 31 December 2007. This increase reflects the Company's ongoing construction and related development activity. Construction was concentrated on a number of commercial and residential areas. During 2009, work on the T10 residential block progressed to an advanced stage and works on the piazza block apartments have also advanced. Other construction works were mainly focused on the Tigné South Clubhouse, The Point shopping mall and Pjazza Tigné, and on the substructures of most of the buildings comprising the Tigné North phase. In 2009, the Tigné South Clubhouse facility was completed and commissioned, with the first catering establishment commencing operations close to 31 December 2009. The shopping mall was launched in March 2010 and Pjazza Tigné was also substantially complete at that date. The Point shopping mall has been classified as property, plant and equipment and is the Group's principal item within this category. On the other hand, the Clubhouse, Fort Tigné and Pjazza Tigné, including the commercial outlets, are being categorised by the Company as investment property generating their own rental income streams. The Group's bank borrowings are secured by the Group's property, plant and equipment and investment property as set out in Annex 8.

During the financial year ended 31 December 2009, the Group transferred the carrying amount of certain parts or areas of the project from inventories - development project to investment property, reflected in the tables above, as a result of the Group's determination of the intended use of such areas. The movement in inventories - development project is the net effect of:

- additions to inventories mainly comprising construction, development and related works on the different phase areas; and
- transfers from inventories to the income statement of the cost of apartments sold by way of final deeds, in residential blocks T4 to T9, together with reclassifications to property, plant and equipment and investment property upon determination of intended use.

The Group's liabilities principally comprise trade and other payables and borrowings. Apart from amounts owed to contractors and other suppliers, trade and other payables include the liability towards GOM in respect of the temporary emphyteusis, which comprises cash payments and obligations through the performance of restoration and infrastructural works at Manoel Island and Tigné Point, together with payments received on account under promise of sale agreements. The level of the Group's borrowings has increased over the three-year period presented reflecting the financing required to sustain the development stages of the different project phases, including bonds issued to the general public amounting to €39.1 million.

The Company's liquidity management process is described in an extensive manner in the Company's audited consolidated financial statements for the financial year ended 31 December 2009. Management monitors liquidity risk by means of cash flow forecasts on the basis of expected cash flows from development and operation of the different phases of the Project at Tigné Point and Manoel Island. Net cash used in operating activities, disclosed in the tables above, is the net result of cash outflows with respect to project development and related expenditure, and cash inflows arising on promise of sale agreements. In the subsequent financial years, operating cash inflows will reflect the Group's continued activity in relation to apartment sales and the development of the Group's rental income streams from the commercial phases as outlined previously. Net cash generated from financing activities reflects the movements in borrowings utilised by the Company and largely matches funding requirements emanating from operating activities as outlined. The Group's borrowing levels, gearing and liquidity measures together with the Group's capital base are referred to in extensive detail in Section 12.4 below.

The Company has, to date, not paid any dividends to shareholders nor has it considered share repurchases at this stage in its development. The Company's dividend policy as per Sections 6.2 and 20.3 of this Prospectus explains the Company's intentions in this regard going forward.

12.1.2 Forecast Financial Information

Extracts from the consolidated forecast income statement for the year ending 31 December 2010 and from the consolidated forecast statement of financial position as at that date are set out below. The forecast financial information can be found in Part E Annex 3 of this Prospectus. The basis of preparation of this forecast financial information and the principal assumptions upon which it is based are included in the same Annex. The Accountants' Report on the consolidated forecast financial information is presented in Part E Annex 4 of this Prospectus. The forecast financial information has been prepared on the basis of the assumption that the over-allotment option is not taken up and that the Minimum Net Proceeds of the Issue, amounting to €19.2 million, would be raised. If the over-allotment option is taken up, further proceeds up to a maximum of €9.8 million would be raised, which would principally have the effects of increasing the Company's equity levels and available liquidity. The consolidated forecast financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Group in accordance with International Financial Reporting Standards as adopted by the EU. Accordingly the Accountants' Report on the forecast financial information includes an emphasis of matter in this respect.

Consolidated Forecast Statement of Financial Position Extracts

	As at 31 December 2010 €000
ASSETS	
Non-current assets	
Property, plant and equipment	59,861
Investment property	26,348
Other non-current assets	1,297
Total non-current assets	<u>87,506</u>
Current assets	
Inventories – Development project	147,387
Other current assets	13,093
Total current assets	<u>160,480</u>
Total assets	<u>247,986</u>
EQUITY AND LIABILITIES	
Capital and reserves	<u>62,997</u>
Non-current liabilities	
Trade and other payables	23,770
Borrowings	83,386
Other non-current liabilities	2,317
Total non-current liabilities	<u>109,473</u>
Current liabilities	
Trade and other payables	56,872
Borrowings	18,644
Total current liabilities	<u>75,516</u>
Total liabilities	<u>184,989</u>
Total equity and liabilities	<u>247,986</u>

Consolidated Forecast Income Statement Extracts

	Year ending 31 December 2010 €000
Revenue	23,838
Gross profit	5,850
Operating profit	4,613
Profit before tax	1,579
Profit for the year	<u>951</u>
Earnings per share	<u>0.6 cents</u>

Earnings per share has been computed by dividing the forecast profit after taxation attributable to the equity holders by the weighted average number of ordinary shares forecast to be in issue during the year. The weighted average number of ordinary shares in issue, assuming the over-allotment option is not taken up, is 149,895,023 shares.

12.2 Architect's Valuation

An architect's valuation has been prepared for the purposes of this Prospectus by Prof. Alex Torpiano on behalf of the Project's lead consultants aoM Partnership of Fort Manoel Street, Manoel Island, Gzira, and is set out in Part E Annex 6 of this Prospectus. The effective date of this valuation is 30 September 2010. The Architect's Valuation also sets out a separate valuation as at 30 June 2010 for the purpose of comparing to the 30 June 2010 interim accounts as set out in the illustrative fair value statement of financial position presented in Section 12.3 below.

As explained in the architect's report, the valuation has been arrived at in the main by estimating the present value of future earnings expected from the Project. These future earnings have been discounted to present value applying varying discount rates reflecting the risks associated with each aspect of the development, the stage of completion and whether the building unit concerned has been let or is the subject of a preliminary sales agreement. In all cases, and to the extent possible, the results have been benchmarked for reasonableness against other indicators, such as the market value attributed to similar property in comparable large property transactions effected in recent years, and against costs incurred to date.

The valuation could be further analysed into its underlying components, and is commented upon below, commencing with Tigné Point, as follows:

	€000
Developed sites	
Residential apartments	48,888
The Point	55,900
Piazza and other commercial	14,500
Car parking:	
Held for sale to residents	4,200
Held for public use	20,000
Sites held for development	
<i>Sites for which substructure has been separately developed</i>	
T17 residential site	7,300
T14 office site	8,200
T15, T16 commercial sites	2,100
<i>Land only</i>	
T20 hotel site	5,000
Government credit for cost of land less infrastructure costs to complete	600
Total Tigné Point property valuation	<u>166,688</u>

The stock of residential apartments in hand, The Point shopping mall, car parking together with the piazza and other commercial elements are the four single largest value components within Tigné Point.

The gross proceeds expected by the Company from apartments already constructed and that are still in its ownership, computed at normal selling prices, amount in total to €53.0 million, of which €33.4 million relates to units that are subject to preliminary sales agreements and that are expected to be completed and delivered in the near future. This stock of apartments is included in the valuation of the Company's property at €48.9 million, after allowing for estimated costs to completion of €1.5 million.

The Point has been valued at €55.9 million, an amount equivalent to its cost, by applying a weighted average cost of capital that recognises its associated risks and medium-term gearing, also taking into consideration the relatively early stage of the mall's operations.

Car parking spaces are currently sold by the Company at an average price of €25,000 per car parking space. The car parking valuation covers a total of 199 car spaces earmarked for sale, mainly when the development of blocks T17 and T14 are completed, and valued at €21,250 per space; and a total of 1,102 car spaces designated for public use, which have been valued at an average of €18,150 per space.

Other commercial properties already developed include the retail spaces around Piazza Tigné, Tigné Fort, the Clubhouse and the adjacent restaurants, and have been valued in total at €14.5 million. In all, this heading groups together a total net volume of commercial space amounting to 6,829 square metres, from which the Company expects to generate annual rental income of €1.4 million by 2013.

The valuation of Manoel Island includes the following:

	€000
Developed sites	
Fort Manoel	2,700
Awaiting restoration	
Customs House, Bovile, Canteen and Lazzaretto buildings, including various commercial areas, a casino operation, and the construction of 54 duplex apartments at Lazzaretto terrace level	30,900
Undeveloped land	
Residential and commercial and entailing a permitted gross development of 94,473 square metres, together with the ancilliary car parking	105,200
Yacht marina	
Marina berths	14,800
Infrastructure and restoration	
Estimated costs to complete	(38,600)
Credit therefore that is already provided for in the Emphyteutical Deed and is accordingly accounted for as a liability in the Company's statement of financial position	21,500
Total Manoel Island property valuation	136,500

As would be expected, undeveloped land accounts for the major part of the valuation of Manoel Island, followed by the value attributed to the various historical sites that have yet to be restored and converted for commercial and residential units. The most important of these buildings is the Lazzaretto, which is planned to house a casino, various catering and other commercial activities, mainly at ground floor level, together with 54 duplex apartments at terrace level.

The Company's marina berthing rights, valued at €14.8 million, constitute another material element of the valuation. The existing marina caters for around 160 spaces, which is expected to be expanded to approximately 340 once a breakwater is constructed at the entrance of Lazzaretto Creek. These rights are currently rented out to a third party that is responsible for the provision of all pontoon and other equipment and for meeting all running expenses. The valuation has been determined assuming a continuation of this business model.

The realisation of the various assets listed above will in the first instance require a substantial investment in various infrastructural and restoration works. In arriving at the valuations, separate provision has been made for:

- excavation works;
- major infrastructural works such as the dredging, bridge and Lazzaretto breakwater;
- the cost of other public infrastructure on site, including access roads, the completion of public areas and the provision of utility services; and
- the initial restoration works on the building fabric of the Lazzaretto and other historical assets.

The cost of these infrastructural and restoration works, discounted to present value by reference to their planned execution dates, is estimated to amount to €38.6 million. Of this, the amount of €22.1 million (€0.6 million with respect to Tigné Point and €21.5 million with respect to Manoel Island) is already recognised as a liability in the Company's statement of financial position as part of the balance due to GOM in respect of the land acquisition. The balance of €16.5 million is recognised in the valuation as a deduction from the value of the property.

The total valuation as at 30 September 2010 therefore amounts to €303.2 million. This valuation has been restated in the architect's valuation report to €311.0 million as at 30 June 2010, for the purpose of comparison to the carrying amount of

€232.9 million as at 30 June 2010. This adjustment reflects the apartments sold in the three-month period from 1 July 2010 to 30 September 2010. The resulting valuation surplus as at 30 June 2010 is therefore €78.1 million as set out in the table below:

	€000
Published figures as at 30 June 2010	
The Point (reflected in property, plant and equipment)	58,969
Investment property	26,302
Inventories - Development project	147,590
	232,861
Architect's valuation	311,000
Valuation surplus	78,139

12.3 The Company's Statement of Financial Position as adjusted to reflect the Valuation

An illustrative unaudited consolidated statement of financial position of the Company as at 30 June 2010 drawn up on an illustrative fair value basis as explained in the paragraphs below the table, compared to the Company's unaudited consolidated statement of financial position at the same date, which has been published by the Company, as set out in Part E Annex 5 is highlighted below:

Statement of Financial Position as at 30 June 2010

	Published basis €000	Illustrative fair value basis €000
Non-current assets		
Property, plant and equipment	60,037	60,037
Investment property	26,302	26,302
Investment in SIS	201	201
Other non-current assets	908	908
	87,448	87,448
Current assets		
Inventories - Development project	147,590	225,729
Cash and cash equivalents	7,461	7,461
Other current assets	9,945	9,945
	164,996	243,135
Trade and other payables	(43,176)	(43,176)
Assets employed in the business	209,268	287,407
Shareholders' equity	33,268	104,049
Deferred taxation	1,951	14,187
External financing:		
Amounts due to shareholders	10,000	10,000
Listed bonds	39,894	39,894
Bank borrowings	74,966	74,966
Due to Government	49,189	44,311
Total funding	209,268	287,407

Column one in the above table is extracted from the Company's published interim financial information drawn up in accordance with International Financial Reporting Standards as applicable to interim financial reporting (IAS 34, 'Interim financial reporting'). This financial information has been drawn up on the historical cost convention, as modified by the fair valuation of property, plant and equipment and investment property.

Column two discloses the same information adjusted on an illustrative fair value basis so as to demonstrate, *inter alia*, how the property valuation would impact the financial information of the Company, in particular all the property categories of the Group. The historical cost of the Company's land is based on the price negotiated with GOM in the period from 1996 to 2000, before the grant of the emphyteutical concession, and is accordingly not reflective of current market conditions. For this purpose, the following adjustments have been made:

- All immovable property, including property classified as inventories, has been adjusted to reflect the architect's valuation set out in Part E Annex 6 of this Prospectus. Properties classified as property, plant and equipment and investment property are carried at fair value, based on the architect's valuation, in the published interim financial information. **The architect's valuation is based on the market circumstances and conditions applicable as at the date of valuation. It is dependent on certain factors and assumptions which may change over time and accordingly impact the fair valuation figures.**
- Provision has been made for deferred tax in respect of the revaluation surplus attributable to residential property which the Company holds or intends to develop for resale. The provision has been made at the tax rate of 35% currently attributable to the Company, discounted to present value. A discount rate of 6% has been applied, representing the weighted average cost of the Company's interest bearing borrowings, applied by reference to the expected sales timings that were also used for the purposes of the property valuation. No provision for deferred taxation has been made in respect of property that is held or intended for long-term rental or operating purposes.
- The amount due to GOM represents cash premia payable over a number of years together with infrastructural and restoration obligations arising in terms of the Emphyteutical Deed. These liabilities have been discounted to present value at 6%, representing the weighted average cost of the Company's interest bearing borrowings, by reference to the contractual date of payment, in the case of premia, and by reference to the Company's development plan in the case of infrastructural and restoration obligations.

The resultant illustrative fair value statement of financial position, as disclosed above, does not comply with the requirements of International Financial Reporting Standards that do not permit, for instance, the fair valuation of inventories. Considering its nature, this illustrative information is not subject to audit or review by the Company's external auditors. In the Directors' opinion, the illustrative fair value statement of financial position is nevertheless a useful tool for the purpose of computing the impact of the architect's valuation and for properly assessing the gearing of the business in relation to the current value of assets held.

The illustrative fair value statement of financial position is presented solely for the purpose set out above and is intended to complement, and not in any way substitute, the Company's published financial information drawn up in accordance with the requirements of International Financial Reporting Standards.

12.4 Capitalisation and Indebtedness

The Company's consolidated capitalisation and net indebtedness is summarised below:

	Published basis		Illustrative fair value basis	
	Actual as at 30 June 2010 €000	Reflecting impact of new issue €000	Actual as at 30 June 2010 €000	Reflecting impact of new issue €000
Shareholders' equity	33,268	62,476	104,049	133,257
Net borrowings	166,588	137,380	161,710	132,502
Total financing	199,856	199,856	265,759	265,759
Borrowings as a percentage of total financing	83%	69%	61%	50%

The Company's actual capitalisation and indebtedness as at 30 June 2010 has been extracted from the unaudited interim financial information for the six-month period ended 30 June 2010, which has been published by the Company, set out in Part E Annex 5, while the data on an illustrative fair value basis is extracted from the illustrative fair value statement of financial position set out in Section 12.3 above.

For both the published and illustrative fair value bases, an additional column has been inserted indicating the impact of the Issue that is the subject of this Prospectus, after deducting estimated issue costs of €792,000, assuming that the over-allotment option is not taken up. The Issue will have the impact both of enhancing the Company's capital base and of reducing net borrowings, significantly strengthening the Company's statement of financial position.

Net borrowings as at 30 June 2010 comprised the following:

	Published basis		Illustrative fair value basis	
	Actual as at 30 June 2010 €000	Reflecting impact of new issue €000	Actual as at 30 June 2010 €000	Reflecting impact of new issue €000
Cash and cash equivalents	7,461	26,669	7,461	26,669
Current bank debt	(28,441)	(28,441)	(28,441)	(28,441)
Current portion of non-bank debt				
Due to Government	(27,233)	(27,233)	(27,233)	(27,233)
Current financial debt	(55,674)	(55,674)	(55,674)	(55,674)
Net current financial indebtedness	(48,213)	(29,005)	(48,213)	(29,005)
Non-current bank loans	(46,525)	(46,525)	(46,525)	(46,525)
Bonds issued	(39,894)	(39,894)	(39,894)	(39,894)
Other non-current liabilities				
Amounts due to shareholders	(10,000)	-	(10,000)	-
Due to Government	(21,956)	(21,956)	(17,078)	(17,078)
Non-current financial indebtedness	(118,375)	(108,375)	(113,497)	(103,497)
Net financial indebtedness	(166,588)	(137,380)	(161,710)	(132,502)

The amount of €10 million due to the Existing Shareholders represents an interim advance made by the Existing Shareholders and will be converted into equity as explained in Section 23 of Part D of this Prospectus.

The amounts due to GOM in respect of the outstanding balance of premium, the payment of groundrent and the performance of related obligations regarding the acquisition of the Emphyteutical Land are secured by a special privilege on the Emphyteutical Land. The payment of groundrent is also secured by a general hypothec over the Company's property present and future. Further details of the privileges and hypothecs burdening Tigné Point and Manoel Island are described in Part E Annex 8 of this Prospectus.

The analysis of this GOM liability between current and non-current amounts in the Company's statutory financial statements is based on the initial phasing expectations determined when the Emphyteutical Deed was entered into in June 2000. The current portion of this liability represents infrastructural and restoration obligations the timing of which, at this stage of the Project, are largely determinable by the Company according to the development timeframes it selects. Amounts due to GOM that are contractually payable during the twelve-month period following 30 June 2010 amount to €1,165,000.

The Company issued 7% unsecured bonds with principal amounts of €31,702,900 and £7,214,300 due 2016-2018 ("the Bonds") pursuant to a prospectus dated 5 December 2008. The Bonds will unless previously purchased and cancelled, be redeemed at the latest on 15 December 2018, subject to the Company's option for earlier redemption.

The Company has bound itself, with effect from the end of the financial year ending 31 December 2010, over the period up to the redemption of the Bonds, to build a reserve equivalent to at least to 50% of the aggregate outstanding principal amount of the issued Bonds at the relevant time thus creating a cash reserve from its annual surpluses with a view to funding in part the repayment of capital on the Bonds. The Company shall set aside such monies for the purposes of building this reserve in a segregated account.

The Company's bank borrowings are principally secured by general hypothecs over the Company's assets as well as by special hypothecs and/or special privileges over the Emphyteutical Land or parts thereof. These hypothecs rank after the special privilege and general hypothecs in favour of GOM in respect of the outstanding balance of premium, the payment of groundrent and the performance of related obligations regarding the acquisition of the Emphyteutical Land as well as prior charges in favour of prospective purchasers in respect of advance deposits affected with the Company for the purchase of apartments. Further details of these loans and of the security held by the financing banks is set out hereunder:

HSBC Bank Malta p.l.c. facilities

By virtue of a sanction letter dated 26 March 2010, €17,869,350 has been granted by HSBC Bank Malta p.l.c by way of loan in order to finance in part works on certain Tigné Point Phases and Fort Manoel Phase. A loan for the amount of €7,000,000 has also been granted for the purposes of providing bridging finance to the Company pending receipt of sale proceeds from T10 apartments. Both loans are repayable in full by 31 December 2010.

The Company was also granted a Special Guarantee Facility of €160,730 covering the guarantee issued by the Bank on behalf of the Company in favour of the Malta Environment & Planning Authority.

These bank borrowings are secured by the privileges and/or hypothecs described in Part E Annex 8 of this Prospectus.

Bank of Valletta p.l.c. facilities

(i) Company's Facilities

By virtue of a sanction letter dated 3 May 2010, €13,103,238 has been granted by Bank of Valletta p.l.c. by way of loan to assist the Company in financing the development costs of the residential units and commercial area surrounding the Pjazza Tigné, including the Boulevard and the Belvedere. A further loan of €2,300,000 has been granted to finance the finishing and upgrading of the piazza apartments and commercial outlets. An additional facility for the amount of €1,042,798 covers bank guarantees issued by the Bank on behalf of the Company of €232,937 in favour of Malta Environment & Planning Authority and of €809,861 in favour of GOM in terms of the Emphyteutical Deed.

The Company was also granted a facility of €2,200,000 covering the foreign exchange and interest rate volatility on the cross currency interest rate swap arrangement entered into with the Bank, which derivative is utilised to hedge the GBP exposure arising from the Bonds.

The loan of €13,103,238 is to be fully repaid by 31 December 2014 whilst the loan of €2,300,000 is to be paid over a period of four years following initial drawdown; which drawdown has not yet occurred by the date of this Prospectus.

In accordance with the terms of the loan agreement, the Company has undertaken not to declare or pay any dividends without the Bank's prior written consent.

These bank borrowings are secured by the privileges and/or hypothecs described in Part E Annex 8 of this Prospectus.

(ii) Tigné Mall Ltd.'s Facilities

By virtue of a sanction letter dated 3 May 2010, Bank of Valletta p.l.c. has granted to Tigné Mall Ltd. loans amounting to €10,052,927 and €24,685,618 for the purposes of part-financing the development costs of the Retail and Leisure Mall referred to as T2.

The latter loan includes an amount of approximately €2,800,000 which represents the capitalisation of interest on both loans during the four year moratorium period on capital repayments. These loans are to be repaid in full over a period of fifteen years from first drawdown, inclusive of a four year moratorium on principal repayments, up to 30 April 2023.

These bank borrowings are guaranteed by the Company, as joint and several surety, up to a limit of €34,008,368, and are secured by the privileges and/or hypothecs described in Part E Annex 8 of this Prospectus.

Joint HSBC Bank Malta p.l.c. and Bank of Valletta p.l.c. facilities

By virtue of a sanction letter dated 28 September 2009, HSBC Bank Malta p.l.c. (as Lead Arranger) and Bank of Valletta p.l.c. (as Security Trustee) granted a term loan facility of €35,000,000. The purpose of the loan is to part finance the construction and completion of the phases within the development at Tigné Point referred to as T14 and T17. The facility is to be repaid in full by 31 December 2013.

In terms of the loan agreement, the Company has undertaken not to declare or pay any dividends without the Banks' prior consent in writing.

These bank borrowings will be secured by means of the registration of privileges and/or hypothecs on the T14 and T17 Blocks.

Lombard Bank Malta p.l.c. Facilities

- By virtue of a sanction letter dated 31 August 2009, the Company was granted a loan of €4,000,000 to assist in its working capital requirements. These loan is to be repaid in full by 31 December 2013. These bank borrowings are secured by the privileges and/or hypothecs described in Part E Annex 8 of this Prospectus.
- By virtue of another sanction letter dated 14 October 2010, the Company was granted a loan of €5,000,000 to assist in its temporary cash flow requirements. Repayment of capital and interest is to be effected within three months from the first drawdown of funds. In the event that the said facility is not repaid by the due date in terms of the sanction letter the bank will require the facility to be secured by the general and special hypothecs described in "Creditor – Lombard Bank Malta p.l.c." Part E Annex 8 of this Prospectus.

As at 30 June 2010, the contingent liabilities of the Company comprised:

- (a) the suretyship for TML's banking facilities as described above in this Section;
- (b) the bank guarantees issued by HSBC Bank Malta p.l.c. and Bank of Valletta p.l.c. described above in this Section;
- (c) the disagreement between the Company and GOM regarding the telecommunications public infrastructure described in Section 19.3 below of this Part C.

In addition the Company will be reimbursing SIS for the expenditure incurred in relation to the installation of infrastructure which is currently utilised by SIS to provide services to the residents of the Tigné South Development, parts of which

were included as part of the common parts of the complexes in the Tigné South Development. This expenditure would be allocated by the Group to certain phases of the Project, parts of which would have already been disposed of. The amount of the obligation could not be reliably estimated in the circumstances prevailing as at 30 June 2010, taking cognisance of the status of the negotiations between the parties. Subsequent to 30 June 2010 this liability has been estimated in the region of €1.3 million, which has been fully provided for in the Forecast Financial Information for the financial year ending 31 December 2010 included in this Prospectus.

12.5 Working Capital Statement

The Company is of the opinion that, taking into account bank facilities, which have already been secured by the Company, and the Minimum Net Proceeds, the Group has sufficient working capital for its present requirements, that is, for at least the next twelve months from the date of this Prospectus.

13. TREND INFORMATION

There have been no material adverse changes to the prospects of the Company since the date of its last published financial statements.

At the date of publication of this Prospectus, the Directors consider that the Company will be subject to the normal risks associated with the development of the property market in Malta and 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 Company and its business for at least up to the end of the next financial year.

13.1 Residential Property Market

The residential property market in Malta, and indeed overseas, has been subdued during the recent two years given the effects of the global financial crisis, coupled with over-supply. There are indications that the market is currently entering into a more favourable cycle, as has been recently announced by GOM and the Central Bank respectively in relation to reported increases in the number of preliminary agreements entered into and a slight increase in property prices. Positive demand and price signals have also been recorded in a number of overseas cities in recent months.

In this difficult market, quality matters more and the products that have maintained their value are those that are clearly differentiated in terms of their location and standard. In view of the location and characteristics of Manoel Island and Tigné Point, the Company believes that its properties are well placed in this respect.

The Company has over the last two years continued with its development of residential property at Tigné Point, with the successful launch and sale of block T10 and with the completion of blocks T4 to T9. In fact only 7 apartments are to be sold in block T10 and 1 apartment in block T8. At this point, the remaining sales of residential property needed to complete Tigné Point total only 62 units, including a block of 32 apartments yet to be built, compared to sale and promise of sale agreements totaling 251 units that have already been concluded.

Looking ahead, the Company's main challenge where the residential property market is concerned is the successful development of Manoel Island, where construction of the marina village is planned to commence in 2012. Taking into account its location as an island in the centre of a harbour, its historical features and the adjacent yacht marina, it is the Directors' opinion that Manoel Island has the potential of being developed into a unique product attracting both overseas and local property investors.

13.2 Mixed-use Development

Once the development stage of Tigné Point is completed, the commercial elements - more specifically the offices, retail and other related commercial activities - will represent circa 45% of the total developable area of the site. The Directors believe that this mix is justified as they anticipate scope for growth in commercial activities, particularly so for the office rental market. The considerable amounts invested to date in the construction of the underground relief road, the provision of residential units, the public areas and the extensive parking facilities are expected to lead to an increase in economic activity within the zone and to act as a catalyst for the growth in commercial activities.

In this respect, the Directors are encouraged by the successful launch of The Point shopping mall. Even so, more remains to be done to make a destination out of Pjazza Tigné, which has yet to attain its full potential. The construction of the office block that will shelter the north face of the square will help complete the piazza environment, besides increasing daily traffic to the location. The opening of the underground relief road to traffic will improve accessibility to the site.

The mixed use concept will also apply to Manoel Island, with the commercial, mainly recreational, uses foreseen for historical buildings such as the Lazzaretto and Fort Manoel, complemented by the yacht marina, for which substantial demand exists already.

13.3 Competitive Environment

The Tigné Point development faces competition from other qualitative, mixed-use projects which are currently underway in Malta and that will eventually offer residential units, offices and retail space. Despite the level of supply on the market, the Company has been able to continue selling its stock of finished apartments and to maintain steady growth in selling prices against a generally more bearish backdrop. On this basis, the Directors believe that there remains significant scope for growth in the high-end market segment. The Directors are also of the opinion that a trend which is emerging in this segment of the property market is a preference for high quality accommodation, particularly highly finished apartments forming part of a complex offering lifestyle and comfort. The Tigné Point and Manoel Island developments are targeted to buyers with such preferences.

13.4 Development Permit

The Company holds an outline development permit which approves the layout and schedule of accommodation, as detailed in the annex to Schedule 14 of the Emphyteutical Deed, for development at Tigné Point and Manoel Island. Works are subject to the Company obtaining detailed development permits.

13.5 Cost of Land

The emphyteutical concession under the Emphyteutical Deed was made in consideration of a total premium of €92.2 million. The cash element totaling €59.6 million is divided into two components; the first component is €12.9 million and is already fully paid and the second component is €46.7 million payable in instalments without interest starting in 2010 until 2023. In fact this year the Company has effected a payment of €1,165,000. The other elements of the emphyteutical concession are the infrastructural and restoration works which will be incurred over the life of the Project.

The cost of land reflects the market value of the Company's property as determined by GOM and also on the basis of expert advice at the time that negotiations were being held between 1996 and 2000. The value of the Company's property has increased considerably since that time as evidenced by the Architect's valuation already discussed in Section 12.2 above, enhancing the Company's competitiveness.

13.6 Project Flexibility

As with any other project, the Company is and will continue to be subject to the economic cycles and normal business risks associated with the industry in which it is involved. The Directors do not anticipate that these trends, uncertainties, demand commitments or events would have a material effect on the long-term prospects of the Company's business.

The Directors' confidence with respect to the Project's resilience in the face of cyclical swings in economic circumstances is principally based on the structure of the payments for the land acquisition outlined in the Emphyteutical Deed which are reflective of the extended timescale of the development (also refer to Section 13.5 above). These include infrastructure and restoration obligations that are only triggered when the Company decides to commence a new phase within the development. They also include cash premia payable over an extended timescale. Given that the Company has already fulfilled the more onerous obligations associated with the initial phases of the Project and has advanced significantly with the restoration of Fort Manoel, it is now well placed to phase future developments without any undue pressures being caused by land cost related financial burdens.

The Directors believe that this factor constitutes a material advantage, enhancing the flexibility with which the Project can be managed and phased to dampen the effects, if any, of economic cyclical swings.

13.7 Future Funding

The completion of the development of Tigné Point, and the development of Manoel Island, are expected to entail a total development expenditure in the region of €340 million to be incurred in the main between 2011 and 2018. This development will be carried out in phases, such that maximum borrowings outstanding at any time are kept at sustainable levels, and such that new major commitments are entered into as prior project components come into fruition, avoiding an excessive accumulation of risk. Even so, the completion of the Project is expected to require substantial new borrowings over the next ten years.

The Issue will assist this process by providing additional capital that can be leveraged to help raise the additional borrowings needed to complete the Project.

The Company's plans currently indicate that the Issue will provide the additional equity needed by the Company in the foreseeable future. Having said this, any long-term projections for a project of this nature are necessarily subject to a high degree of uncertainty. It is difficult to project with any certainty, over a ten year period, the financial market conditions that will help determine the Company's access to loan capital. Apart from additional borrowings, further issues of share capital may therefore be required in future years to complete the Project.

The Company's funding plans are based on the assumption that the Company will complete from its own resources, and retain for the long-term, all the commercial elements of the Project. In practice opportunities may arise for disposing of such facilities, or for undertaking them in partnership with third parties. Developments of this nature would liberate capital which would instead be applied to accelerate the completion of the Project and reduce the need for additional borrowings and/or issues of share capital.

14. FINANCIAL INFORMATION

This document makes reference to the consolidated financial statements of the Company for the financial years ended 31 December 2007, 2008 and 2009. The financial statements referred to have been audited by PricewaterhouseCoopers and copies thereof are available for inspection as set out in Section 19.5 of Part C below.

There is no significant change in the financial or trading position of the Company which occurred since the end of the financial period to which the audited financial statements for the year ended 31 December 2009 relate.

Unaudited interim financial information covering the six-month period ended 30 June 2010, drawn up in accordance with the requirements of International Accounting Standard 34, 'Interim financial reporting', is set out in Annex 5 of Part E.

15. SHAREHOLDING

15.1 Share Capital and Existing Shareholders of the Company

As at the date of this Prospectus, the authorised share capital of the Company is ninety million euro (€90,000,000) divided into four hundred and fifty million (450,000,000) Ordinary Shares having a nominal value of twenty euro cents (€0.20) each. The issued share capital of the Company is twenty nine million three hundred and fifty eight thousand euro (€29,358,000) divided into one hundred and forty six million seven hundred and ninety thousand (146,790,000) Ordinary Shares having a nominal value of twenty euro cents (€0.20) each which are subscribed and paid up as set out below.

Following the Issue the issued share capital of the Company will be fifty nine million, three hundred and fifty eight thousand euro (€59,358,000) divided into two hundred and thirteen million four hundred and fifty six thousand six hundred and sixty seven (213,456,667) Ordinary Shares and in the event that the over-allotment option is exercised the issued share capital of the Company will be increased to sixty nine million three hundred and fifty eight thousand euro (€69,358,000) divided into two hundred and thirty five million six hundred and seventy eight thousand eight hundred and eighty nine (235,678,889) Ordinary Shares.

The Ordinary Shares rank *pari passu* amongst each other for all purposes irrespective of any premium paid thereon. Each ordinary share shall be entitled to one vote. There are currently no different classes of Ordinary Shares in the Company and accordingly all Ordinary Shares have the same rights, voting rights and entitlements in connection with any distribution whether of dividends or capital (on a winding up or otherwise).

As at the date of this Prospectus, the Company has no convertible securities or securities with warrants. Furthermore, to the extent known to the Company, the Company is not owned or controlled directly or indirectly by any person.

