

Grand Harbour Marina p.l.c.

Prospectus

Dated 25th January 2010

ISSUE OF €10 million 7% Bonds 2017 – 2020
(subject to an over-allotment option of an additional €2 Million)



Lawrence Zammit
On his behalf and on behalf of
Nicholas Maris (Director)
John Hignett (Director)
Trevor Ash (Director)
Roger Lewis (Director)

This Prospectus is issued in accordance with the provisions of Listing Rule 6.4 issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

In respect of an Issue of €10,000,000 7% Bonds 2017 - 2020
(subject to an Over-allotment Option not exceeding €2,000,000)
of a nominal value of €100 per Bond issued at par by

by

GRAND HARBOUR MARINA P.L.C.
A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 26891

(Due 25 February 2020, subject to early redemption at the option of the Issuer on any Early Redemption Date)

Issue Period: from 11 February 2010 to 15 February 2010 (both days included)
(subject to the right of the Issuer to close the Issue in advance in the event of over-subscription)

Manager & Registrar
HSBC 
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Legal Counsel
CAMILLERI PREZIOSI
ADVOCATES

Financial Advisors
 **Finco**

Sponsor
 **RIZZO FARRUGIA**
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Important Information

THIS PROSPECTUS CONTAINS INFORMATION ON GRAND HARBOUR MARINA P.L.C. (THE "ISSUER") IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND THE COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS.

THIS PROSPECTUS CONTAINS INFORMATION ON AN ISSUE BY THE ISSUER OF €10,000,000 BONDS OF A NOMINAL VALUE OF €100, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 7% PER ANNUM, PAYABLE SEMI-ANNUALLY ON THE 25 FEBRUARY AND 25 AUGUST OF EACH YEAR, PROVIDED THAT IN THE EVENT OF OVER-SUBSCRIPTION, THE ISSUER MAY, AT ITS SOLE DISCRETION, ISSUE ADDITIONAL BONDS NOT EXCEEDING €2,000,000 AT PAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 25 FEBRUARY 2020 UNLESS OTHERWISE PREVIOUSLY REDEEMED OR CANCELLED. UNLESS THE ISSUER EXERCISES THE OPTION TO REDEEM ALL OR PART OF THE BONDS ON ANY OF THE EARLY REDEMPTION DATES, BY GIVING NOT LESS THAN SIXTY (60) DAYS NOTICE, IT SHALL REDEEM THE BONDS ON THE REDEMPTION DATE FALLING IN 25 FEBRUARY 2020. THE BONDS CONSTITUTE THE GENERAL, DIRECT, UNCONDITIONAL AND UNSECURED OBLIGATIONS OF THE ISSUER AND SHALL AT ALL TIMES RANK PARI PASSU WITHOUT ANY PRIORITY OR PREFERENCE AMONG THEMSELVES AND WITH OTHER UNSECURED DEBT.

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

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

SAVE FOR THE BOND ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE PROSPECTUS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA)

WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

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

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

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

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

ALL THE ADVISORS TO THE ISSUER NAMED UNDER THE HEADING "ADVISORS" IN SECTION 22.3 OF THIS PROSPECTUS HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY OR ON ANY OF THE EARLY REDEMPTION DATES, AS APPLICABLE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

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

Act	the Companies Act. Cap. 386 of the Laws of Malta;
Applicant	a person, or persons, whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar, or to any of the Financial Intermediaries;
Application Form	the form of application of subscription for Bonds, specimen of which are contained in Annex 1 and 2 of this Prospectus;
Bond(s)	the €10,000,000 bonds of a face value of €100 per bond redeemable on the Redemption Date or, at the option of the Issuer, on any Early Redemption Dates, bearing interest at the rate of 7% per annum and redeemable at their nominal value; or in the case of over-subscription by investors and the exercise by the Issuer of the Over-Allotment Option, such higher value of bonds as in aggregate would not exceed €2,000,000 in value of bonds issued pursuant to the Prospectus;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds by the Issuer subject to the terms and conditions contained in this Prospectus;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
CNMI	Camper & Nicholsons Marina Investments Limited, a limited liability company incorporated under the laws of Guernsey with company registration number 45700 and with registered office situated at 31/33, Le Pollet, St Peter Port, Guernsey GY1 3YR;
Camper & Nicholsons	Camper & Nicholsons Marinas Limited, a limited liability company incorporated under the laws of the United Kingdom with company registration number 02764678 and with registered office situated at Arcadia House, Maritime Walk Ocean Village, Southampton, Hampshire, SO14 3TL;
CSD	Central Securities Depository of the Malta Stock Exchange established pursuant to article 24 of the Financial Market Act (Cap. 345, Laws of Malta), and situated at Garrison Chapel, Castille Place, Valletta VLT 1063;
Cut-Off Date	means close of business of the 25 January 2010;
Directors or Board	the directors of the Issuer as set out in section 22.1;
Early Redemption Date/s	any day falling between and including the 25 February 2017 and the 25 February 2020;
Euro or €	the lawful currency of the European Monetary Union of which the Republic of Malta forms part;
Financial Intermediaries	the authorised financial intermediaries referred to in Annex 3 of this Prospectus;
Grand Harbour Marina or Marina	the marina developed by the Issuer and situated at the Dockyard Creek, within the limits of Senglea, Cospicua and Birgu, Malta;

Definitions

Interest Payment Dates	Semi-annually on the 25 February and 25 August of each year between and including each of the years 2010 and the year 2020, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day and provided further that the first Interest Payment Date in the year 2010 shall be the 25 August 2010;
Issue Date	expected to be on the 22 February 2010;
Issue Period	the period between 11 February 2010 to 15 February 2010 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which time the Bonds are in issue;
Issuer	Grand Harbour Marina p.l.c.;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act, 1990 (Cap.345, of the Laws of Malta) by virtue of L.N. 1 of 2003;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Cap.330, Laws of Malta);
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Over-Allotment Option	the option of the Issuer, at its sole and absolute discretion, to increase the Bond Issue by a maximum of an additional €2,000,000 7% Bonds in the event of over-subscription of the Bond Issue;
MSE	the 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;
Preferred Applicants	any person, whether natural or legal, who as at the Cut-Off Date:- a) is listed in the register of members of the Issuer as being holders of the ordinary share capital of the Issuer; or b) is registered by the Issuer as being the holder of a berth licence within the Marina;
Prospectus	this document in its entirety, together with the summary contained in Part A of this Prospectus;
Redemption Date	25 February 2020, or at the Issuer's sole discretion, any of the Early Redemption Dates;
Redemption Value	the nominal value of each Bond;
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 a prospectus;
Terms and Conditions	the terms and conditions of the Bond Issue as contained in section 38 of this Prospectus.

1 WARNINGS TO POTENTIAL INVESTORS

This summary forms part of the Prospectus containing information concerning the Issuer and the Bonds. This summary is intended to briefly convey the essential characteristics of, and risks associated with, the Issuer and the Bonds. 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;
- Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole;
- Civil liability attaches to the Issuer which has tabled this summary as part of the Prospectus only if the summary is shown to be misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

2 RISK FACTORS

Investors ought to carefully consider the following matters, and other information contained in the Prospectus, before making any investment decision regarding the Bonds. Should these risks materialise, they could have a serious effect on the Issuer's financial results, trading prospects and the ability of the Issuer to pay the Bonds and interest thereon.

2.1 General Risks

2.1.1 Forward-Looking Statements

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

2.1.2 General External Factors

The Issuer is subject to risks which are common to the marina industry and to the economy in general, certain of which are beyond its control, including political, social and economic negative changes. The financial performance of the Issuer may be negatively affected by such external factors.

2.1.3 Global Financial and Economic Crisis

Since mid-2007, extreme volatility and disruption in global capital and credit markets has had, and continues to have, an impact on the performance of the economy worldwide. The sharp global reduction in business activity, exchange rate fluctuations, the general uncertainty and consumer confidence and decreasing disposable income may have a materially adverse effect on the Issuer's performance.

2.1.4 Controlling Person Liability

The Issuer may, in the future, have controlling interests in certain investments through companies or other entities or may own such investments directly. In certain jurisdictions, failure to supervise management, violation of government regulations or the characteristics of limited liability of business ownership being ignored, may result in the Issuer suffering a significant loss.

2.1.5 Counterparty Risk

The Issuer may enter into transactions which would expose the Issuer to the credit risk of third parties and their ability to satisfy the terms of such contract. In the event of a bankruptcy or insolvency of such third parties, the Issuer could experience significant losses.

2.1.6 Interest Rate Risk

An increase in interest rates on the Issuer's existing or future borrowings may increase the costs of the Issuer's borrowings and may have an adverse effect on the profitability of the Issuer and the market price of the Bonds.

2.1.7 Uninsured Losses

The Issuer will aim to ensure that all of its property assets are adequately insured. However, changes in the cost or availability of insurance or acts of God could expose the Issuer to uninsured losses which may result in the value of the Issuer's property assets being reduced by the amount of that uninsured loss.