As at the date of this Prospectus, the following are the shareholders of the Company:

Names and Addresses of Existing Shareholders	Number of Ordinary Shares taken up by each Existing Shareholder and amount paid up of such Ordinary Shares	Shareholding Percentage (%)
Alf. Mizzi & Sons Ltd. C 203 Zachary House, Marsa Industrial Estate, Marsa MRS 3000, Malta	Twenty six million four hundred and twenty two thousand two hundred (26,422,200) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	18
Fortress Developments Limited C 22994 Level 5, The Mall Complex, The Mall, Floriana FRN 1470, Malta	Twenty two million eighteen thousand five hundred (22,018,500) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	15
Middlesea Valletta Life Assurance Co. Ltd. C 15722 Middlesea House, Floriana FRN 1442, Malta	Nineteen million and eighty two thousand seven hundred (19,082,700) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	13
Gee Five Limited C 5958 Gasani Centre, Mriehel By-Pass., Mriehel, Birkirkara BKR 3000, Malta	Sixteen million eight hundred and fifty nine thousand eight hundred and eighty (16,859,880) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	11.49
Bank of Valletta p.l.c. C 2833 58 Zachary Street, Valletta VLT 1518, Malta	Thirteen million nine hundred and eighty thousand (13,980,000) ordinary Shares having a nominal value of twenty euro cents (€0.20) each fully paid up	9.52
Investors Limited C 26602 Ras Rihana, Triq tal-Milord, Mosta MST 5051, Malta	Eleven million seven hundred and forty three thousand two hundred (11,743,200) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	8
Vassallo Builders Group Limited C 2448 The Three Arches, Valletta Road, Mosta MST 9016, Malta	Eight million eight hundred and seven thousand four hundred (8,807,400) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	6
Gatt Investments Limited C 24122 Josmar House, Triq id-Difiza Civili, Mosta MST 1743, Malta	Eight million eight hundred and seven thousand four hundred (8,807,400) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	6
Polidano Brothers Limited C 8884 Hal-Farrug Road, Luqa LQA 3078, Malta	Eight million eight hundred and seven thousand four hundred (8,807,400) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	6
Lombard Bank Malta p.l.c. C 1607 Lombard House, 67, Republic Street, Valletta VLT 1117, Malta	Seven million three hundred and thirty nine thousand five hundred (7,339,500) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	5
First Gemini plc C 368 Airways House, High Street, Sliema SLM 1549, Malta	One million seven hundred and forty seven thousand five hundred (1,747,500) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	1.19
Pininfarina Extra s.r.l. Via Nazionale 30, 10020 Cambiano , Turin, Italy	One million one hundred and seventy four thousand three hundred and twenty (1,174,320) ordinary shares having a nominal value of twenty euro cents (€0.20) each fully paid up	0.80

15.2 Dilution Following Issue

Following Admission of the Ordinary Shares it is envisaged that the shareholding of the Company shall be divided in the following manner²:

	<u>Excluding over-allotment option</u>		<u>Including over-allotment option</u>	
	Ordinary Shares	Percentage Shareholding (%)	Ordinary Shares	Percentage Shareholding (%)
Alf. Mizzi & Sons Ltd.	30,422,201	14.25	30,422,201	12.91
Fortress Developments Limited	25,351,833	11.88	25,351,833	10.76
Middlesea Valletta Life Assurance Co. Ltd.	21,971,589	10.29	21,971,589	9.32
Gee Five Limited	19,412,261	9.10	19,412,261	8.24
Bank of Valletta p.l.c.	16,096,402	7.54	16,096,402	6.83
Investors Limited	13,520,978	6.34	13,520,978	5.74
Gatt Investments Limited	10,140,733	4.75	10,140,733	4.30
Polidano Brothers Limited	10,140,733	4.75	10,140,733	4.30
Vassallo Builders Group Limited	10,140,733	4.75	10,140,733	4.30
Lombard Bank Malta p.l.c.	8,450,611	3.96	8,450,611	3.59
First Gemini plc	2,012,050	0.94	2,012,050	0.85
Pininfarina Extra s.r.l.	1,352,098	0.63	1,352,098	0.57
General Public	44,444,444	20.82	66,666,666	28.29
	213,456,666	100.00	235,678,888	100.00

The Company is not aware of any other arrangements, the operation of which may, at a subsequent date, result in a change in control of the Company.

15.3 Changes in Share Capital

The Company, originally known as International Resorts Management Limited, was incorporated with an issued share capital of 1,200 shares allocated as follows:

Carmelo Caruana Company Limited	400 shares
Gee Five Limited	400 shares
Alf. Mizzi & Sons Ltd.	400 shares

²The percentage shareholding indicated with respect to the general public could include any Shares which may be allotted to the Existing Shareholders over and above their respective percentage shareholding reflected in the table above.

Since incorporation, the Company has allotted Ordinary Shares as detailed in the following table.

Date of Allotment	Number³ of Shares	Shareholder
Initial Share Capital, issued on 31 January, 1996	400 Ordinary "A" Shares	Alf. Mizzi & Sons Ltd.
Initial Share Capital, issued on 31 January, 1996	400 Ordinary "B" Shares	Gee Five Limited
Initial Share Capital, issued on 31 January, 1996	400 Ordinary "C" Shares	Carmelo Caruana Company Limited
22 February, 1999	597,385 Ordinary "A" Shares	Alf. Mizzi & Sons Ltd.
22 February, 1999	597,385 Ordinary "B" Shares	Gee Five Limited
22 February, 1999	597,385 Ordinary "C" Shares	Hili Developments Limited
22 February, 1999	292,134 Ordinary "D" Shares	Vassallo Builders Group Limited
22 February, 1999	292,134 Ordinary "E" Shares	Gatt Investments Limited
22 February, 1999	292,134 Ordinary "F" Shares	Polidano Brothers Limited
22 February, 1999	444,189 Ordinary "A" Shares	Alf. Mizzi & Sons Ltd.
22 February, 1999	444,189 Ordinary "B" Shares	Gee Five Limited
22 February, 1999	444,189 Ordinary "C" Shares	Hili Developments Limited
22 February, 1999	187,866 Ordinary "D" Shares	Vassallo Builders Group Limited
22 February, 1999	187,866 Ordinary "E" Shares	Gatt Investments Limited
22 February, 1999	187,866 Ordinary "F" Shares	Polidano Brothers Limited
7 October, 1999	114,815 Ordinary Shares	Alf. Mizzi & Sons Ltd.
7 October, 1999	114,815 Ordinary Shares	Gee Five Limited
7 October, 1999	114,815 Ordinary Shares	Hili Developments Limited
7 October, 1999	480,000 Ordinary Shares	Devilhena Limited ⁴
7 October, 1999	800,000 Ordinary Shares	Valletta Investment Bank Limited ⁵
7 October, 1999	800,000 Ordinary Shares	Middlesea Valletta Life Assurance Co. Ltd.
7 October, 1999	800,000 Ordinary Shares	Pater Holding Company Limited
7 October, 1999	80,000 Ordinary Shares	Pininfarina Extra s.r.l.
16 December, 1999	43,211 Ordinary Shares	Alf. Mizzi & Sons Ltd.
16 December, 1999	43,211 Ordinary Shares	Gee Five Limited
16 December, 1999	43,211 Ordinary Shares	Hili Developments Limited
2 November, 2000	600,000 Ordinary Shares	Alf. Mizzi & Sons Ltd.
2 November, 2000	600,000 Ordinary Shares	Gee Five Limited
2 November, 2000	600,000 Ordinary Shares	Hili Developments Limited ⁶
2 November, 2000	240,000 Ordinary Shares	Vassallo Builders Group Limited
2 November, 2000	240,000 Ordinary Shares	Gatt Investments Limited
2 November, 2000	240,000 Ordinary Shares	Polidano Brothers Limited
2 November, 2000	240,000 Ordinary Shares	Devilhena Limited
2 November, 2000	400,000 Ordinary Shares	Valletta Investment Bank Limited
2 November, 2000	400,000 Ordinary Shares	Middlesea Valletta Life Assurance Co. Ltd.
2 November, 2000	400,000 Ordinary Shares	Pater Holding Company Limited
2 November, 2000	40,000 Ordinary Shares	Pininfarina Extra s.r.l.
2 May, 2002	90,000 Ordinary Shares	Alf. Mizzi & Sons Ltd.
2 May, 2002	90,000 Ordinary Shares	Fortress Developments Limited
2 May, 2002	150,000 Ordinary Shares	First Gemini plc
2 May, 2002	60,000 Ordinary Shares	Middlesea Valletta Life Assurance Co. Ltd.
2 May, 2002	60,000 Ordinary Shares	Pater Holding Company Limited
2 May, 2002	36,000 Ordinary Shares	Vassallo Builders Group Limited
2 May, 2002	36,000 Ordinary Shares	Polidano Brothers Limited
2 May, 2002	36,000 Ordinary Shares	Devilhena Limited
2 May, 2002	36,000 Ordinary Shares	Gatt Investments Limited
2 May, 2002	6,000 Ordinary Shares	Pininfarina Extra s.r.l.

³ Designations given from 1996 to 1999 have now been done away with and there are no classes of Ordinary Shares.

⁴ The Ordinary Shares are now held by Investors Limited following a division of Devilhena Limited on 8 April 2007.

⁵ The Ordinary Shares are now held by Bank of Valletta p.l.c. as a result of Valletta Investment Bank Limited's merger with Bank of Valletta p.l.c. on 6 January 2001.

⁶ Hili Developments Limited changed its name to Fortress Developments Limited on 29 March 2001.

Since incorporation, transfers of Ordinary Shares in the Company have taken place in the following manner:

Date of Transfer	Number of Shares	Transferor	Transferee
22 February, 1999	400 Ordinary "C" Shares	Greenfoods Company Limited	Hili Developments Limited
21 January, 2004	378,000 Ordinary Shares	Gee Five Limited	Alf. Mizzi & Sons Ltd.
21 January, 2004	252,000 Ordinary Shares	Gee Five Limited	Devilhena Limited
21 January, 2004	378,000 Ordinary Shares	Gee Five Limited	Middlesea Valletta Life Assurance Co. Ltd.
6 November, 2008	630,000 Ordinary Shares	Pater Holding Company Limited	Lombard Bank Malta p.l.c.
6 November, 2008	630,000 Ordinary Shares	Pater Holding Company Limited	Gee Five Limited
22 May, 2009	25,200 Ordinary Shares	Pininfarina Extra s.r.l.	Gee Five Limited

As at the date of this Prospectus the following shares in the Company are pledged:

DATE	PLEDGOR	PLEDGEE	VALUE	STATUS
9 February, 2004	Alf. Mizzi & Sons Ltd.	Lombard Bank Malta p.l.c.	Ordinary Shares of Lm1 (€2.329373) each (No. 2,268,000)	To date the shares are still pledged
1 August, 2008	Polidano Brothers Limited	Lombard Bank Malta p.l.c.	Ordinary Shares of a nominal value of €2.329373 (No. 756,000)	To date the shares are still pledged
23 January, 2009	Fortress Developments Limited	Lombard Bank Malta p.l.c.	Ordinary Shares of a nominal value of €2.33 (No. 1,890,000)	To date the shares are still pledged
26 January, 2009	Gatt Investments Limited	Lombard Bank Malta p.l.c.	Ordinary Shares of a nominal value of €2.33 (No. 756,000)	To date the shares are still pledged

16. DIRECTORS, MANAGEMENT AND EMPLOYEES

16.1 The Board

The Company is currently managed by a Board consisting of eight members. Until recently, the Board was composed of eleven members however, in anticipation of the Issue, it was felt that the Board should be reduced to focus primarily on the Company's business needs rather than shareholder representation. As a result, the Memorandum and Articles of Association were amended to provide for a Board of a minimum of five and a maximum of eight members.

16.1.1 Curriculum Vitae of the Directors

Hereunder is a brief curriculum vitae of each of the current Directors:

- i. Mr. Albert Mizzi⁷ (82 years of age) (Chairman) joined the family business Alf. Mizzi & Sons Ltd. in 1946 and was Chairman for several years. In the 1960's he was involved in private banking and appointed Director of Medport Shipping Limited. Albert Mizzi was instrumental in establishing Malta's most important parastatal businesses amongst which: Air Malta p.l.c., Sea Malta Company Limited, Medserv p.l.c., Mediterranean Insurance Brokers (Malta) Limited and Middlesea Insurance p.l.c. During his business career, Albert Mizzi has built up extensive interests in trade, tourism, real estate development (both local and overseas), and industry, with involvement in diverse industrial ventures. At present he occupies the post of Chairman of Plaza Centres p.l.c., Mizzi Associated Enterprises Limited, Kemmuna Limited, Mellieha Bay Hotel Limited, Consolidated Biscuit Company Limited and Premium Realty Limited.

⁷ Mr. Albert Mizzi is Dr. Alec A. Mizzi's father.

He has also taken an active part in local commercial bodies such as the Chamber of Commerce, the Federation of Industries, the Malta Employers' Association and the Malta Trade Fair Corporation. Albert Mizzi's greatest and longest-standing achievement to-date is undoubtedly Air Malta – an airline which he spearheaded in April 1973. He served as Executive Chairman of Air Malta p.l.c. for 19 years. In 1992 Albert Mizzi was given the task of chairing the Malta Council for Economic Development (a consultative body including employer, union and GOM representatives) of which he served as Chairman up to September 1999. Mr. Mizzi's latest prestigious appointment is that of non-executive Chairman of HSBC Bank Malta p.l.c. since June 1999. In 1992 he was elected Fellow of the Chartered Institute of Transport (U.K.) and in 1993 he was decorated Member of the National Order of Merit by GOM. In 2005 he was decorated by Her Majesty the Queen and awarded the OBE, Order of the British Empire.

- ii. Mr. Paul Bonello (52 years of age) joined Barclays Bank International in 1974. Having successfully passed the Banking Diploma examinations, he was elected Associate of the London Institute of Bankers in 1976. He pursued the study of Accountancy and completed the UK Certified Accountants exams in 1983, of which Association he is now a Fellow. He holds the Certified Public Accountant warrant. After ten (10) years in banking, he worked for a time as Financial Controller of a group of companies with varied interests. Since 1988, he has been involved on a full-time basis in personal and corporate financial and investment consultancy. He is Managing Director of the Finco Trust Group of Companies which is a multi-disciplinary professional services organisation. He has acted as Director of Mid-Med Bank p.l.c. for six (6) years from 1992 to 1997 and acted as Chairman of various sub-Committees of the said bank, including a Computer Project Steering Committee, the Risk Management Committee and the Audit Committee. He has occupied the position of Director of Air Malta p.l.c. between 1999 and 2010. At Air Malta p.l.c., he also occupied the position of Chairman of the Purchasing Committee and subsequently that of Chairman of the Audit Committee. He is also a director of Marsh Management Services Malta Ltd, a subsidiary of Marsh & McLennan.
- iii. Mr. David G. Curmi (51 years of age) started his career in the insurance industry thirty years ago during which time he held various senior executive positions with a number of insurance operators in the Maltese market. He was the Managing Director of Citadel Insurance Services Ltd. and Citadel Insurance p.l.c., Director of Medpoint Insurance Brokers Ltd., Director of Mediterranean Survey Bureau Ltd., Director of International Insurance Management Services (Offshore) Limited, Director of EuroMed Risk Solutions Limited, President of the Malta Insurance Association, Honorary Secretary of the Malta Chamber of Commerce, Vice President of the Malta Chamber of Commerce, Governor of Finance Malta. At present he holds the post of Chief Executive Officer of Middlesea Valletta Life Assurance Co. Ltd., Chief Executive Officer and Director of Growth Investments Limited, Director of Plaza Centres p.l.c., Director of Premium Realty Limited, Council Member of the Malta Insurance Association, Director of the Protection and Compensation Fund, and Chairman of LB Factors Ltd. Mr. Curmi is an Associate of the Chartered Insurance Institute of the United Kingdom and a Chartered Insurer. He is also a regular lecturer on various insurance topics at the University of Malta and at the Malta Insurance Training Centre.
- iv. Mr. Tonio Depasquale (61 years of age) is the Chief Executive Officer of Bank of Valletta p.l.c., with overall responsibility for the conduct of the operations of the Bank and its management. Since joining the Bank in 1969, he has held a series of senior management positions within the Group. In 1995 he was appointed General Manager of Valletta Investment Bank, which was then the corporate finance subsidiary of Bank of Valletta p.l.c. He was responsible for the introduction of investment banking and other relative services within the Group, and also spearheaded the setting up of BOV Stockbrokers Limited in 2000. He also has considerable experience in fund management and fund administration. He sits on the board of Valletta Fund Management Limited and Valletta Fund Services Limited, as well as two main SICAVs of the Group. He is also a director on the Boards of Middlesea Insurance p.l.c. and Middlesea Valletta Life Assurance Co. Ltd. and represents the banking sector on the Board of Governors of Finance Malta.
- v. Mr. Joseph A. Gasan (60 years of age) is the Chairman of Gasan Group Limited, Melita p.l.c., GasanMamo Insurance Limited and several companies constituting the Gasan Group. He is also a director of several companies including Kemmuna Limited, International Automobiles Limited and TumasGasan Holdings Limited. Mr. Gasan assumed the running of the family business in 1971 and in the mid-seventies initiated and directed an expansion and diversification programme which resulted in the evolvement of the Group to its present level of development. Under

his Chairmanship, the Group successfully expanded its portfolio of activities, established leadership of the automotive business, captured a significant share of the insurance market, secured a strong presence in the development of residential and commercial property and maximised business opportunities in the engineering and information and communications technology sectors. The result has been the creation of a dynamic enterprise with the necessary human and financial resources to continue to seek fresh opportunities at home and abroad.

- vi. Mr. Mario C. Grech (61 years of age) was formerly the Managing Director of the Mediterranean Insurance Brokers Group, Director on the Board of Mediterranean Survey Bureau, Governor of the Malta International Business Authority, Chairman of the Malta Green Card Bureau, Governor on the Board of the Malta Financial Services Authority, member of the Protection & Compensation Fund Board, Director of Plaza Centres p.l.c., Deputy President – Insurance Trade Section of the Chamber of Commerce, President – Malta Insurance Association, Executive Chairman of the Malta International Training Centre, Governor on the Board of the Malta College of Arts, Science & Technology, Executive Chairman of Middlesea Insurance p.l.c., President of Progress Assicurazioni S.p.A., Deputy Chairman of Middlesea Valletta Life Assurance Co. Ltd., Chairman of Growth Investments Ltd., Executive Chairman of International Insurance Management Services (Offshore) Limited, and Euroglobe Limited, Director of Euromed Risk Solutions Limited, Chairman of the Middlesea Group Investment Committee and the Group Executive Committee. Mr Grech is currently a member on the Board of the Malta Arbitration Centre, Director of Tigné Mall Ltd., Director of Middlesea Valletta Life Assurance Co. Ltd., Chairman of the Police Negotiating Board, Life Vice President – Chartered Insurance Institute U.K.
- vii. Dr. Alec A. Mizzi⁸ (54 years of age) graduated as Doctor of Laws from the University of Malta in 1979 and Master of Laws from the University of London in 1980, in which year he joined Alf. Mizzi & Sons Group. He has been Managing Director of Alf. Mizzi & Sons (Marketing) Ltd. since 1986 and was appointed CEO of Alf. Mizzi & Sons Group in 1993. He is non-executive director of a number of Alf. Mizzi & Sons subsidiary and associated companies, including Intercomp Limited, Consolidated Biscuit Company Limited, Macpherson Mediterranean Limited., Homemate Company Limited, Kitchen Concepts Ltd., Inspirations Limited., LandOverseas Fund Sicav p.l.c., Supermarkets (1960) Limited., as well as various overseas subsidiaries. Apart from being a Director of the Company he holds the post of Chairman in Tigné Mall Ltd. and in Solutions & Infrastructure Services Limited. Dr. Mizzi has also been appointed by the Government of Malta as non-executive Chairman of Malta Enterprise Corporation (2006-2008) and Malta Industrial Parks Limited (2005-2008), as well as Director of Water Services Corporation, Malta External Trade Corporation (METCO), Malta Venture Capital p.l.c. and Grand Harbour Rehabilitation Project. He has also served as Director of HSBC Fund Management (Malta) Ltd., and is a Director of, amongst others, First Gemini plc and EC Holdings Limited.
- viii. Mr. Joseph Said (61 years of age). In 1968 Mr Said joined Barclays Bank (later operating as Mid Med Bank) where he served for seventeen years in virtually all areas of the bank. In 1986, was elected Fellow of the Chartered Institute of Bankers (UK). In 1985 he took up a post in the private sector during which period he became involved in a number of new ventures and initiatives. In 1992 he was appointed by GOM to serve as a director of Malta Shipbuilding Company Limited. Mr Said currently serves as a director on a number of companies and is also a member on the Board of Trustees of a private college. In 1998, he joined Lombard Bank Malta p.l.c. as Chief Executive Officer and is also a Director of the said bank. Mr Said is Chairman and a Director of MaltaPost p.l.c. In July 2008 Mr Said was appointed Chairman of Heritage Malta.

For further details please refer to Annex 9.

16.1.2 Remuneration of Directors

In terms of the Memorandum and Articles of Association, the maximum aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Company in General Meeting.

As at the date of the Prospectus, none of the Directors receives any remuneration.

⁸ Dr. Alec A. Mizzi is Mr. Albert Mizzi's son.

16.1.3 Loans to Directors

At the date of the Prospectus, there are no loans outstanding by the Company to any of its Directors, or any guarantees issued for their benefit by the Company.

16.1.4 Appointment and Removal of Directors

Article 98 of the Company's Memorandum and Articles of Association states that at each Annual General Meeting of the Company all the Directors shall retire from office. A Director retiring from office shall retain office until the dissolution of such Meeting and a retiring Director shall be eligible for re-election or re-appointment.

The Directors of the Company shall be elected as provided in Article 102 of the Company's Memorandum and Articles of Association, that is a maximum of eight (8) Directors shall be elected at each Annual General Meeting (or at an Extraordinary General Meeting convened for the purpose of electing directors). Voting shall take place on the basis that every Member shall have one (1) vote in respect of each ordinary share held by him. A Member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any two or more candidates. The Chairman of the Meeting shall declare elected those candidates who obtain the greater number of votes on that basis.

16.1.5 Powers of Directors

The Directors are empowered to act on behalf of the Company and in this respect have the authority to enter into contracts, sue and be sued in representation of the Company. In terms of the Memorandum and Articles of Association they may transact all business of whatever nature of the Company not expressly reserved by the Memorandum and Articles of Association to the shareholders in general meeting or by any provision contained in any law for the time being in force.

The powers of the Directors of the Company are further elaborated in Section 19.1.13 of Part C below.

16.2 Management

In terms of the Memorandum and Articles of Association, the Directors may from time to time appoint any person to the office of Chief Executive of the Company for such period and on such terms as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The Chief Executive may be asked to attend Board Meetings or General Meetings of the Company provided that he shall have no right to vote thereat. If the person appointed to the office of Chief Executive is a director of the Company he shall be designated as Managing Director. In such case, such person shall have the right to attend and vote at Board Meetings qua director of the Company. The Directors may entrust to and confer upon a Chief Executive or Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers.

The Directors have appointed Mr. Benjamin Muscat as Chief Executive Officer ("CEO") of the Company. As indicated in Section 17.2 of Part C, the CEO of the Company, being a Director of other members of the Group, may be subject to conflicts between the potentially divergent interests of the Company and such members of the Group. The Company is not aware of any private interests or duties unrelated to the Group which may or are likely to place the CEO in conflict with any interests in, or duties towards, the Company.

16.2.1 Senior Management of the Company

The Senior Management team of the Company consists of:

1. Mr. Benjamin Muscat (CEO) (56 years of age) – joined the Company in February 2000 immediately after the Emhyteutical Deed was signed. He is a warranted accountant (FCCA) by profession and has thirty two years working experience in positions covering finance, management and business development. He has

occupied senior management and group director positions in companies and groups as varied as switchgear manufacturing, food processing and production, beer and soft drink production to construction, property development and hospitality based business groups. He is responsible for building the organisation of the Company and for the Project's ongoing development. Mr. Muscat serves as a Director on Tigné Mall Ltd. and Tigné Point Marketing Limited, both subsidiaries of the Company, and on the Board of Solutions & Infrastructure Services Limited, a jointly controlled entity.

2. Mr. Luke Coppini (Financial Controller and Company Secretary) (46 years of age) – joined the Company in September 2008. He holds an accountancy warrant having graduated with the Association of Chartered Certified Accountants in 1991 and appointed as Fellow in 1997. Mr Coppini is responsible for the Finance, Administration, IT and Human Resource functions at the Company. Before joining the Company, Mr. Coppini held a number of key management positions within the local automotive, beverage, textile and building industries.
3. Mr. James Vassallo (Sales and Marketing Manager) (42 years of age) – joined the Company in June 2002 and his main responsibilities include sales, marketing, PR functions and all launch, pricing and sales strategies. He is also involved in design planning support, client, media & estate agency relationship management and the supervision of Tigné Point Marketing Limited. Mr. Vassallo has fifteen years of management experience in the real estate, hospitality and leisure fields. He has established a wide network of industry and media contacts both locally and overseas.
4. Mr. Edwin Borg (General Manager – Tigné Mall Ltd.) (37 years of age) – graduated in business management from the University of Malta in 1994 and holds an MBA from the University of Warwick. He joined the Company as Business Development Manager in September 2006 and worked in this role until October 2008 when he moved on to occupy his current position within Tigné Mall Ltd. Prior to joining the Company, Mr. Borg held management positions in both state-owned and private enterprise and acquired extensive experience in a variety of fields. At the Company, he is actively involved in the commercial phases of the development, his main focus now being the management of The Point retail mall and the commercial elements around Pjazza Tigné.

None of the above-mentioned Directors and members of senior management of the Company have been:

- (i) convicted in relation to fraud or fraudulent conduct in the last five years;
- (ii) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- (iii) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- (iv) disqualified by a court from acting as director or manager in the last five years.

16.2.2 Remuneration of Senior Management

The total amount of remuneration paid and benefits in kind granted to the senior management personnel in the last financial year ended 31 December 2009 amounts to approximately €325,000.

There are currently no service contracts in place between the Company or its subsidiaries and members of the administrative, management or supervisory bodies that include provisions for benefits upon termination of employment. The health insurance cover for the Chief Executive Officer is the International Health Plan and the health insurance cover for all other senior management (and indeed all of the Company's employees) is the local hospital plan.

16.3 Employees

As at the date of the Prospectus, the Company has 57 employees. The corresponding average number of employees for 2009, 2008 and 2007 was 78, 96 and 93 respectively.

In line with the nature of the Project, the number of employees fluctuates in accordance with the phases being developed. During 2008 and a good part of 2009, construction of a number of phases was in full swing. These included the Tigné Point Shopping Mall, Pjazza Tigné, Tigné South apartments, the Clubhouse, all underground public parking, and Fort restorations amongst others. As at the date of this Prospectus, a number of these phases are completed or in their final stages. For example, T8 and T9 apartments were completed in late 2008, the Clubhouse area was commissioned in June 2009, and the Shopping Mall together with the piazza and underlying public car parking commenced operations in March of this year.

As phases draw to completion, employment by the Company of architects, project managers and site supervisors, normally reduces in line with the decrease of design and construction activity. As the next phases of Tigné North start accelerating, the number of employees is expected to increase marginally.

The current number of employees by category is as follows:

CEO's office, Finance & Administration	16
Project Management	10
Shopping Mall	6
Sales & Marketing	4
Architects, Civil Engineers and Draughts people	21

The Company does not employ staff on a temporary basis. It currently employs two student apprentices, two part timers and two staff members are on a reduced hours basis.

17. RELATED PARTY TRANSACTIONS AND INTERESTS OF DIRECTORS

17.1 Related Party Transactions

In the normal course of business, the Group enters into various transactions with related parties. Related parties are defined as those that have an ability to control or exercise significant influence over the other party in making financial and operational decisions. These include directors and shareholders who hold a substantial amount of the votes that can be cast at general meetings.

All companies forming part of the respective groups of which the Existing Shareholders form part are considered by the directors to be related parties. Accordingly, all entities owned, controlled or significantly influenced by the Company's shareholders, the Company's directors and their close family members together with all entities owned, controlled or significantly influenced by these individuals are the principal related parties of the Group.

The principal transactions undertaken with related parties are disclosed below.

	Period ended 30 June 2010 Unaudited €000	Year ended 31 December 2009 Audited €000	Year ended 31 December 2008 Audited €000	Year ended 31 December 2007 Audited €000
i) Purchase of goods and services				
Purchase of goods and services during the period/year	5,696	14,363	7,128	6,768
Outstanding contractual commitments for project development at end of period/year	2,296	4,825	18,382	2,702
ii) Sale of apartments				
Deposits on promise of sale agreements at end of period/year	6,102	7,933	9,271	14,619
Value of contracts relating to the above promise of sale agreements	15,456	17,287	22,105	18,556
Value of contracts finalised during the period/year	-	3,738	5,625	1,533
iii) Loans from shareholder banks				
Outstanding balances at end of period/year	50,096	46,954	33,243	15,369
Net interest charged on loans during the period/year	1,070	1,927	1,566	332
Sanctioned banking facilities at end of period/year	55,712	55,712	51,712	54,973
iv) Bonds held by related parties				
7% Bonds 2016 – 2018 (issued in 2009)				
	Face value of bonds held at 30 June 2010 €000	31 December 2009 €000	Interest payable during period/year ended 30 June 2010 €000	31 December 2009 €000
Shareholders	1,844	1,844	65	120
Directors and other officers of the Company, together with close family members of these individuals	121	118	4	8
Other related parties	500	500	18	33
Held by related parties as nominees in the ordinary course of business as investment services providers	868	664	30	43

During the historical periods reflected in the tables above other transactions were carried out with related parties, primarily interest receivable from deposits with shareholder banks, rental income receivable, interest payable on private placement bonds and a cross-currency interest rate swap arrangement. However, the impact of these transactions on the financial performance and financial results of the Company was not deemed significant and sufficiently material for the purpose of presentation and disclosure.

The amounts of transactions entered into with related parties during the period from 1 July 2010 up to the date of this Prospectus were not considered significant and sufficiently material for the purposes of understanding the Company's financial position and financial performance. Accordingly, these transactions have not been disclosed in this Prospectus.

The Company has not acquired any property from related parties, including directors, since inception of operations. Related parties, including directors, have acquired apartments constructed within the Project's residential phases through final contracts of sale. These transactions have been disclosed in aggregate above. Upon finalising the respective deed of sale, the carrying amount of the apartments sold is eliminated from the Company's property elements and accordingly these residential units are not included within, covered by and referred to at all in the Architect's Valuation.

17.2 Interests of Directors

Some of the Directors of the Company are also directors of other members of the Group. Also, the Chief Executive Officer sits, as a director, on the board of some of the subsidiary companies of the Company.

Given the current shareholding of the Company, and in line with expectations upon the commencement of the Company, conflicts of interest affecting board members have arisen/will arise with regards to:

- (i) Contracts for goods and services, including the provision of construction services, civil and mechanical and engineering works which have been/may be entered into between the Company and the companies that its board members may represent (or otherwise have an interest in). This category affects particularly Mr. Joseph A. Gasan. Financing and insurance services which have been/may be provided to the Company by the companies that its board members may represent (or otherwise have an interest in). This category affects particularly Mr. Albert Mizzi, Mr. Tonio Depasquale and Mr. Joseph Said;
- (ii) Activities, including retail projects, carried on by the Company which may compete with similar activities carried on, in the close proximity of the Project by companies which its board members may represent (or otherwise have an interest in). This category affects particularly Mr. Albert Mizzi, Dr. Alec A. Mizzi, and Mr. Joseph A. Gasan;
- (iii) Purchases of apartments by Directors or by companies that its board members may represent (or otherwise have an interest in). This category affects all the Directors. During the period from 1 January 2008 to 31 December 2009, promise of sale agreements for 18 apartments were entered into for a total consideration of €15.0 million. No promise of sale agreements were entered into during the six-month period ended 30 June 2010.

As disclosed in Section 17.1 of this Prospectus, no final apartment sale contracts were entered into during the six-month period ended 30 June 2010, whilst during the financial year ended 31 December 2009 6 final apartment sale contracts were finalised for a total consideration of €3.7 million. In 2008, 9 contracts were finalised for total consideration of €5.6 million and during the preceding financial period 4 agreements were finalised for total consideration of €1.5 million.

The other transaction amounts referred to above have been disclosed in Section 17.1 of this Prospectus.

Mr. Paul Bonello is a Managing Director of Finco Treasury Management Ltd., a company that is a Category 2 Investment Services Act licence holder. In this respect, Mr. Paul Bonello declares that neither he nor Finco Treasury Management Ltd. will provide any investment advice in respect of the Ordinary Shares. Mr. Paul Bonello further declares that Finco Treasury Management Ltd. will not trade in the Ordinary Shares except on an execution only basis.

17.3 Managing Conflicts of Interests

17.3.1 Contracting Process

All contracts for goods and services, including the provision of construction services, civil and mechanical and engineering works, and any other purchases are based upon the principle of competitive bidding.

The CEO negotiates with suppliers in order to ensure that the best quality goods and services are procured by the Company at the least possible price.

The Executive Committee is responsible to supervise such process. In particular it is responsible for assisting and directing the CEO in negotiations with contractors, suppliers and service providers and is ultimately responsible for the award of tenders/contracts.

17.3.2 Disclosure of Interest by Directors

By virtue of Article 91(1) of the Memorandum and Articles of Association, the Directors are obliged to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with that of the Company. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has material interest (Article 91(2) of the Memorandum and Articles of Association).

Article 91(5) of the Memorandum and Articles of Association states that if any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, then such question shall be referred to the Auditors and their ruling shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

Furthermore, the Company operates according to certain broad principles in terms of the Board of Directors' Charter, including but not limited to the following:

- (i) In all cases, when participating as a Director on the Company's Board, individuals should bear in mind their statutory duties towards the Company and conduct themselves accordingly. In some instances, depending on the immediacy and extent of a conflict, it may be appropriate for them to abstain from participating in certain discussions. In many cases, it would be appropriate for the Directors not to request, or remove from the Company's premises, papers or reports which comment at a detailed level on a competing activity.
- (ii) Management, in conjunction with the Executive Board, should assist the Board in managing potential conflicts by ensuring that Board papers or reports provide all the material necessary to direct the business, while abstaining from irrelevant detail.
- (iii) It will be appropriate from time to time to enter into other arrangements to govern particular situations. An example of this was the Company's decision to form a separate subsidiary, with its own Board, to handle the development of the retail mall.

18. CORPORATE GOVERNANCE AND AUDIT PRACTICES

18.1 Corporate Governance

The Company supports the Code of Principles of Good Corporate Governance (the "Code") originally issued by the Malta Stock Exchange which now forms part of the Listing Rules.

The following is a summary of the views of the Board on the Company's compliance with the Code.

The Board has taken such measures as are necessary in order for the Company to comply with the requirements of the Code to the extent that these were considered appropriate and complimentary to the size, nature and operations of the Company and its listed debt securities.

In the light of the factors mentioned above, the Board is of the opinion that the Company has substantially been in compliance with the Code, taking into account the following matters:

- a) With respect to principle 8 entitled "Remuneration Committees", to date the Company has had no Remuneration Committee since the Company's policy has always been that the Directors should not receive any remuneration. This policy reflected the fact that the Directors were, generally speaking, appointees and representatives of the individual

shareholders who appointed them. Following the Issue, circumstances will change since the general public will hold a substantial number of Ordinary Shares in the Company and the Board feels that it will be necessary to develop policies on remuneration. As noted in Section 10.1.1 above the Board intends to set up a Remuneration Committee following the Company's next Annual General Meeting;

- b) With respect to principle 7 entitled "Evaluation of the board's performance", the Board does not have any formal and rigorous evaluation of its own performance. In the context of the nature of the Company's operations and the stage of its operations to date, the Board did not consider that such a formal evaluation of performance was necessary.

18.2 Audit Committee

As stated above, the Company has an Audit Committee. The Audit Committee consists of Mr. Paul Bonello, who is independent and competent in accounting, Mr. Joseph A. Gasan and Mr. Tonio Depasquale, who chairs the Committee. They are all non-executive Directors.

Mr Bonello is considered to be independent because he is free from any business, family or other relationship with the Company, the shareholder appointing him as Director, any other shareholder or the management of either, that creates a conflict of interest such as to jeopardise exercise of his judgement.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Group.

The Audit Committee's primary purpose is to:

- (a) protect the interests of the Company's shareholders; and
- (b) assist the Directors in conducting their role effectively so that the Company's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.

The Board has set formal terms of reference of the Audit Committee that establish its composition, role and function. The Audit Committee is a committee appointed by the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time.

The main role and responsibilities of the Audit Committee are:

- (a) to review procedures and assess the effectiveness of the internal control systems, including financial reporting;
- (b) to assist the Board in monitoring the integrity of the financial statements, the internal control structures, the financial reporting processes and financial policies of the Company;
- (c) to maintain communications on such matters between the Board, management, the independent auditors and (where applicable) the internal auditors;
- (d) to review the Company's internal financial control system and, unless addressed by a separate risk committee or the Board itself, risk management systems;
- (e) to monitor and review the effectiveness of the Company's internal audit function (if and when established) on a regular basis;
- (f) to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor following appointment by the shareholders in general meeting;

- (g) to monitor and review the external audit functions, including the external auditor's independence, objectivity and effectiveness;
- (h) to develop and implement policy on the engagement of the external auditor to supply non-audit services;
- (i) to establish internal procedures and to monitor these on a regular basis;
- (j) to establish and maintain access between the internal and external auditors of the Company and to ensure that this is open and constructive;
- (k) to review and challenge where necessary, the actions and judgements of management, in relation to the interim (if applicable) and annual financial statements before submission to the Board, focusing particularly on:
 - (i) critical accounting policies and practices and any changes in them;
 - (ii) decisions requiring a major element of judgement;
 - (iii) the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
 - (iv) the clarity of disclosures and compliance with International Financial Reporting Standards;
 - (v) significant adjustments resulting from the audit;
 - (vi) compliance with stock exchange (if applicable) and other legal requirements; and
 - (vii) reviewing the Company's statement on Corporate Governance prior to endorsement by the Board;
- (l) to gain an understanding of whether significant internal control recommendations made by internal and external auditors have been implemented by management;
- (m) to review the internal audit function of the Company (if any), including its plans, activities, staffing and organisational structure;
- (n) to monitor the statutory audit of the annual and consolidated accounts;
- (o) to discuss Company policies with respect to risk assessment and risk management, review contingent liabilities and risks that may be material to the Company; and
- (p) to consider other matters that are within the general scope of the Committee that are referred to it by the Board of Directors.

When the Audit Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on the action needed to address the issue or make improvements.

19. ADDITIONAL INFORMATION

19.1 Memorandum and Articles of Association

A copy of the Memorandum and Articles of Association of the Company may be inspected at the registered office of the Company and at the Registrar of Companies of the Malta Financial Services Authority.

The Memorandum and Articles of Association (“the Memorandum” and “the Articles” respectively), contain provisions, *inter alia*, to the following effect:

19.1.1 Objects

The principal object and purpose of the Company is that of acquiring, developing and disposing of the immovable property or rights over such immovable property consisting of land and buildings at Manoel Island and Tigné Point in Malta; and to establish, promote and invest in the Project and in any other enterprise or undertaking connected thereto (Clause 3 of the Memorandum).

19.1.2 Representation

- (i) The legal representation of the Company shall be vested in the Chairman and any other Director acting jointly or, in addition but without prejudice to the aforesaid, in any person or persons jointly or severally and in such manner as the Board of Directors shall from time to time and for any particular purpose or purposes determine. For the purposes of this clause, “legal representation” shall include, but not be limited to, the power to enter into, sign and execute any contract of whatsoever nature and all other documents purporting to bind the Company as well as to sign, draw, accept, endorse or otherwise execute all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company (Clause 7.1 of the Memorandum).
- (ii) The judicial representation of the Company shall be vested in the Chairman or, in addition but without prejudice to the aforesaid, in any person or persons jointly or severally as the Board of Directors shall from time to time and for any particular case or cases determine (Clause 7.2 of the Memorandum).

19.1.3 Voting Rights in respect of Ordinary Shares

- (i) Each ordinary share shall be entitled to one vote (Clause 5.3 of the Memorandum). Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person shall have one (1) vote, and on a poll every Member present in person or by proxy shall have one (1) vote for each share of which he is the holder (Article 70).
- (ii) On a poll votes may be given personally or by proxy and a Member entitled to more than one vote need not, if he votes, use all his votes or cast all the votes he uses in the same way (Article 73).
- (iii) With respect to elections of directors, voting shall take place on the basis that every Member shall have one (1) vote in respect of each ordinary share held by him. A Member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any two or more candidates (Article 102(2)).
- (iv) No Member shall be entitled, in respect of any share in the capital of the Company held by him, to be present or to vote on any question, either in person or by proxy, at any General Meeting, or upon any poll, or to be reckoned in a quorum, or to exercise any other right or privilege conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such share remains unpaid (Article 71).

19.1.4 Restrictions on Ordinary Shares

- (i) During such time as any part of the call or instalment together with interests and expenses remains unpaid, the entitlement of the person from whom the sum is due to the rights and advantages conferred by membership of the Company including the right to receive dividends and the right to attend and vote at meetings of the Company, shall be suspended (Article 21). This provision is similar to the provision in Article 71 referred to in paragraph (iv) under the heading “Voting Rights in respect of Ordinary Shares” in this Section.
- (ii) A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that

he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by Membership in relation to Meetings of the Company. Provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety (90) days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with (Article 41).

- (iii) The Company shall not, at any time after the forfeiture or surrender of a share and before the sale, re-allotment or other disposition of such share, exercise any voting rights in respect of such share (Article 29).

19.1.5 Variation of Class Rights

- (i) If at any time, the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise expressly provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the shares of that class. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall, *mutatis mutandis*, so far as applicable apply (Article 15).
- (ii) The rights attached to any class of shares shall (unless otherwise expressly provided by the terms of issue of the shares of that class or by the terms upon which such shares are for the time being held) be deemed not to be varied by the creation or issue of further shares ranking *pari passu* therewith (Article 16).

19.1.6 Alteration of capital

- (i) The Company may from time to time increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe. All new shares shall be subject to the provisions of these Articles with reference to allotment, payment of calls, forfeiture, transfer and transmission and otherwise (Article 49).
- (ii) Any increase in the issued share capital of the Company shall be decided upon by an Ordinary Resolution of the Company; provided that, notwithstanding the foregoing, the Company may by Ordinary Resolution authorise the Directors to issue shares up to the amount specified as the Authorised Share Capital of the Company, which authorisation shall be for a maximum period of five (5) years and is renewable for further periods of five (5) years each and provided further that if any issue of shares would dilute a substantial interest the shares shall not be issued without the prior approval of the Shareholders by Ordinary Resolution (Article 5). On a fresh issue of ordinary shares, such shares shall be offered in the first instance to the existing Members of the Company pro-rata to the number of shares held by them respectively. The offer shall be made by notice in writing specifying the number of shares offered, as well as their price, and limiting a time, being not less than fourteen (14) days, within which the offer if not accepted shall be deemed to have been declined. Any remaining shares may then be offered to non-Members. A Member shall have the right to assign to another person his right to accept an offer to subscribe for shares in terms of this Article (Article 7).
- (iii) The Company may by Ordinary Resolution: (1) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; (2) sub-divide its shares, or any of them, into shares of smaller amounts than is fixed by the Memorandum of Association: Provided that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived (Article 50).
- (iv) Subject to the provisions of the Companies Act, the Company may by Extraordinary Resolution reduce its Share Capital (Article 52).
- (v) Subject to the provisions of the Companies Act, the Company may purchase its own shares (Article 9).

19.1.7 Transfer of Ordinary Shares

- (i) Subject to the provisions of law and of the Articles, the shares of the Company are freely transferable provided that in no case may a part of a share constitute the object of a transfer (Article 32).
- (ii) All transfers of shares in the Company quoted and listed on the Malta Stock Exchange ("Listed Shares") shall be regulated by law and accordingly Articles 34 to 36 of the Articles (referred to in the next paragraph) shall be applicable to such transfers only in so far as the said Articles are not inconsistent therewith.
- (iii) All transfers of shares (other than transfers of Listed Shares) shall be effected by instrument in writing in any usual or common form or any other form which the Directors may approve. Listed Shares shall be transferred in the manner regulating such shares (Article 34(1)). The instrument of transfer of any share shall be signed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members ("the Register") in respect thereof (Article 34(2)). The Directors may in their absolute discretion without assigning any reason therefor, refuse to register any transfer of any share which is not a fully paid share (Article 35). The Directors may decline to recognise any instrument of transfer and refuse to register such transfer if: (1) the instrument of transfer is not duly stamped and/or is not left at the Office or at such other place as the Directors may from time to time determine, to be registered and/or is not accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right to the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so); or (2) the instrument of transfer is not in respect of only one class of shares; or (3) the instrument of transfer is in respect of shares pledged to another person under a pledge agreement duly notified to the Company (Article 36). If the Directors refuse to register a transfer they shall within two (2) months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal and (except in the case of fraud) return to him the instrument of transfer. All instruments of transfer which are registered may be retained by the Company (Article 37).

19.1.8 Transmission of Ordinary Shares

- (i) All transmissions of Listed Shares shall be regulated by law and by the bye-laws of the Malta Stock Exchange and the Listing Rules which relate to such transmission and accordingly Articles 40 and 41 of the Articles (referred to in the next paragraph) shall be applicable to such transmission only in so far as the said Articles are not inconsistent therewith (Article 39).
- (ii) Any person becoming entitled to a share (other than a Listed Share) in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy, as the case may be (Article 40(1)). If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member (Article 40(2)).

19.1.9 Pledging of Shares

Shares in the Company may be pledged (Article 42).

19.1.10 Shares held jointly or subject to usufruct

- (i) In respect of shares held jointly by several persons, the joint holders may elect and nominate one of their number as their representative and his name will be entered in the Register with such designation. Such person shall for

all intents and purposes be deemed vis-à-vis the Company to be the registered holder of the shares so held. In the absence of such nomination and until such nomination is made, the person first named on the Register in respect of such share shall, for all intents and purposes be deemed vis-à-vis the Company to be the registered holder of the shares so held (Article 43).

- (ii) In respect of shares held subject to usufruct, the names of the bare owner and the usufructuary shall be entered in the Register. The usufructuary shall for all intents and purposes be deemed vis-à-vis the Company to be the registered holder of the shares so held and shall be entitled to all the rights and advantages conferred by law or by the Memorandum and Articles of Association on such shares but shall not have the right to dispose of the shares so held without the consent of the bare owner. If there is more than one usufructuary the provisions of Article 43 shall *mutatis mutandis* apply (Article 44).

19.1.11 General Meetings

- (i) The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year, and not more than fifteen (15) months shall elapse between the date of one Annual General Meeting of the Company and that of the next (Article 53).
- (ii) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings (Article 54). The Directors may, whenever they think fit, convene an Extraordinary General Meeting, and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists as provided by the Act. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum, the Directors in Malta capable of acting, or if there are no Directors capable and willing so to act, any two (2) Members of the Company, may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors (Article 55).
- (iii) A General Meeting of the Company shall be called by not less than twenty one (21) days' notice in writing (Article 56(1)). The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the place, the day and the hour of meeting, the proposed agenda for the Meeting and, in case of special business, the general nature of the business to be considered (Article 56(2)) as well as other information which is specified in the said Article 56(2).
- (iv) Subject to such restrictions affecting the right to receive notice as are for the time being applicable to the holders of any class of shares, notice of every General Meeting shall be given in any manner herein before authorised to:- (a) every Member except those Members who have not supplied to the Company an address for the giving of notices to them; and (b) the Auditor for the time being of the Company; and (c) the Directors for the time being of the Company. No other person shall be entitled to receive notices of General Meetings (Article 141).
- (v) A notice calling an Annual General Meeting shall specify the meeting as such and a notice convening a meeting to pass an Extraordinary Resolution as the case may be shall specify the intention to propose the resolution as such and the principal purpose thereof (Article 56(3)). A notice of General Meeting called to consider extraordinary business shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business (Article 56(5)).
- (vi) In every notice calling a meeting, there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not also be a Member and such statement shall comply with the provisions of the Act as to informing Members of their right to appoint proxies (Article 56(4)).
- (vii) Any Member or Members holding not less than five percent (5%) in nominal value of all the shares entitled to vote at the meeting may: (a) request the Company to include items on the agenda of the general meeting, provided that

each item is accompanied by a justification or a draft resolution to be adopted at the annual general meeting; and (b) table draft resolutions for items included in the agenda of a general meeting. The request to put items on the agenda of the general meeting or the tabling of draft resolutions to be adopted at the general meeting shall be submitted to the Company (in hard copy or in electronic form to an email address provided by the Company for the purpose) at least forty six (46) days before the date set for the general meeting to which it relates and shall be authenticated by the person or persons making it. Furthermore, where the right to request items to be put on the agenda of the general meeting or to table draft resolutions to be adopted at the general meeting requires a modification of the agenda for the general meeting that has already been communicated to Shareholders, there shall be made available a revised agenda in the same manner as the previous agenda in advance of the applicable record date or, if no such record date applies, sufficiently in advance of the date of the general meeting so as to enable other Shareholders to appoint a proxy, or where applicable, to vote by correspondence (Article 56(6)).

- (viii) The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings at that meeting (Article 58).
- (ix) An “Ordinary Resolution” means a resolution taken at a General Meeting of the Company passed by a Member or Members having the right to attend and vote at such meeting holding in the aggregate more than fifty percent (50%) in nominal value of the shares represented and entitled to vote at the meeting. An “Extraordinary Resolution” means a resolution taken at a General Meeting of the Company of which notice specifying the intention to propose the text of the resolution as an extraordinary resolution and the principal purpose thereof has been duly given and passed by a number of Members having the right to attend and vote at such meeting holding in the aggregate not less than seventy-five percent (75%) in nominal value of the shares represented and entitled to vote at the meeting and at least fifty-one percent (51%) in nominal value of all the shares entitled to vote at the meeting. Provided that, if one of the aforesaid majorities is obtained, but not both, another meeting shall be convened within thirty days in accordance with the provisions for the calling of meetings to take a fresh vote on the proposed resolution. At the second meeting the resolution may be passed by a member or members having the right to attend and vote at the meeting holding in the aggregate not less than seventy-five percent in nominal value of the shares represented and entitled to vote at the meeting. However, if more than half in nominal value of all the shares having the right to vote at the meeting is represented at that meeting, a simple majority in nominal value of such shares so represented shall suffice (Article 2).

19.1.12 Directors

- (i) The number of Directors shall be not less than five (5) and not more than eight (8) directors (Clause 6 of the Memorandum).
- (ii) All the Directors must be natural persons (Article 82) and no shareholding qualifications shall be required (Article 83).
- (iii) At each Annual General Meeting of the Company all the Directors shall retire from office. A Director retiring from office shall retain office until the dissolution of such Meeting (Article 98). A retiring Director shall be eligible for re-election or re-appointment (Article 99). The Company shall make a call for nominations for election to the office of Director by notice published as an advertisement in at least two (2) daily newspapers. The Company shall grant a period of at least fourteen (14) days for nominations and for the nominee’s acceptance of the nomination to be submitted. All such nominations shall on pain of nullity contain notice in writing signed by a Member duly qualified to attend and vote at such Meeting of his intention to propose such person for election (Article 100). In the event that there are as many nominations as there are vacancies, or less, no election will take place and the candidates so nominated will be automatically appointed Directors (Article 101). In case an election is necessary eight (8) Directors shall be elected at each Annual General Meeting (or at an Extraordinary General Meeting convened for the purpose of electing directors). Voting shall take place on the basis that every Member shall have one (1) vote in respect of each ordinary share held by him. A Member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any two or more candidates. The Chairman of the Meeting shall declare elected those candidates who obtain the greater number of votes on that basis (Article 102(2)).

- (iv) A Director shall hold office until he retires, resigns, dies, is removed or is disqualified (Article 96). The Company may by Ordinary Resolution, of which special notice has been given in accordance with the provisions of the Companies Act, remove any Director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company (Article 104). The Company may by Ordinary Resolution appoint another person in place of a Director so removed from office.
- (v) Subject to the provisions of the Companies Act, a Director may hold any other office or place of profit under the Company, except that of Auditor, in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any such remuneration shall be in addition to any remuneration provided for by any other Article (Article 90(1)).
- (vi) No Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with regard to his tenure of any such other office or place of profit or any such acting in a professional capacity or as a vendor, purchaser or otherwise. Subject to the provisions of the Act and save as therein provided no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be liable to be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relation thereby established, but he shall declare the nature of his interest in accordance with the Companies Act (Article 90(2)).
- (vii) A Director who is in any way, whether directly or indirectly, interested (even if such direct or indirect interest relates to the Member or Members who appointed him to office) in any contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors. In the case of a proposed contract or arrangement, the declaration of interest to be made by such Director shall be made at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if such Director was not at the date of that meeting interested in the proposed contract or arrangement, at the next meeting of the Directors held after he became so interested; and in a case where such Director becomes interested in a contract or arrangement after it is made, the said declaration shall be made at the first meeting of the Directors held after such Director becomes so interested (Article 91(1)). Save as herein provided, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has any material interest (even if such interest relates to the Member or Members who appointed him to office), whether direct or indirect, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting (Article 91(2)). A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof (Article 91(3)). Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two (2) or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (Article 91(4)). If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Auditors and their ruling shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed (Article 91(5)). Subject to the provisions of the Companies Act, the Company may at any time with the consent of the Company in General Meeting suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article (Article 91(6)).

- (viii) The maximum aggregate emoluments of all Directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Company in General Meeting, and any notice convening the General Meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact. The remuneration of the Directors shall be deemed to accrue from day to day. The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any Committee of the Directors or General Meetings or otherwise in connection with the business of the Company (Article 84).
- (ix) Meetings of the Directors shall take place in Malta or with the consent of all the directors elsewhere (Article 107(2)). Subject to what is provided in the Articles, questions arising at any meeting shall be decided by a simple majority of votes. In case of an equality of votes the Chairman shall have a second or a casting vote and any proposed resolution or resolutions in respect of which the vote was taken shall be deemed not to have been passed (Article 107(3)).
- (x) The quorum necessary for the transaction of the business of the Directors shall be four (4) Directors. Provided that the quorum necessary in connection with any resolution, contract, arrangement, transaction or any other proposal in respect of which a Director is not entitled to vote and to be counted in the quorum shall be one half ($\frac{1}{2}$) of the number of Directors entitled to vote and to be counted in the quorum rounded up to the nearest whole number. Provided further that if no quorum is present within half an hour from the time appointed for the meeting, the meeting shall be adjourned to the second working day following the date of the meeting at the same time and place. If, at such adjourned meeting no quorum is present within half an hour from the time appointed for the meeting, the directors present shall constitute a quorum. No business shall be transacted at any adjourned meeting, except such business as shall have been specified in the Agenda for the first convocation of the meeting (Article 108).
- (xi) Any Director (other than an alternate Director) may at any time by writing under his hand and deposited at the Company's registered office, or delivered at a meeting of the Directors, appoint any person to be his alternate Director and may in like manner at any time terminate such appointment (Article 112(1)).
- (xii) The Directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Directors. Save as aforesaid the meetings and proceedings of a committee consisting of three or more members shall be governed by the provisions of these Articles regulating the proceedings and meetings of Directors (Article 111).

19.1.13 Powers of Directors

The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Companies Act or by the Articles, required to be exercised by the Company in General Meeting, subject, nevertheless, to the provisions of the Articles and of the Companies Act and to such directions, being not inconsistent with any provisions of the Articles and of the Companies Act, as may be given by the Company in General Meeting: provided that no direction given by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such direction had not been given. The general powers conferred upon the Directors by this Article shall not be deemed to be abridged or restricted by any specific power conferred upon the Directors by any other Article (Article 87).

19.1.14 Borrowing Powers

Subject to the provisions of these Articles, the Board of Directors may exercise all the powers of the Company to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof, and to issue debentures and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party (Article 95).

19.1.15 Dividends

- (i) The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors (Article 123(1)). Subject to the rights of persons, if any, entitled to shares with any priority, preference or special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the nominal value of shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purpose of this Article as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the nominal value of the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as if paid up in full or in part from a particular date, whether past or future, such share shall rank for dividend accordingly (Article 125).
- (ii) The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company and may pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates, whenever such position, in the opinion of the Board, justifies that course (Article 124).
- (iii) All dividends and interest shall belong and be paid to those Members whose names shall be on the Register at such date when the said dividends are declared notwithstanding any subsequent transfer or transmission of shares (Article 128).
- (iv) All dividends, interest or other sums payable unclaimed for one (1) year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of twelve (12) years after having been declared shall be forfeited and shall revert to the Company (Article 130).

To date no dividend has ever been declared by the Company.

19.2 Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or any other member of the Group (a) in the two years immediately preceding the date of this Prospectus and are, or may be material, or (b) (regardless of when entered into) contain provisions under which the Company or any member of the Group has an obligation or entitlement which is material to the Group as at the date of this Prospectus.

The Emphyteutical Deed

A summary is contained in Annex 1 Part E of this Prospectus.

The Lock-Up Agreement

A description of this agreement is found in Section 24 of Part D of this Prospectus.

The Existing Shareholders Agreement

A description of this agreement is found in Section 23 of Part D of the Prospectus.

The Loan Agreements

The Company enjoys facilities described in Section 12.4 of Part C of this Prospectus.

The TML deed

By a deed in the records of Notary Pierre Attard of 22 October 2010, the shopping mall known as The Point at the building known as T2 was transferred by the Company to TML by title of sub-emphyteusis. This transfer was for the remaining period of the original period of 99 years that commenced from 15 June 2000. The transfer excludes the sports facilities (that are within the same building but are a divided and distinct part of it) that were transferred to GOM by means of a previous public deed. The use by TML of the property is restricted to predominantly retail shops. The transfer was made for a consideration payable by TML of a one-time premium (in the form of the creation and issue to the Company of additional ordinary shares in TML) and a sub-groundrent that consists of an apportionment (based on floor area) of the original groundrent payable to GOM together with a small increase in groundrent payable to the Company. The terms and conditions of the transfer include restrictions on TML concerning alterations to the property, insurance and reinstatement obligations on TML, reciprocal rights and obligations concerning access, rights of passage and others relating to the position of this property and surrounding property of the Company at Tigné Point, and certain reciprocal warranties including relating to the construction of the property.

Deed between TML and Bank of Valletta p.l.c.

By another deed in the records of Notary Pierre Attard of 22 October 2010, in view of the fact that the shopping mall was granted on sub-emphyteusis by the Company to TML as described in the preceding paragraph, TML gave Bank of Valletta p.l.c. special hypothecs over the temporary sub-utile dominium of the shopping mall building on the T2 site as additional security in respect of the banking facilities. The bank gave certain waivers of existing security in so far as they refer to the said sub-utile dominium. TML also gave certain undertakings to the bank, amongst others: not to give, without the bank's prior written consent, any further hypothecs/charges over the property; not to let, transfer, sell, part with or allow third parties to use the property hypothecated on this deed under any title whatsoever, without the bank's prior written consent, provided that this restriction does not limit in any way the right to lease units in the building and/or to lease the parking facilities or parts thereof to third parties or to enter into operation agreements for the operation of the parking facilities or parts thereof in the normal course of the TML's business. For further details please see Annex 8 of Part E of this Prospectus.

19.3 Litigation

In terms of the Emphyteutical Deed, the Company is, *inter alia*, responsible for the construction and installation of the public infrastructure including the drainage, water, electricity and telecommunications distribution systems (referred to as "the Public Infrastructure"). On completion of each phase, the responsibility and control of the Public Infrastructure and the Public Areas comprised in that phase shall *ipso facto* pass to GOM (or to any authority, corporation, company or person designated by GOM), following which the Company is obliged, at the request of GOM, to appear on and sign a public deed for the purposes of vesting title in the said Public Areas and Public Infrastructure in favour of GOM or any authority, corporation, company or person (as the case may be). There is disagreement between the Company and GOM regarding the "telecommunications" Public Infrastructure and what it consists of. GOM is insisting that the Company should deliver the physical infrastructure and the cables. There is no litigation as yet but correspondence on the matter has been exchanged.

Save for the above, neither the Company nor any member of the Group is or has been engaged in nor, so far as the Company or any member of the Group is aware, has pending or threatened, any governmental, legal or arbitration proceedings which may have, or have had during the twelve (12) months preceding the date of this Prospectus, a significant effect on the Company's or the Group's financial position or profitability.

19.4 Statement by Experts

Save for the Accountants' Report – Forecast for the financial year ending 31 December 2010 (which is annexed to this Prospectus as Part E Annex 4 and which may be read together with the audited Financial Statements of the Company as laid out under the heading "Documents on Display" below) and the Architect's Valuation Report set out as Part E Annex 6, this Prospectus does not contain any statement or report attributed to any person as an expert.

The Accountants' Report – Forecast for the financial year ending 31 December 2010 dated 1 November 2010 and the Architect's Valuation Report dated 30 September 2010 have been included in the form and context in which they appear with the authorisation of Mr. Fabio Axisa, partner of PricewaterhouseCoopers of 167, Merchants Street, Valletta, Malta and Prof. Alex Torpiano, of aoM Partnership of Fort Manoel Street, Manoel Island, Gzira respectively who have given and have not withdrawn their consent to its inclusion herein.

None of the foregoing experts have any material interest in the Company. The Company confirms that the Accountants' Report dated 1 November 2010 and the Architect's Valuation Report dated 30 September 2010 have been accurately reproduced in this Prospectus and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

19.5 Documents on Display

For the duration period of this Prospectus the following documents shall be available for inspection at the registered address of the Company:

- (a) Memorandum and Articles of Association;
- (b) Audited Consolidated and Individual Financial Statements of the Company and audited Individual Financial Statements of the subsidiaries for the financial year ended 31 December 2009;
- (c) Audited Consolidated and Individual Financial Statements of the Company and audited Individual Financial Statements of the subsidiaries for the financial year ended 31 December 2008;
- (d) Audited Consolidated and Individual Financial Statements of the Company and audited Individual Financial Statements of the subsidiaries for the financial year ended 31 December 2007;
- (e) The Emphyteutical Deed;
- (f) Searches of privileges and hypothecs carried out up to 15 October 2010; and
- (g) Deed in the records of Notary Pierre Attard of 22 October 2010 by virtue of which the Company granted TML the building comprising the retail mall complex.

PART D: INFORMATION ABOUT THE SHARES

20. THE SHARES

20.1 Creation and Status

By virtue of an extraordinary resolution taken at an extraordinary general meeting of the Company held on the 18 October 2010, the Company adopted the current Memorandum and Articles of Association wherein, *inter alia*, the authorised share capital of the Company was increased to ninety million euro (€90,000,000) divided into four hundred and fifty million (450,000,000) Ordinary Shares having a nominal value of twenty euro cents (€0.20) each in order to pave the way for the Issue. The Ordinary Shares held by the Existing Shareholders which had a nominal value of two euro and thirty three cents (€2.33), were as a result, sub-divided into Ordinary Shares having a nominal value of twenty euro cents (€0.20).

The Ordinary Shares in Issue and the Ordinary Shares currently held by the Existing Shareholders form part of one class of Ordinary Shares. There are no shares of the Company in issue that have any preferred or deferred rights.

The Ordinary Shares currently held by the Existing Shareholders were issued pursuant to the Companies Act (Cap. 386 of the Laws of Malta) and are in registered form and until Admission they will be in fully certificated form. The Share certificates are evidence issued by the Company to the shareholder of the relevant entry in the register of members of the Company and of Ordinary Shares held by such member. Following Admission, the Company's share capital, whilst retaining its registered form, will no longer be in certificated form and will thereafter be held in book-entry form at the Central Securities Depository of the Malta Stock Exchange in accordance with the requirements of the Malta Stock Exchange or in such other form as may be determined from time to time by applicable law, the requirements of the Malta Stock Exchange or by the Company.

20.2 Rights Attached to the Ordinary Shares

Each new Ordinary Share will rank in full for all dividends and distributions declared, made or paid after their issue and otherwise *pari passu* in all respects with each existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Ordinary Share, as set out in the Memorandum and Articles of Association of the Company.

The following are highlights of the rights attaching to the Ordinary Shares:

Dividends	The Ordinary Shares shall carry the right to participate in any distribution of dividend declared by the Company <i>pari passu</i> with all other Ordinary Shares in the same class;
Form	Ordinary Shares;
Currency of Ordinary Shares	Euro;
Voting Rights	Each Share shall be entitled to one vote at meetings of Shareholders;
Capital Distribution	The Ordinary Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether on a winding up or otherwise, <i>pari passu</i> with all other Ordinary Shares of the same class;
Transferability	The Ordinary Shares are freely transferable and once admitted to the Official List of the Malta Stock Exchange shall be transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time; provided that Ordinary Shares which will be issued to some of the Existing Shareholders are subject to lock-up arrangements (see Sections 23 and 24 of Part D);
Pre-Emption	In accordance with article 88 of the Companies Act, should Ordinary Shares of the Company be proposed for allotment for consideration in cash, those Ordinary Shares must be offered on a pre-emptive basis to Shareholders in proportion to the share capital held by them. A copy of any offer of subscription on a pre-emptive basis indicating the period within which this right must be exercised must be delivered to the Registrar of Companies. The right of pre-emption must be exercised in accordance with Article 7 of the Articles of Association of the Company which states that on a fresh issue of ordinary shares, such shares shall be offered in the first instance to the existing Members of the Company pro-rata to the number of shares held by them respectively. The offer shall be made by notice in writing specifying the number of shares offered, as well as their price, and limiting a time, being not less than fourteen (14) days, within which the offer if not accepted shall be deemed to have been declined. Any remaining shares may then be offered to non-Members;
Other	The Ordinary Shares are not redeemable and not convertible into any other form of security;
Mandatory Takeover Bids, Squeeze-Out and Sell-Out Rules	Chapter 18 of the Listing Rules, implementing the relevant provisions of <i>Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004</i> regulates the acquisition by a person or persons acting in concert of the control of a company and provides specific rules on takeover bids, squeeze-out rules and sell-out rules. The Shareholders of the Company may be protected by the said Listing Rules in the event that the Company is subject to a Takeover Bid (as defined therein). The Listing Rules may be viewed on the official website of the Listing Authority – www.mfsa.com.mt

20.3 Dividend Policy

The Directors intend that the Company's dividend policy during the continued development of the Project should secure the payment of regular dividends that provide an adequate return to shareholders. Care will be taken during this period to ensure consistency in the payment of annual dividends, having regard to expected fluctuations in profitability linked to the timing of the signing of the final deeds of sale of the property. Furthermore, once the development is completed, and residential sales concluded, the Company is expected to generate a steady ongoing stream of profits that, in the absence of new commitments, would be largely earmarked for distribution to shareholders.

The above dividend policy will be subject to determination by the Board based on the Company's results of operations and financial condition and any other factors that the Board considers relevant, always subject to the requirements of the Companies Act. In making judgements on the above matters, the Company will be subject to normal business constraints and the Board will accordingly ensure that all the Company's obligations with its creditors are in order, that all contractual covenants have been met, that the Company's cash flow will not be strained by the distribution of dividends, and that such distributions would not jeopardise the future of the Project.

As at the date of this Prospectus, two of the Company's bank loan facilities provide that dividend payments should not be effected without the consent of the lending banks. This condition is generally intended to ensure that any dividend payments made are consistent with the needs of the Project so as not to jeopardise the Company's ability to meet its obligations, which is consistent with the dividend policy outlined above. The Company's bankers have confirmed that their acceptance of the Company's request for the declaration and payment of dividends will not be unreasonably withheld if, in the opinion of the banks, the business constraints defined have been respected.