2.1.8 Currency Risk

The Issuer may make investments in currencies other than Euros (the base currency of the Issuer). Changes in rates of exchange may have an adverse effect on the value, price or income of such investments from year to year to the extent that the Issuer does not hedge against such exchange movements.

2.1.9 Key Personnel

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

2.2 Risks relating to the Issuer's Business

2.2.1 Licensing of Super-yacht Berths

The Issuer is exposed to the risks associated with the trends and future outlook of the super-yacht industry as a whole. The financial performance of the Issuer significantly depends on the value, timing, and number and extent of long-term berth licence sales of its super-yacht berths. This could therefore impact the Issuer's ability to settle or refinance its Bond obligations.

2.2.2 Relationship with Camper & Nicholsons

Camper & Nicholsons is the marina consultant and marina manager for the Issuer and the exclusive sales agent for long-term berth licences. Although the Issuer can generate sales from sources other than Camper & Nicholsons, it relies heavily on the sales generated by, and the know-how of, Camper & Nicholsons. The Issuer also depends on Camper & Nicholsons' ability to identify, analyse, invest in projects, operate and dispose of projects and secure finance for those projects that meet the Issuer's investment criteria. Failure by Camper & Nicholsons to find projects meeting the Issuer's investment objectives and to manage investments effectively could have a material adverse effect on the Issuer's business, financial condition and results of operations. The contract with Camper & Nicholsons and the Issuer (as described in Section 34.2) is due to expire in June 2010. While the Issuer is confident that the said contract shall be renewed, it cannot guarantee that it is able to keep the existing relationship or replace it with other relationships on similar terms.

2.2.3 Investment Objectives

There can be no guarantee that the investment objectives of the Issuer will be met. Meeting its objectives is a target but cannot be guaranteed. The ability of the Issuer to implement its strategy in an effective and efficient manner may be limited by its ability to source appropriate investments in which to invest, inside and outside of Malta. The Issuer does not have a history of investments outside of the Marina. The assets in which the Issuer invests may not reach occupancy levels or pricing as intended in a timely fashion or at all which may impact adversely on the returns to the Issuer.

2.2.4 Concession, Lease or Build-Operate-Transfer ("BOT") Risks

The Issuer may hold investments in its portfolio under the terms of lease agreements, BOT Agreements or like concessions. Such leases, BOT Agreements or concessions may contain terms and conditions which, if breached, may expose the Issuer to the cost of damages and/or termination of the concession without compensation.

2.2.5 Impact of Law and Governmental Regulation

The Issuer, and developers with whom the Issuer deals, will need to comply with the laws and regulations, whether in Malta or in other jurisdictions, relating to environment, planning, land use and development standards which may be subject to change. The institution and enforcement of such laws

and regulations could have the effect of exposing the Issuer to a high level of liability, increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Issuer's investments. New laws may be introduced, which may be retrospective and could affect environmental, planning, land use and development regulations.

2.2.6 Nature of the Issuer's Investments

Investments in marinas and marina related real estate may be relatively illiquid. The Issuer will be subject to the general risks incidental to the ownership and operation of marinas and marina related real estate, including those associated with the general economic climate and local marina and marina related real estate conditions, the level of the supply of, or demand for, marinas in an area, various uninsurable and insurable risks - for which the Issuer may not be adequately insured and which can be material. The marketability and value of investments held by the Issuer will, therefore, depend on many factors beyond the control of the Issuer and there is no assurance that there will be either a ready market for any investments or that such investments will be sold at a profit or will yield positive cash flow.

2.2.7 Development Risk

The Issuer may be subject to risks associated with the development of marinas and marina related real estate, including the risk relating to project financing, planning permits, delays, cost over-run, legal disputes such as title dispute and counterparty risk.

2.2.8 Valuation Risk

Valuations of marinas and marina related real estate may be complex as there may be no liquid market or pricing mechanisms. As a result, valuations could be subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the date of the valuation.

2.2.9 Concentration Risk

The Issuer expects to participate in a limited number of investments and, as a consequence, the aggregate return of the Issuer may be substantially adversely affected by the unfavourable performance of even a single investment. As at the date of this Prospectus, the only investment held by the Issuer is the Marina. Bondholders have no assurance as to the degree of diversification, if at all, in the Issuer's investments, either by geographic region or asset type.

2.2.10 Competition

The Issuer may be subject to competition, both in Malta and elsewhere. Competition and changes in economic and market conditions could adversely affect the Issuer's business and operating results. The relevant authorities may create additional marina capacity and international competition may affect the Issuer's performance. Some of the Issuer's competitors may have greater resources and the Issuer may not be able to compete successfully for investments. Furthermore, competition for investments may lead to the price of such investments increasing, which may limit the Issuer's ability to generate its desired returns.

2.2.11 Joint Arrangement Risk

The Issuer's investments may be held through joint arrangements with third parties, meaning that the ownership and control of such assets is shared with such third parties. As a result, certain decisions relating to the assets and operation, including the making of distributions and right to dispose of investments, may depend upon the consent or approval of such third parties. Disputes may arise between the Issuer and third party partners which could mean that the Issuer may not be able to manage or deal with a particular investment in the way it would wish, and this may adversely affect the Issuer's results of operations.

2.3 Risks relating to the Bonds

2.3.1 The Bonds have not been traded before and therefore the Issuer cannot ensure the Bonds will be traded at the level of €100 per Bond on the market.

2.3.2 The existence of an active market for the Bonds depends on a number of factors, including the availability of willing buyers and sellers of the Bonds. This is something which is beyond the control of the Issuer. Therefore, the Issuer cannot ensure that the Bonds may be traded during their lifetime and also cannot ensure that they will be traded at or above €100 per Bond.

2.3.3 It is possible that the Issuer's results of operations or its business outlook may fall short of expectations, in which case the price of the Bonds could be negatively affected.

2.3.4 Investment in the Bonds involves the risk that future changes in interest rates may negatively affect the value of the Bonds.

2.3.5 A Bondholder will suffer the risk of any changes in exchange rates between Euro (currency of the Bonds) and the Bondholder's actual currency of reference, if different.

2.3.6 The Issuer cannot predict the effect that any future public offerings of the Issuer's securities, or any takeover or merger activity of the Issuer, will have on the market price of the Bonds.

2.3.7 The Bonds constitute the general, direct, unconditional, and unsecured debt obligations of the Issuer and shall at all times rank equally, without any priority or preference among themselves and with other unsecured creditors.

In essence, this means that if the Issuer does not have enough assets to pay all its debts, other creditors that were given security by the Issuer will be paid before the Bondholders and in that case, Bondholders will have to compete with other creditors having the same ranking for the remaining assets of the Issuer. This is due to the fact that the Bonds are unsecured and therefore Bondholders are not provided with a preference over other creditors of the Issuer.

Furthermore, subject to the negative pledge clause (Section 38.8), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

2.3.8 The Issuer may redeem all or part of the Bonds on any of the Early Redemption Dates, together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Bonds.

2.3.9 In the event that the Issuer wishes to change any of the Terms and Conditions of Issue of the Bonds, it must call a meeting of Bondholders in accordance with the provisions of 38.14 of this Prospectus, which says that a majority of Bondholders may bind all Bondholders even those who did not attend and vote at the meeting, and those that attended and voted differently to the majority.

2.3.10 The terms and conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. The law, practices and court judgements may change after the date of this Prospectus.

2.3.11 An investment in the Bonds may not be suitable for all recipients of this Prospectus and investors are advised to consult their advisors as to the suitability or otherwise of the Bonds before investing.

3 HISTORICAL DEVELOPMENT & INFORMATION ABOUT THE ISSUER

The Issuer

Full Legal & Commercial Name of Issuer:	Grand Harbour Marina p.l.c.
Registered Address:	Vittoriosa Wharf, Vittoriosa, BRG 1721, Malta
Place of registration & Domicile:	Malta
Registration Number:	C 26891
Date of registration:	31 August 2000
Legal Form	Public limited liability Company
Telephone Number:	+356 21 800 700

The Issuer was first established on 31 August 2000, as a private company under the Act. On 4 September 2001, the Issuer acquired the rights to develop and operate Grand Harbour Marina, located in that part of the Grand Harbour in Malta known as Dockyard Creek for the 97-year balance of a 99-year sub-emphyteusis. In January 2003, the Issuer received a full development permit from the Malta Environment & Planning Authority and in December 2003 obtained a practical completion certificate for the Grand Harbour Marina. Practical completion of the marina occurred in 2003 whilst in 2005 the Marina was officially opened by Her Majesty Queen Elizabeth II. Grand Harbour Marina was completed to high standards with its mooring systems certified by Bureau Veritas. Grand Harbour Marina has also secured ISPS certification (International Ship and Port Security Code).