Pursuant to a prospectus dated 5 December 2008, whereby the Company issued €31,702,900 and £7,214,300 aggregate principal amount of bonds due 2016-2018 ("the Bonds"), the Company in accordance with its obligations under the said bond issue, with effect from the end of the financial year ending 31 December 2010, over the period up to the redemption of the Bonds (2016/2018), will have to set aside monies to create a reserve equivalent at least to 50% of the aggregate outstanding principal amount of the issued Bonds at the relevant time.

21. DETAILS OF THE ISSUE

21.1 The Issue

The Ordinary Shares which are available under the Issue are as follows:

- (i) 44,444,444 Ordinary Shares are available to the public pursuant to the Offer to the Public and if the said offer proves to be over-subscribed, the Directors have the option, exercisable at their discretion, to increase it up to a further 22,222,222 Ordinary Shares; and
- (ii) 22,222,222 Ordinary Shares are available to the Existing Shareholders pursuant to the Offer to the Existing Shareholders.

The Issue, which is not underwritten, is conditional upon:

- (i) Admission; and
- (ii) the Minimum Net Proceeds being raised.

In the event that any of the above conditions is not satisfied, the Issue will not proceed and the relevant Application monies will be refunded.

21.2 Reasons for the Issue

The Issue is intended to strengthen the Group's equity base and put the Group in a position to have the capacity to raise additional long-term borrowings ahead of the substantial development that has yet to take place. This development will be carried out in phases, so that the maximum borrowings outstanding at any time are kept at sustainable levels, and so that any new major commitments are entered into once prior Project components are concluded.

Additionally, the Directors believe that the Issue will offer the Company a number of ancillary benefits, including increasing its strategic and financial flexibility, enhancing the profile of its business with existing and potential partners and broadening the shareholder base.

The estimated net proceeds from the Issue, which are being assumed to be circa €19.2 million (and a further €9.8 million if the over-allotment option is exercised), are intended to be used: firstly, for the end financing of a number of phases at Tigné Point that are close to final completion, namely the underground relief road-north access, T8, T9 and T10 apartments and common areas, T12 Clubhouse, piazza and Pjazza Tigné apartments, Blocks T14 and T17 sub-structures, to meet recurrent operating expenditure and to reduce bank borrowings; secondly, towards the construction of Blocks T15 and T16; and thirdly for the carrying out of minor infrastructural works on Manoel Island (other than for these works, no funds are expected to be allocated to Manoel Island). Due to the nature of the Company's business and the uses indicated, the proceeds may be used for all the aforementioned purposes concurrently.

21.3 Authorisations

By virtue of an ordinary resolution taken at the general meeting of the Company held on the 18 October 2010 above referred to, the Board was authorised to issue and allot up to a maximum of 90,000,000 ordinary shares of a nominal value of twenty euro cents (€0.20) each and that such authorisation be valid for a maximum period of six (6) months.

By virtue of a Board meeting of the Company held on the 18 October 2010 it was resolved that the Ordinary Shares forming part of the Issue are issued by the Company to the public and to the Existing Shareholders as provided in this Prospectus.

By virtue of a letter dated 18 October 2010 received by the Board of Directors of the Company all the Existing Shareholders of the Company waived their respective rights of pre-emption, conferred on them by the Memorandum and Articles of Association of the Company (in particular the rights granted under Articles 6 and 7 of the Articles of Association) and/or conferred on them by law (in particular the rights granted under article 88 of the Companies Act), over any new Ordinary Shares to be issued and allotted pursuant to the Issue.

The Listing Authority admitted the ordinary share capital of the Company, issued and to be issued, as eligible to listing on a regulated market pursuant to the Listing Rules by virtue of a letter dated 1 November 2010.

Application has been made to the Malta Stock Exchange for all of the Ordinary Shares, issued and to be issued, to be admitted to the Official List of the Malta Stock Exchange, on allocation of the Ordinary Shares pursuant to the Issue. The Ordinary Shares are expected to be admitted to the Official List of the Malta Stock Exchange with effect from 22 December 2010 and trading is expected to commence on 23 December 2010.

21.4 Expenses of the Issue

Professional fees, costs related to publicity, advertising, printing, listing, registration, sponsoring, management, pre-placement, registrar fees, a 1.5% selling commission and other miscellaneous expenses in connection with the Issue, are estimated not to exceed €792,000, or €942,000 in case the over-allotment option is exercised, and shall be borne by the Company.

21.5 Issue Statistics

ISIN	MT0000420126
Number of Ordinary Shares available under the Offer to the Public	
• assuming the over-allotment option is not exercised	44,444,444 Ordinary Shares
• assuming the over-allotment option is exercised in full	66,666,666 Ordinary Shares
Number of Ordinary Shares available under the Offer to the Existing Shareholders	22,222,222 Ordinary Shares
Issue Price per Ordinary Share	€0.45
Estimated Net Proceeds of the Issue	
• assuming the over-allotment option is not exercised	€19.2 million
• assuming the over-allotment option is exercised in full	€29.0 million
Form	The Ordinary Shares will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Company at the Central Securities Depository
Listing	Application has been made to the Listing Authority for the admissibility of the Ordinary Shares, issued and to be issued, to listing and to the Malta Stock Exchange for the Ordinary Shares, issued and to be issued, to be listed and traded on its Official List
Offer Period	The period between 29 November 2010 and 3 December 2010 (or such earlier date as may be determined by the Company) during which the Offer to the Public and the Offer to the Existing Shareholders are open
Markets	Application has been made to the Malta Stock Exchange for the Ordinary Shares to be listed and traded on its Official List. The Ordinary Shares are expected to be admitted to the Malta Stock Exchange with effect from 22 December 2010 and trading is expected to commence on 23 December 2010
Joint Managers	Bank of Valletta p.l.c. and HSBC Bank Malta p.l.c.
Registrar	Lombard Bank Malta p.l.c.
Sponsor	Rizzo, Farrugia & Co. (Stockbrokers) Ltd.
Governing Law	The Issue is governed by and shall be construed in accordance with Maltese law
Submission to Jurisdiction	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Issue and accordingly any legal action or proceedings arising out of or in connection with the Issue shall be brought exclusively before the Maltese Courts

21.6 Expected Timetable

Issuance of Formal Notice	Thursday 4 November 2010
Application Forms Available	Monday 8 November 2010
Pre-Placement Date	Friday 26 November 2010
Opening Offer Period	Monday 29 November 2010
Closing Offer Period	Friday 3 December 2010
Expected announcement of basis of acceptance	Friday 10 December 2010
Expected dispatch of allotment advices and refund of unallocated monies (if any)	Friday 17 December 2010
Admission of Ordinary Shares on the Malta Stock Exchange	Wednesday 22 December 2010
Expected Commencement of trading of Ordinary Shares on the Malta Stock Exchange	Thursday 23 December 2010

The Company reserves the right to close the Offer Period before Friday 3 December 2010 in the event of over-subscription, in which case, the subsequent events set out in the 'Expected Timetable' shall be anticipated in the same chronological order in such a way as to retain the same number of Business Days between the said events.

22. THE OFFER TO THE PUBLIC

The Company is making an offer for subscription of 44,444,444 Ordinary Shares to be issued to the public pursuant to the Offer to the Public at forty five euro cents (€0.45) per Ordinary Share and if the said offer proves to be over-subscribed, the Directors have the option, exercisable at their discretion, to increase it up to a further 22,222,222 Ordinary Shares. The Issue Price is payable in full upon Application.

The Ordinary Shares shall be available for subscription in two tranches:

- (a) By Authorised Intermediaries for the account of their clients by way of pre-placement pursuant to, *inter alia*, the provisions of Section 22.1 below; and
- (b) By the general public and Preferred Applicants through Authorised Intermediaries pursuant to, *inter alia*, the provisions of Section 22.2 below.

22.1 Pre-Placement

Prior to the commencement of the Offer Period, the Company intends to enter into conditional placement agreements with Authorised Intermediaries (the "Placement Agreements") with respect to the subscription of Ordinary Shares, which are available pursuant to the Offer to the Public, up to an amount not exceeding 22,222,222 Ordinary Shares, that is 50% of the aggregate amount of Ordinary Shares which are available pursuant to the Offer to the Public (excluding the over-allotment option) (the "Placed Portion"). The Placement Agreements and the obligations of the Company and Authorised Intermediaries arising therefrom will be subject, *inter alia*, to Admission. Each Placement Agreement will become binding on both the Company and the Authorised Intermediaries upon delivery, subject to the Company having received all subscription proceeds in cleared funds on delivery of the Placement Agreement.

Authorised Intermediaries may submit the completed Placement Agreements together with subscription proceeds in cleared funds on 26 November 2010, (the “Pre-Placement Date”).

The minimum aggregate subscription amount for each Placement Agreement on the Pre-Placement Date shall be 250,000 Ordinary Shares and Placement Agreements for a lesser amount shall not be eligible for the Placed Portion and shall be disregarded. The minimum subscription amount for each Application lodged shall be for 25,000 Ordinary Shares.

The above shall be subject to the following:

- (a) any amount not taken up by Authorised Intermediaries for the benefit of their clients shall be available for subscription by the general public and Preferred Applicants during the Offer Period;
- (b) in the event that subscriptions received from Authorised Intermediaries pursuant to the Placement Agreements are in excess of the said amount, such subscriptions shall be scaled back and the unsatisfied portion shall automatically participate during the Offer Period and shall rank *pari passu* with other Applicants.

22.2 General Public and Preferred Applicants

22,222,222 Ordinary Shares (which can be increased up to 44,444,444 in case the Company exercises the over-allotment option) and any Ordinary Shares forming part of the Placed Portion which are not taken up, are available for subscription by the general public and Preferred Applicants pursuant to the Offer to the Public.

Preferred Applicants shall receive a pre-printed Application Form by mail directly from the Company and shall be required to submit same to Authorised Intermediaries together with cleared funds during the Offer Period. Applications by Preferred Applicants will be allocated the first six thousand five hundred Ordinary Shares (6,500 Ordinary Shares) in full whereas any excess amount shall be subject to the Allocation Policy as determined by the Company in line with Section 22.4 below.

22.3 Plans for Distribution

Under the Offer to the Public, the Company is issuing Ordinary Shares to all categories of investors, subject to what is provided under the Section titled “Important Information” at the beginning of this Prospectus.

The Terms and Conditions applicable to any Application for Ordinary Shares under the Offer to the Public are set out in the Terms and Conditions of Application contained in Section 26 of Part D of this Prospectus.

On the Pre-Placement Date and during the Offer Period, Applications for the Ordinary Shares may be made through any of the Authorised Intermediaries whose names are set out in Part E Annex 10 of this Prospectus.

22.4 Allocation Policy

The Company will determine and announce the allocation policy for the allotment of the Ordinary Shares pursuant to the Offer to the Public within five (5) Business Days of the closing of subscriptions in, at least, one newspaper. It is expected that an allotment advice to Applicants will be dispatched within five (5) Business Days of the announcement date of the allocation policy.

Dealing shall commence upon admission to trading of the Ordinary Shares by the Malta Stock Exchange and subsequent to the above-mentioned notification.

22.5 Refunds

In the event that an Applicant has not been allocated any Ordinary Shares or has been allocated a smaller number of Ordinary Shares than the number applied for, then the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Ordinary Shares applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk, within five (5) Business Days from the date of final allocation.

22.6 Intention to Acquire

The Company does not have any indication that a member of the Company's management, supervisory or administrative bodies or a single investor has the intention of participating in the Issue by acquiring more than 5% of the Ordinary Shares.

23. THE OFFER TO THE EXISTING SHAREHOLDERS

The Company is also making an offer for subscription of 22,222,222 Ordinary Shares to be issued to the Existing Shareholders, pursuant to the Offer to the Existing Shareholders, at forty five euro cents (€0.45) per Ordinary Share.

By virtue of an agreement entered into between the Company and the Existing Shareholders dated 6 November 2008, the Existing Shareholders made available funds (pro rata to their shareholding in the Company) of an aggregate amount of €10 million. Pursuant to an agreement dated 18 October 2010 between the Existing Shareholders and the Company each of the Existing Shareholders agreed to subscribe for, and the Company agreed to allot to each of the Existing Shareholders, the number of Ordinary Shares shown against their name in the first column of the table below, for the Issue Price and credited as fully paid up, in lieu of the Company paying the Sum Owed to each of the Existing Shareholders in cash as shown against their respective names in the second column of the table below and the Existing Shareholders shall accept those shares in full satisfaction of the Sum Owed.

Shareholder	Additional number of shares allotted on issue of shares in lieu of advances	Sum Owed €
Alf. Mizzi & Sons Ltd.	4,000,001	1,800,000
Fortress Developments Limited	3,333,333	1,500,000
Middlesea Valletta Life Assurance Co. Ltd.	2,888,889	1,300,000
Gee Five Limited	2,552,381	1,148,571
Bank of Valletta p.l.c.	2,116,402	952,381
Investors Limited	1,777,778	800,000
Gatt Investments Limited	1,333,333	600,000
Polidano Brothers Limited	1,333,333	600,000
Vassallo Builders Group Limited	1,333,333	600,000
Lombard Bank Malta p.l.c.	1,111,111	500,000
First Gemini plc	264,550	119,048
Pininfarina Extra s.r.l.	177,778	80,000
	22,222,222	10,000,000

24. LOCK-UP

By virtue of an agreement dated as of the 18 October 2010 (“the Lock-Up Agreement”) entered into between the Company and Alf. Mizzi & Sons Ltd., Fortress Developments Limited, Middlesea Valletta Life Assurance Co. Ltd., Gee Five Limited, Bank of Valletta p.l.c. and First Gemini plc (“the Restricted Shareholders”), each of the Restricted Shareholders has undertaken that during the period commencing on the date of the Lock-Up Agreement and ending twenty four (24) months after the date that the Ordinary Shares are admitted to the Official List of the Malta Stock Exchange (the “Lock-Up Period”), it will not transfer, sell, assign, or dispose of, or offer or agree to transfer, sell, assign or dispose of any of the Ordinary Shares in the Company held by such Restricted Shareholders at the date that the Ordinary Shares are admitted to the Official List of the Malta Stock Exchange; provided that this restriction shall not apply to any transfer, sale, assignment or disposal of the said Ordinary Shares consequent to the enforcement, as a result of default of the underlying obligation by the pledgor, of a *bona fide* pledge made to a credit institution licensed in Malta or holding an equivalent authorisation in an EU member state or EEA state. By virtue of the Lock-Up Agreement, in the event of a new issue(s) of Ordinary Shares during the Lock-Up Period, the Restricted Shareholders undertook that they would retain, during the Lock-Up Period, an amount of Ordinary Shares which is not less than seventy five percent (75%) of the percentage of Ordinary Shares held by them individually in the capital of the Company as at the date that the Ordinary Shares are admitted to the Official List of the Malta Stock Exchange.

25. TAXATION

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 Ordinary Shares, including their acquisition, holding, disposal as well as any income/gains derived therefrom or made on their disposal. The following information of the anticipated tax treatment applicable to investors is applicable only in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

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

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

25.1 Taxation Status of the Company

The Company is subject to tax in Malta on taxable profits excluding certain interest income at the standard corporate tax rate which currently stands at 35%. Certain interest income, may, at the option of the Company, be received net of a final withholding tax, currently at the rate of 15% of the gross amount of interest, in which case such profits will be allocated to the Company’s Final Tax Account.

25.2 Taxation on Dividends Paid to the Company’s Shareholders

Dividends distributed to Shareholders resident in Malta, other than companies, from untaxed profits are subject to 15% withholding tax which may be treated as a final tax at the option of the recipient Shareholders. The Company will deduct this 15% withholding tax from the amount of the dividend and will remit such withholding tax to the Commissioner of Inland Revenue.

All other dividends distributed to any Shareholders are not subject to any further tax.

Under Malta's full imputation system, a person is subject to tax, where applicable, on the net dividend grossed up by the tax paid by the distributing company on the profits out of which the dividend is distributed, other than profits distributed from the Final Tax Account. A shareholder is normally entitled to claim a refund of the difference between the tax payable on the grossed up dividend and the tax paid by the company distributing the dividend.

25.3 Tax on Capital Gains

In accordance with the current legislation, if and for as long as the Ordinary Shares which are subject to this Prospectus are listed on the Malta Stock Exchange, no tax on capital gains is payable in Malta on any transfer of these Ordinary Shares.

25.4 Duty on Documents and Transfers

In accordance with the current legislation, if and for as long as the Ordinary Shares are listed on the Malta Stock Exchange, no duty on documents and transfers (stamp duty) is payable in Malta on any transfer of these Ordinary Shares.

THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THIS PROSPECTUS. PROSPECTIVE INVESTORS ARE CAUTIONED THAT TAX LAW AND PRACTICE AND THE LEVELS OF TAX RELATING TO THE COMPANY AND ITS SHAREHOLDERS MAY CHANGE FROM TIME TO TIME. PROSPECTIVE INVESTORS ARE THEREFORE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF THE ORDINARY SHARES, AS WELL AS DIVIDEND PAYMENTS MADE BY THE COMPANY. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO INVESTORS WHO DO NOT DEAL IN ORDINARY SHARES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

26. TERMS AND CONDITIONS OF APPLICATION OF THE SHARES

The following are the terms and conditions which are applicable to Applications. Any Applicant is deemed to have notice of, and is bound by, these terms and conditions.

1. Subject to all other terms and conditions of Application, the Company reserves the right to reject, in whole or in part, or to scale down any Application, including multiple or suspected multiple Applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application, which in the opinion of the Company is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.
2. The contract created by the acceptance of an Application shall be subject to the terms and conditions set out herein, in this Prospectus and in the respective Application Form. If any Application is not accepted, or if any Application is accepted for fewer Ordinary Shares than those applied for, the Application monies or the balance of the amount paid on Application will be returned, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form, within five (5) Business Days from the date of final allocation. No interest shall be due on refunds and any risk of loss or gain that may emerge on exchange of refunds from the currency of denomination of the Ordinary Shares applied for into the base currency of the Applicant shall be at the charge or for the benefit of the Applicant.

3. In the case of joint Applications, reference to the Applicant in these terms and conditions of Application is a reference to each Applicant, and liability therefor is joint and several. Furthermore, as joint Applicants, each Applicant warrants that he/she has only submitted one Application Form in his/her name.
4. Any person, whether natural or legal, shall be eligible to submit an Application, and any one person, whether directly or indirectly, should not submit more than one Application Form. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign on behalf of, and bind, such Applicant. It shall not be incumbent on the Company or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.
5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Ordinary Shares allocated pursuant to such an Application shall be registered in the name of the minor as Shareholder, with dividends payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all dividends shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
6. All Applications must be submitted on Application Forms within the time limits established herein (refer to Expected Timetable set out in Section 21.6 of Part D of this Prospectus). The minimum application for Ordinary Shares is 2,000 and in multiples of 100 thereafter. The completed Application Forms are to be lodged with any of the Authorised Intermediaries mentioned in Annex 10 of Part E of this Prospectus. Unless other arrangements are concluded with the Registrar or the Company, all Application Forms must be accompanied by the full price of the Ordinary Shares applied for in Euro. Payment may be made either in cash or by cheque payable, to "The Registrar – Midi p.l.c. Share Issue". In the event that a cheque accompanying an Application Form is not honoured on its first presentation, the Company and the Registrar reserve the right to invalidate the relative Application Form.
7. By completing and delivering an Application Form you as the Applicant(s):
 - (a) irrevocably offer to purchase and pay the consideration for the number of Ordinary Shares specified in your Application Form (or any smaller number for which the Application is accepted) at the Issue Price subject to the provisions of this Prospectus, the terms and conditions and the Memorandum and Articles of Association of the Company;
 - (b) authorise the Registrar and the Directors of the Company to include your name or in the case of joint Applications, the first named applicant, in the register of Members of the Company in respect of the Ordinary Shares allocated to you;
 - (c) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a registration advice, or to be registered in the register of Members or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Company (which acceptance shall be made in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Company of such late delivery of consideration in respect of such Ordinary Shares, the Company may (without prejudice to other rights) treat the agreement to allocate such Ordinary Shares as void and may allocate such Ordinary Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such Ordinary Shares (other than return of such late payment);

- (d) agree that the registration advice and other documents and any monies returnable to you may be retained pending clearance of your remittance and any verification of identity as required by the Prevention of Money Laundering Act 1994 (and regulations made thereunder) and that such monies will not bear interest;
- (e) agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that you submit to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
- (f) warrant that, if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have due authority to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of Application and undertake to submit your power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;
- (g) agree that all documents in connection with the Ordinary Shares and any returned monies including refund of all unapplied Application monies will be returned without interest at your risk and will be returned by direct credit into the bank account as specified in the Application Form;
- (h) agree that, having had the opportunity to read the Prospectus, you have and shall be deemed to have had, notice of all information and representations concerning the Company and the issue of the Ordinary Shares contained therein;
- (i) confirm that in making such Application you are not relying on any information or representation in relation to the Company or the issue of the Ordinary Shares other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- (j) confirm that you have reviewed and you will comply with the restriction contained in paragraph 8 below and the warning in paragraph 9 of this Section 26;
- (k) warrant that you are not under the age of eighteen (18) years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor;
- (l) agree that such Application Form is addressed to the Company and that in respect of those Ordinary Shares for which your Application has been accepted, you shall receive a registration advice confirming such acceptance;
- (m) confirm that in the case of a joint Application the first-named Applicant shall be deemed the holder of the Ordinary Shares;
- (n) agree to provide the Registrar and/or Company as the case may be, with any information which it may request in connection with your Application(s);
- (o) agree that Rizzo, Farrugia & Co. (Stockbrokers) Ltd. will not, in its capacity of Sponsor, treat you as its customer by virtue of your making an Application for the Ordinary Shares and that Rizzo, Farrugia & Co. (Stockbrokers) Ltd. will owe you no duties or responsibilities concerning the price of the Ordinary Shares or their suitability for you;

- (p) warrant that, in connection with your Application, you have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Issue or your Application;
 - (q) warrant that if you are a non-resident, any funds forming the Application monies accompanying your Application Form emanate from a foreign source or foreign currency account held in Malta and that all applicable exchange control permits and authorisations have been duly and fully complied with;
 - (r) represent that you are not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”)) and that you are not accepting the invitation comprised in the Prospectus from within the United States of America, its territories or its possessions, any State of the United States of America or any area subject to its jurisdiction (the “United States”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person, unless you indicate otherwise on the Application Form in accordance with the instructions of the Application Form; and
 - (s) acknowledge that any Ordinary Shares which may be allotted to you will be recorded by the Central Securities Depository of the Malta Stock Exchange in the Malta Stock Exchange account number quoted on the Application Form even if such Malta Stock Exchange account number, as held by the Malta Stock Exchange, differs from any or all of the details appearing on the Application Form.
8. The Ordinary Shares have not been and will not be registered under the Securities Act and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
 9. No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issues, transfer or other taxes required to be paid in such territory.
 10. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 as subsequently amended, all Authorised Intermediaries are under a duty to communicate, upon request, all information they hold about clients, pursuant to articles 1.2(d) and 2.4 of the “Code of Conduct for Members of the Malta Stock Exchange” appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the Authorised Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440, of the Laws of Malta) for the purposes, and within the terms of, the Malta Stock Exchange’s Data Protection Policy as published from time to time.
 11. Within five (5) Business Days from the closing of the subscription lists, the Company shall determine, and either directly or through the Registrar, announce by way of press release, the basis of acceptance of applications and allocation policy to be adopted.
 12. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these terms and conditions of Application, in the Application Form and in any other document issued pursuant to the Prospectus.

13. An application has been made to the Listing Authority in its capacity as the competent authority under the Financial Markets Act (Cap. 345 of the Laws of Malta) for the Ordinary Shares to be admitted to listing on a regulated market and to the board of directors of the Malta Stock Exchange for the Ordinary Shares to be admitted to the Official List. Dealing shall commence upon admission to trading of the Ordinary Shares by the Malta Stock Exchange, and following notification of the applicants as aforesaid.
14. A register for the Ordinary Shares will be kept by the Company at the Central Securities Depository of the Malta Stock Exchange, wherein there will be entered the names and addresses of the holders of the Ordinary Shares. A copy of such register will at reasonable times during business hours be open for inspection at the registered office of the Company after having given at least twenty four hours advance notice.
15. The Ordinary Shares have been issued in certificated form but upon admission of the same to listing and trading on the Malta Stock Exchange they shall be maintained in book-entry form at the Central Securities Depository. The Ordinary Shares shall accordingly be evidenced by a book-entry in the register of Shareholders held by the Central Securities Depository. The Central Securities Depository will, upon request, issue a statement of holdings to Shareholders evidencing their entitlement to Ordinary Shares held in the register kept by the Central Securities Depository.
16. The Ordinary Shares may be transferred only in whole in accordance with the rules and procedures applicable from time to time at the Malta Stock Exchange.
17. Any person becoming entitled to the Ordinary Shares upon death or bankruptcy of a holder of the Ordinary Shares may, upon such evidence being produced as may from time to time properly be required by the Company or the Malta Stock Exchange, elect either to be registered himself/herself as holder of the Ordinary Shares or to have some person nominated by him/her registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself/herself, he/she shall deliver or send to the Company a notice in writing signed by him/her stating that he/she so elects. If he/she shall elect to have another person registered he/she shall testify his/her election by executing to that person a transfer of those Ordinary Shares. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Ordinary Shares and to any applicable laws and regulations.
18. The cost and expense of effecting any exchange or registration of transfer or transmission, except for the expenses of delivery by other than regular mail (if any) and except, if the Company shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the holder of the Ordinary Shares.

PART E: ANNEXES

ANNEX 1 SUMMARY OF THE EMPHYTEUTICAL DEED - ISSUES ARISING THEREUNDER

Introduction

As explained above the Company holds the land at Tigné Point Sliema and Manoel Island by title of temporary emphyteusis granted to it by GOM for a period of 99 years which commenced on 15 June 2000.

The Emphyteutical Deed imposes a number of obligations and restrictions on the Company in favour of GOM, the most salient of which can be generally grouped under the following headings:

- (i) Payment of the annual groundrent (clause 3 of the Emphyteutical Deed);
- (ii) Payment of the premium (price) for the Emphyteutical Grant (clause 4);
- (iii) Obligations relating to the development of the Emphyteutical Land (clause 8);
- (iv) Obligations relating to the restoration of historic sites and buildings on the Emphyteutical Land (clause 9);
- (v) Relocation Obligations (clause 10);
- (vi) Restrictions on the transfer of the Emphyteutical Land or parts thereof (clause 11).

Some of these obligations are secured by charges over the Emphyteutical Land.

For certain specific purposes such as the allocation of the premium, development of the Emphyteutical Land and the release of charges, the Emphyteutical Deed divides the Emphyteutical Land into a number of “Phase Areas” (Schedule 15).

Tigné Point is divided into 7 Phase Areas:

Tigné Sports Phase Area
Tigné South Phase Area
Tigné Pjazza Phase Area
Tigné North 3 and Fort Phase Area
Tigné North 2 Phase Area
Tigné North 1 Phase Area
Tigné Tower Phase Area

Manoel Island is divided into 8 Phase Areas:

Marina South Phase Area
Marina Central Phase Area
Lazaretto Phase Area
Fort Manoel Phase Area
Manoel Sports Club Phase Area
Marina Lido Phase Area
Marina Mall Phase Area
Marina North Phase Area

The following is a summary of the most salient parts of the Emphyteutical Deed. It may not be deemed to be exhaustive.

Title

The contract of emphyteusis is contemplated in the Maltese Civil Code (Cap. 16 of the Laws of Malta) and is regulated by articles 1494 to 1524 of the Civil Code.

Article 1494 defines emphyteusis as “a contract whereby one of the contracting parties grants to the other, in perpetuity or for a time, a tenement for a stated yearly rent or groundrent which the latter binds himself to pay to the former, either in money or in kind, as an acknowledgment of the tenure.” The grantor is sometimes referred to as “the direct owner” and the grantee as “the emphyteuta”. Some of the relevant articles of the Civil Code are mandatory provisions while others are not and can be contracted out of.

The rights of the emphyteuta over the tenement, sometimes referred to as the dominium utile, and the rights of the direct owner, sometimes referred to as the dominium directum, are real rights/immovable property in terms of the Code (article 310).

Therefore, subject to any restrictions contained in the Emphyteutical Deed, the Company can develop the Land, sell its emphyteutical rights over the Land and secure any obligation it enters into by creating a charge on the dominium utile. The Company can also transfer the Land or parts thereof by title of sub-emphyteusis or for instance by title of lease. In simple terms, a temporary emphyteusis can be described as a “half-way house” between ownership and lease.

The Land is held under temporary emphyteusis which means that when the 99 year period expires, the Land with any buildings, constructions and other improvements reverts back to GOM as the direct owner (clause 20). However, the Emphyteutical Deed grants any person who acquires a residential unit the right to convert the temporary emphyteusis into a perpetual emphyteusis in consideration of a nominal payment (clause 2). This right is not available in respect of non-residential units.

Groundrent

The total annual groundrent which is payable in terms of the Emphyteutical Deed (clause 3) amounts to €1,118,100 (Lm480,000) until 31 March 2025, €1,956,673 (Lm840,000) from the 1 April 2025 until 31 March 2050 and €2,236,198 (Lm960,000) from 1 April 2050 onwards.

However, a so called “administrative abatement” is applicable in terms of the Emphyteutical Deed (Schedule 6) whereby the groundrent payable by the Company during the initial period is reduced. The abatement is not applicable in respect of any property transferred to third parties except if the transfer is made to a Subsidiary (as defined in the Emphyteutical Deed – Schedule 21) and in a restricted list of other transfers.

The annual groundrent is in respect of the entire Emphyteutical Land. In case of transfers of Phase Areas or other parts of the Emphyteutical Land including units or blocks of buildings built on the Emphyteutical Land, the groundrent is to be divided as stated in Schedule 21. The division of groundrent as provided in the Emphyteutical Deed is necessary for the purposes of recognition of the transferee by GOM and of defining the liability of the transferee for groundrent.

In the case of the Transfer (see Restrictions on Transfers below) of an entire Phase Area, the groundrent for each Phase Area is specified (paragraph (a) of clause 5 of Schedule 21).

The amounts relate to the groundrent for the first 25 years (i.e. out of the total of €1,118,100 (Lm480,000)) and are subject to the abatement and increases mentioned above.

Schedule 21 (clause 5 paragraph (b)) also provides for the division of groundrent in respect of other Transfers, such as transfers of units or blocks of buildings, by reference to the area of Floorspace (defined in clause 3.3 of the Emphyteutical Deed essentially as the utilisable internal floorspace) as follows:

1. €4.31 (Lm1.85) per 1 square metre of Floorspace for the period commencing on the date of the Emphyteutical Deed and ending on 31 March 2025;
2. €7.55 (Lm3.24) per 1 square metre of Floorspace for the period commencing on 1 April 2025 and ending on 31 March 2050;
3. €8.62 (Lm3.70) per 1 square metre of Floorspace for the period commencing on 1 April 2050 and ending on the date of expiration of the duration of the Emphyteutical Deed.

The Company has already utilised these provisions to apportion the groundrent with respect to the apartments, garages and store-rooms ("Units") in Blocks T4, T5, T6, T7, T8, T9 and T10F by virtue of various deeds dated 22 December 2006 (T4 and T5), 24 October 2007 (T6 and T7), two deeds dated 29 January 2009 (T8 and T9) and 29 July 2010 (T10F), between GOM and the Company, all deeds in the Records of Notary Vincent Miceli, except for the last deed dated 29 July 2010 in the Records of Notary Diana Charles. In terms of the said deeds, GOM agreed that when a Unit is transferred to a Transferee (as defined in clause 8 of Schedule 21 of the Emphyteutical Deed) the special privilege registered in favour of GOM pursuant to the Emphyteutical Deed, to the extent only that the special privilege was registered to secure the payment of the groundrent, shall continue to attach to such Unit only for the apportioned groundrent as agreed by GOM and the Company on the said deed, it being understood that the effects thereof for each Unit shall be suspended until such time when the Transfer of a Unit is made to a Transferee and shall come into effect immediately and without the need of any further formality in relation to a Unit when such Unit is Transferred.

Premium

The total premium payable by the Company to GOM in terms of the Emphyteutical Deed (clause 4) is/was €92,173,305 (Lm39,570,000) made up of 4 components:

- (i) €12,974,610 (Lm5,570,000) payable in instalments (up to the year 2006) without interest as stated in Schedule 7 (clause 4.1.1). This has been paid;
- (ii) €46,587,468 (Lm20,000,000) payable in instalments (from the year 2010 up to 2023) without interest as stated in Schedule 7. GOM was given an option, exercisable up to 31 March 2006, to subscribe for 10,000,000 Preference Ordinary Shares "A" in the Company in full and final settlement of such premium (clause 4.1.2). This option was not exercised, and therefore this component remains payable;
- (iii) €20,964,361 (Lm9,000,000) payable by the carrying out of (a) the infrastructural works in terms of clause 8 of the Emphyteutical Deed which include the drainage, water, electricity and telecommunications distribution systems (it is not clear whether "infrastructural works" in clause 4.3 of Emphyteutical Deed includes also the Public Areas as defined in clause 8.2); and (b) the reclamation works at Manoel Island specified in clause 10.1 of the Emphyteutical Deed (clause 4.1.3);
- (iv) €11,646,867 (Lm5,000,000) payable by carrying out of the restoration works in terms of clause 9 except those mentioned in clause 13.4 (the restoration works on the external fortifications of Fort Manoel) the costs of which shall be set-off against the €1,164,686 (Lm500,000) casino concession fee;

Schedule 9 attributes the premium to each separate Phase Area. This attribution has been made principally for the purposes of enforcement and the progressive release of the privilege by GOM.