In preparation of the initial public offering of the Issuer in 2007, the Issuer was converted into a public limited company in accordance with section 213 of the Act and is currently duly registered and existing as a public company pursuant to the Act.

On 1 March 2007, the ordinary share capital of the Issuer was admitted to the Official List of the Malta Stock Exchange following a successful initial public offering of 30% of the Issuer's shares. Subsequently, an offer was made to the then shareholders by CNMI which as a result acquired 79.2% of the issued share capital of the Issuer. CNMI is a closed-ended investment company registered and incorporated in Guernsey under the Companies (Guernsey) Law, 1994 (as amended) with registered number 45700 and is listed on the Alternative Investment Market of the London Stock Exchange.

CNMI presently also owns the Port Louis Marina in Grenada West Indies and through a Joint Venture the Cesme Marina in Cesme, Turkey.

PART A - SUMMARY

4 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS

Directors:	Lawrence Zammit Nicholas Maris Trevor Ash John Hignett Roger Lewis
Senior Management:	Ben Stuart (General Manager) Camper & Nicholsons (Marina Management)
Legal Counsel to the Bond Issue:	Camilleri Preziosi Level 3, Valletta Buildings, South Street Valletta VLT 1103 Malta
Legal Counsel to the Issuer:	Guido de Marco & Associates 9, Britannia House, Level 2, Old Bakery Street, Valletta, VLT 1450 Malta
Sponsor:	Rizzo Farrugia & Co. (Stockbrokers) Ltd Airways House, Third Floor, High Street, Sliema SLM 1549 Malta
Manager & Registrar:	HSBC Bank Malta p.l.c. 233, Republic Street, Valletta, VLT 1116 Malta
Financial Advisors:	Finco Treasury Management Limited Level 5, the Mall Complex, The Mall, Floriana FRN1470 Malta
Auditors:	KPMG Portico Building, Marina Street, Pieta, PTA 9044 Malta

The annual statutory financial statements of the Issuer for the financial year ended 31 December 2007 and 31 December 2008 have been audited by KPMG. KPMG is a firm of Certified Public Accountants holding a Practising Certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

5 SELECTED FINANCIAL INFORMATION

Extracts from the audited financial statements of the Issuer for the two financial years ended 31 December 2007 and 2008 and from the interim unaudited half-yearly financial statements for the period from 1 January 2009 to 30 June 2009, are set out below.

Condensed Statement of Comprehensive Income

	1 Jan 2008 to 31 Dec 2008	1 Jan 2007 to 31 Dec 2007	1 Jan 2009 to 30 Jun 2009 (6 months)	1 Jan 2008 to 30 Jun 2008 (6 months)
	€'000	€'000	€'000	€'000
Revenue	2,497	11,177	926	1,080
Personnel expenses	(307)	(213)	(151)	(142)
Directors' emoluments	(44)	(138)	(22)	(23)
Depreciation expense	(335)	(285)	(168)	(142)
Other operating expenses	(2,053)	(3,501)	(703)	(892)
Results from operating activities	(242)	7,040	(118)	(119)
Finance income	140	23	13	83
Finance expenses	(297)	(483)	(154)	(127)
Net finance costs	(157)	(460)	(141)	(44)
(Loss) / profit before income tax	(399)	6,580	(259)	(163)
Income tax (expense) / credit	(12)	(2,678)	91	78
Total comprehensive (loss) / income for the period	(411)	3,902	(168)	(85)
(loss) / earnings per share (in Euros)	(0.04)	0.39	(0.02)	(0.01)

Condensed Statement of Financial Position

	At 30 Jun 2009	At 31 Dec 2008	At 31 Dec 2007
	€'000	€'000	€'000
ASSETS			
Non-current assets	8,772	8,807	8,877
Current assets	2,938	3,061	8,796
Total assets	11,710	11,868	17,673
EQUITY			
Total equity	4,396	4,564	6,975
LIABILITIES			
Non-current liabilities	3,537	3,363	4,319
Current liabilities	3,777	3,941	6,379
Total liabilities	7,314	7,304	10,698
Total equity and liabilities	11,710	11,868	17,673
Net asset value per share (in Euros)	0.44	0.46	0.70

PART A - SUMMARY

Condensed Statement of Cash Flows

	1 Jan 2008 to 31 Dec 2008	1 Jan 2007 to 31 Dec 2007	1 Jan 2009 to 30 Jun 2009 (6 months)	1 Jan 2008 to 30 Jun 2008 (6 months)
	€'000	€'000	€'000	€'000
Net cash (used in) /generated from operating activities	(369)	7,423	418	(2,503)
Net cash used in investing activities	(501)	(829)	(125)	(468)
Net cash used in financing activities	(3,036)	(768)	(351)	(2,548)
Net (decrease) / increase in cash and cash equivalents	(3,906)	5,826	(58)	(5,519)
Cash and cash equivalents at 1 January	6,323	497	2,417	6,323
Cash and cash equivalents at end of period	2,417	6,323	2,359	804
	=====	=====	=====	=====

The movement in revenue and operating results from one year to the next is mainly the result of the nature of the Issuer's business, in particular the timing of the successful conclusion of long-term licensing contracts for Super-yacht berths¹.

¹ Super Yachts are generally defined as motor or sail boats exceeding 25 metres in length.

5.1 Milestones

- Financial year to
31 December 2007
- Admission of the Issuer to the Official List of the Malta Stock Exchange;
 - Successful negotiation of three long-term Super-yacht berth licence agreements with combined sales proceeds exceeding €10 million;
 - 98% occupancy level of annual berth licenses on the pontoons available for rental.
- Financial year to
31 December 2008
- The Issuer continued to sell long-term Super-yacht licenses in 2008, albeit at a slower pace as the global economic climate worsened over the course of the year;
 - High level of enquiries for long-term Super-yacht licenses;
 - Sale of two 30 metre berths, with total sales proceeds amounting to €1,018,000;
 - Rental pontoon berths at the Marina close to full occupancy, waiting list of clients seeking berths maintained and strengthened;
 - Berth rental pricing increase by 5% across the board;
 - Completion of improvements to Xatt ir-Risq mooring system for six 30 metre berths;
 - Creation of additional 23 berths offered on a seasonal renting basis (occupied since completion);
 - Represented at Genoa, Monaco, Dusseldorf, London & Fort Lauderdale boat shows;
 - Extensive programme of face-to-face visits with leading yacht brokers, managers, shipyards, and professional intermediaries;
 - Payment of €2.0 million dividend.
- Six months to
30 June 2009
- Price increase of 15% for pontoon rental berths and a 50% tariff increase for visiting yachts;
 - Visiting and seasonal yacht revenues reached highest levels to date with strong winter occupancy, particularly on the Super-yacht berths;
 - Pontoon rental fees and revenue from ancillary services (excluding sales of Super-yacht licenses) increased by 62% compared to first six months of 2008;
 - Slightly better than breakeven at EBITDA level;
 - Whilst prospective berth licence sales enquiries remain strong, caution amongst buyers prevented the realisation of sales.
- Six months to
31 December 2009
- Third quarter of 2009 saw the continuation of a high level of occupancy throughout the Marina;
 - Pontoon berths remained full & Super-yacht berthing summer equated to 104 yachts (compared to 96 for the summer of 2008);
 - Notwithstanding the winter bookings were late in materialising, the Issuer has maintained similar berth occupancy for the period compared to winter of 2008;
 - Increase of occupancy on a square meter basis compared to 2008;
 - Whilst prospective berth license sales enquiries remained strong, caution amongst buyers prevented the finalization of sales to date;
 - Actual positive requests towards negotiations;
 - CB Richard Ellis Limited², valued the Marina on the basis of market value at €20,100,000 in its valuation as at 31 December 2009.

² CB Richard Ellis Limited with business address at St. Martin's Court, 10, Paternoster Row, London EC4M 7HP, United Kingdom. The valuation report was signed by Kenelm Cornwall-tegh Mrics and David Batchelor Bsc Mrics and was prepared in accordance with the RICS Valuation Standards, Sixth Edition.

PART A - SUMMARY

5.2 Future outlook

Earnings at an EBITDA level (Earnings before Interest, Taxes, Depreciation and Amortisation) excluding Super-yacht berth sales have risen over the last two years through a combination of full pontoon occupancy and tariff rises. Given that berth tariffs in Malta remain at the lower end of those in comparable privately owned Mediterranean marinas. It is reasonable to expect that these trends will be maintained in 2010.

Since 2001, the Issuer has sold a total of 12 Super-yacht berth licenses for an aggregate consideration of around €19 million. Prices for such berths over the period have increased from circa €600 per square meter of water area in 2001 to today's list prices of €2,050 and €2,250 for smaller and larger super-yachts respectively. The value at list prices of the stock of super-yacht berths currently available for sale at Grand Harbour Marina exceeds €30 million. Currently prospective berth license sales enquiries remain strong, although caution amongst buyers has prevented the finalisation of sales in 2009. Notwithstanding the effects of the current economic climate, the Issuer believes that the sales of long-term berth licenses will continue and will form an important part of the future revenues of Grand Harbour Marina.