Development Obligations

The Company is to develop the Emphyteutical Land in accordance with the outline development permit attached as Schedule 14 to the Emphyteutical Deed or such other planning permits which may be issued, but no part of the Emphyteutical Land can be used for industrial purposes except for light industries in connection with yachting services and industrial art, crafts and handicrafts (clause 7).

The phasing of the development is also specified in the Emphyteutical Deed (clause 8). The time limits generally depend on and start to run from the issue of full and final development permits. With respect to the first phase, there are time limits for the filing of applications for permits, for commencement of works following the issue of permits and for substantial completion of the phase. The first phase was a choice between (i) a combination of the Tigné South and Tigné Sports Phases including the Qui-Si-Sana to Tigné Front Trunk Road and (ii) the Marina South Phase, including the new bridge, dredging works and breakwater at Manoel Island. The Company chose the former.

There is more flexibility with respect to the other phases - the Emphyteutical Deed (clause 8.1.3) simply obliges the Company to substantially complete the phase within a specified time period (Schedule 17) from the commencement of development (but it is up to the Company to decide when to commence development). Excavations, site preparations and construction up to planned surface street level are not deemed to be commencement of development (and thus the time-limits in Schedule 17 do not start to run) except where part of the Emphyteutical Land is transferred to third parties.

The time periods for substantial completion of the Manoel Island Phase Areas are the following:		The time periods for substantial completion of the Tigné Point Phase Areas are the following:	
Marina South Phase Area	6 years	Tigné Sports Phase Area	3 years
Marina Central Phase Area	6 years	Tigné South Phase Area	5 years
Lazzaretto Phase Area	6 years	Tigné Pjazza Phase Area	3 years
Manoel Sports Club Phase Area	4 years	Tigné North 3 and Fort Phase Area	3 years
Marina Lido Phase Area	4 years	Tigné North 2 Phase Area	3 years
Marina Mall Phase Area	3 years	Tigné North 1 Phase Area	3 years
Marina North Phase Area	3 years	Tigné Tower Phase Area	5 years

The entire development must be completed by the 31 March 2023 (clause 8.1.4).

In terms of clause 8.1.2, the Company was obliged to substantially complete, by not later than four (4) years from the date of issue of the relative Full Development Permit for the entire phase/s (not being one subject to appeal or reconsideration) and any other necessary permits and authorisations, any one (at the Company's option) of the following two (2) phases:

- (i) The Tigné South and Tigné Sports Phases which include the Qui-Si-Sana to Tigné Front trunk road; or
- (ii) The Marina South Phase which includes the new Manoel Island bridge, the dredging works between Manoel Island and Gzira and the Manoel Island breakwater.

The Company had to apply for the relative Full Development Permit and all necessary permits and authorisations referred to above by not later than twelve (12) months from the date of signing of the Emphyteutical Deed.

The Company opted for the Tigné South and Tigné Sports Phase Areas (including the Qui-si-Sana to Tigné Front trunk road) (as the first Phase). Under Schedule 17, the Tigné Sports Phase Area, once commenced (other than through excavations, site preparations or construction up to planned surface street level), must be substantially completed within 3 years. Since Schedule 17 set out the time limits applicable generally while clause 8.1.2 sets out the time limit specifically in respect of the first phase, it is submitted that the specific 4 year time limit for the combined Tigné South and Tigné Sports Phases is applicable rather than the general time limit for the Tigné Sports Phase. Reference is made to Completion of First Phase referred to below which sets out the relevant facts relating to the time-limit for completion of this first Phase.

The Company is responsible (see clause 8.2) for the construction and installation of the public infrastructure on the Emphyteutical Land including the drainage, water, electricity and telecommunications distribution systems (referred to as "the Public Infrastructure") and for the construction on the Emphyteutical Land of the areas destined for public use including roads, squares, and parks (referred to as "the Public Areas"). The Public Areas are defined in the Emphyteutical Deed by means of Schedule 18 and plans attached, which are based on the Outline Development Permit attached to the Emphyteutical Deed but it is specified that the exact measurement and location of the Public Areas are to be ultimately determined after taking into account changes to the plans. The Public Infrastructure and Public Areas once completed are to be transferred to GOM (clause 12). Upon completion of such Public Areas and Public Infrastructure (and even before the transfer thereof to GOM by means of a public deed) the responsibility and control of the same shall '*ipso facto*' pass to GOM (or any authority, corporation, company or person designated by GOM) who shall thereafter be responsible for the maintenance, upkeep, repair, replacement and cleanliness thereof in accordance with normal standards.

The Company is required to dredge an area of the Emphyteutical Land of 4,521 square metres (as specified in the Emphyteutical Deed), and this area will revert to GOM. The Company is also required to reclaim an area of 5,250 square metres (as specified in the Emphyteutical Deed), and this will be added to the Emphyteutical Land granted to the Company. The groundrent due to GOM for the reclaimed Emphyteutical Land will be equal to the groundrent that will be deducted for the dredged Emphyteutical Land, and so there will be no net change to the total amount of groundrent due to GOM.

In case of breach of the time-limits in respect of any Phase Area, GOM is entitled to a penalty of €350 (Lm150) per day for delay in the first 6 months, a penalty of €1,165 (Lm500) per day for any subsequent period of delay, and if the delay goes beyond 3 years to rescission of the Emphyteutical Grant for that Phase Area. With respect to the first phase, which is the combined Tigné South and Tigné Sports Phases, GOM has the right to rescind the entire emphyteutical concession if the time limits for the first phase are not complied with (clause 21). The Emphyteutical Deed contemplates a 6-month cure period in such case (see Dissolution below).

For the above-mentioned purposes “substantial completion” means (a) as regards Public Infrastructure and Public Areas, when 85% of works involved are completed and (b) as regards Buildings and Units, when 85% thereof are completed in shell form together with the external finishes and apertures. Any Public Infrastructure and Public Areas are to be actually completed within 18 months from the date on which substantial completion was agreed to take place.

For the duration of the Emphyteutical Grant, the Company is also granted the exclusive right to develop and operate a yachting centre on the sea facing the south shore of Manoel Island (clause 6). Clause 6.4 of the Emphyteutical Deed grants the Company a right of first refusal following the expiry of the 99-year concession. By virtue of a decision dated 6 October 2008, the Commission for Fair Trading commented negatively on this right of first refusal, describing it as anti-competitive.

For the duration of the Emphyteutical Grant, the Company is also granted the right to open and operate a casino.

Restoration Obligations

Clause 9 provides for the phasing and the performance of the obligations to restore the heritage sites and buildings.

Restoration works of sites listed in clause 2.3, excluding Fort Manoel in respect of which specific time-limits are prescribed in the Emphyteutical Deed, are to be substantially completed (i.e. completion of 85% of the relevant restoration works) together with the relative Phase Area: provided that works necessary to prevent further deterioration of such sites shall commence 6 months and shall be completed within 2 years from signing of the Emphyteutical Deed. The restoration works are to be actually completed within 1 year from the date on which substantial completion was agreed to take place. It seems that in respect of restoration works listed in the Heritage Studies Report (attached to Schedule 14 of the Emphyteutical Deed) which do not relate to sites listed in clause 2.3, the time-limit applicable thereto would be the general one under clause 8.1.4 (i.e. 31 March 2023).

The main restoration site at Manoel Island is Fort Manoel. The Emphyteutical Deed applies the following time periods in respect of the restoration of Fort Manoel:

- (i) Cleaning of ditch/restoration of parade ground and the structures within the fort must commence not later than 1 year from the date of the relative Full Development Permit, and shall be substantially completed by 5 years from that date.
- (ii) All other restoration works must commence not later than 6 years from the date of the relative Full Development Permit, and shall be substantially completed by 10 years from that date.

The Company had to apply for the relative Full Development Permit and all necessary permits and authorisations referred to above by not later than one (1) year from the date of signing of the Emphyteutical Deed.

Other principal buildings include the Lazzaretto Buildings, Cemetery Chapel, Customs House and Quarantine Cattle-Sheds.

The restoration sites at Tigné Point are Fort Tigné and Tigné Chapel (already completed).

Relocation Obligations

The Emphyteutical Deed (clause 10) also imposes on the Company other obligations consisting of the construction, finishing and transfer to GOM, within specified time limits, of certain premises and facilities which will be used by persons and organisations which prior to the signing of the Emphyteutical Deed used certain buildings and facilities on the Emphyteutical Land. The Company is to be compensated for the performance of some of these obligations, which compensation is to be set off against the premium due by the Company to GOM.

In the Manoel Island Phase Areas, these obligations relate to the football pitch and ancillary facilities, the ‘bocci’ pitch and the Club House.

In the Tigné Point Phase Areas, these obligations relate to 12 residential units and 24 car parking spaces, and specified sports facilities which are all situated in Block T1 and were transferred to GOM in 2005, and a football training pitch and ancillary facilities which are to be located on the uppermost levels of the Block T2 building and are, therefore closely tied to the development of this block.

Certificate of Completion of Works

Clause 25 of the Emphyteutical Deed provides that the Company and GOM may give notice in writing to each other informing one another of completion, substantial completion, actual completion or finishing of any works, including infrastructural and restoration works or to the carrying out of any such works up to a certain stage. The Company and GOM shall inform their respective architects to issue a joint certificate in this respect.

Should there be a case of disagreement in connection with the above-mentioned or if the certificate is not issued within 14 days from the date of service of the notice in writing mentioned in clause 25 above then the matter shall be settled by arbitration (Schedule 28 of the Emphyteutical Deed).

Restrictions on Transfers

In terms of the Emphyteutical Deed (clause 11.1), any Transfer (as defined in Schedule 21) of the Emphyteutical Land or any part thereof or any improvement thereon other than as provided in clauses 1 to 4 of the said Schedule requires the consent of GOM.

Therefore, while the Company has the right to grant by title of emphyteusis or sub-emphyteusis (which are included in the definition of the word “Transfer” contained in the Emphyteutical Deed) the Emphyteutical Land or any part of it as contemplated in clause 1 to 4 of Schedule 21, it would however require the consent of GOM in circumstances which are not so contemplated in those clauses.

Clauses 1 to 4 of Schedule 21 of the Emphyteutical Deed allow the Company to transfer any building or unit in a building which is constructed in shell form without the consent of GOM. the Company can, however, only Transfer undeveloped Emphyteutical Land without the consent of GOM if (a) the Transfer is a transfer of a whole Phase Area to a Subsidiary as envisaged in clause 2 of Schedule 21 (where Subsidiary is defined as a company or commercial partnership in which at least 60% of the ordinary share capital and voting rights are held by the Company) or (b) the Transfer is a transfer of the Tigné Tower Phase Area to a Simple Majority Subsidiary as envisaged in clauses 3 of Schedule 21 (where Simple Majority Subsidiary is defined as a company or commercial partnership in which the majority of the ordinary share capital and voting rights are held by the Company) or (c) the proposed Transfer is made “consequent to a judicial sale” as contemplated in clause 4 of the Schedule.

The apparent purpose of these provisions is that of preventing pure speculation on undeveloped Emphyteutical Land since the Company was selected and the Emphyteutical Deed contemplates that the Company is to develop the Emphyteutical Land. The exception in respect of the Company's subsidiaries allows some flexibility in case where the Company still retains indirect control of the Emphyteutical Land.

The Emphyteutical Deed (paragraph 6 of Schedule 21) also provides that in case of a Transfer of a Phase Area to a Subsidiary or Simple Majority Subsidiary in terms of clause 2 or 3 of Schedule 21, the said subsidiary shall be responsible with the Company (implying joint and several liability) for the performance and observance of the Development obligations (referred to in clause 8) and the Restoration obligations (referred to in clause 9) which relate to the particular Phase Area. The Relocation obligations are specifically mentioned in clause 10 but they may be said to be indirectly included in clause 8 which imposes an obligation to substantially complete the Phase Areas within a specific time limit.

Under clause 11.5, transfers of Ordinary Shares in the Company to third parties without the written consent of GOM are prohibited, until substantial completion of the Tigné South and Tigné Sports Phases which include the Qui-Si-Sana to Tigné Front trunk road (the first phase opted for by the Company in terms of clause 8.1.2). These Phases have been completed and, therefore, this restriction is no longer applicable.

However, transfers of Ordinary Shares amongst the existing shareholders and/or consequent to a pledge of Ordinary Shares to a Bank or Financial Institution are not caught within this prohibition.

Security

Some of the obligations outlined above are secured by privileges and hypothecs. Privileges and hypothecs confer upon the secured creditor a right of preference over property of the debtor (article 1996 Civil Code) which, in essence, gives the holder of a privilege or a hypothec prior ranking over unsecured or lower ranking creditors when property of the debtor is forcibly sold for non-payment of debts.

A "privilege is a right of preference which the nature of a debt confers upon a creditor over the other creditors, including hypothecary creditors" (article 1999 Civil Code). "Special privileges over immovables continue to attach to such immovables whatever transfers to other persons take place" (article 2002(2) Civil Code).

A "hypothec is a right created over the property of a debtor or of a third party, for the benefit of the creditor, as security for the fulfillment of an obligation" (article 2011(1) Civil Code). A hypothec is general or special: it is general when it affects all the property present and future of the debtor; it is special when it affects only one or more particular immovables of the following kind: ...(c) the dominium directum over the said immovables given on emphyteusis, and the dominium utile over such immovables."

"A special hypothec continues to attach to any immovable charged therewith into whosoever's possession such immovable may pass" (article 2013(1) Civil Code) while "A general hypothec attaches to the property affected thereby only so long as such property does not pass into the hands of a third party" (article 2013(2) Civil Code).

The payment of groundrent is secured by a general hypothec over the Company's property as well as by a special privilege (clause 3.4 of the Emphyteutical Deed) in terms of article 2010 (a) of the Civil Code which gives GOM as the direct owner a privilege "over the dominium utile of the emphyteutical tenement, for the debt due to him by the emphyteuta in respect of groundrent and for the performance of the other obligations arising from the emphyteutical contract."

The payment of the outstanding balance of premium is secured by a special privilege (clause 4.3 of the Emphyteutical Deed) in terms of article 2010(c) which gives GOM, as the alienor, a special privilege "over the immovable sold or alienated by means of a public Emphyteutical Deed, for the whole or the residue of the price, or for the performance of the covenants stipulated in the Emphyteutical Deed of sale or alienation."

The Emphyteutical Deed, however, also provides in certain circumstances for the postponement of the special privilege

which secures the outstanding premium as well as the release of the emphyteutical property from the effects of the privilege under certain terms and conditions (clause 4.3 and Schedule 10 of the Emphyteutical Deed).

The Emphyteutical Deed (clause 4.3 and Schedule 10) binds GOM to reduce the value of the privilege and release parts of the Emphyteutical Land from effects of the Privilege upon payment of premium in cash or by carrying out of works or upon the provision by the Company of first class bank guarantees or first ranking hypothecs on property. In more detail, in terms of Schedule 10, GOM has agreed to release Floorspace (defined as utilisable (whether for residential, commercial or other purposes) internal floorspace, excluding common parts, outside areas, verandahs, gardens and yards and includes Floorspace which may be developed and approved in future in accordance with future planning permits or changes thereto) in the Phase Areas from the effects of the privilege on the basis of rates per square metre that are specified in the Emphyteutical Deed. Payments of premium in cash which can be credited to secure the reduction of the privilege on any Phase Area and the release of such Phase Area from the effects thereof are limited in respect of each Phase Area to a maximum amount, thus leaving a balance of the total amount of premium attributed to such Phase Area to be repaid necessarily by the completion of works related to such Phase Area as specified in Schedule 10 (in such a way that the obligation to complete such works remains at all times secured by the privilege without the possibility for the Company of redeeming a Phase Area in full from the effects of the privilege before completing the respective works).

The Company has already utilised these provisions to obtain the release from the privilege of Blocks T4, T5, T6, T7, T8, T9 and T10F in order to sell the apartments in these blocks. By virtue of a deed in the Records of Notary Vincent Miceli of 22 December 2006, GOM has agreed that the privilege has been reduced and the outstanding balance is of €78,732,821 (Lm33,800,000) and GOM has waived its rights arising from the above note in relation to the residential blocks known as Blocks T4B, T4F, T5B and T5F with their underlying Garage Complex (Vol.r.472/07). By virtue of another deed in the Records of Notary Vincent Miceli of 24 October 2007, GOM has agreed that the privilege has been reduced and the outstanding balance is of €75,331,936 (Lm32,340,000) and GOM has waived its rights arising from the above note in relation to the residential blocks known as Blocks T6B, T6F, T7B and T7F with their underlying Garage Complex (Vol.r. 9144/07).

By virtue of another deed in the Records of Notary Vincent Miceli of 29 January 2009, GOM has agreed that the privilege has been reduced and the outstanding balance is of €74,167,249 (Lm31,840,000) and GOM has waived its rights arising from the above note in relation to the Tigné South & Tigné Sports Phase Area (Vol.r.793/09). By virtue of another deed in the Records of Notary Vincent Miceli of 29 January 2009, GOM has agreed that the privilege has been reduced and the outstanding balance is of €72,187,281.62 (Lm30,990,000) and GOM has waived its rights arising from the above note in relation to the residential blocks known as T8B, T8F, T9B and T9F with a select number of car parking facilities and storage rooms (Vol.r. 792/09). By virtue of another deed in the Records of Notary Diana Charles of 29 July 2010, GOM has agreed that the privilege has been reduced and the outstanding balance is of €69,982,975.43 (Lm30,043,691.35) and GOM has waived its rights arising from the above note in relation to the residential block known as T10F with a select number of car parking facilities (Vol.r. 5221/10).

The following are a few general rules contained in the Emphyteutical Deed which regulate releases of the privilege. With respect to payments of premium in cash, the Company has the option to credit these to any Phase Area subject to a maximum amount of cash premiums relative to that Phase Area specified in Schedule 10. The Company can provide first class bank guarantees or first ranking hypothecs on immovable property in lieu of cash payments of premium (but not in respect of premium payable in kind). Although Schedule 10 refers to release of Floorspace, it is expressly stated that upon full payment of premium attributable to a Phase Area, whether by cash payments or works or guarantees etc., the entire Phase Area in question shall be released from the effects of the privilege (including those parts which do not qualify as Floorspace).

By virtue of a deed dated 22 December 2006 and another deed dated 24 October 2007 between GOM and the Company, both deeds in the Records of Notary Vincent Miceli, the parties have agreed to apportion the groundrent with respect to the apartments, garages and store-rooms (hereinafter referred to as “the Units”) accordingly as set out in the said deeds. In the above-mentioned deeds, GOM has given its consent to reduce the Note of Hypothec and Privilege number 9973/2000 and to the reduction to the relative charge registered in the Land Registry as charge number cc1473/2000 registered in its favour and against the Company arising from the Emphyteutical Deed.

By virtue of the deed dated 22 December 2006, GOM has agreed that the credit mentioned in the said Note of Hypothec and Privilege and Land Registry charge in so far as it refers to the outstanding balance of the premium mentioned therein is reduced by €12,974,609.83 (Lm5,570,000) and the said Note of Hypothec and Privilege and Land Registry charge in so far as they refer to the outstanding balance of the premium remains valid and effective up to the sum of €78,732,821 (Lm33,800,000).

GOM has waived the special privilege mentioned in the said Note of Hypothec and Privilege and Land Registry charge, to the extent only that the special privilege was registered to secure the payment of the outstanding balance of the premium, in so far only as this special privilege affects the site at Tigné Point, Sliema on which part of the development known as the Tigné South Development is situate having a superficial area measuring approximately 5,200 square metres. and which site is occupied by a complex referred to as "Complex A" or "Caravaggio Court" comprising four (4) blocks of apartments as yet officially without number but which are referred to as Blocks T4F, T4B, T5F and T5B and underlying basements consisting of lock up garages, garage spaces and store rooms and the relative common parts of the blocks, the basements and the entire complex as well as the airspace thereof thus also releasing the said Units in the complex from the effects thereof.

GOM has also agreed that when a Unit is transferred to a Transferee (as defined in clause 8 of Schedule 21 of the Emphyteutical Deed) the special privilege mentioned in the said Note of Hypothec and Privilege and Land Registry charge, to the extent only that the special privilege was registered to secure the payment of the groundrent, shall continue to attach to such Unit only for the apportioned groundrent as agreed by GOM and the Company on the said deed, it being understood that the effects thereof for each Unit shall be suspended until such time when the Transfer of a Unit is made to a Transferee and shall come into effect immediately and without the need of any further formality in relation to a Unit when such Unit is transferred. The said Note of Hypothec and Privilege and Land Registry charge otherwise remain firm, valid and unimpaired on all the other property mentioned therein.

By virtue of the deed dated 24 October 2007 (9144/2007) GOM has agreed that the credit mentioned in the said Note of Hypothec and Privilege and Land Registry charge in so far as it refers to the outstanding balance of the premium mentioned therein shall be reduced by a total of €3,400,885 (Lm1,460,000) made up of the sum of €88,516 (Lm38,000) which the Company is considered to have paid to GOM by the completion of restoration works on the Tigné Point Chapel and the sum of €3,312,369 (Lm1,422,000) which the Company is considered to have paid to GOM by the substantial completion of the public infrastructural works in respect of the joint Tigné South and Tigné Sports Phase Areas on Tigné Point and the said Note of Hypothec and Privilege and Land Registry charge in so far as they refer to the outstanding balance of the premium shall remain valid and effective up to the sum of €75,331,936 (Lm32,340,000).

GOM has waived the special privilege mentioned in the said Note of Hypothec and Privilege and Land Registry charge, to the extent only that the special privilege was registered to secure the payment of the outstanding balance of the premium and in so far only as this special privilege affects the site at Tigné Point, Sliema on which part of the development known as the Tigné South Development is situate having a superficial area measuring approximately 5,400 square metres and which site is occupied by a complex referred to as "Complex B" or "Favray Court" comprising four (4) blocks of apartments as yet officially without number but which are referred to as Blocks T6F, T6B, T7F and T7B and underlying basements consisting of lock up garages, garage spaces and store rooms and the relative common parts of the blocks, the basements and the entire complex as well as the airspace thereof thus also releasing the said Units in the complex from the effects thereof.

GOM has agreed that when a Unit is transferred to a Transferee (as defined in clause 8 of Schedule 21 of the Emphyteutical Deed) the special privilege mentioned in the said Note of Hypothec and Privilege and Land Registry charge, to the extent only that the special privilege was registered to secure the payment of the groundrent, shall continue to attach to such Unit only for the apportioned groundrent as agreed by GOM and the Company on the said deed, it being understood that the effects thereof for each Unit shall be suspended until such time when the Transfer of a Unit is made to a Transferee and shall come into effect immediately and without the need of any further formality in relation to a Unit when such Unit is Transferred. The said Note of Hypothec and Privilege and Land Registry charge remain otherwise firm, valid and unimpaired on all the other property mentioned therein.

The above-mentioned waivers may be seen in the summary of privileges and hypothecs in Part E Annex 8.

Financing

There are a few provisions in the Emphyteutical Deed which can be utilised by a bank or financial institution which provides finance in respect of the Project.

Under clause 4.3 of the Emphyteutical Deed if financing in respect of a Phase Area has been obtained from one or more Banks or Financial institutions, GOM has agreed that it will only execute and exercise its rights under the privilege in respect of that Phase Area up to the value attributed (in Schedule 10) to that Phase Area and not the entire balance of premium (that may be due for all the Phase Areas in the development), and, furthermore, GOM has agreed to postpone (in terms of ranking), in respect of the relevant Phase Area, such amount of the privilege which exceeds the said value attributed to that Phase Area after the privilege or hypothec registered or to be registered by such Bank and/or Financial Institution on such Phase Area (in such a way that GOM's privilege remains first ranking on the Relevant Phase Area only up to the amount of premium attributed to such Phase Area).

If the said bank or financial institution acquires the Emphyteutical Land as a result of the enforcement of their security rights pursuant to the financing of the development of the Emphyteutical Land, such bank or financial institution will continue to benefit from the abatement of groundrent provision, even though the Emphyteutical Land is transferred (clause 3.2 of the Emphyteutical Deed).

If the emphyteutical concession is dissolved and GOM disposes of the Emphyteutical Land, within ten (10) years from such dissolution then, out of the proceeds of such disposal, any such bank or financial institution is to be paid the cost of any Public Infrastructure and Public Areas constructed on the Emphyteutical Land in connection with the Tigné South and Sports Phase, and the Marina South Phase but, in any case, not more than fifty percent (50%) of such proceeds or fifty percent (50%) of the cost of such Public Infrastructure and Public Areas (clause 21.2 of the Emphyteutical Deed), whichever is the lower.

Such bank or financial institution which enjoys a duly registered hypothec or duly registered privilege over the Emphyteutical Land or any part of it may notify GOM and if such notice has been given GOM cannot proceed to dissolve the emphyteutical concession before the period of 6 months from the date that such bank or financial institution is served with a copy of the judicial letter sent to the Company for purposes of dissolution. At any time prior to dissolution, such bank or financial institution may notify GOM by judicial letter that it is willing to take over the outstanding obligations with respect to the Emphyteutical Land or any part of it. In such an event the bank or financial institution and GOM shall, within three (3) months from the date of service of the judicial letter sent by the bank or financial institution, agree on a reasonable period of time for the carrying out of such outstanding obligations, which in any case shall be an extension not longer than the period of time originally granted, failing which the period will be fixed by arbitration.

Dissolution

GOM may dissolve the (entire) emphyteutical concession in the case of certain stipulated defaults by the Company (clause 21). These are:

- (i) failure to pay 3 annual amounts of groundrent or groundrent of an equivalent aggregate amount;
- (ii) failure to commence the first development phase (Tigné South and Tigné Sports Phase Areas) within a certain time (this obligation has been fulfilled), and to substantially complete it within 4 years from the issue of the final Full Development Permit;
- (iii) failure to carry out restoration works at Fort Manoel in the way and within the periods stated in the Emphyteutical Deed.

Before proceeding to dissolve the concession, GOM is obliged to serve notice to the Company, and to allow the Company a period of 6 months within which to rectify the default.

In the event of dissolution of the emphyteutical concession, the Emphyteutical Land and all improvements thereon will revert to GOM without compensation, except for the instances stated in clause 21.

The dissolution of the emphyteutical concession shall be without prejudice to and shall not in any way affect any real rights in respect of the Emphyteutical Land, any part of it or any buildings, works or structures thereon, already acquired by any third party who is acknowledged or entitled to be acknowledged by GOM. In the event of a dissolution of the emphyteutical concession any groundrents, sub-groundrents, rents or other fees falling due after dissolution which are payable by such third parties to the Company shall become the property of GOM and shall become payable to GOM.

Should the emphyteutical concession be dissolved, the Yachting Centre concession shall also be dissolved (clause 21.3). However, in this event, any berthing rights which any third party may have acquired shall not be affected.

ANNEX 2 SPECIMEN APPLICATION FORMS



MIDI p.l.c.

Ordinary Share Issue
44,444,444 Ordinary Shares at €0.45 per Ordinary Share
APPLICATION FORM 'A'

Application
Number

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable.

APPLICANT (see notes 4 to 6)

A

B

C

I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 7 & 8) :

NUMBER OF ORDINARY SHARES IN FIGURES

NUMBER OF ORDINARY SHARES IN WORDS

Ordinary Shares in MIDI p.l.c. (minimum 2,000 Ordinary Shares and in multiples of 100 Ordinary Shares thereafter) or any smaller number of Ordinary Shares for which this Application may be accepted at the Issue Price as defined in the Prospectus (dated 1 November 2010) payable in full upon application under the terms and conditions as defined in the said Prospectus and subject to the Memorandum and Articles of Association of MIDI p.l.c.

AMOUNT PAYABLE

€

D

DIVIDEND & REFUND MANDATE (see note 11)

(completion of this field is mandatory)

BANK

BRANCH

ACCOUNT NUMBER

E

I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus dated 1 November 2010 and subject to its terms and conditions which I/we fully accept. Furthermore, I/we confirm that this is the only Application Form I/we am/are submitting on my/our behalf or on behalf of the Company or other entity I/we represent.

Signature/s of Applicant/s

(Both parents or legal guardian are/ls to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)

Date

AUTHORISED INTERMEDIARY'S STAMP

AUTHORISED INTERMEDIARY'S CODE

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus (dated 1 November 2010)

1. This application is governed by the Terms and Conditions of Application contained in the Prospectus dated 1 November 2010 (the "Prospectus"). Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK CHARACTERS.
3. This Application Form is to be completed and entitles you to a preferential treatment as a holder of the Midi plc. 7% bonds due 2016 - 2018 held as the Cut-Off Date (Preferred Applicants). Preferred Applicants will be allocated the first 6,500 Ordinary Shares in full whereas any excess amount shall be subject to the Allocation Policy as determined by the Company. The first name appearing in Panel A, shall for all intents and purposes be deemed the registered holder of the Ordinary Shares. Dividends and / or Refunds, if any, will be paid directly in the account number held with a local bank in Euro, indicated by the Applicant in Panel D.
4. In the case of an Applicant who is a minor, the Application Form must be signed by both parents or by the legal guardian/s. (Any refund or dividend will be payable to the parent / legal guardian until such time as the Company is notified that the minor has attained the age of 18).
5. In the case of a body corporate, applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **THE MSE ACCOUNT NUMBER HAS BEEN PRE-PRINTED IN PANEL B AND REFLECTS THE MSE ACCOUNT NUMBER IN THE COMPANY'S REGISTER AT THE CSD AS AT 29 OCTOBER 2010. APPLICANT/S ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
7. Applications must be for a minimum of 2,000 Ordinary Shares and thereafter in multiples of 100 Ordinary Shares.
8. Payment in Euro may be made by cheque payable to 'The Registrar - MIDI p.l.c. Share Issue'. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Company and the Registrar reserve the right to invalidate the relative Application.
9. Subscription lists will open at 0830 hours on 29 November 2010 and will close at 1200 hours on 3 December 2010. The Company reserves the right, however, to close the Issue before the 3 December 2010 in the event of over-subscription. Any Applications received by the Registrar after the subscription lists close will be rejected.
10. This Application Forms duly completed is to be delivered to the offices of the Company, the Registrar or any Authorised Intermediary listed in Annex 10 the Prospectus, during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not received by the closing of the subscription lists.
11. If any application is not accepted or is accepted for fewer Ordinary Shares after the closure of the subscription lists, than those applied for, the monies or the balance of the amount paid but not allocated as the case may be, will be returned by direct credit into the bank account as indicated in Panel D.
12. The Company reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Ordinary Share Issue as contained in the Prospectus dated 1 November 2010.
13. By completing and delivering an Application Form you (as the Applicant(s)):
 - a) acknowledge that the Company may process the personal data that you provide in the Application Form in accordance with the Data Protection Act 2001;
 - b) acknowledge that the Company may process such personal data for all purposes necessary for and related to the Ordinary Shares applied for; and
 - c) acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company. Any such requests must be made in writing and sent to the Company at the address indicated in the Prospectus. The request must be signed by yourself, as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. An investor should consult an independent investment adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.



MIDI p.l.c.

Ordinary Share Issue

44,444,444 Ordinary Shares at €0.45 per Ordinary Share

APPLICATION FORM 'B'

Application
Number

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable.

APPLICANT (see notes 3 to 7)

<input type="checkbox"/> Non-Resident	<input type="checkbox"/> Minor (under 18)	<input type="checkbox"/> Body Corporate/ Body of Persons	<input type="checkbox"/> CIS - Prescribed Fund
TITLE (Mr/Mrs/Ms/)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS			
			POSTCODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / CO. REG. NO.	TEL. NO.	MOBILE . NO.
C ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use additional forms if space is not sufficient)			
TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
D MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5) (to be completed ONLY if the Applicant is a minor)			
TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME		I.D. CARD / PASSPORT NO.