5.3 Capitalisation and Indebtedness

The following table sets out the Issuer's capitalisation and indebtedness as at 30 June 2009 and the estimate after reflecting the issue of the Bonds including the exercise of the Over-allotment Option and other forecast movement in indebtedness in the period from 1 July 2009. Information with respect to the position as at 30 June 2009 has been extracted from the unaudited half-yearly financial statements for the period from 1 January 2009 to 30 June 2009.

Interest bearing borrowings	€'000
Total bank borrowings as at 30 June 2009	4,075
Repayment of bank borrowings post 30 June 2009	(4,075)
Issue of Bond	12,000
	<hr/>
Total interest bearing indebtedness after issue of bond	12,000
	<hr/>
Shareholders' Equity	
Called up issued share capital	2,329
Retained earnings	2,066
	<hr/>
Shareholders' equity as at 30 June 2009	4,395
	<hr/>
Total capital (debt and equity) as at 30 June 2009	8,470
	<hr/>
Total capital (debt and equity) after bond issue	16,395
	<hr/>
Gearing ratio (debt is to equity) as at 30 June 2009	0.93
	<hr/>
Pro-forma gearing ratio (debt is to equity) after issue of bond	2.73
	<hr/>

The pro-forma gearing ratio (debt is to equity) after the Bond Issue based on the market value of equity of €19.8 million, calculated with reference to the closing price of the Issuer's equity as last traded on the Malta Stock Exchange of €1.98 per share, would be 0.61.

Based on CB Richard Ellis Limited's valuation opinion of the Marina as at 31 December 2009 (€20,100,000), the resulting pro-forma debt-to-value ratio after the bond issue would be 0.60.

6 BUSINESS OVERVIEW

6.1 Principal Activities of the Issuer

The Issuer's principal activity is the development, operation and management of marinas and marina-related real estate, with a focus on the Mediterranean.

Grand Harbour Marina

Presently the Issuer owns, under a 99 year sub-emphyteusis, and operates the Grand Harbour Marina, which is located within Dockyard Creek in Grand Harbour, Malta. It is bordered by the three cities of Birgu, Senglea and Cospicua and is within a 20-minute drive of Malta's international airport. The Marina is sheltered with deep water and its waterfront is bordered by restaurants, bars and a casino.

The Marina was valued in December 2009 at €20,100,000 by CB Richard Ellis. The Marina as presently configured has 197 pontoon berth for yachts up to 25 metres in length, and 33 berths for yachts between 30 and 100 meters in length. Pontoon berths are in concrete, generously dimensioned with wide fairways. The berths are equipped with water and electricity connections which are directly linked to the marina management software system.

The Marina is operated from a Capitainerie which offers high quality toilets and showers and boardroom facilities for berth holders.

The Marina is manned on a 24-hour basis, seven days a week and security is aided by a network of CCTV cameras.

Clients

Grand Harbour Marina's clients include yachts owned by Maltese citizens and residents, foreign visiting and annual berthholding yachts, and foreign super-yachts

Management

The Marina is managed by a General Manager who has a team of specialists under him which include berthing masters, maintenance engineers, front desk staff, accountant and others. In total the team comprises 16 direct employees.

Services Agreement with Camper & Nicholsons – Use of Brand – Sales and Marketing

Grand Harbour Marina benefits from a services contract with Camper & Nicholsons. Camper & Nicholsons has been associated with yachting since 1782 and with marinas since the early 1960's. The company has worked in more than 25 countries and is presently working in the Caribbean, Italy, Greece, Turkey, Egypt, Cyprus and China, amongst others.

Since 2008 Camper & Nicholsons' operational headquarters have been in Malta where staff cover operations, human resources, business development, technical services, financial and sales and marketing functions. Camper & Nicholsons has sales staff based permanently in the Caribbean and in the South of France. It markets widely throughout Europe and the Caribbean exhibiting at leading boat shows, advertising, making direct contact with potential clients and intermediaries and maintains central and marina-specific web sites. Camper & Nicholsons has created and maintains a large database of client contacts, and what it considers the most comprehensive database of international marinas and their tariffs. Over many years it has used its experience to develop marina management systems, and related software, aimed at improving efficiency and revenues at marinas. It actively sources marina investment opportunities aided by its widespread brand recognition.

The Issuer's agreement with Camper & Nicholsons licenses the use of the Camper & Nicholsons brand. Additionally, the agreement gives access to Camper & Nicholsons' resources which include technical, finance, operations, and sales and marketing.

PART A - SUMMARY

Grand Harbour Marina has access to Camper & Nicholson's marina and client databases and know-how, and to certain of its investment opportunities. Camper & Nicholson's marina operating headquarters is located within the same building as Grand Harbour Marina's capitainerie.

Revenue Generating Activities:

The Marina's revenues derive from three principal areas:

- The rental of berths for periods ranging from one day up to one year;
- The sale of long-term Super-yacht berth licences typically for periods of 25 years payment being made at the commencement of the agreement with an additional annual charge.
- The sale of utilities including electricity and water

Additionally revenue may be generated from ancillary services such as parking, storage, concierge services, sale of fuel and other services.

Costs:

The principal costs of the Marina include, but are not limited to:

- Salaries for berthing masters, security, accounting and other staff;
- Rental payments under the sub emphyteutical deed and insurance;
- Promotion;
- Sales and marketing;
- Fees for external management and branding;
- Repairs and maintenance.

Other Current Activities

The Issuer presently has a short term management agreement with the Malta Maritime Authority in relation to a temporary marina offering about 50 un-serviced berths located in the area of Dock No 1 in Dockyard Creek.

Potential Future Activities

The Issuer intends to continue with its plan as set out in its 2007 IPO prospectus, namely to raise additional finance to permit continued expansion within and outside of Malta. The Issuer presently foresees that investment opportunities may arise within the existing Grand Harbour Marina and its adjacent areas. These may include:

- Reconfiguration options to increase the rentable and saleable areas of the Marina;
- Acquisition of marina related real estate or rights in the vicinity;
- Acquisition or licensing of additional water areas.

The Issuer may also consider investing in other marina investment opportunities within Malta.

The Issuer's relationship with Camper & Nicholson's gives it access to attractive investment and co-investment opportunities in international marinas and with it the ability to source, conduct due diligence acquire and operate such marinas.

For a full description of the use of Bond proceeds see Section 36.

6.1.1 Principal Markets of the Issuer

The Issuer's clients can be divided into three main categories:

- Annual licenses of sail and power yachts of less than 25 meters owned by Maltese citizens and residents. The Issuer's principal competitors in this category are other existing marinas within Malta which offer a total of 1,225 berths. These marinas presently include:
 - Msida marina presently being privatised by Government;
 - Manoel Island Marina;
 - Portomaso;
 - Ta' Xbiex;
 - Gozo.

Tenders have also recently been issued for additional temporary marinas in Malta, which would also compete for this category of business and for visiting yachts.

- Visiting sail and power yachts over 25 metres principally foreign owned
Presently only Manoel Island and Ta' Xbiex, in addition to, Grand Harbour Marina, offer significant capacity for these larger yachts. These yachts also occasionally berth for refuelling only at the Cruise Terminal in Grand Harbour.

- Long-term license holding Sail and Power Yachts over 25 metres principally foreign owned.
Presently the Issuer is not aware of any Maltese marina offering such berths. In this category Grand Harbour Marina competes with other Mediterranean Superyacht marinas which include those located on the Spanish East coast and Balearics, the South of France, Italy, Greece, and Montenegro. Certain Tunisian marinas also offer long term berth sales

7 TREND INFORMATION

Sector dynamic - supply demand - more boats than berths.

The underlying dynamic in the marina sector has been characterised for many years as a supply and demand imbalance in many important markets, between yachts looking for berths and marinas being able to accommodate them. For instance, ICOMIA³ and UCINA⁴ estimate that in Italy there are four boats per berth, in France and Spain two boats per berth, and in Greece 17 boats per berth.

Whilst the supply of new marinas has been growing slowly, supply in some mature markets such as the South of France and the Balearics having minimally grown in the past decade. Production of yachts has, however, continued year on year with the super-yacht sector growing particularly rapidly with the order book rising from 283 yachts to over 1000 in the last 10 years. For comparison, in 1980 the world fleet was estimated at 200 yachts. This has put upward pressure on both berthing rental rates and on berth selling prices. Whilst some new marina supply has emerged to accommodate the fleet growth, it has predominantly been in less favoured secondary or pioneering locations.

Effect of the current economic climate

It is recognised that the global economic crisis has strongly affected the delivery of smaller production yachts. However the global super-yacht order book which stood at over 1,000 yachts at December 2008 will, despite some possible cancellations, still give rise to large numbers of new yachts joining the fleet over the coming two to three years. Camper & Nicholsons' view, however, is that, as past history has shown and as would be expected, recovery follows periods of economic downturn, and it expects the same to occur on this occasion.