E I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 & 9) :	
NUMBER OF ORDINARY SHARES IN FIGURES	NUMBER OF ORDINARY SHARES IN WORDS
<p>Ordinary Shares in MIDI p.l.c. (minimum 2,000 Ordinary Shares and in multiples of 100 Ordinary Shares thereafter) or any smaller number of Ordinary Shares for which this Application may be accepted at the Issue Price as defined in the Prospectus (dated 1 November 2010) payable in full upon application under the terms and conditions as defined in the said Prospectus and subject to the Memorandum and Articles of Association of MIDI p.l.c.</p>	
AMOUNT PAYABLE €	

F DIVIDEND & REFUND MANDATE (see note 12) (completion of this field is mandatory)		
BANK	BRANCH	ACCOUNT NUMBER

G I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus dated 1 November 2010 and subject to its terms and conditions which I/we fully accept. Furthermore, I/we confirm that this is the only Application Form I/we am/are submitting on my/our behalf or on behalf of the Company or other entity I/we represent.	
Signature/s of Applicant/s (Both parents or legal guardian are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application)	Date

AUTHORISED INTERMEDIARY'S STAMP

AUTHORISED INTERMEDIARY'S CODE

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus (dated 1 November 2010)

1. This application is governed by the Terms and Conditions of Application contained in the Prospectus dated 1 November 2010 (the "Prospectus"). Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK CHARACTERS.
3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Ordinary Shares. Dividends, if any, will be issued in the name of the person who appears in Panel B to the account number, which must be an account number with a local bank held in Euro, indicated by the Applicant in Panel F (Vide note 6 below)**
4. Applicants who are Non-Resident in Malta for tax purposes, must indicate their passport number in Panel B and the relative box in Panel A must also be marked appropriately. Applications must be accompanied by the corresponding amount in euro of the Ordinary Shares applied for.
5. In the case of an Applicant who is a minor, the word 'minor' must be indicated in Panel B next to the Applicant's name and the relative box in Panel A must also be marked. A Public Registry birth certificate must be attached to the Application Form. (The birth certificate is not required if the minor already holds securities which are listed on the Malta Stock Exchange (MSE)). The Application Form must be signed by both parents or by the legal guardian/s. (Any refund or dividend will be payable to the parent / legal guardian named in Panel D1 until such time as the Company is notified that the minor named in Panel B has attained the age of 18). The address to be inserted in Panel B is to be that of the parents / legal guardian/s.
6. In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. **APPLICANT/S WHO ALREADY HOLD SECURITIES ON THE MALTA STOCK EXCHANGE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANT/S ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
8. Applications must be for a minimum of 2,000 Ordinary Shares and thereafter in multiples of 100 Ordinary Shares.
9. Payment in Euro may be made by cheque payable to 'The Registrar - MIDI p.l.c. Share Issue'. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Company, and the Registrar reserve the right to invalidate the relative Application.
10. Subscription lists will open at 0830 hours on 29 November 2010 and will close at 1200 hours on 3 December 2010. The Company reserves the right, however, to close the Issue before the 3 December 2010 in the event of over-subscription. Any Applications received by the Registrar after the subscription lists close will be rejected.
11. This Application Form duly completed is to be delivered to the offices of the Company, the Registrar or any Authorised Intermediary listed in Annex 10 the Prospectus, during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not received by the closing of the subscription lists.
12. If any application is not accepted or is accepted for fewer Ordinary Shares after the closure of the subscription lists, than those applied for, the monies or the balance of the amount paid but not allocated as the case may be, will be returned by direct credit into the bank account as indicated in Panel F.
13. The Company reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Ordinary Share Issue as contained in the Prospectus dated 1 November 2010.
14. By completing and delivering an Application Form you (as the Applicant(s)):
 - a) acknowledge that the Company may process the personal data that you provide in the Application Form in accordance with the Data Protection Act 2001;
 - b) acknowledge that the Company may process such personal data for all purposes necessary for and related to the Ordinary Shares applied for; and
 - c) acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company. Any such requests must be made in writing and sent to the Company at the address indicated in the Prospectus. The request must be signed by yourself, as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. An investor should consult an independent investment adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

ANNEX 3 FORECAST FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2010

Summary of significant assumptions and accounting policies

1. Introduction

The consolidated forecast statement of financial position and the consolidated forecast income statement of MIDI p.l.c. (together the “consolidated forecast financial information”) for the year ending 31 December 2010 have been prepared to provide financial information for the purposes of inclusion in the Prospectus of MIDI p.l.c. dated 1 November 2010. The consolidated forecast financial information, set out on pages 127 and 128, and the assumptions below are the sole responsibility of the directors of MIDI p.l.c. The forecast financial information has been prepared on the basis of the assumption that the over-allotment option is not taken up and that the Minimum Net Proceeds of the Issue, amounting to €19.2 million, would be raised. If the over-allotment option is taken up, further proceeds up to a maximum of €9.8 million would be raised, which would principally have the effects of increasing the Company’s equity levels and available liquidity.

The consolidated forecast financial information for the year ending 31 December 2010 has been based on the following unaudited financial information:

- a) the published consolidated interim financial information for the six months ended 30 June 2010, based on unaudited management accounts of the company and its subsidiaries, which was reviewed in accordance with the requirements of ISRE 2410, ‘Review of Interim Financial Information Performed by the Independent Auditor of the Entity’; and
- b) the forecast financial information of the companies forming part of the MIDI Group covering the period from 1 July 2010 to 31 December 2010.

Generally, the forecast financial information is based on management budgets, flexed to reflect expectations on the basis of the first six months of the financial year and the actual level of activity registered subsequent to 30 June 2010.

The prospective financial information is intended to show a possible outcome based on assumptions as to future events, which the directors expect to take place, and on actions the directors expect to take. Events and circumstances frequently do not occur as expected and therefore actual results may differ materially from those included in the prospective financial information. Attention is drawn, in particular, to the risk factors set out in the Prospectus which describe the primary risks associated with the business and operations to which the prospective financial information relates.

The directors have exercised due care and diligence in adopting these assumptions. The consolidated forecast financial information was formally approved on 1 November 2010 and the stated assumptions reflect the judgements made by the directors at that date. The assumptions that the directors believe are significant to the prospective financial information are set out below.

2. Significant accounting policies

The significant accounting policies of MIDI p.l.c. are set out in its audited consolidated financial statements for the financial year ended 31 December 2009. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the consolidated forecast financial information, with the following exceptions.

- Property, plant and equipment

With effect from 1 January 2010, the Group changed its accounting policy with respect to subsequent measurement of the land and buildings component of property, plant and equipment whereby these assets shall be carried at a revalued amount, being fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Increases in the carrying amount as a result of a revaluation shall be recognised in other comprehensive income and accumulated in equity. Revaluations shall be carried out on a regular basis to ensure that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Land and buildings were previously carried at cost less any accumulated depreciation and any accumulated impairment losses.

‘The Point’ shopping mall, the Group’s principal asset within this category, became ready for its intended use during the six-month period ended 30 June 2010 and depreciation of the property and related asset components commenced accordingly. The Group utilises the straight-line method to allocate the cost or revalued amounts of the assets to their residual values over their estimated useful lives, as follows:

	%
Land and buildings	1 - 4
Electrical and plumbing installations	2 - 10
Plant, machinery and operational equipment	4 - 6.67
Fixtures and fittings	2 - 6.67

- Investment property

With effect from 1 January 2010, the Group also changed its accounting policy with respect to subsequent measurement of investment property whereby these assets shall be fair valued and carried at fair value at the end of each reporting period. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Gains or losses arising from changes in the fair value of investment property shall be recognised in profit or loss for the period in which they arise. Investment property was previously carried at cost less any accumulated depreciation and any accumulated impairment losses.

These changes in accounting policies result in the financial statements providing reliable and more relevant information about the effects of events or conditions on the entity’s financial position and financial performance. The changes in accounting policies did not have any impact on the Group’s financial results for the six-month period ended 30 June 2010 and its financial position as at that date. The carrying amount of the land and buildings component of property, plant and equipment and investment property was not deemed to be materially different from their fair value at 30 June 2010. In the consolidated forecast financial information presented below, no fair value changes attributable to property have been reflected as at 31 December 2010. The fair values of the Group’s land and buildings component of property, plant and equipment and investment property as at 31 December 2010 will be based on the market conditions and situation prevailing on that date.

- Standards, interpretations and amendments to published standards effective in 2010

In 2010, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group’s accounting period beginning on 1 January 2010. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Group’s accounting policies.

3. Basis of preparation and principal assumptions

The consolidated forecast financial information of MIDI p.l.c. is based on the expected stage of development, completion and operation or sale of the various project phases underway as at the end of the 2010 financial year.

Throughout the development or construction stage, project and other costs directly attributable to a specific phase are recognised within the Group's inventories until sale, if intended for sale, or until firm determination of intended use, if not earmarked as held for sale. Estimated project costs are more reliably measured and determined as progress is registered on the respective project phases.

Upon determination of the intended use of a specific project phase, the aggregate costs attributable to that phase, constituting its carrying amount, would be reclassified accordingly to property, plant and equipment in case of owner occupation or management; or to investment property in case of long-term rentals and/or capital appreciation. The accumulated costs of phases which are intended for sale are retained within inventories. Upon completion, when the respective phase is in the intended condition necessary for operation, lease or sale, project and other costs, including financing expenses, are no longer attributed to such phases and included in their carrying amounts.

The principal assumptions relating to the environment in which MIDI p.l.c. operates, and the factors which are exclusively outside the influence of the directors and which underlie the consolidated forecast financial information are the following:

- there will be no material adverse events originating from market and economic conditions including spending levels, exchange rate movements, employment and job growth, beyond those already reflected in the forecast;
- the MIDI Group companies will continue to enjoy the confidence of their suppliers and bankers;
- there will be no material cost overruns on budgeted capital expenditure;
- interest rates will not change materially throughout the period covered by the forecast;
- there will be no material adverse events such as delays in the completion of specific project phases and delays to obtain release of privileges prior to sale of apartments;
- the basis and rates of taxation will not change materially throughout the period covered by the forecast; and
- the rate of inflation will not exceed that experienced in the last few years.

The principal assumptions relating to the environment in which MIDI p.l.c. operates, and the factors which the directors can influence and which underlie the consolidated forecast financial information, are outlined below.

3.1 Revenues

The Group's forecast revenue for the year ending 31 December 2010 is based on the fair value of the consideration receivable for the sale of property and the provision of property rental and management services in the ordinary course of the Group's activities. Sales of property are recognised when the significant risks and rewards of ownership of the property being sold are effectively transferred to the buyer. Any amounts received in respect of sales that have not yet been reflected within revenues, under promise of sale agreements, are treated as payments received on account. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the lease term. The revenue forecast for 2010 comprises:

- actual revenue registered by the Group from the sale of a number of residential units constructed within Tigné South (mainly from phases T8 and T9) which have been handed over to the respective buyers during the eight-month period ended 31 August 2010;
- projected revenue from the forecast sales of apartments, mainly from phase T10, which are covered by promise of sale agreements and which are expected to be handed over between 1 September and 31 December 2010 on the basis of estimated dates of completion and release of related privileges;
- actual rental income registered from operating lease agreements with tenants, principally at 'The Point' shopping mall, since the launch of the Mall in March 2010 up to 31 August 2010; and
- projected lease income streams from tenant contractual arrangements in place at the date of this Prospectus, for the period from 1 September to 31 December 2010.

With respect to projected revenue from forecast sales of apartments, the estimated date of entering into final sale contracts is heavily dependent on the dates of apartment completion and privilege release; but also on the willingness of the buyers to proceed with the final contracts prior to the expiry of the ninety days notice. If delays are experienced in this respect, the timing of recognition of these apartment sales will be adversely affected. Accordingly, returns earned by the Group would be postponed to the following year but would be unaffected in terms of monetary amounts.

3.2 Cost of sales

Cost of sales relating to sale of property

Costs incurred which are directly attributable to the development of a specific project phase are accounted for as part of the development costs until project completion and classified within the Group's financial information as inventories. Costs incurred which are indirectly attributable to the development of a project phase are allocated on a rational and consistent basis with a view to presenting the financial performance of the Group in a relevant and comparable manner. Upon the sale of a residential unit and/or related car parking space, all attributable costs are transferred from inventories to profit or loss.

Attributable costs comprise:

- the cost of acquiring the land through the Emphyteutical Deed, based on discounted cash flows together with any imputed interest thereon;
- the costs incurred on development works, demolition, site clearance, excavation, construction and finishing works;
- the cost of various design and other related studies conducted in connection with the project together with architect fees, project management costs, legal expenses and other similar costs; and
- any borrowing costs attributable to the development of the project phases.

The allocation of attributable costs to residential units sold is the result of a detailed allocation process. The rationale for allocating different cost items to units expected to be sold during the six-month period ending 31 December 2010 is consistent with that adopted in prior years and the basis of allocation of the respective cost components is driven by objective and reasonable benchmarks.

Gross profit margins from the sale of apartments forecast for the six-month period ending 31 December 2010 are not expected to change significantly from the levels experienced in the initial six months during 2010.

Cost of sales relating to property rental and management

Cost of sales relating to these activities mainly comprises the depreciation charges on 'The Point' shopping mall, which is the Group's principal asset utilised in these activities, and other property related charges. Depreciation is computed on the basis of the estimated useful lives of the respective asset components as outlined previously.

3.3 Administrative expenses

Administrative expenses consist of the costs of general management of the Group's activities. These include primarily the payroll costs of the administrative and marketing functions, professional and legal fees, certain depreciation charges, costs of maintaining the administration buildings and other general overheads. No significant increases are anticipated and the forecast in relation to these costs has been based on prior year experience together with the level of expenditure incurred in the first six months of 2010. Costs were adjusted to reflect effects of inflation, where deemed appropriate.

3.4 Other operating income

Other operating income, consisting mainly of berthing fees, is recognised on an accruals basis. The forecast level of other income is based on prior year experience together with the trends experienced in the initial six months of the year ending 31 December 2010.

3.5 Finance costs

Interest costs and similar finance charges in relation to the Group's borrowings, consisting of floating rate bank borrowings and fixed rate bonds issued to the general public, have been forecast on the basis of the forecast level of financing outstanding

during the period covered by the forecast and utilising contracted rates. In the case of floating interest rate borrowings, the forecast has been based on interest rates applicable at the date of approving the Prospectus.

The Group's finance costs also include the impacts of imputed interest as a result of the unwinding of the liability arising from the Emphyteutical Deed with GOM, which is recognised on the basis of discounted contractual cash flows taking cognisance of the contractual payment dates over the coming years.

Finance costs that are directly attributable to specific phases within the development project are capitalised as part of the cost of the phase and are included in its carrying amount until substantially all the activities necessary to prepare any distinct part of the phase for its sale or intended use are completed. All other borrowing costs are recognised in profit or loss as incurred. In view of the stage of development of the different phases of the project at the date of approving this Prospectus, a substantial part of the Group's financing costs are recognised in the forecast income statement.

3.6 Share of results of joint venture

The amounts recognised in the consolidated forecast income statement for the year ending 31 December 2010 are based on the forecast results of the Group's joint venture, which comprise management accounts for the initial six-month period of the financial year and a forecast up to the end of the reporting period.

3.7 Taxation

Current taxation is provided at 35% of the Group's chargeable income for the year. Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The principal temporary differences arise from the difference between the cost of land, attributable to apartments sold, for accounting purposes (based on amounts referred to in the Emphyteutical Deed discounted to net present value and adjusted through unwinding of imputed interest to date of completion) and that determined for tax purposes (based on undiscounted Emphyteutical Deed amounts).

3.8 Earnings per share

Earnings per share is based on the forecast profit after taxation attributable to the equity holders of the company divided by the weighted average number of ordinary shares of MIDI p.l.c. forecast to be in issue during the year.

	Forecast for the year ending 31 December 2010
Net profit attributable to equity holders of the company	€950,811
Weighted average number of ordinary shares in issue assuming the over-allotment option is not taken up	149,895,023
Earnings per share	<u>0.6 cents</u>


4. Conclusion

The directors of MIDI p.l.c. believe that the assumptions on which the consolidated forecast financial information is based are reasonable. The directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Group will be sufficient for the carrying out of its business.

Approved by the Board on 1 November 2010 and signed on its behalf by:



Albert Mizzi
Chairman



Paul Bonello
Director

Consolidated Forecast Statement of Financial Position

As at
31 December
2010
€000

ASSETS**Non-current assets**

Property, plant and equipment	59,861
Investment property	26,348
Other non-current assets	1,297
Total non-current assets	87,506

Current assets

Inventories – Development project	147,387
Other current assets	13,093
Total current assets	160,480

Total assets

247,986

EQUITY AND LIABILITIES**Capital and reserves**

62,997

Non-current liabilities

Trade and other payables	23,770
Borrowings	83,386
Other non-current liabilities	2,317
Total non-current liabilities	109,473

Current liabilities

Trade and other payables	56,872
Borrowings	18,644
Total current liabilities	75,516

Total liabilities

184,989

Total equity and liabilities

247,986

Consolidated Forecast Income Statement

	Year ending 31 December 2010 €000
Revenue	23,838
Cost of sales	(17,988)
Gross profit	5,850
Administrative expenses	(1,887)
Other operating income	650
Operating profit	4,613
Finance income	42
Finance costs	(3,076)
Profit before tax	1,579
Tax expense	(628)
Profit for the year	951

ANNEX 4 ACCOUNTANTS' REPORT - FORECAST FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2010



The Directors
MIDI p.l.c.
North Shore
Manoel Island
Malta

1 November 2010

Dear Sirs,

Independent Accountants' Report on the Consolidated Forecast Financial Information of MIDI p.l.c.

We report on the consolidated forecast financial information of MIDI p.l.c. for the year ending 31 December 2010. The consolidated forecast statement of financial position, the consolidated forecast income statement, the basis of preparation and the material assumptions upon which the forecast is based, are set out on pages 122 to 128 of the Prospectus issued by MIDI p.l.c. dated 1 November 2010.

This report is required in terms of rule 9.19 of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the consolidated forecast financial information

It is the responsibility of the directors of MIDI p.l.c. to prepare the consolidated forecast financial information and the assumptions upon which it is based, as set out on pages 122 to 128, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and EU Regulation EC 809/2004.

Accountants' responsibility

It is our responsibility to form an opinion as required by Listing Rule 9.19 issued by the Listing Authority of the Malta Financial Services Authority and Annex I item 13.2 of EU Regulation EC 809/2004 as to the proper compilation of the consolidated forecast financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Prospectus.

Basis of preparation of the consolidated forecast financial information

The consolidated forecast financial information has been prepared on the basis stated on pages 122 to 126 of the Prospectus and is based on the unaudited interim management accounts for the six months ended 30 June 2010 and a forecast to 31 December 2010. The consolidated forecast financial information is required to be presented on a basis consistent with the accounting policies of the Group.

PricewaterhouseCoopers

PO Box 61 VLT1000

167, Merchants Street, Valletta VLT1174, Malta.

T: + (356) 2124 7000, F: + (356) 2124 4768, www.pwc.com/mt

The firm is registered as a partnership of Certified Public Accountants in terms of the Accountancy Profession Act. A list of partners and directors of the firm is available at 167, Merchants Street, Valletta, Malta.

**Basis of opinion**

We have examined the basis of compilation and the accounting policies of the accompanying consolidated forecast financial information of MIDI p.l.c. for the year ending 31 December 2010 in accordance with ISAE 3000, 'Assurance Engagements Other than Audits and Reviews of Historical Financial Information'. Our work included evaluating the basis on which the historical financial information included in the consolidated forecast financial information has been prepared and considering whether the consolidated forecast financial information has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group. The assumptions upon which the consolidated forecast financial information is based are solely the responsibility of the directors of MIDI p.l.c. and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the directors which, in our opinion, are necessary for a proper understanding of the consolidated forecast financial information have not been disclosed and whether any material assumption made by the directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the consolidated forecast financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

Since the consolidated forecast financial information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the consolidated forecast financial information and differences may be material.

Opinion

In our opinion, the consolidated forecast financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Emphasis of matter

Without qualifying our opinion, we draw attention to the fact that the consolidated forecast financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Group in accordance with International Financial Reporting Standards as adopted by the EU.

Yours faithfully,

A handwritten signature in dark ink, appearing to read 'FAxisa'.

Fabio Axisa
Partner

ANNEX 5 UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2010

Interim Directors' Report pursuant to Listing Rule 9.44q

This interim report is published in terms of the Malta Financial Services Authority Listing Rules Chapters 8 and 9 and the Prevention of Financial Markets Abuse Act, 2005. The consolidated interim financial information included in this report has been extracted from MIDI p.l.c.'s unaudited consolidated financial information for the six months ended 30 June 2010 prepared in accordance with IAS 34, 'Interim Financial Reporting'. This interim report has been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

Principal Activity

The principal activity of the Group is the development of the Manoel Island and Tigné Point Project.

Review of Financial Performance

During the period under review, the Group completed construction works on 'The Point' shopping mall and Pjazza Tigné. Both the shopping mall and the Pjazza, together with the underlying car parking, were launched and opened to the general public in March 2010. 'The Point' is Malta's largest shopping mall with 14,000 square metres of retail space a vast majority of which is occupied by tenants, principally operating as flagship stores for well established brands.

The finishes of the T10 residential block proceeded according to plan and this phase, which consists of 59 apartments, is drawing close to completion. By 30 June 2010, the Group has entered into promise of sale agreements for a significant number of these apartments. The deeds of sale delivering these apartments to their owners are expected to commence during the second half of this financial year. Other construction works were concentrated in the foundations and basement levels of the T14 to T17 phase areas. These phases will consist principally of a mix of commercial and residential units. In accordance with the emphyteutical grant entered into with the Government of Malta, MIDI p.l.c. continued carrying out various infrastructural and restoration obligations both at Tigné Point and Manoel Island.

During the course of the six-month period ended 30 June 2010, the Group delivered 12 apartments in T8 and T9 residential block with an aggregate sales value amounting to €8.1 million. New apartment sales by way of preliminary agreements for the first six months of 2010 remained satisfactory and at sustained price levels. There are no particular risks and uncertainties that are expected to have a significant impact on the financial results of the Group for the forthcoming six-month period and its financial position as at 31 December 2010.

Dividends

The directors do not recommend the payment of an interim dividend.

On behalf of the Board



Albert Mizzi
Chairman



Paul Bonello
Director

20 August 2010

Company Secretary: Luke Coppini

Registered Office:

North Shore,

Manoel Island

Malta

Telephone No. (+356) 2065 5500

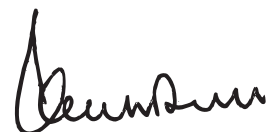
Condensed Consolidated Statement of Financial Position

	As at 30 June 2010 (unaudited) €000	As at 31 December 2009 (audited) €000
ASSETS		
Non-current assets		
Property, plant and equipment	60,037	50,227
Investment property	26,302	23,322
Other non-current assets	1,109	390
Total non-current assets	87,448	73,939
Current assets		
Inventories - Development project	147,590	149,017
Other current assets	17,406	15,314
Total current assets	164,996	164,331
Total assets	252,444	238,270
EQUITY AND LIABILITIES		
Capital and reserves	33,268	32,680
Non-current liabilities		
Trade and other payables	22,719	24,615
Borrowings	86,420	76,079
Other non-current liabilities	11,950	1,765
Total non-current liabilities	121,089	102,459
Current liabilities		
Trade and other payables	69,646	75,840
Borrowings	28,441	27,291
Total current liabilities	98,087	103,131
Total liabilities	219,176	205,590
Total equity and liabilities	252,444	238,270

The condensed consolidated interim financial information on pages 132 to 138 was authorised for issue by the Board on 20 August 2010 and was signed on its behalf by:



Albert Mizzi
Chairman



Paul Bonello
Director

Condensed Consolidated Income Statement

	Six months ended 30 June	
	2010	2009
	(unaudited)	(unaudited)
	€000	€000
Revenue	9,125	19,668
Gross profit	2,335	2,219
Operating profit	1,946	1,667
Net finance costs	(917)	(55)
Share of loss of joint venture	(187)	(234)
Profit before tax	842	1,378
Tax expense	(412)	(564)
Profit for the period	430	814
Earnings per share	3.0 cents	6.0 cents

Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June	
	2010	2009
	(unaudited)	(unaudited)
	€000	€000
Profit for the period	430	814
Other comprehensive income:		
Cash flow hedges, net of deferred tax	158	-
Total comprehensive income for the period	588	814

Condensed Consolidated Statement of Changes in Equity

	Share capital €000	Hedging reserve €000	Retained earnings €000	Total €000
Balance at 1 January 2010	29,358	(317)	3,639	32,680
Comprehensive income				
Profit for the period	-	-	430	430
Other comprehensive income:				
Cash flow hedges, net of deferred tax	-	158	-	158
Total comprehensive income	-	158	430	588
Balance at 30 June 2010	29,358	(159)	4,069	33,268
Balance at 1 January 2009	29,358	-	2,679	32,037
Comprehensive income				
Profit for the period	-	-	814	814
Balance at 30 June 2009	29,358	-	3,493	32,851

Condensed Consolidated Statement of Cash Flows

	Six months ended 30 June	
	2010 (unaudited) €000	2009 (unaudited) €000
Net cash used in operating activities	(19,859)	(16,036)
Net cash from/(used in) investing activities	3,965	(13,505)
Net cash from financing activities	20,660	32,320
Net movement in cash and cash equivalents	4,766	2,779
Cash and cash equivalents at beginning of period	2,695	542
Cash and cash equivalents at end of period	7,461	3,321

Notes to the Condensed Consolidated Interim Financial Information

1. General information

MIDI p.l.c. is a public limited liability company with its principal activity being the development of the Manoel Island and Tigné Point Project. During the interim period under review, the Group completed construction works on 'The Point' shopping mall and Pjazza Tigné, which together with the underlying car parking were launched and opened to the general public in March 2010. Furthermore, during the course of the six-month period ended 30 June 2010, the Group continued its delivery of apartments in Tigné South.

This condensed consolidated interim financial information has been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

2. Basis of preparation

The condensed consolidated interim financial information for the six months ended 30 June 2010 has been prepared in accordance with IAS 34, 'Interim Financial Reporting'. The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2009, which have been prepared in accordance with IFRSs as adopted by the EU.

Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2009, as described in those financial statements, with the following exceptions.

- Property, plant and equipment

With effect from 1 January 2010, the Group changed its accounting policy with respect to subsequent measurement of the land and buildings component of property, plant and equipment whereby these assets shall be carried at a revalued amount, being fair value at the date of the revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Increases in the carrying amount as a result of a revaluation shall be recognised in other comprehensive income and accumulated in equity. Revaluations shall be carried out on a regular basis to ensure that the carrying amount of property does not differ materially from that which would be determined using fair values at the end of the reporting period. Land and buildings were previously carried at cost less any accumulated depreciation and any accumulated impairment losses.

'The Point' shopping mall, the Group's principal asset within this category, became ready for its intended use during the interim period under review and depreciation of the property and related asset components commenced. The Group utilises the straight-line method to allocate the cost or revalued amounts of the assets to their residual values over their estimated useful lives, as follows:

	%
Land and buildings	1 - 4
Electrical and plumbing installations	2 - 10
Plant, machinery and operational equipment	4 - 6.67
Fixtures and fittings	2 - 6.67

- Investment property

With effect from 1 January 2010, the Group also changed its accounting policy with respect to subsequent measurement of investment property whereby these assets shall be fair valued and carried at fair value at the end of each reporting period. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Gains or losses arising from changes in the fair value of investment property shall be recognised in profit or loss for the period in which they arise. Investment property was previously carried at cost less any accumulated depreciation and any accumulated impairment losses.

These changes in accounting policies result in the financial statements providing reliable and more relevant information about the effects of events or conditions on the entity's financial position and financial performance. The changes in accounting policies did not have any impact on the Group's financial results for the six-month period under review and its financial position as at 30 June 2010. The carrying amount of the land and buildings component of property, plant and equipment and investment property was not deemed to be materially different from their fair value at 30 June 2010.

Standards, interpretations and amendments to published standards effective in 2010

In 2010, the Group adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group's accounting period beginning on 1 January 2010. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Group's accounting policies.

3. Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the Board, which reports are utilised to make strategic decisions. The Group has two operating segments:

- development and sale of property, which comprises primarily the construction and sale of residential units within the Tigné Point and Manoel Island Project; and
- property rental and management, which currently mainly involves the management of and lease of retail space within 'The Point' shopping mall together with the rental of other areas in the project.

The Board assesses the performance of the segments on the basis of segment operating result, before financing costs and tax impacts. The financial information for the reportable segments in relation to the six-month period ended 30 June 2010 is as follows:

	Development and sale of property €000	Property rental and management €000	Group €000
Segment revenue	8,113	1,012	9,125
Segment result - operating profit	1,182	764	1,946

With respect to the six-month period ended 30 June 2009 the Group's revenue and operating profit were principally derived from development and sale of residential units.

4. Property, plant & equipment

Additions to property, plant & equipment during the six-month period under review relate to finalisation works carried out at 'The Point' shopping mall prior to commissioning and commencement of business therefrom, which activity commenced in late March 2010, and consolidation of the land element of the mall within this category. Depreciation of the assets comprising the shopping mall also commenced with effect from the date on which 'The Point' was ready for intended use.

5. Inventories – Development project

The decrease in the carrying amount of inventories is the net effect of:

- additions to inventories mainly comprising mechanical and electrical installations together with finishes of the T10 residential block and construction works on the foundations and basement levels of the T14 to T17 phase areas; and
- transfer from inventories to income statement of the cost of apartments sold by way of final deeds, in T8 and T9 residential block, during the six-month period ended 30 June 2010 together with reclassifications to property, plant and equipment and investment property upon determination of intended use.

6. Borrowings

The Group's non-current bank borrowings increased by €10.7 million reflecting financing required to sustain the development stages of the different project phases.

7. Other non-current liabilities

Other non-current liabilities comprise advances from shareholders amounting to €10 million (31 December 2009: nil).

8. Related party transactions

All companies forming part of the respective groups of which Alf. Mizzi & Sons Ltd., Bank of Valletta p.l.c., Gatt Investments Limited, Gee Five Limited (Gasas Group), Fortress Developments Limited, Middlesea Valletta Life Assurance Co. Ltd., Investors Limited, Polidano Brothers Limited, Vassallo Builders Group Limited and Lombard Bank Malta p.l.c. form part, together with First Gemini plc and Pininfarina Extra s.r.l., are considered by the directors to be related parties by virtue of the shareholding of the companies referred to in MIDI p.l.c. Accordingly, all entities owned, controlled or significantly influenced by the Group's ultimate shareholders, the parent company's directors and close members of their families together with all entities owned, controlled or significantly influenced by these individuals are the principal related parties of the Group.

The principal transactions carried out with related parties were as follows:

i) Purchase of goods and services

	Six months ended 30 June	
	2010	2009
	€000	€000
Purchase of services from related parties	5,696	10,520

At 30 June 2010, the Group had outstanding contractual commitments with related parties for project development for the amount of €2,296,455 (31 December 2009: €4,824,778).

ii) Sale of apartments to related parties

The Group had total deposits on promise of sale agreements as at 30 June 2010 amounting to €14,019,825 (31 December 2009: €19,490,955) and the gross value of contracts relating to these promise of sale agreements was €42,253,396 (31 December 2009: €46,397,270), of which those contracted with related parties are scheduled hereunder:

	As at 30 June 2010 €000	As at 31 December 2009 €000
Deposits on promise of sale agreements	6,102	7,933
Value of contracts relating to the above promise of sale agreements	15,456	17,287

During the interim period under review, no apartment sales in the form of final public deeds were concluded with related parties (30 June 2009: sales value in terms of final public deeds amounted to €866,560).

iii) Bank loans from shareholder banks

	As at 30 June 2010 €000	As at 31 December 2009 €000
Outstanding balances	50,096	46,954

The interest charged on loans from related parties during the six-month periods ended 30 June 2010 and 2009 amounted to €1,069,523 and €1,026,568 respectively. As at 30 June 2010 the Group has banking facilities of €55,712,090 (31 December 2009: €55,712,090) sanctioned by related parties.

iv) Deposits with shareholder banks

	As at 30 June 2010 €000	As at 31 December 2009 €000
Outstanding balances	7,189	7,054

The interest income earned on deposits with related parties during the six-month periods ended 30 June 2010 and 2009 amounted to €19,822 and €140,953 respectively.

v) Bonds held by related parties

	Face value of bonds held at		Interest payable during the six months ended	
	30 June 2010 €000	31 December 2009 €000	30 June 2010 €000	30 June 2009 €000
Shareholders	1,844	1,844	65	56
Directors and other officers of the company, together with close family members of these individuals	121	118	4	4
Other related parties	500	500	18	15
Held by related parties as nominees in the ordinary course of business as investment services providers	868	664	30	20

The Group has also entered into a cross currency interest rate swap agreement, reflecting a derivative asset of €901,079 as at 30 June 2010 (31 December 2009: derivative liability of €54,227), with a financial institution which is a related party.

The transactions, undertaken with related parties, disclosed above were carried on commercial terms in the normal course of business and are subject to scrutiny by the Board.

Balances outstanding as at end of the reporting period with respect to related parties were as follows:

	As at 30 June 2010 €000	As at 31 December 2009 €000
Amounts owed to related parties	(3,664)	(1,588)
Amounts owed by joint venture	61	24

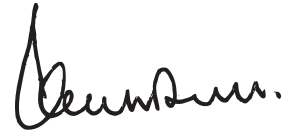
Directors' Statement pursuant to Listing Rule 9.44k.3

We hereby confirm that to the best of our knowledge:

- The condensed consolidated interim financial information gives a true and fair view of the financial position of the Group as at 30 June 2010, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34, 'Interim Financial Reporting').
- The interim directors' report includes a fair review of the information required in terms of Listing Rule 9.44q.



Albert Mizzi
Chairman



Paul Bonello
Director

20 August 2010



The Directors
MIDI p.l.c.
North Shore
Manoel Island
Malta

20 August 2010

Dear Sirs,

Independent Auditor's Report on Review of Interim Financial Information of MIDI p.l.c.

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of MIDI p.l.c. as at 30 June 2010 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended. The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (IAS 34, 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report, including the conclusion, has been prepared for and only for the company for the purpose of the Listing Rules of the Malta Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting'.

Yours faithfully,

Fabio Axisa
Partner

PricewaterhouseCoopers
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The firm is registered as a partnership of Certified Public Accountants in terms of the Accountancy Profession Act.
A list of partners and directors of the firm is available at 167, Merchants Street, Valletta, Malta.

ANNEX 6 ARCHITECT'S VALUATION REPORT

aom partnership

The Directors,

10th October 2010MIDI plc
North Shore
Manoel Island

Dear Sirs,

VALUATION REPORT – IMMOVEABLE PROPERTY AT TIGNE' POINT AND MANOEL ISLAND, MIDI plc

In accordance with your instructions, the undersigned has carried out a valuation of immoveable property, located at Tigne' Point and Manoel Island, forming part of the Manoel Island and Tigne' Point Development, and which detailed valuation report, including the undersigned's opinion of the value of the property, is herewith submitted. The effective date of this valuation is the 30th September 2010.

It is understood that the purpose of the valuation is for inclusion with the Prospectus, to be published in connection with the proposed initial public offering by MIDI p.l.c..

The undersigned declares that, as Lead Consultant for the Project, which comprises the immoveable property subject of this valuation, he is fully familiar with the property, and has had full access to all plans of the various properties, and the construction cost estimates, as is sufficient for the purposes of this valuation. Further information as was considered necessary was obtained from the Directors, or their financial advisors; this information included projections of expected future revenue streams in terms of projected and likely selling prices or rentals, cost of land in terms of cash elements, as well as public infrastructural and restoration costs, as defined in the Emphyteutical Grant of 2000, and finally projections of estimated direct development costs, design, management and supervision costs, marketing and selling costs, estate management costs, and financing costs, the preparation of which was subject to review by the company's auditors, PricewaterhouseCoopers.

The valuation has been carried out by the undersigned, as an independent valuer, in terms of, and with regard given to, the European Valuation Standards 2009, as recommended by The European Group of Valuers' Associations. There are no material differences between the European Valuation Standards and the standards and guidelines issued by the Royal Institute of Chartered Surveyors referred to in Listing Rule 14.7.10. The undersigned confirms that there is no conflict of interest in advising you of the opinion of the value of the property, since the undersigned or his associates will not benefit from the valuation instruction, other than the valuation fee.

European Valuation Standards require that the valuations for the purposes of investment be made on an assessment of a current Market Value and Existing Use, when the current and

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future interests of investors is reliant in whole or in part on the performance of real estate assets. A market value represents the estimated amount for which a property should exchange, on the date of the valuation, between a willing buyer and a willing seller in an arms'-length transaction, after proper marketing, wherein the parties have each acted knowledgeably, prudently and without compulsion. Existing Use Value assumes, in addition, that the valuation is based on the continuation of its existing use, but assuming that the properties are vacant.

The Property included in this valuation can be divided into (i) property which is completed and held as investment for its performance as an asset for generating income and/or capital gains; (ii) property which is not yet developed but which is earmarked, and held by the Company, for future development. The Property is held by MIDI plc as a result of an Emphyteutical Grant by the Government of Malta made in 2000, for the purpose of developing two large scale real estate projects located at Tigne' Point and Manoel Island. All the property is held under the title of a 99-year Lease, except that the residential component with the allocated car parking spaces that are sold can be converted by the buyers to a freehold tenure. This has been taken into account when establishing the relative selling prices for the residential components of the Property. Tigne' Point includes residential development that has already been completed and sold. This component of the Project has not been included in this valuation, and only properties that are either completed but not yet sold, , or property held for development, have been taken into account.

The property at Tigne' Point has a surface area of approximately 108,420 square metres, on which the total gross surface area of the development envisaged is approximately 137,903 square metres, excluding underground car-parking. The boundaries of the property are defined by the sea along the south-western, south-eastern, and north-eastern edges, and, broadly speaking by the axis formed by Censu Xerri Street, on the north-western edge. The development on this site is regulated by an outline master plan, approved by the relevant authorities in 1999. This master plan envisages a mix of residential units, supported by commercial areas, including retail, offices and catering facilities, and by leisure, cultural and recreational facilities. Two important heritage monuments, the restored Fort Tigne', which dates to the late 18th century, and the extant portions of the Garden Battery, which date to the late 19th century, are integrated in the development. The development of this site was divided into phases, a number of which have been completed and sold, and others still about to commence. For the purposes of this valuation, since the ground has been broken for the whole of the development, and since all parts of the proposed development are covered by at least an outline development permit, the whole of the Tigne' Point property has been taken as one development, even though the separate phases will be completed at different periods. The following phases were identified in the Emphyteutical Grant:

the *Tigne' Sports Phase*, which includes a major commercial development, over approximately 17,520 square metres net spread over three levels, currently referred to as The Point Commercial Mall, (previously Block T2), some residential units, referred to as the Clock Tower residences, (previously Block T1), already disposed of as part of the relocation costs, (and therefore not included in this valuation), sports facilities for the local community, (which facilities are, in accordance with the Emphyteutical Grant, to be transferred to the Government of Malta, and which therefore have not been included in this valuation), underground car-parking facilities and a major underground traffic road, (also already transferred to the Government of Malta, as part of the Emphyteutical Grant obligations) – practically the whole of this phase is completed, and completely in conformity with approved

planning permits, issued in 2004;

the *Tigne' South Phase*, which is a completely residential development consisting of apartment blocks, (previously referred to as Blocks T4, T5, T6, T7, T8 and T9), over approximately 37,000 square metres, and underlying parking facilities – which is completed and practically all sold – and also a Clubhouse (referred to as Block T12) containing catering facilities (1425sq.m gross) and health and fitness amenities (2035sq.m gross), and Fort Tigne', which has been restored in accordance with approved planning permit issued in 2005, and which will offer the potential of ca. 750sq.m of commercial/catering area;

the *Tigne' Plaza Phase*, which consists of a public Piazza, at the periphery of which are 20 residential units, (net area, 2900 sq.m), and about 14 commercial units, (gross area 2880sq.m), overlying underground public car-parking, for about 420 cars – which have been completed, in conformity with approved planning permits issued in 2003, and 2004, and which will soon be placed on the market for sale or rental;

the *Tigne North Phases*, which consist of (i) sea-front residential units, and underlying car-parking facilities, – approximately 16,000 square metres gross, currently referred to as T10, comprising 59 residential units, also completed in conformity with the approved planning permit issued in 2005, and partially sold, or in the process of being sold; (ii) further sea-front residences, adding up to approximately 5985sq.m, (currently referred to as T17), which await full development permission; and (iii) ca. 12,770sq.m of office/commercial space, (currently referred to as T14), which also awaits full development permission. The substructure for the T17 residential units, and the T14 office/commercial building, has already been constructed, in conformity with the relative planning permit, which was issued separately. This substructure contains car-parking spaces, part of which are envisaged to be sold with the overlying residential units, and the remainder to form part of the public car-parking offering under Tigne' Plaza.

and finally the *Tigne' Tower Phase*, which is currently envisaged as a hospitality offer over a total area of approximately 17,395 square metres gross, (currently referred to as T20, but including also some commercial development in two small blocks referred to as T15/T16) – the detail of which is largely still at design stage, and for which full planning permission is still awaited or to be applied for.

The property at Manoel Island has a surface area of approximately 267,900 square metres, on which the total gross surface area of the development envisaged, excluding underground car-parking, is approximately 128,860 square metres. The boundaries of the site basically correspond to the coastal perimeter of the island, except for an area, which is located along approximately half of the north coast of the island, which comprises a yacht repair facility belonging to third parties. The development on this site is also regulated by another outline master plan approved by the relevant authorities in 1999. An application for an amended master-plan has been submitted for approval by the relative planning authorities. This master plan retains the proposal for the development of a residential village, mainly in the southern part of the island, but adds a proposal for a hotel accommodation (originally approved for Tigne' Point), in addition to other approved commercial areas. The plan also retains the proposals for the two major heritage sites, Fort Manoel, dating to the early quarter of the 18th century, and the Lazaretto Terrace, the various components of which date to the period between mid-seventeenth to the mid-nineteenth century.

The main features of the master plan include a marina village, a marina, a sports and fitness club, a north lido, a mix of residential and commercial development, including a casino, to be located within the restored Lazzaretto Terraces, and the restored Fort Manoel. Restoration works in Fort Manoel are well advanced, and the first phase, which envisaged the restoration of all buildings within the bastion walls, has been completed. The development is envisaged to contain approximately 79,023sq.m gross residential accommodation, in the Marina Village and North; in addition, approximately 9718sq.m gross, in the form of 54 duplex residential units, as well as 1950sq.m as a hostel, 6320sq.m as retail and catering commercial development, and approximately 2,868sq.m gross as a casino are envisaged in the Lazzaretto Terrace; other development includes approximately 15,450 sq.m. gross area of new commercial/catering/leisure amenity facilities in the Marina Village, approximately 6000sq.m gross as commercial/catering facilities in existing heritage buildings, and 6100 sq.m of potentially useable volume in Fort Manoel. The development is also envisaged to include extensive areas of open-air sports facilities. In addition, the development is expected to accommodate underground car-parking for ca. 2000 car spaces, (ca. 1200 public car-parking and ca. 800 car parking spaces allocated to the residential units), and a marina for about 350 berths.

The volumes indicated above reflect the volumes envisaged by the Outline Development Permit, and the Emphyteutical Deed of 2000. In the course of discussions with MEPA, on the various applications for full development permits, and in the course of its ongoing meetings with the Government of Malta on the progress of the Project, MIDI plc has received proposals from the Government of Malta, concerning the proposed development on certain parts of the Project. MIDI plc has accepted to enter into discussions on these proposals, on the basis that alternative schemes can be identified that are not detrimental to the interests of either party.

The property valuations set out in this document, and the Project description given above, are based on the Outline Development Permit currently enjoyed by the Company, for those parts of the Project where a full development permit does not yet exist. It is not expected that the outcome of the discussions referred to above will have a material impact, favourable or adverse, on the value and future prospects of MIDI plc.

Alternative scenarios have been discussed to date with the Government of Malta, some of which would require changes to the Outline Development Permit and to the Emphyteutical Deed. Changes to the Deed may also be required in respect of phase boundaries, which were originally indicated in the Emphyteutical Deed on the basis of the plans forming the Outline Development Permit of 1999. It is assumed that these changes have no material effect on the valuations set out in this document.

According to the latest master-plan phasing provided by MIDI's project management, works on Manoel Island are expected to commence in 2011 (except for the on-going restoration work on Fort Manoel, which is expected to be completed in 2014, and restoration work on the Lazzaretto Terraces that is envisaged to start in 2010 and to be completed by 2014), and the development on Manoel Island is expected to become fully operational by 2016. This programme depends on the timely issue of planning permission by the relevant authorities.

The Valuation is based on the sum of the values of the individual components of the project, classified as described before. For the completed residential property destined for sale, market value was based on project inflows, based on the existing promise of sale

agreements, or on estimated selling prices, discounted at 7%, whilst taking into account estimated disposal costs and outstanding construction or other outflows. For the completed investment property, market value was established on the basis of a Depreciated Cash Flow approach, based on current contracts, where existing, or contracts under negotiation, discounted at rates which reflect the relative risks. Details of the main terms of tenants' leases or sub-leases are appended to this valuation as Appendix 2.

In the case of property held for development, the market value was also based on a Depreciated Cash Flow approach; the market value is, in this case, considered to correspond to the capitalized sum of the fair business earning potential. The valuation was therefore based on the determination of likely future operational cash-flows, together with the estimated residual value at the end of the period covered by operational projections, discounted to net present value at an appropriate rate of return. Inflows were estimated on the basis of the experience in other parts of the Project, and in comparable sites in Malta, and outflows were based on the estimated construction and marketing costs, discounted at 12% to reflect the specific level of risk. Where, in the case of the Tigne' North developments, the substructure has already been completed, the reduced risk was reflected in a slightly lower discount rate of 11.5%. In parallel, however, the values of the property, which could be considered as "bare land" values, were compared to quoted land sales in recent large property deals, so as to use the comparative approach to validate the results obtained.

In order to prepare this valuation, the undersigned had access to, and review of, the total costs incurred to date by MIDI plc, for the Property located at Tigne' Point, as well as at Manoel Island, as made available by the Directors, and reviewed by the Company's auditors PricewaterhouseCoopers. Information on the assumptions reflected in the Balance Sheet was also available. In particular, the values assumed for cash inflows and outflows exclude all liabilities already reflected in the Balance Sheet of the Company. The undersigned also had access to, and review of, the pricing strategy that was proposed for the development.

The cost of land, according to the conditions of the Emphyteutical Grant, consists of a cash element totaling €59.6mi, composed of a first component of €12.9mi, which has already been paid, and a second component of €46.7mi which is payable in instalments without interest as from 2010 until 2023, and of non-cash elements composed of €21mi of public infrastructural works, and €11.6mi of restoration costs, of which a significant portion have already been incurred. The Property is subject to a number of registered privileges, and emphyteutical grant conditions, which have been taken into account in the preparation of this Valuation Report, and which are detailed in Appendix 1, attached to this report.

The Emphyteutical Deed imposes a number of obligations and restrictions on Midi in favour of the Government of Malta, under the following headings:

- (i) Payment of the annual ground-rent (Article 3 of the Emphyteutical Deed);
- (ii) Payment of the premium (price) for the Emphyteutical Grant (Article 4);
- (iii) Obligations relating to the development of the Emphyteutical Land (Article 8);
- (iv) Obligations relating to the restoration of historic sites and buildings on the Emphyteutical Land (Article 9);
- (v) Relocation Obligations (Article 10);
- (vi) Restrictions on the transfer of the Emphyteutical Land or parts thereof (Article 11).

Some of these obligations are secured by charges over the Emphyteutical Land.

For certain specific purposes, such as the allocation of the premium, development of the Emphyteutical Land and the release of charges, the Emphyteutical Deed divides the Emphyteutical Land into a number of "Phase Areas" (Schedule 15). The Emphyteutical Grant provides that the overall Project should be completed by 31 March 2023. The Emphyteutical Deed sets out maximum construction duration periods for each phase but, with two exceptions, which are now completed or at an advanced stage, it leaves it up to the MIDI to determine when a particular phase should be commenced. Each phase area is assigned with specific premium obligations, in cash or in kind (by the carrying out of works related to that phase area), which when fulfilled enables MIDI to release the phase area from the effects of the special privilege held by the Government of Malta in respect of the premium. It is possible for MIDI to complete a phase area before the cash premium relating thereto has been settled. In such cases, alternative security must be provided to GOM to permit the release of the related privilege.

The Emphyteutical Deed contains restrictions on the transfer of undeveloped land yet it allows, without the need of obtaining Government of Malta consent, the transfer of undeveloped land to a Subsidiary.

The Emphyteutical Grant is a temporary concession with a duration of 99 years. Residential buyers are however entitled to convert the title of their property into that of perpetual emphyteusis upon payment of a sum equivalent to one year's ground rent. The Emphyteutical Deed provides pre-defined and simple formulae for calculating the ground rent due in respect of a unit within the Emphyteutical Land and the release of the special privilege for the premium in respect of any such unit.

On the basis of the above, the different components of the Property have been valued on the basis of present value in their current state, as follows:

At Tigne' Point:

Completed residential apartments, which are still unsold, at Blocks T4 to T9 (Tigne' South), including car-parking spaces allocated to such apartments, valued on the basis of the selling prices (which are confirmed by the sales of the other apartments in the same blocks) less the outstanding outflows: €3,300,000

Completed residential apartments, which are still unsold or in the process of being sold, in Block T10, including car-parking spaces allocated to such apartments, valued on the basis of contracted prices, where sales have already occurred (52 units), and on estimated selling prices for the rest, (7 units), less the costs of sale and minor outstanding costs to complete: €37,900,000

Completed residential apartments, which are still unsold, (22 units), in Block T11, including car-parking spaces allocated to such apartments, valued on the basis of discounted projected sales: €7,700,000

Completed commercial property at The Point Commercial Mall, excluding underlying public car-park, total net area 17,520 sq.m., valued on the basis of contracted inflows, and estimated operating costs: €55,900,000

Completed commercial property on Tigne' Point, including Piazza shops, Fort Tigne',

Restaurants and Clubhouse on south, valued on the basis of contracted inflows where available, or of projected inflows where under negotiation or otherwise:

€14,500,000

Completed and partially operational public car-parking, including public car-parking underneath The Point Commercial Mall, valued on the basis projected inflows when project matures:

€20,000,000

Completed residential car-parking, under Blocks T14 and T17, not yet allocated to the residential apartments to be erected on north side of Tigne' Point, valued on the basis of current selling values, discounted to reflect time-delay of start of operations:

€4,200,000

Undeveloped site available for development of residential apartments (Blocks T17), with the benefit of completed substructure, (ca. 6000sq.m), taking into account an estimated total cost of development of ca. €8,000,000:

€7,300,000

Undeveloped site available for development of office/commercial volumes, (Block T14), with the benefit of completed substructure, (ca. 12770sq.m), taking into account an estimated total cost of development of ca. €19,000,000:

€8,200,000

Undeveloped site available for development of commercial/catering use, (Blocks T15/T16), with the benefit of completed substructure, (ca. 2895sq.m), taking into account an estimated total cost of development of ca. €10,000,000:

€2,100,000

Undeveloped site available for development of 23 storey-tower, with hospitality destination, (Block T20), (ca. 14,500sq.m.), taking into account an estimated total cost of development of ca. €24,000,000:

€5,000,000

On Manoel Island

Land for development of medium rise residential apartments, (Marina Village and North), (ca. 79023sq.m), valued by comparative method, as well as on basis of estimated total cost of development of €161,000,000, and estimated inflows:

€91,000,000

Air space for the development of residential duplex apartments in a heritage context (54 units), (Lazzaretto Terrace), valued on the basis of estimated total cost of development of €6,100,000, and estimated inflows:

€13,500,000

Land for development of commercial premises, (Marina Village), (ca. 11,660sq.m), valued by comparative method, as well as on the basis of estimated total development cost of €32,000,000, and estimated inflows:

Restaurants and Clubhouse on south, valued on the basis of contracted inflows where available, or of projected inflows where under negotiation or otherwise:

€14,500,000

Completed and partially operational public car-parking, including public car-parking underneath The Point Commercial Mall, valued on the basis projected inflows when project matures:

€20,000,000

Completed residential car-parking, under Blocks T14 and T17, not yet allocated to the residential apartments to be erected on north side of Tigne' Point, valued on the basis of current selling values, discounted to reflect time-delay of start of operations:

€4,200,000

Undeveloped site available for development of residential apartments (Blocks T17), with the benefit of completed substructure, (ca. 6000sq.m), taking into account an estimated total cost of development of ca. €8,000,000:

€7,300,000

Undeveloped site available for development of office/commercial volumes, (Block T14), with the benefit of completed substructure, (ca. 12770sq.m), taking into account an estimated total cost of development of ca. €19,000,000:

€8,200,000

Undeveloped site available for development of commercial/catering use, (Blocks T15/T16), with the benefit of completed substructure, (ca. 2895sq.m), taking into account an estimated total cost of development of ca. €10,000,000:

€2,100,000

Undeveloped site available for development of 23 storey-tower, with hospitality destination, (Block T20), (ca. 14,500sq.m.), taking into account an estimated total cost of development of ca. €24,000,000:

€5,000,000

On Manoel Island

Land for development of medium rise residential apartments, (Marina Village and North), (ca. 79023sq.m), valued by comparative method, as well as on basis of estimated total cost of development of €161,000,000, and estimated inflows:

€91,000,000

Air space for the development of residential duplex apartments in a heritage context (54 units), (Lazzaretto Terrace), valued on the basis of estimated total cost of development of €6,100,000, and estimated inflows:

€13,500,000

Land for development of commercial premises, (Marina Village), (ca. 11,660sq.m), valued by comparative method, as well as on the basis of estimated total development cost of €32,000,000, and estimated inflows:

€13,800,000

Land for development as communal health and fitness facilities, valued on the basis of estimated total development cost of ca. €4,000,000, and estimated inflows:

€400,000

Volumes within heritage buildings (Lazzaretto, Customs House, Canteen Building, Bovile) for development for commercial activity including hostel, casino, valued on the basis of estimated total development costs of €39,000,000, and estimated inflows:

€17,400,000

Fort Manoel, already restored, valued on the basis of potential inflows, but excluding the credit that the value of the restoration works represents in terms of the Emphyteutical Grant:

€2,700,000

Marina concession for 340 berths, valued on the basis of estimated costs, and comparable inflows:

€14,800,000

In addition, a charge of €38,600,000 in respect of estimated infrastructural costs against which no direct inflows can be assumed, as well as credit for a total of €22,100,000, in respect of the obligations of the Emphyteutical Grant, have been taken into account.

On the basis of the above, the present value of the Property at Tigne' Point, in its current state, is valued at €166,700,000, and at Manoel Island at €136,500,000, bringing the total estimated value, as at 30 September 2010, to **€303,200,000, (three hundred and three million, two hundred thousand euros)**. Solely for the purpose of comparing to the property assets as at 30 June 2010, the 30 September can be restated to €311,000,000 (three hundred and eleven million euros), as at June 2010, by adjusting for the value of the apartments sold in the period from 1 July 2010 to 30 September 2010.

Our opinion of the value of the Property is based upon the facts and evidence available at the date of the valuation, part of which information was made available by the Directors and their advisors. No detailed area measurements have been undertaken, although our knowledge of the project allows us to confirm that the areas quoted in this valuation report are broadly correct. Site conditions in Tigne' Point are known, but, as far as concerns Manoel Island, limited geological investigations have been carried out in order to determine the suitability of ground conditions and services; we did not undertake environmental, archaeological or geo-technical surveys. However, we have no reason to believe that there are any such issues as may impede the envisaged development of the site. We are aware that spent oil dumping used to occur at Manoel Island prior to the signing of the Lease Agreement, but our information is, and hence our assumptions are, that the potential contamination has been cleaned up, and that there are no other contamination problems on the site. It has also been assumed that all development will take place in strict conformity with the relative planning permits, and other statutory obligations, and constructed by reputable contracting firms, to high quality standards and first class workmanship.

Valuations are not a prediction of price, nor a guarantee of value, and whilst our valuation is one which we consider both reasonable and defensible, different valuers may properly arrive

at different opinions of value. Moreover, the value of property development is susceptible to changes in economical conditions, and may therefore change over relatively short periods. This valuation and report is submitted without prejudice to the party to whom they are addressed. The undersigned advises that no responsibility is accepted or implied to third parties to whom this report may be disclosed, with or without our consent. In particular, the undersigned advises that no liability is accepted in contract, tort (including negligence, or breach of statutory duty), restitution or otherwise, in respect of any direct loss of profit, any indirect, special or consequential loss whatsoever howsoever caused including, without limitation, loss of profit, loss of business, loss of goodwill, loss of use of money, and loss of opportunity.

In accordance with standard practice, neither the whole nor any part of this valuation nor any reference thereto may be included in any published document without the prior written approval of the undersigned for the context in which it may appear.



Prof. Dr.Eur.Ing. Alex Torpiano,
B.E.&A. (Hons), MSc. (Lond), PhD (Bath), MStructE, CEng., Perit

obo aoM Ltd.
Manoel Island,

Appendix 1**SUMMARY OF PRIVILEGES AND HYPOTHECS¹**

The following is a summary of the relevant charges:

CREDITOR	GOM
CAUSE OF PREFERENCE	<i>Special Privilege</i> over the whole of Tigné Point (subject to the released property described hereunder) and Manoel Island and a <i>General Hypothec</i> (only for the groundrent).
OBLIGATION	<p>Balance of premium €92,173,305 (Lm39,570,000) (as reduced in terms of the hereunder) and groundrent per annum of €1,118,100 (Lm480,000) until 30/03/2025; €1,956,673 (Lm840,000) from 01/04/2025 until 30/03/2050; and €2,236,198 (Lm960,000) onwards.</p> <p>By virtue of a deed in the Records of Notary Vincent Miceli of the 22 December 2006 GOM has agreed that the privilege has been reduced and the outstanding balance is of €78,732,821 (Lm33,800,000) and GOM has waived its rights arising from the above note in relation to the residential blocks known as Blocks T4B, T4F, T5B and T5F with their underlying Garage Complex (Vol.r.472/07).</p> <p>By virtue of another deed in the Records of Notary Vincent Miceli of the 24 October 2007 GOM has agreed that the privilege has been reduced and the outstanding balance is of €75,331,936 (Lm32,340,000) and GOM has waived its rights arising from the above note in relation to the residential blocks known as Blocks T6B, T6F, T7B and T7F with their underlying Garage Complex (Vol.r. 9144/07).</p> <p>By virtue of another deed in the Records of Notary Vincent Miceli of the 29 January 2009 GOM has agreed that the privilege has been reduced and the outstanding balance is of €74,167,249 (Lm31,840,000) and GOM has waived its rights arising from the above note in relation to the Tigné South & Tigné Sports Phase Area (Vol.r.793/09).</p> <p>By virtue of another deed in the Records of Notary Vincent Miceli of the 29 January 2009, GOM has agreed that the privilege has been reduced and the outstanding balance is of €72,187,281.62 (Lm30,990,000) and GOM has waived its rights arising from the above note in relation to the residential blocks known as T8B, T8F, T9B and T9F with a select number of car parking facilities and storage rooms (Vol.r. 792/09).</p> <p>By virtue of another deed in the Records of Notary Diana Charles of the 29 July 2010 GOM has agreed that the privilege has been</p>

¹ Searches of privileges and hypothecs carried out up to 12th August 2010 are available for inspection at the Company's offices.

	reduced and the outstanding balance is of €69,982,975.43 (Lm30,043,691.35) and GOM has waived its rights arising from the above note in relation to the residential block known as T10F with a select number of car parking facilities (Vol.r. 5221.10).
REGISTRATION	9973/2000 of the 10 July 2000.
CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec</i> (excluding the blocks of apartments referred to as Blocks T4, T5, T6, T7, T8, T9, and T10 at Tigné Point, Sliema) and <i>Special Hypothec</i> over Tigné Pjazza (T11) with its underlying garage spaces and the peripheral apartment blocks commonly referred to as T4P, T7P and T9P for €1,863,499 (Lm800,000). This note ranks <i>pari passu</i> with note no.21888/06.</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c. has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Ltd. by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).</p>
OBLIGATION	Extension of overdraft amounting to €1,863,499 (Lm800, 000). Total facility of €2,096,436.06 (Lm900,000).
REGISTRATION	20642/2006 of the 8 November 2006.
CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec</i> (excluding the blocks of apartments referred to as Blocks T4, T5, T6, T7, T8, T9, and T10 at Tigné Point, Sliema) and <i>Special Hypothec</i> and <i>Special Privilege</i> over Tigné Pjazza (T11) with its underlying garage spaces and the peripheral apartment blocks commonly referred to as T4P, T7P and T9P for €17,703,238 (Lm7,600,000). This note ranks <i>pari passu</i> with note no.21888/06.</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Limited by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).</p>
OBLIGATION	Loan of €17,703,238 (Lm7,600,000).

REGISTRATION	20643/2006 of 8 November 2006.
CREDITOR	HSBC Bank Malta p.Lc.
CAUSE OF PREFERENCE	<i>General Hypothec</i> (excluding the blocks of apartments referred to as Blocks T4, T5, T6, T7, T8 and T9, Tigné Pjazza (T11) and its underground parking and peripheral apartments commonly referred to as T4P, T7P and T9P and underlying car park of Block T1, Retail Mall [T2] and Block T17 at Tigné Sliema) and <i>Special Hypothec</i> and <i>Special Privilege</i> over Block T10. The general hypothec and special hypothec for € 24,458,421 (Lm10,500,000) and the special privilege for €16,305,614 (Lm7, 000,000). Also, a <i>Special Hypothec</i> for €24,458,421 (Lm10,500,000) over Block T17W and T17E – by a deed dated 24/09/2007) (R9391/2007) the creditor postponed its privileged and hypothecary rights arising from the above note in relation to Block T17W and T17E in favour of the privileged and hypothecary rights arising from note of hypothec number 18674/2007 as corrected by note 18709/2007 registered in favour of Bank of Valletta p.l.c., which rights were postponed limitedly to the amount of €34,008,851.61 (Lm14,600,000). This note ranks <i>pari passu</i> with notes no.20642/06 and 20643/06.
OBLIGATION	Loan of €24,458,421 (Lm10, 500,000).
REGISTRATION	21888/2006 of the 23 November 2006.
CREDITOR	Bank of Valletta p.Lc.
CAUSE OF PREFERENCE	<p><i>General Hypothec</i> and <i>Special Hypothec</i> - joint and several suretyship of MIDI p.l.c. with Tigné Mall Ltd (who is the principal debtor) over the T2 site and T17W and T17E.</p> <p>By virtue of a deed in the Records of Notary Marco Farrugia of the 27 August 2010, Bank of Valletta p.l.c. has waived its rights arising from the above note in relation to the sports facilities situated within the building on the T2 site which were transferred back to GOM (r.6030/2010).</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c. has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Limited by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).</p>
OBLIGATION	Joint and several liability as surety of MIDI p.l.c. with Tigné Mall Ltd. of €9,783,368.27 (Lm4,200,000).
REGISTRATION	18674/2007 of the 25 September 2007 (as corrected by note 18709/2007 regarding the ownership of the property hypothecated). 6030/2010 of the 7 September 2010

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec and Special Hypothec</i> - joint and several suretyship of MIDI p.l.c. with Tigné Mall Ltd. (who is the principal debtor) over the T2 site and T17W and T17E.</p> <p>By virtue of a deed in the Records of Notary Marco Farrugia of the 27 August 2010, Bank of Valletta p.l.c. has waived its rights arising from the above note in relation to the sports facilities situated within the building on the T2 site which were transferred back to GOM (r.6030/2010).</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c. has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Limited by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).</p>
OBLIGATION	Joint and several liability as surety of MIDI p.l.c. with Tigné Mall Ltd. of €24,225,000 (Lm10,399,793).
REGISTRATION	5705/2008 of the 15 April 2008 6030/2010 of the 7 September 2010
CREDITOR	Lombard Bank Malta p.l.c.
CAUSE OF PREFERENCE	<i>General Hypothec and Special Hypothec</i> – over the Marina South Phase Area, the Marina Central Phase Area and the Manoel Sports Club Phase Area which are all shown edged in yellow on the Land Drawing LD174C/99 and marked Schedule 15 attached to the Emphyteutical Deed between the Government of Malta and MIDI p.l.c. of the 15 th June 2000.
OBLIGATION	Loan of €4,000,000
REGISTRATION	19686/2009 of the 30 December 2009
CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec</i> (excluding the block of apartments referred to as T10 including its underground parking) up to the amount of €1,379,299.</p> <p><i>Special Hypothec</i> over Tigné Pjazza (T11) with its underlying garage spaces and the peripheral apartment blocks commonly referred to as T4P, T7P and T9P for €1,863,499.</p> <p><i>Special Hypothec</i> over site referred to as T20 with its underlying garage spaces for €3,242,798.</p>

	By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c. has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Limited by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).
OBLIGATION	Extension of overdraft facility amounting to €1,146,362 Total facility of €3,242,798
REGISTRATION	1950/2010 of the 11 February 2010.
CREDITOR	HSBC Bank Malta p.l.c.
CAUSE OF PREFERENCE	<i>General Hypothec</i> and <i>Special Hypothec</i> – over the block known as T10 including the 53 apartments, 6 penthouses and four car parking levels, up to the amount of €7,000,000. In virtue of a number of deeds of sale of apartments and garages in this complex, HSBC Bank Malta p.l.c has waived parts of its hypothecary rights.
OBLIGATION	Loan of €7,000,000
REGISTRATION	6493/2010 of the 6 May 2010
CREDITOR	Various prospective purchasers on promise of sale agreements in respect of apartments in the residential blocks known as T7B, T7F, T8B, T8F, T9B, T10B and T10F or their lending banks.
CAUSE OF PREFERENCE	<i>Special Hypothecs</i> on the various apartments and garages which are the subject of the particular promise of sale agreement – HSBC Bank Malta p.l.c., Bank of Valletta p.l.c. or Lombard Bank Malta p.l.c. (as the case may be) would have waived their hypothecary and privileged rights (above outlined) in favour of the said special hypothecs granted by MIDI p.l.c.
OBLIGATION	The refund of progress payments which are paid on account of the purchase price and which are defined as being refundable in the event that the final deed of sale is not signed in terms of the promise of sale agreement.
REGISTRATION	Various.
CREDITOR	Various purchasers on final deeds of sale in respect of apartments in the residential blocks known as T7B, T7F, T8B, T8F, T9B and T10F.
CAUSE OF PREFERENCE	<i>General Hypothecs</i> granted by the Company in favour of purchasers over all its property present and future in warranty of peaceful possession. On the final deeds of sale the purchasers specifically renounced to their rights under section 2016 of the Civil Code to cause to be registered, as a further security, a <i>Special Hypothec</i> over the Company's property.

OBLIGATION	The guarantee of the purchasers' real enjoyment over the property purchased.
REGISTRATION	Various.

The following is a summary of the relevant charges burdening Tigné Mall Ltd's property:

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<i>General Hypothec</i>
OBLIGATION	Loan of €9,783,368.27 (Lm4, 200,000).
REGISTRATION	18674/2007 of the 25 September 2007 (as corrected by note 18709/2007 regarding the ownership of the property hypothecated).
CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<i>General Hypothec</i>
OBLIGATION	Loan of €24,225,000 (Lm10, 399,793).
REGISTRATION	5705/2008 of the 15 April 2008.

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<i>Special Hypothec</i> over the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Limited by a deed in the Records of Notary Pierre Attard of 22 October 2010.
OBLIGATION	First loan mentioned above - Additional security to the general hypothec under 18674/2007 as corrected by note 18709/2007
REGISTRATION	to be registered in due course

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<i>Special Hypothec</i> over the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Limited by a deed in the Records of Notary Pierre Attard of 22 October 2010.
OBLIGATION	Second loan mentioned above - Additional security to the general hypothec under 5705/2008
REGISTRATION	to be registered in due course

SUMMARY OF THE RELEVANT SERVITUDES:**Servitude in favour of Fortel**

A public deed constituting a servitude in the Records of Notary Marco Farrugia dated 27th October 2003 was entered into between the Company and Fortel Services Limited and W&M Zammit Tabona Limited ("Fortel"). A complex of garages at Tigné Point (as shown on the plans annexed to the said deed as Documents A, B and C) ("the Servient Tenement") is subject to a servitude for the duration of the Emphyteutical Deed in favour of the Fortina Hotel situated at Tigné Sea Front, Sliema ("the Dominant Tenement") consisting of irrevocable rights of vehicular passage at all times over the entrance, ramps and passage ways forming parts of the Servient Tenement (as indicated on the plan annexed to the said deed as Document D).

Such access shall be for the purpose of allowing access to and from the Dominant Tenement to Tigné Sea Front, Sliema, in order that the Dominant Tenement and the Servient Tenement shall be connected by means of an opening in the wall (as indicated with the letters XX on the plan annexed to the said deed as Document D). This servitude is subject to the terms and conditions set out in the above-mentioned deed, such as that the cost of running, maintenance and repairs of the Servient Property (including that part thereof subject to the servitude created hereby) shall be at the sole charge of the Company. The cost of connecting the Dominant Tenement and the Servient Tenement is at the charge of Fortel.