Malta supply and demand of rental berths

Malta too has shown an imbalance between the supply of rental berths and demand as recognised in recent studies commissioned by the Malta Maritime Authority⁵, which estimated that demand for berths exceeded supply by approximately 50%. This is evidenced by waiting lists for berths at established marinas including Grand Harbour Marina. The development pattern at Grand Harbour Marina has followed the developments that have been observed in more mature marina markets, such as the Côte d'Azur in Southern France. Once the pontoon rental berths had been fully occupied in the 2006/07 season, a waiting list of prospective berth

³ International Council of Marine Industry Associations

⁴ UCINA, the Italian marine industry association (Unione Nazionale dei Cantieri e delle Industrie Nautiche e Affini)

The information extracted therefrom has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published thereby, no facts have been omitted which would render the reproduced information inaccurate or misleading.

⁵ Malta Maritime Authority Developments of Yachting Facilities in Malta, April 2009. The information extracted therefrom has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published thereby, no facts have been omitted which would render the reproduced information inaccurate or misleading.

holders emerged and the Issuer has realised price increases at rates above inflation. These increases have brought the Marina's tariffs more into line with, although generally still below, comparable tariffs of privately owned marinas elsewhere in the Mediterranean. Whilst additional berthing capacity may be created within Malta, international competitiveness suggests that it is reasonable to expect that over the medium term prices may rise at above inflation rates.

Malta supply and demand super-yacht berths

The current global super-yacht order book will continue to deliver new super-yachts for the next two to three years even absent new orders. This lag in production gives time for ordering to resume and to sustain berth demand in future. Malta super-yacht berth licence prices are competitive in price and terms with comparable marinas⁶. Malta is attractive for a wide range of reasons, summarised in the section below, particularly to foreign yacht owners. It is reasonable to assume continued demand for long term super-yacht berths at Grand Harbour Marina.

Malta as a destination and homeport

Malta has a strong seafaring tradition and a community of yachtsmen who will provide a backbone of demand for Maltese marinas.

For foreign yachtsmen, Malta's strategic location at the middle and crossroads of the Mediterranean continues to prove attractive as it did to the navies of the past. For a motor yacht, Gibraltar in the West and Turkey in the East, can be reached within about 2 1/2 days, whilst most of the popular cruising grounds are within even shorter reach.

Malta has a good infrastructure to repair and maintain all sizes of yachts which include the facilities at Malta Super-yachts, the Manoel Island Yacht Yard, and the yacht yard at Kalkara, together with the related service support companies.

Malta's government has been supportive of the yachting sector over many years and there is a strong favourable legislative framework for registration and certification, coupled with a sector supportive taxation regime. The wide use of the English language amongst the Maltese population and a competitive cost of living are also favourable considerations. Malta's culture, historical architecture, climate, range of entertainment and shops, cuisine and various marine and other sports have also proved popular with visiting yachts.

For these reasons Malta has proven attractive as a home port for foreign yacht owners and the factors which led to this are likely to continue.

There has been no material adverse change in the prospects of the Issuer since the date of its last published unaudited interim financial statements, that is, 30 June 2009.

⁶ This statement has been on the basis of the information produced by Camper & Nicholsons as the same has been reproduced in Section 28 of this Prospectus, in particular Table 3 contained therein.

8 BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The board of directors described in Section 4 hereof manages the Issuer. The board of directors is responsible for the overall management, establishing policy guidelines for the management thereof, including the responsibility for the appointment of all executive officers and other key members of management.

8.1 CV of Directors

Lawrence Zammit

Lawrence Zammit is a Founding Partner and a Director of MISCO. He also holds a number of directorships in both private and public companies. At MISCO Lawrence has developed the market research division of the organisation and also acts as a consultant to a number of business organisations, both in the private and public sectors, focussing on strategic issues related to leadership and marketing. He is a former Chairman of the Employment and Training Corporation, Malta International Airport and the Malta Development Corporation, and is currently Chairman of Air Malta p.l.c. and Grand Harbour Marina p.l.c..

Nicholas Maris

Nicholas Maris has 38 years of experience in the marine sector, and a 15-year track record as a marina investor with experience of financing, developing, managing and investing in marinas and marina projects globally, including the acquisition and subsequent redevelopment and sale of Gosport Marina Limited in the United Kingdom and investment in Grand Harbour Marina Limited in Malta.

He joined the Camper & Nicholsons Group as an investor and a non-executive Director in 1981 and since 1983 has held executive positions within the group, including current positions as the Chairman of Camper & Nicholsons and Chairman of Camper & Nicholsons (Designs) Limited, which owns the rights to the Camper & Nicholsons trademarks. Mr Maris was also a Director and then Chairman of Camper & Nicholsons Yachts Limited (yacht builders and naval architects) from 1981 to 1999 and Chairman of Camper & Nicholsons International Limited (yacht brokers, charterers and managers) from 1988 to 1992.

Trevor Ash

Trevor Ash has over 30 years of investment experience. He is a Fellow of the Securities Institute in England & Wales. He was formerly a Managing Director of Rothschild Asset Management (CI) Limited (now Insight Investment Management (CI) Limited). He is a Director of a number of hedge funds, fund of hedge funds, venture capital, derivative and other offshore funds including several managed or advised by Insight, Merrill Lynch and Thames River Capital. Mr. Ash recently retired as a Director of NM Rothschild & Sons (CI) Limited, the banking arm of the Rothschild Group in the Channel Islands. He was a Founding Director of Valletta Fund Management Limited, the first fund management company to be established in Malta following the introduction of financial services regulations in 1995.

Roger Lewis

Roger Lewis was director of Berkeley Group Holdings p.l.c. for over 15 years, the last 8 of which he acted as Chairman, a position from which he retired at the end of July 2007. He now acts as a consultant to the Group which is the holding company to UK land and property development entities including Berkeley Homes P.l.c., St. Georges P.l.c. and St. James Group Limited. Prior to joining the Berkeley Group, Mr. Lewis was Group Chief executive officer of The Crest Nicholson Group P.l.c. from 1983 to 1991, Managing Director of Crest Homes Limited and Crest Estates Limited and subsequently Chief Executive of Crest Nicholson's property division from 1975 to 1983 and Finance Director of Crest Homes Limited from 1973 to 1975. Mr. Lewis chaired the marina division of Crest Nicholson which included 4 marinas and led the development by Berkeley of Gunwharf Quays in Portsmouth.

John Hignett

John Hignett has over 40 years of experience in investment banking and finance. He has recently retired as chairman of Schroder Income Growth Fund P.l.c. but remains a non-executive director of The World Trust Fund. Previous positions include Head of Corporate Finance Division (1980) and Managing Director (1984-1988) at Lazard Brothers & Co. Limited, Finance Director of Glaxo Holdings p.l.c. from 1988 to 1994, and

Non-Executive director of Smiths Group P.l.c. from 1999 to 2003. Furthermore Mr. Hignett served as Director General of the Panel on Takeovers and Mergers from 1981 to 1984 and as Director General of the Council for the Securities Industry in 1983.

8.2 Management Structure

Currently, the Issuer employs sixteen persons and engages the services of an additional 12 persons. The day-to-day management of the Issuer is entrusted to Ben Stuart, General Manager, who is also responsible for the implementation of the strategies and policies adopted by the Board of Directors.

Ben Stuart – General Manager

Ben joined the Issuer on 12 July 2007 as General Manager. Prior to joining GHM, Ben spent 12 years sailing professionally both on motor boats and sailing yachts, on five of which he held the post of Captain. During that time he sailed extensively around Europe. Following his sailing career, Ben spent three years working as a project manager in the yachting industry and oversaw two extensive yacht refits (33 metre and 40 metre boats) and also the new-build construction of a semi custom 75 foot catamaran. His responsibilities covered all staffing, scheduling, ordering, budgeting and operational issues as well as be in liaison with the yard and the owner.

Immediately prior to joining the Issuer, Ben was responsible for setting up and administering the Malta Cruise Network (MCN), a non-profit making organisation aimed at co-ordinating Malta's approach to the cruise industry. The MCN founder members were the Malta Maritime Authority, Malta Tourism Authority, Viset and Malta International Airport and remains the only organisation of its kind within the Cruise Industry.

Camper & Nicholsons – Marina Management

Furthermore, in terms of a marina management agreement entered into on 1 July 2007, the Marina is also managed by Camper & Nicholsons, details of which contract can be found in Section 34.2 of this Prospectus.

Under this agreement, the Issuer has full access to all available resources of Camper & Nicholsons which include sales and marketing, finance, business development, technical, legal, IT, and HR expertise. This expertise can be applied to the operations at Grand Harbour Marina as well as for other projects inside and outside of Malta. As can be seen by the organisational chart shown in Section 29.2 of this Prospectus, the Issuer can draw on a whole host of resources and experts in various fields and, through the Marina management agreement, is also positively associated with the Camper & Nicholsons brand.

8.3 Audit Committee Practices

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies, related party transactions, risk management and internal control structure. The Audit Committee reports directly to the Board of Directors. The Committee is at all times accountable to the Board and through its Chairman, reports to the Board on a regular basis. The Committee makes recommendations to the Directors where in its view certain improvements or changes are required.

8.4 Major Shareholders

The majority of the issued share capital of the Issuer is held by Camper & Nicholsons Marina Investments Limited. In terms of the Articles of Association of the Issuer, a director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Issuer, is required to declare the nature of his interest. In addition, Article 68.2 prohibits a Director from voting on any contract or arrangement or other proposal in which he has a material and personal interest. The Issuer, however, discloses that the said prohibition does not apply in respect of any directors appointed to the board of the Issuer by Nicholas Maris on any matter relating to the implementation and renewal of the marina management agreement with Camper & Nicholsons. Since the adoption of such Articles, Mr Nicholas Maris does not, directly, own any shares in the Issuer. The presence of an audit committee and a number of provisions contained in the Listing Rules issued by the Listing Authority aims to minimise the possibility of any abuse of control by the major shareholder.

8.5 Conflict of Interest

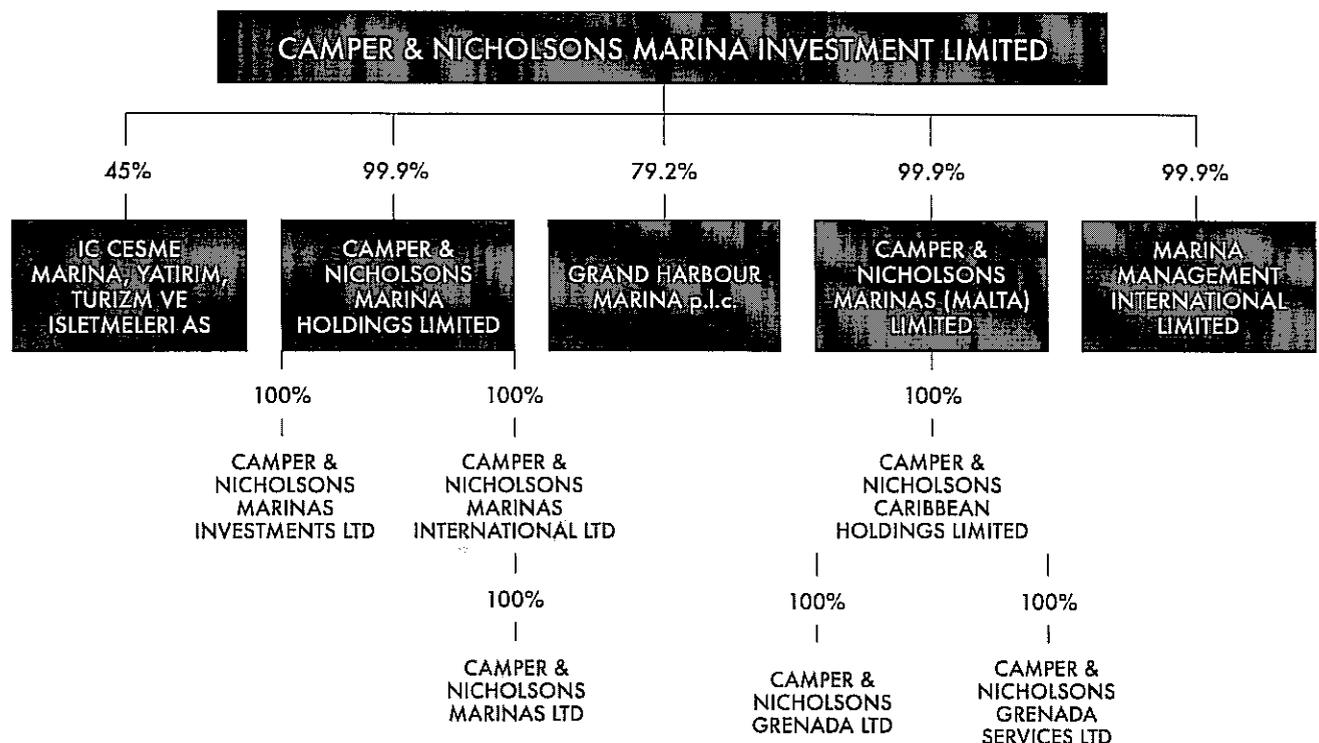
Nicholas Maris, Trevor Ash, John Hignett and Roger Lewis, all Directors of the Issuer, are also Directors of CNMI, the majority shareholder of the Issuer.

Furthermore, Nicholas Maris is also a Director of Camper & Nicholsons Marinas Limited (defined in this Prospectus as Camper & Nicholsons).

The audit committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by Directors, are handled according to law. To the extent known or potentially known to the Issuer as at the date of the Prospectus, there are no other potential conflicts of interest between any duties of the Directors of the Issuer and their private interests and/or their other duties which require disclosure in terms of law.

9 ORGANISATIONAL STRUCTURE

The Issuer forms part of a group of companies, the parent company of which is CNMI. The following chart describes the position of the Issuer within the said group of companies: -



The corporate information on each of the above described companies can be seen in Section 26 of the Prospectus.

9.1 Dependence on entities within the group

Camper & Nicholsons (the defined term for Camper & Nicholsons Marinas Limited) is the marina consultant and marina manager for the Issuer and the exclusive sales agent for long-term berth licences. Although, the Issuer can generate sales from sources other than Camper & Nicholsons, it relies heavily on the sales generated by, and the know-how of, Camper & Nicholsons. The Issuer also depends on Camper & Nicholsons' ability to identify, analyse, invest in projects, operate and dispose of projects and secure finance for those projects that meet the Issuer's investment criteria. Failure by Camper & Nicholsons to find projects meeting the Issuer's investment objectives and to manage investments effectively could have a material adverse effect on the Issuer's business, financial condition and results of operations. The contract with Camper & Nicholsons and the Issuer (as described in Section 34.2) is due to expire in June 2010. Whilst the Issuer is confident that the said contract shall be renewed, it cannot guarantee that it is able to keep the existing relationship or replace it with other relationships on similar terms.

10 HISTORICAL INFORMATION

The historical financial information of the issuer for the financial years ended 31 December 2007 and 31 December 2008, as audited by KPMG, are set out in the financial statements of the Issuer. Such audited financial statements are available for viewing at the registered office of the Issuer.

On 28 August 2009, the Issuer announced its unaudited interim financial results (vide Section 5 of this Prospectus). The said interim financial results have not been audited or reviewed by the Issuer's independent auditors and are available for viewing at the registered office of the Issuer.

11 SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

There were no significant changes to the financial or trading position of the Issuer since the end of the financial period to which the last interim unaudited half-yearly financial statements relate (that is, 30 June 2009).

12 ADDITIONAL INFORMATION

12.1 Issued Share Capital

The authorised share capital and issued share capital of the Issuer is two million three hundred and twenty nine thousand three hundred and seventy euro (€2,329,370) divided into ten million ordinary shares of a nominal value of €0.232937 per share. All of the issued shares of the Issuer form part of one class of ordinary shares in the Issuer, which shares are listed on the MSE. The issued share capital is subscribed as follows: -

Camper & Nicholsons Marina Investments Limited holds 7,917,209 shares (79.17%).
The General Public holds, in aggregate, 2,082,791 (20.83%).

12.2 Objects

The principal objects of the Issuer are;

- a) to carry out the construction, development, operations and management of marinas; and
- b) to provide all relative services, ancillary to marina related activities including, but not limited to, the berthing, mooring and anchoring of craft, the brokerage of new and used crafts, the operation of sea school or similar training facility, the storage of yacht and other crafts, including related marine equipment ashore, the operation of a capitainerie and yacht club, the raising, slipping and launching of craft, the sale of fuels and lubricants, and the holding of yachting, boating and shipping exhibitions and events, and the repair, refit and servicing of craft and equipment.

The objects and powers of the Issuer can be found under the section 'Objects' in the memorandum of association, copies of which are available for viewing for the lifetime of the Issuer at the Registry of Companies in Malta.

13 MATERIAL CONTRACTS

13.1 Deed of Emphyteusis and Sub-Emphyteusis

On 2 June 1999, the Government of Malta entered into a deed of emphyteusis with Port Cottonera Ltd, Cottonera Waterfront Group p.l.c., Malta Maritime Authority and the National Tourism Organisation of Malta (now the Malta Tourism Authority). By virtue of the said deed, the Government of Malta granted various portions of immovable property situated at Birgu. Pursuant to the same, the Malta Maritime Authority also granted to Cottonera Waterfront Group p.l.c., the exclusive right to construct and install, own, operate, develop, control and promote a yacht marina in the sea area in the Dockyard Creek, limits of Senglea, Cospicua and Birgu, including amongst others, the right to grant mooring and berthing rights to third parties under such terms and conditions as it deems fit. The said exclusive right was granted subject to certain terms and conditions, namely, that one hundred and fifty (150) spaces, or such larger amount as agreed between the parties, must be made available for free to 'frejgolini'.