· **Servitudes on final deeds of apartments in the residential blocks known as T7B, T7F, T8B, T8F, T9B, T10B and T10F**

In terms of the deeds of sale of the various apartments, the apartments, block common parts, complex common parts and garage complex common parts enjoy or are subject to various servitudes which may exist or which may become necessary as a result of their position in relation to each other, including but not limited to servitudes for the passage of the relevant services and utilities and servitudes which the Company enjoys over the airspace of the blocks. Some of the apartments also enjoy servitudes which were constituted to protect their view.

· **T2 – The Tigne Mall Servitudes**

The building granted on sub-emphyteusis by the Company to its subsidiary Tigne Mall Limited and the rest of the Tigné Point site enjoy or are subject to servitudes which may exist or which may become necessary as a result of their position in relation to each other. Furthermore, there are a number of servitudes that are described and qualified in great detail. In summary the Tigne Mall building enjoys : The right of access from the public road network in Tigne', Sliema and vice versa over the network of roads, passages, stairways and open spaces constructed or still to be constructed on other parts of the Tigne' Point Site which shall link with the public road network, as necessary to provide adequate pedestrian and vehicular access to all levels of the Tigne Mall Building.

The use of the distribution systems relating to services and utilities installed or which remain to be installed by the Company within the Tigné Point Site outside the Tigne Mall Building that are necessary to service the Tigne Mall Building, and also the right to install and use additional distribution systems which TML may from time to time require in order to provide additional services and utilities to the Tigne Mall Building which are necessary or convenient for the proper enjoyment of the said Building

Furthermore, the common parts or those parts that are mainly intended for the passage of the relevant services and utilities (which now exist or may be constructed) of the Tigne Mall building are subject to servitudes in respect of installations relating to services made or to be made by the Company for the benefit of any or all other developments in the Tigné Point Site, including the Sports Facilities and its overlying airspace, as shall be necessary or convenient in view of the planning and

design of the whole development to be made over the Tigné Point Site.

Generally speaking all units are subject to various servitudes which may exist or which may become necessary as a result of their position.

Appendix 2

Summary of lease agreement

Purpose of Agreement

The agreement is a grant of lease by Tigne Mall Ltd (TML) to the lessee of a divided portion (also referred to as a unit or units) within the retail and leisure mall at Tigné Point (referred to in the lease as "The Centre"), including specified common rights, and excluding specified reserved rights, for the specified term.

TML currently holds The Point building by title of lease from Midi plc (with the right to sub-lease). The transfer of The Point building to TML by title of sub-emphyteusis is imminent.

Term of lease

In most cases the term is 15 years though in a few cases is 20 years. In some cases, the Lessee has the option to terminate the lease on specified break dates.

Rent/Deposit

The specified rent, established in relation to the internal floor area, is payable quarterly in advance. The rent is subject to annual review. In most cases, the reviewed rent is a 3% increase on the rent payable in the preceding year. There is some variation from case to case. In most cases, in addition to the base rent, a portion of the lessee's turnover is payable as turnover rent on a "top-up" basis, so that the base rent is topped up by the amount that the specified percentage of turnover (typically 9% or 10%) exceeds the base rent.

The Lessees are also obliged to provide a deposit to TML (who is liable for interest at the rate of 3% per annum if the said deposit is in cash) throughout the term, as security for the proper performance of their obligations, and, subject to proper performance, it will be returned at the end of the lease. It is typically equivalent to 6 months rent, although in some cases it is equivalent to 3 months rent.

Lessee's other main obligations include:

- payment of a fair and equitable proportion of the Centre insurance costs and of the Lessee's share of the Service Expenditure (as defined in the lease) which is payable quarterly in advance, based on an estimate, and any credit due to either party is settled at the end of each year, and payment of the membership fees of the Centre's Merchants' Association.
- To only carry out the permitted use that is specified in their agreement, and only under the trade name that is specified in their agreement. In some cases, the lessees are given exclusivity for their permitted use within the Centre.
- To keep the premises in good condition and to periodically repaint internally.
- To keep the premises in good repair. The Lessors may present the Lessees with a schedule of repairs, and the Lessees are obliged to execute the necessary works.
- To keep the Premises open for business (except during periods of shopfitting or stocktakings) during the specified Trading Hours
- Carrying out of alterations and placing of signs are carefully regulated

- Disposal of the Lessee's interest, assignment, sharing of possession, sub-letting and change of control is carefully regulated, as is operating as franchisee.
- To comply with the Lessee's Handbook, that deals with the operational requirements of the Centre.
- to become and remain a member in good standing of such Association and to comply with all duly made rules and regulations of the Association
- to indemnify the Lessors against any liability for any act, omission or default of the Lessees
- to insure the Lessee's finishing works to the premises and to reinstate them in case of damage or destruction (the Lessee receives the premises in shell form); to take out public liability insurance.
- to surrender the Premises and all Lessors' fixtures and fittings therein and thereon to the Lessors with vacant possession and leaving the same in good and substantial condition and repair without payment of any compensation by the Lessors

Lessors' main obligations include:

- To warrant the quiet enjoyment of the premises. The Lessors however do not warrant that the Premises or the Centre are fit for any of the Lessees' purposes.
- To insure the structure of Premises and the Common Parts
- To effect Public Liability Insurances
- To reinstate the structure of the Centre/ the premises in case of damage or destruction
- To maintain the common parts

Miscellaneous:

The insurance and reinstatement obligations are designed to achieve continuity, so that, broadly speaking, the lease will remain in full force even in case of severe damage or destruction, so long as reinstatement occurs within 4 years.

A detailed termination clause regulates the Lessor's right to terminate the lease in the case of default by the Lessee.

Within the central atrium area on each level, small specified spaces are leased out for use as "kiosks". The lease agreement for these is a simplified version of the shop leases, and for a much shorter term, typically 1 or 2 years.

Initial fitting out

Virtually all shops are currently leased. New leases include provisions regulating initial fitting out by the Lessee.

RETAIL AND CATERING PREMISES AT PJAZZA BLOCKS

These are situated at Pjazza (ground floor) level and they underlie the residential apartments in the Pjazza Blocks. They are leased out directly by Midi plc.

Summary of lease agreement

The lease agreement follows very closely the model used for the shops in The Point building, and the aforementioned summary substantially applies, taking into account

however the much smaller extent of common areas. There is no equivalent of the Merchants Association.

The catering premises

- have additional obligations designed to protect the overlying apartments from undue inconvenience or disturbance
- have trading hours are more extensive than those of The Point shops
- are entitled to use a defined additional space in Piazza Tigne for tables and chairs on encroachment terms from the Government. The encroachment rights are regulated by the Midi/Government emphyteutical deed, including that encroachment rights are given by Government only to persons designated by Midi plc.

Initial fitting out

The lease includes provisions for initial fitting out by the Lessee. The Lessee receives the premises in shell form. No later than a specified period, the Lessee must submit plans for his fit-out works for the Lessor's approval. On approval he is required to complete the works and open the unit/s for trading by the specified opening date for that premises, failing which, he is liable to a penalty equivalent to twice the rent. The Lessee is required to insure his works.

RESTAURANTS ON SOUTH SHORE (Salini and Chophouse)

Summary of lease

The lease comprises the premises used as the Salini Restaurant, the Chophouse restaurant, and the poolside kiosk, at the building known as the Clubhouse, otherwise known as Block T12. The premises are to remain open for business 7 days a week, for lunches and dinners.

The term of the lease is 20 years. On expiration there is a qualified right of preference to a new lease.

The rent is payable quarterly in advance, with an annual 3% increase from the third year. The tenant is obliged to provide a deposit throughout the term, as security for the proper performance of their obligations, and, subject to proper performance, it will be returned at the end of the lease. It is equivalent to 6 months rent. The tenant also pays a service charge to cover the costs of upkeep of common parts and common services.

Structural alterations are not permitted. Non-structural alterations are carefully regulated.

The tenant is responsible for all extraordinary and ordinary internal and external maintenance and repairs other than structural.

The tenant is required to maintain insurance cover for public liability and rent, and, if required by the Lessor, for damage to the tenants finishes, fixtures and improvements. Building insurance cover is maintained by the Lessor, and paid by the tenant through the service charge.

Assignment and subletting is not permitted without the Lessor's consent, except within the tenant's company group.

The lease provides for various remedies for the Lessor in case of default by the tenant.

ANNEX 7 SITE PLANS





ANNEX 8 SUMMARY OF PRIVILEGES AND HYPOTHECS

The following is a summary of the relevant charges burdening the Company's property:

CREDITOR	GOM
CAUSE OF PREFERENCE	<p><i>Special Privilege</i> over the whole of Tigné Point (subject to the released property described hereunder) and Manoel Island and a General Hypothec (only for the groundrent).</p>
OBLIGATION	<p>Balance of premium €92,173,305 (Lm39,570,000) (as reduced in terms of the hereunder) and groundrent per annum of €1,118,100 (Lm480,000) until 30/03/2025; €1,956,673 (Lm840,000) from 01/04/2025 until 30/03/2050; and €2,236,198 (Lm960,000) onwards.</p> <p>By virtue of a deed in the Records of Notary Vincent Miceli of the 22 December 2006 GOM has agreed that the privilege has been reduced and the outstanding balance is of €78,732,821 (Lm33,800,000) and GOM has waived its rights arising from the above note in relation to the residential blocks known as Blocks T4B, T4F, T5B and T5F with their underlying Garage Complex (Vol.r.472/07).</p> <p>By virtue of another deed in the Records of Notary Vincent Miceli of the 24 October 2007 GOM has agreed that the privilege has been reduced and the outstanding balance is of €75,331,936 (Lm32,340,000) and GOM has waived its rights arising from the above note in relation to the residential blocks known as Blocks T6B, T6F, T7B and T7F with their underlying Garage Complex (Vol.r. 9144/07).</p> <p>By virtue of another deed in the Records of Notary Vincent Miceli of the 29 January 2009 GOM has agreed that the privilege has been reduced and the outstanding balance is of €74,167,249 (Lm31,840,000) and GOM has waived its rights arising from the above note in relation to the Tigné South & Tigné Sports Phase Area (Vol.r.793/09).</p> <p>By virtue of another deed in the Records of Notary Vincent Miceli of the 29 January 2009, GOM has agreed that the privilege has been reduced and the outstanding balance is of €72,187,281.62 (Lm30,990,000) and GOM has waived its rights arising from the above note in relation to the residential blocks known as T8B, T8F, T9B and T9F with a select number of car parking facilities and storage rooms (Vol.r. 792/09).</p> <p>By virtue of another deed in the Records of Notary Diana Charles of the 29 July 2010 GOM has agreed that the privilege has been reduced and the outstanding balance is of €69,982,975.43 (Lm30,043,691.35) and GOM has waived its rights arising from the above note in relation to the residential block known as T10F with a select number of car parking facilities (Vol.r. 5221.10).</p>
REGISTRATION	9973/2000 of the 10 July 2000.

⁹ Searches of privileges and hypothecs carried out up to 15 October 2010 are available for inspection at the Company's offices.

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec</i> (excluding the blocks of apartments referred to as Blocks T4, T5, T6, T7, T8, T9, and T10 at Tigné Point, Sliema) and <i>Special Hypothec</i> over Tigné Pjazza (T11) with its underlying garage spaces and the peripheral apartment blocks commonly referred to as T4P, T7P and T9P for €1,863,499 (Lm800,000). This note ranks <i>pari passu</i> with note no.21888/06.</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c. has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Ltd. by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).</p>
OBLIGATION	<p>Extension of overdraft amounting to €1,863,499 (Lm800, 000)</p> <p>Total facility of €2,096,436.06 (Lm900, 000).</p>
REGISTRATION	20642/2006 of the 8 November 2006.

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec</i> (excluding the blocks of apartments referred to as Blocks T4, T5, T6, T7, T8, T9, and T10 at Tigné Point, Sliema) and <i>Special Hypothec</i> and <i>Special Privilege</i> over Tigné Pjazza (T11) with its underlying garage spaces and the peripheral apartment blocks commonly referred to as T4P, T7P and T9P for €17,703,238 (Lm7,600,000). This note ranks <i>pari passu</i> with note no.21888/06.</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c. has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Ltd. by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).</p>
OBLIGATION	Loan of €17,703,238 (Lm7, 600,000).
REGISTRATION	20643/2006 of 8 November 2006.

CREDITOR	HSBC Bank Malta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec</i> (excluding the blocks of apartments referred to as Blocks T4, T5, T6, T7, T8 and T9, Tigné Pjazza (T11) and its underground parking and peripheral apartments commonly referred to as T4P, T7P and T9P and underlying car park of Block T1, Retail Mall [T2] and Block T17 at Tigné Sliema) and <i>Special Hypothec</i> and <i>Special Privilege</i> over Block T10. The general hypothec and special hypothec for €24,458,421 (Lm10,500,000) and the special privilege for €16,305,614 (Lm7, 000,000). Also, a <i>Special Hypothec</i> for €24,458,421 (Lm10,500,000) over Block T17W and T17E – by a deed dated 24/09/2007) (R9391/2007) the creditor postponed its privileged and hypothecary rights arising from the above note in relation to Block T17W and T17E in favour of the privileged and hypothecary rights arising from note of hypothec number 18674/2007 as corrected by note 18709/2007 registered in favour of Bank of Valletta p.l.c., which rights were postponed limitedly to the amount of €34,008,851.61 (Lm14,600,000). This note ranks <i>pari passu</i> with notes no.20642/06 and 20643/06.</p>
OBLIGATION	Loan of €24,458,421 (Lm10,500,000).
REGISTRATION	21888/2006 of the 23 November 2006.

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec and Special Hypothec</i> - joint and several suretyship of MIDI p.l.c. with Tigné Mall Ltd. (who is the principal debtor) over the T2 site and T17W and T17E.</p> <p>By virtue of a deed in the Records of Notary Marco Farrugia of the 27 August 2010, Bank of Valletta p.l.c. has waived its rights arising from the above note in relation to the sports facilities situated within the building on the T2 site which were transferred back to GOM (r.6030/2010).</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c. has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Ltd. by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).</p>
OBLIGATION	Joint and several liability as surety of MIDI p.l.c. with Tigné Mall Ltd. of €9,783,368.27 (Lm4,200,000).
REGISTRATION	18674/2007 of the 25 September 2007 (as corrected by note 18709/2007 regarding the ownership of the property hypothecated). 6030/2010 of the 7 September 2010
CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec and Special Hypothec</i> - joint and several suretyship of MIDI p.l.c. with Tigné Mall Ltd. (who is the principal debtor) over the T2 site and T17W and T17E.</p> <p>By virtue of a deed in the Records of Notary Marco Farrugia of the 27 August 2010, Bank of Valletta p.l.c. has waived its rights arising from the above note in relation to the sports facilities situated within the building on the T2 site which were transferred back to GOM (r.6030/2010).</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c. has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Ltd. by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).</p>
OBLIGATION	Joint and several liability as surety of MIDI p.l.c. with Tigné Mall Ltd. of €24,225,000 (Lm10,399,793).
REGISTRATION	5705/2008 of the 15 April 2008 6030/2010 of the 7 September 2010
CREDITOR	Lombard Bank Malta p.l.c.
CAUSE OF PREFERENCE	<i>General Hypothec and Special Hypothec</i> – over the Marina South Phase Area, the Marina Central Phase Area and the Manoel Sports Club Phase Area which are all shown edged in yellow on the Land Drawing LD174C/99 and marked Schedule 15 attached to the Emphyteutical Deed between the Government of Malta and MIDI p.l.c. of the 15th June 2000.
OBLIGATION	Loan of €4,000,000
REGISTRATION	19686/2009 of the 30 December 2009

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<p><i>General Hypothec</i> (excluding the block of apartments referred to as T10 including its underground parking) up to the amount of €1,379,299.</p> <p><i>Special Hypothec</i> over Tigné Pjazza (T11) with its underlying garage spaces and the peripheral apartment blocks commonly referred to as T4P, T7P and T9P for €1,863,499.</p> <p><i>Special Hypothec</i> over site referred to as T20 with its underlying garage spaces for €3,242,798.</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 22 October 2010, Bank of Valletta p.l.c. has waived its hypothecary rights and privileged rights (if any) arising from the above note in relation to the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Ltd. by a deed in the Records of Notary Pierre Attard of 22 October 2010 (to be registered in due course).</p>
OBLIGATION	<p>Extension of overdraft facility amounting to €1,146,362</p> <p>Total facility of €3,242,798</p>
REGISTRATION	1950/2010 of the 11 February 2010.
CREDITOR	HSBC Bank Malta p.l.c.
CAUSE OF PREFERENCE	<i>General Hypothec</i> and <i>Special Hypothec</i> – over the block known as T10 including the 53 apartments, 6 penthouses and four car parking levels, up to the amount of €7,000,000. In virtue of a number of deeds of sale of apartments and garages in this complex, HSBC Bank Malta p.l.c. has waived parts of its hypothecary rights.
OBLIGATION	Loan of €7,000,000
REGISTRATION	6493/2010 of the 6 May 2010
CREDITOR	Various prospective purchasers on promise of sale agreements in respect of apartments in the residential blocks known as T7B, T7F, T8B, T8F, T9B, T10B and T10F or their lending banks.
CAUSE OF PREFERENCE	<i>Special Hypothecs</i> on the various apartments and garages which are the subject of the particular promise of sale agreement – HSBC Bank Malta p.l.c., Bank of Valletta p.l.c. or Lombard Bank Malta p.l.c. (as the case may be) would have waived their hypothecary and privileged rights (above outlined) in favour of the said special hypothecs granted by MIDI p.l.c.
OBLIGATION	The refund of progress payments which are paid on account of the purchase price and which are defined as being refundable in the event that the final deed of sale is not signed in terms of the promise of sale agreement.
REGISTRATION	Various.

CREDITOR	Various purchasers on final deeds of sale in respect of apartments in the residential blocks known as T7B, T7F, T8B, T8F, T9B and T10F.
CAUSE OF PREFERENCE	<i>General Hypothec</i> s granted by the Company in favour of purchasers over all its property present and future in warranty of peaceful possession. On the final deeds of sale the purchasers specifically renounced to their rights under section 2016 of the Civil Code to cause to be registered, as a further security, a Special Hypothec over the Company's property.
OBLIGATION	The guarantee of the purchasers' real enjoyment over the property purchased.
REGISTRATION	Various.

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<i>General Hypothec</i>
OBLIGATION	Loan of €9,783,368.27 (Lm4,200,000).
REGISTRATION	18674/2007 of the 25 September 2007 (as corrected by note 18709/2007 regarding the ownership of the property hypothecated).

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<i>General Hypothec</i>
OBLIGATION	Loan of €24,225,000 (Lm10,399,793).
REGISTRATION	5705/2008 of the 15 April 2008.

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<i>Special Hypothec</i> over the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Ltd. by a deed in the Records of Notary Pierre Attard of 22 October 2010.
OBLIGATION	First loan mentioned above - Additional security to the general hypothec under 18674/2007 as corrected by note 18709/2007
REGISTRATION	to be registered in due course

CREDITOR	Bank of Valletta p.l.c.
CAUSE OF PREFERENCE	<i>Special Hypothec</i> over the temporary sub-utile dominium of the retail mall building on the T2 site which temporary sub-emphyteusis was granted by the Company to Tigné Mall Ltd. by a deed in the Records of Notary Pierre Attard of 22 October 2010.
OBLIGATION	Second loan mentioned above - Additional security to the general hypothec under 5705/2008
REGISTRATION	to be registered in due course

ANNEX 9 FURTHER INFORMATION ON DIRECTORS

Present and past directorships covering the last five years

Albert Mizzi

Present Directorships

Alf. Mizzi & Sons Ltd.	Mellieha Bay Hotel Limited
Altair Consulting Limited	MIDI p.l.c.
Amco Limited	Mizzi Associated Enterprises Limited
Anarde Development Limited	NAM Limited
Andrews Feeds (Malta) Limited	Plaza Centres p.l.c.
Ashanti Property Developments Limited	Premium Realty Limited
Central Mediterranean Development Corporation Limited	PRM Limited
Consolidated Biscuit Company Limited	Qbajjar Limited
Consolidated Distributors Limited	Retail Holdings Limited
Gozo Properties Limited	Retail International Ltd
HSBC Bank Malta p.l.c.	Retail Italia Limited
International Retail Group Limited	Retail Properties Limited
Kemmuna Limited	Rothmans of Pall Mall (Malta) Limited
L.G.M. Limited	Supermarkets (1960) Limited
Lapsi Estates Limited	T.J.S. Investment Company Limited
M G H Limited	Targa Development Limited
Manoel Island Yacht Yard Limited	Tigné Contracting Limited
Marina Milling & Grain Handling Co Ltd	Tigné Point Marketing Limited

Past Directorships

A.M.G. Ltd
Carreras (Malta) Limited
Cenmed Holdings Limited
Custrand Enterprises Limited
F.T.C.C. Group Limited
Holiday Estates Limited
Image Manufacturing Systems Inc Ltd
Maltese Chinese Food and Crafts Company Limited
Sunshine Snacks Company Limited

Paul Bonello***Present Directorships***

Alert Communications Limited
 Argotti Properties Ltd
 Central General Limited
 Central Group Limited
 Central Life Limited
 Classic Holdings Limited
 Finco Control Co Limited
 Finco Holdings Limited
 Finco Treasury Management Limited

Finco Trust (Nominee) Limited
 Finco Trust Services Limited
 Fortress Developments Limited
 MIDI p.l.c.
 Marsh Management Services Malta Limited
 New Co Ltd
 P.B. Holdings & Services Limited
 Solutions & Infrastructure Services Limited

Past Directorships

Air Malta p.l.c.
 Osprey Insurance Brokers Co. Ltd.

David Curmi***Present Directorships***

MIDI p.l.c.
 Growth Investments Limited
 M.B. Promotions Limited
 Plaza Centres p.l.c.
 Premium Realty Limited
 LB Factors Ltd

Tonio Depasquale***Present Directorships***

Bee Insurance Management Limited
 BOV Investments Limited
 Euromed Risk Solutions Limited
 La Valette Fund Sicav p.l.c.
 Middlesea Insurance p.l.c.
 Middlesea Valletta Life Assurance Co. Ltd.

MIDI p.l.c.
 Valletta Fund Management Limited
 Valletta Fund Services Limited
 Viset Malta p.l.c.
 Wignacourt Funds Sicav p.l.c.

Past Directorships

BOV Stockbrokers Limited
 Valletta Portfolio Funds Sicav p.l.c.

Joseph A Gasan

Present Directorships

Abacus Risk Management Services PCC Limited
Bingo Limited
Cable Network Construction Limited
Chemimart Limited
Data Services Ltd.
Embassy Cinemaworld Limited
Embassy Limited
Embassy Management Limited
F.G. Limited
G M Insurance Brokers Limited
Gasan Automotive Distributors Limited
Gasan Enterprises Limited
Gasan Finance Company p.l.c.
Gasan Group Limited
Gasan Investments Limited
Gasan Properties Limited
GasanMamo Financial Services Limited
GasanMamo Insurance Limited
Gee Five Limited
GV Investments Limited
Heritage Motor Company Limited
Honey III Limited
Honey IV Limited
International Automobiles Limited
J.A.G Limited
JAG Holdings Limited
Kemimport Limited
Kemmunia Limited

L.G.M. Limited
M G H Limited
Marea Main Street Limited
Mekanika Limited
Melita Capital p.l.c.
Melita Infrastructure Limited
Melita Media Limited
Melita Mobile Ltd
Melita plc
MHG Trading Limited
MIDI p.l.c.
Milner Developments Limited
Montecristo Limited
Multi Gaming Holding Company Limited
Oakhill Properties Limited
Paola Complex Limited
Property Portfolio Holdings Limited
Retail Systems Limited
Ropes Limited
Royalembassy Limited
Tal-Wilga Limited
Tigné Point Marketing Limited
Townsquare Sliema Limited
Troy Limited
TumasGasan Holdings Limited
Valletta links Limited
VG Services Limited
Video-On-Line Limited

Past Directorships

Argent Limited
C.B. Motors Limited
Churchill Developments Limited
Datanet Limited
Diamond Video Limited
Embassy Catering Limited
G.D.C. Limited
Gasan Motors Limited
Gasan Property Services Ltd
Gasan Technical Services Limited
GH Communications Limited
GMS Limited
Green Limited
Greenacres Limited
Home Investments Limited
John Brown Engineering (Malta) Ltd
M.A.I.N. Services Limited
Malta International Automotive Airconditioning Limited
Maruti Motors Limited
Montecristo 2 Limited
Rogetti Limited
Sanga Trading Limited
Teamwork Limited
Villa Drago Limited

Mario C Grech

Present Directorships

Lime Street Insurance PCC Limited
Middlesea Valletta Life Assurance Co. Ltd.
MIDI p.l.c.
Tigné Contracting Limited
Tigné Mall Ltd.

Alec A. Mizzi***Present - Local***

Alf. Mizzi & Sons (HR) Limited
 Alf. Mizzi & Sons (Marketing) Limited
 Alf. Mizzi & Sons Ltd.
 Alfoods Limited
 Altair Consulting Limited
 Amco Limited
 Aplan Limited
 Café Cuba Limited
 Calco Limited
 Cannon Estates Ltd.
 CHS Limited
 Consolidated Biscuit Company Limited
 Consolidated Distributors Limited
 Derfla Limited
 Dragut Limited
 EC English Holdings Limited
 EC English Malta Limited
 EC Holdings Limited
 EC Property Holdings Limited
 Eurest (Malta) Limited
 First Gemini p.l.c.
 Foodfinders Ltd.
 Frozen Art Limited
 Homemate Company Limited
 Ikelmalti Ltd.
 Inspirations Limited
 Intercomp Limited
 Intercomp Logistics Limited
 Intercomp Marketing Limited
 Intercomp Properties Limited
 International Retail Group Limited
 John G. Cassar Limited
 KCHR Limited
 Kcina Maltija Limited
 Keyman Limited
 KGS Limited

Kitchen Concepts Ltd.
 LandOverseas Funds Sicav p.l.c.
 Logistics Limited M & M Limited
 M G H Limited
 M.A.L. Services Limited
 Mac Med Limited
 Macpherson Mediterranean Limited
 MIDI p.l.c.
 Noodles Un Limited
 Paint Centres Limited
 Pasha Ltd.
 Power Projects Ltd.
 Retail Holdings Limited
 Retail Properties Limited
 Sicilmadliena Ltd.
 Sicilmellieha Ltd.
 Sicilvarja Ltd.
 Sicilwardija Ltd.
 Siculomalti Limited
 Sloane Advertising Ltd.
 Softweb Limited
 Solutions & Infrastructures Services Limited
 Supermarkets (1960) Limited
 Swatar M & B limited
 Swatar SMC Limited
 T.J.S. Investment Company Limited
 Tigné Mall Ltd
 V & A Investments Ltd.
 Vecchia Napoli Limited
 Zachary Estates Limited
 Zachary Ltd
 Zamma Holdings Limited
 Zamma Limited
 Zamma Operations Limited
 Zamma Ventures Limited

Present - Foreign

Alf. Mizzi & Sons Overseas Investments Ltd. (Cyprus)
 Centre Court Ltd. (BVI)
 EC English Bristol Ltd. (UK)
 EC English Cambridge Ltd. (UK)
 EC English London Ltd. (UK)
 ECUSA Holdings Inc (USA)
 European Language Centre Ltd. (Channel Islands)
 General Logistics srl (Romania)
 House of English Ltd. (Channel Islands)
 Mizzescu Imobiliara srl (Romania)
 Primaverii Apartamente Deluxe srl (Romania)
 Retail Italia Ltd. (Italy)
 Romal srl (Romania)
 Zac Dev Strand srl (Romania)
 Zac Dev Surii Mici srl (Romania)
 Zacaria Developments srl (Romania)

Past

Alf. Mizzi & Sons (Trading) Limited
 Berkeley Ltd.
 Croatia Investments Limited
 Eurocircle Limited
 Frozen Art Holdings Limited
 Frozen Art Imports Limited
 Grand Harbour Regeneration Corporation
 HSBC Fund Management (Malta) Ltd.
 International Recruitment Limited
 Jigsaw Limited
 Kemmuna Ltd.
 M & B Limited
 M.C. Holdings Limited
 Mal Travel Ltd.
 Mal Travel (Valletta) Ltd.
 Malta Enterprise
 Malta Industrial Parks Ltd.
 Malta Venture Capital plc
 MAS Ltd.
 Premium Realty Ltd.
 RST Ltd.
 Sign It Ltd.
 Standard Publications Ltd.
 Sunshine Snacks Company Limited
 Swatar Holdings Ltd.
 Systec Ltd.

Joseph Said

Present Directorships

A. Von Brockdorff Services Limited

Calco Limited

Cannon Estates Ltd.

Capital Services Limited

Exclusive Developments Limited

First Gemini p.l.c.

Heritage Malta Services Limited

Homemate Company Limited

Inspirations Limited

Investkredit International Bank p.l.c.

Lombard Bank Malta p.l.c.

M.A.L. Services Limited

Mac Med Limited

Macpherson Mediterranean Limited

Maltapost p.l.c.

MIDI p.l.c.

Orion Limited

Paint Centres Limited

Pieta Investments Limited

R.S.T. Limited

Safaco Limited

Siculomalti Limited

Standard Publications Limited

Transeuro Systems Limited

Past Directorships

Allied Projects Limited

Capital Insurance Agency Limited

Eurocircle Limited

Europa Services Limited

Malta Tourism Promotions Limited

ANNEX 10 LIST OF AUTHORISED INTERMEDIARIES**Members of the Malta Stock Exchange**

Atlas JMFS Investment Services Ltd 67, Level 3, South Street, Valletta VLT 1105	Tel: 2122 4410 / 2326 5690 Fax: 2122 3810 / 2326 5691 www.atlasjmfs.com
Bank of Valletta p.l.c. Financial Markets & Investments Division, BOV Centre, Cannon Road, Santa Venera SVR 9030	Tel: 2131 2020 Fax: 2275 1733 www.bov.com
Calamatta Cuschieri & Co. Ltd 5th Floor, Valletta Buildings, South Street, Valletta VLT 1103	Tel: 2568 8688 Fax: 2568 8256 www.cc.com.mt
Charts Investment Management Services Ltd Valletta Waterfront, Vault 17, Pinto Wharf Floriana FRN 1913	Tel: 2122 4106 Fax: 2124 1101 www.charts.com.mt
Curmi & Partners Ltd Finance House, Princess Elizabeth Street, Ta Xbiex XBX 1102	Tel: 2134 7331 Fax: 2134 7333 www.curmiandpartners.com
Financial Planning Services Ltd 4, Marina Court, No 1, G Cali Street, Ta Xbiex XBX 1421	Tel: 2134 4255 Fax: 2134 1202 www.bonellofinancial.com
FINCO Treasury Management Ltd Level 5, The Mall Complex, The Mall, Floriana FRN 1470	Tel: 2122 0002 Fax: 2124 3280 www.fincotrust.com
GlobalCapital Financial Management Ltd 120. The Strand, Gzira GZR 1027	Tel: 2134 2342 Fax: 2328 2207 www.globalcapital.com.mt
Hogg Capital Investments Ltd Bisazza Street, Sliema SLM 1641	Tel: 2132 2872 Fax: 2134 2760 www.hoggcapital.com
HSBC Stockbrokers (Malta) Ltd Global Market First Floor, HSBC Banking Centre, Mill Street Qormi, QRM 3101	Tel: 2380 2211 Fax: 2380 2495 www.hsbc.com.mt
Lombard Bank Malta p.l.c. 67, Republic Street, Valletta, VLT 1117	Tel: 2124 8411 Fax: 2558 1150 www.lombardmalta.com
Rizzo, Farrugia & Co. (Stockbrokers) Ltd Airways House, Third Floor, High Street, Sliema SLM 1549	Tel: 2258 3000 Fax: 2258 3001 www.rizzofarrugia.com

Investment Services Providers

APS Bank Ltd APS Centre, Tower Street Birkirkara BKR 4012	Tel: 2560 3362 Fax: 2560 3001 www.apsbank.com.mt
Crystal Finance Investments Ltd University Roundabout, Msida MSD 1751	Tel: 2155 6190 Fax: 2156 6188 www.crystal.com.mt
D.B.R. Investments Ltd Deber, Nigret Road, Zurrieq ZRQ 3172	Tel: 2164 7763 Fax: 2164 7765
Growth Investments Ltd Middlesea House, Floriana FRN 1442	Tel: 2123 4582 Fax: 2124 9811 www.growthinvestmentsonline.com
HSBC Bank Malta p.l.c. 233, Republic Street Valletta VLT 1116	Tel: 2597 2209 Fax: 2597 2475 www.hsbc.com.mt
Island Financial Services Ltd Insurance House, Salvu Psaila Street, Birkirkara, BKR 9078	Tel: 2385 5555 Fax: 2385 5238 www.islandins.com
Joseph Scicluna Investment Services Ltd Level 3, Bellavista Court, Gorg Borg Olivier Street, Gozo VCT 2517	Tel: 2156 5707 Fax: 2156 5706
Michael Grech Financial Investment Services Ltd No 1 Mican Court, J.F.Kennedy Square, Victoria Gozo VCT 2580	Tel: 2155 4492 Fax: 2155 9199 www.michaelgrechfinancial.com
MZ Investment Services Ltd POBox 24/55, MZ house, St Rita Street Rabat RBT 1523	Tel: 2145 3739 Fax: 2145 3407 www.mzinvestments.com
Mercieca Financial Investment Services Ltd 'Mercieca', John F. Kennedy Square, Victoria Gozo VCT 2580	Tel: 2155 3892 Fax: 2155 3892
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