On 4 September 2001, a deed of sub-emphyteusis was entered into between the Issuer and Cottonera Waterfront Group p.l.c. whereby all marina related rights granted to the Cottonera Waterfront Group p.l.c. in the previously mentioned deed, were transferred to the Issuer, subject to the terms and conditions contained therein. The term of sub-emphyteusis is for a period of ninety nine (99) years commencing on the 2 June 1999.

13.2 Marina Management Agreement

On 1 July 2007, the Issuer entered into an exclusive marina management agreement with Camper & Nicholson's for a period of three years. The said agreement shall continue in force thereafter unless and until terminated by either party by giving not less than six (6) months prior written notice. The agreement of the 1 July 2007 replaced the marina management agreement entered into between the same parties on 1 April 2004.

In terms of the said agreement, Camper & Nicholson's agreed to provide recruitment services, project services, commissioning, operational services, sales and marketing, berth sales, branding and auditing, subject to the terms and conditions contained therein. Camper & Nicholson's also granted the Issuer the licence to use the Camper & Nicholson's brand name and the right to associate Camper & Nicholson's Marinas Limited in the Issuer's advertising material.

It is the present intention of both the Issuer and Camper & Nicholson's to continue working together and renew the agreement in July 2010.

13.3 Development and Operations Agreement

On 30 June 2000, Cottonera Waterfront Group p.l.c. and Camper & Nicholson's Marinas Limited, entered into a development and operations agreement whereby Camper & Nicholson's Marinas Limited was appointed to develop, construct and install, own, operate, manage, control and promote the yacht marina and ancillary facilities. Cottonera Waterfront Group p.l.c. undertook to transfer the required property by way of sub-emphyteusis (which deed was subsequently published and the sub-emphyteutical granted to the Issuer on 4 September 2001 – vide Section 13.1 above). Camper & Nicholson's subsequently substituted the Issuer with their rights under this agreement. The term of the said agreement is stated to be the unexpired term of the emphyteutical deed described in Section 13.1 above. In consideration of the functions, powers and rights granted to the Issuer, the Issuer was required to pay to Cottonera Waterfront Group p.l.c. a fee equivalent to ten per cent of the Issuer's annual turnover, subject to the terms and conditions contained therein. The agreement may be dissolved if the Issue is in default of two yearly required payments and remains in default 15 days from receipt of a judicial letter to that effect.

PART A - SUMMARY

14 EXPERT STATEMENTS

The Issuer commissioned CB Richard Ellis Limited to issue a valuation report of the Grand Harbour Marina.

The following are the details of the said valuers: -

Name: CB Richard Ellis Limited
Business address: St Martin's Court,
10, Paternoster Row,
London EC4M 7HP,
United Kingdom
Qualifications: David Batchelor MRICS and Kenelm Cornwall-Legh MRICS, on behalf of CB Richard Ellis Limited, are qualified to prepare valuations in accordance with The RICS Valuation Standards, Sixth Edition and are both Chartered Surveyors.

CB Richard Ellis Limited has given (and has not withdrawn) its consent for the publication of the valuation in the form and context in which it is included in this Prospectus. The said valuation is annexed to this Prospectus in Annex 4.

The effective date of the valuation contained in the said report is 31 December 2009. There can be no assurance that the value of the Marina would remain unchanged after the 31 December 2009.

15 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The Issuer's intentions are presently to use the net proceeds of the Bond Issue amounting to approximately €9,550,000, or approximately €11,550,000 in the event of the exercise of the Over-alloiment Option:

- i) in priority to ii) and iii) below, to exercise the Issuer's option to prepay its current loan facility of €3.8 million with HSBC Bank Malta p.l.c.;
- ii) for further waterside and landside investments within the Marina itself and within Malta; and
- iii) potentially to co-invest with Camper & Nicholsons in existing and new investment marinas outside of Malta with a focus on the Mediterranean.

For further details on the use of Bond proceeds, see Section 36 of this Prospectus.

16 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €450,000. There is no particular order of priority with respect to such expenses. Accordingly, the net amount of proceeds from the Bond Issue is estimated to be €9,550,000 or, in the case of the exercise of the over-alloiment option, €11,550,000.

The overall amount of the placing commission payable to Financial Intermediaries entering into conditional placement agreements in terms of Section 40.12 of this Prospectus will not exceed €60,000.

17 ISSUE STATISTICS

Amount:	€10,000,000 subject to the Over-Allotment Option described below;
Over-allotment Option:	At the sole and absolute discretion of the Issuer, additional Bonds not exceeding an aggregate of €2,000,000 may be issued at the Bond Issue Price in the event of over-subscription;
Form:	The Bonds 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 Issuer at the CSD;
Denomination:	Euro (€);
Underwriting:	The Bonds are not underwritten
ISIN:	MT0000321217;
Minimum amount per subscription:	Minimum of €2,000 and multiples of €100 thereafter;
Redemption Date:	25 February 2020 unless otherwise redeemed on any of the Early Redemption Date;
Early Redemption Dates:	Any day falling between and including the 25 February 2017 and the 25 February 2020;
Bond Issue Price:	At par (€100 per Bond);
Status of the Bonds:	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves and with other unsecured debt ;
Listing:	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Issue Period:	The period between 11 February 2010 to 15 February 2010 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which the Bonds are on offer;
Interest:	7% per annum;
Interest Payment Date(s):	Semi-annually on the 25 February and 25 August of each year as from 25 August 2010;
Redemption Value:	At par (€100 per Bond);
Governing Law of Bonds:	The Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

18 EXPECTED TIMETABLE OF BOND ISSUE

Issuance of Formal Notice	25 January 2010
Application Forms available	25 January 2010
Pre-Placement Date	8 February 2010
Preferred Applicants' Date	8 February 2010
Opening of Subscription Lists	11 February 2010
Closing of Subscription Lists	15 February 2010
Announcement of Basis of Acceptance	22 February 2010
Commencement of Interest on the Bonds	22 February 2010
Expected Dispatch of Allotment Advices and Refunds of Unallocated Monies	1 March 2010

The Issuer reserves the right to close the Bond Issue before 15 February 2010 in the event of over-subscription, in which case, the remaining events set out above 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.

19 DETAILS OF THE BOND ISSUE

19.1 Admission to Trading

- 19.1.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 January 2010.
- 19.1.2 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.
- 19.1.3 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 8 March 2010 and trading is expected to commence on 9 March 2010.

19.2 Conditionality

The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE, the Application monies will be returned by the Issuer without interest by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form.

The Issuer has not established an aggregate minimum subscription level for the Bond Issue. Accordingly, in the event that the Bond Issue is not fully subscribed, but provided that the Bonds are listed on the Official List of the Malta Stock Exchange, the subscribed portion of the Bonds shall be allocated to the respective Applicants in accordance with the terms of this Prospectus.

19.3 Plan of Distribution and Allotment

- 19.3.1 During the Issue Period, Applications for subscription to the Bonds may be made through the Sponsor or any of the Financial Intermediaries. The Bonds are open for subscription to all categories of investors.
- 19.3.2 It is expected that an allotment advice to Applicants will be dispatched within five Business Days of the announcement of the allocation policy. Dealings in the Bonds may not commence prior to the said notification. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, Cap 373 of the laws of Malta (and regulations made thereunder). Such monies will not bear interest while retained as aforesaid.

19.4 Placing Arrangements prior to the Issue Period

Prior to the Issue Period, the Bonds shall be available for subscription in two tranches: -

- a) By Financial Intermediaries for the account of their clients other than Preferred Applicants during the Pre-Placement Date pursuant to, inter alia, the provisions of Section 19.4.1 hereunder;
- b) By Preferred Applicants through Financial Intermediaries pursuant to, inter alia, the provisions of 19.4.2 hereunder.

19.4.1 Pre-Placement Date

The Issuer intends to enter into conditional placement agreements with Financial Intermediaries (the "**Placement Agreements**") prior to the commencement of the Issue Period up to an amount not exceeding 41.66% of the maximum combined aggregate amount of Bonds being issued (including the over-allotment option), that is, €5,000,000, the "**Placed Portion**", with respect to the subscription of Bonds by Financial Intermediaries for the benefit of their clients other than Preferred Applicants.

Upon completion and submission of the Placement Agreements, the Issuer will be conditionally bound to issue, and each Financial Intermediary will bind itself to subscribe to, a number of Bonds, subject to the Bonds being admitted to the Official List of the Malta Stock Exchange. Each Placement Agreement will become binding on both the Issuer and the Financial Intermediaries upon delivery, subject to the Issuer having received all subscription proceeds in cleared funds on delivery of the Placement Agreement.

Financial Intermediaries may submit the completed Placement Agreements together with subscription proceeds in cleared funds on the 8 February 2010, the "**Pre-Placement Date**".

The minimum subscription amount for each application lodged with Financial Intermediaries on the Pre-Placement Date shall be €10,000 and applications in a single name for a lesser amount shall not be eligible for the Placed Portion and shall be disregarded unless such applications for less than €10,000 shall have resulted from scaling down on account of over-subscription. Each Financial Intermediary shall be required to apply for, in aggregate, a minimum of €200,000 in value for Bonds on the Pre-Placement Date.

19.4.2 Preferred Applicants

The Issuer has reserved 8.33% of the maximum combined aggregate amount of Bonds being issued (including the over-allotment option), that is, €1,000,000 for subscription by Preferred Applicants, the "**Preferred Portion**". Such Preferred Applicants shall receive a pre-printed application form by mail directly from the Issuer and shall be required to submit same to Financial Intermediaries together with cleared funds on the 8 February 2010, the "**Preferred Applicants' Date**".

Each application submitted by a Preferred Applicant shall be accompanied by the subscription proceeds in cleared funds, corresponding to the Bond Issue Price, on the day of submission of the relevant application.

The minimum investment amount for Preferred Applicants shall be €2,000 in value of Bonds.

All such applications must be received on the Preferred Applicants' Date in order for Preferred Applicants to benefit from the preferential allotment afforded thereto.

19.4.3 Treatment of Placed Portion and Preferred Portion

The Placed Portion and the Preferred Portion shall be subject to the following limits: -

- (i) The Financial Intermediaries for the benefit of their clients other than Preferred Applicants shall be entitled to subscribe to up to a maximum aggregate amount of €5,000,000 pursuant to the Placement Agreements.
- (ii) The Preferred Applicants shall be entitled to apply, through Financial Intermediaries, for up to a maximum aggregate amount of €1,000,000.

The above shall be subject to the following: -

- (a) Any amount not taken up by the Financial Intermediaries for the benefit of their clients other than Preferred Applicants under (i) above shall be available for subscription by Preferred Applicants, subject to a combined limit of €6,000,000. Any excess remaining thereafter shall automatically participate during the Issue Period *pari passu* with other applicants; and
- (b) Any amount not taken up by Preferred Applicants under (ii) above shall be available to Financial Intermediaries for the benefit of their clients other than Preferred Applicants during the Pre-Placement Date, subject to a combined limit of €6,000,000. Any excess remaining thereafter shall, unless a refund is requested by a Financial Intermediary, automatically participate during the Issue Period *pari passu* with other applicants.

If on opening of the conditional placement agreements after 10.00 hours on the 8 February 2010, it results that any part of the Placed Portion and/or the Preferred Portion has been oversubscribed then the Issuer shall determine the basis of acceptance of subscription agreements and the allocation policy to be adopted.

19.5 Public Offer

The balance of the Bonds not subscribed to during the Pre-Placement Date and the Preferred Applicants' Date shall be offered and issued to the general public during the Issue Period at the Bond Issue Price.

Preferred Applicants are at liberty to apply for Bonds during the Issue Period, at which stage, no preference shall be afforded to their application.

20 TAXATION

20.1 General

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

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

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

20.2 Malta tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, (Cap. 123, Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. However tax withheld shall in no case be available to any person for a credit against that person's tax liability or for a refund as the case may be.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary does not qualify as a "recipient" in terms of article 41(c) of the Income Tax Act. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

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

20.3 European Union Savings Directive

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

This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

20.4 Malta capital gains on transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of "securities" in terms of article 5(1)(b) of the Income Tax Act, that is, "shares and stocks and such like instrument that participate in any way in the

profits of the company and whose return is not limited to a fixed rate of return", no Malta tax on capital gains is chargeable in respect of transfer of the Bonds held as capital assets at the time of disposal.

20.5 Duty on documents and transfers

In terms of article 50 of the Financial Markets Act, (Cap 345, Laws of Malta) as the Bonds constitute financial instruments of a company quoted on a regulated market, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese duty.

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

21 RISK FACTORS - ISSUER

One should carefully consider the following matters, as well as the other information contained in this Prospectus, before making any investment decision with respect to the Issuer. If any of the risks described were to materialise, they could have a serious effect on the Issuer's financial results, trading prospects and the ability of the Issuer to fulfil its obligations under the securities to be issued.

21.1 General Risks

21.1.1 Forward Looking Statements

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

21.1.2 General External Factors

The Issuer is subject to certain risks both common to the marina industry and to the economy in general, certain of which are beyond its control, including but not limited to changes in interest rates, inflation, by conditions and pricing within the markets in which it operates and may, in the future operate, and the financial condition of the Issuer's current and potential customers. The returns, the Issuer's income and capital value and the value of its investments within individual countries may be materially adversely affected by the political, social and economic climate in such country. The financial performance of the Issuer may be negatively affected by such external factors.

21.1.3 Global Financial and Economic Crisis

Since mid-2007, extreme volatility and disruption in global capital and credit markets has had, and continues to have, an impact on the performance of the economy worldwide. The sharp global reduction in business activity, exchange rate fluctuations, the general uncertainty and consumer confidence and decreasing disposable income may have a material adverse effect on the Issuer's performance.

21.1.4 Controlling Person Liability

The Issuer may, in the future, have controlling interests in certain investments through special purpose companies or other entities or may own such investments directly. In certain jurisdictions, failure to supervise management, violation of government regulations or the characteristics of limited liability of business ownership being ignored, may result in the Issuer suffering a significant loss.

21.1.5 Counterparty Risk

The Issuer may enter into transactions which would expose the Issuer to the credit risk of its counterparties and their ability to satisfy the terms of such contract. In the event of a bankruptcy or insolvency of such counterparty, the Issuer could experience significant losses.

21.1.6 Interest Rate Risk

An increase in interest rates on the Issuer's existing or future borrowings may increase the costs of the Issuer's borrowings and may have an adverse effect on the profitability of the Issuer and the market price of the Bonds.

21.1.7 Uninsured Losses

The Issuer will aim to ensure that all of its property assets are adequately insured. However, changes in the cost or availability of insurance or acts of God could expose the Issuer to uninsured losses which may result in the value of the Issuer's property assets being reduced by the amount of that uninsured loss.

21.1.8 Currency Risk

The Issuer may make investments in currencies other than Euros, the base currency of the Issuer. Changes in rates of exchange may have an adverse effect on the value, price or income of such investments from year to year to the extent that the Issuer does not hedge against such exchange movements.

21.1.9 Key Personnel

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

21.2 Risks relating to the Issuer's Business

21.2.1 Licensing of Super-yacht Berths

The Issuer is exposed to the risks associated with the trends and future outlook of the super-yacht industry as a whole. The financial performance of the Issuer significantly depends on the value, timing, and number and extent of long-term berth licence sales of its super-yacht berths. This could therefore impact the Issuer's ability to settle or refinance its Bond obligations.

21.2.2 Relationship with Camper & Nicholsons

Camper & Nicholsons is the marina consultant and marina manager for the Issuer and the exclusive sales agent for long-term berth licences. Although the Issuer can generate sales from sources other than Camper & Nicholsons, it relies heavily on the sales generated by, and the know-how of, Camper & Nicholsons. The Issuer also depends on Camper & Nicholsons' ability to identify, analyse, invest in projects, operate and dispose of projects and secure finance for those projects that meet the Issuer's investment criteria. Failure by Camper & Nicholsons to find projects meeting the Issuer's investment objectives and to manage investments effectively could have a material adverse effect on the Issuer's business, financial condition and results of operations. The contract with Camper & Nicholsons and the Issuer (as described in Section 34.2) is due to expire in June 2010. Whilst the Issuer is confident that the said contract shall be renewed, there can be no guarantee that it will be renewed, and if renewed, on the same terms and conditions.

21.2.3 Investment Objectives

There can be no guarantee that the investment objectives of the Issuer will be met. Meeting its objectives is a target but the existence of such objectives should not be considered as an assurance or guarantee that they can, or will, be met by the Issuer. The ability of the Issuer to implement its strategy going forward in an effective and efficient manner may be limited by its ability to source appropriate investments in which to invest, inside and outside of Malta. The Issuer does not have a history of investments outside of the Marina. The assets in which the Issuer invests may not reach occupancy levels or pricing as intended in a timely fashion or at all which may impact adversely on the returns to the Issuer.

21.2.4 Concession, Lease or Build-Operate-Transfer ("BOT") risks

The Issuer may hold investments in its portfolio under the terms of lease agreements, BOT Agreements or like concessions. Such leases, BOT Agreements or concessions may contain terms and conditions which, if breached, may expose the Issuer to the cost of damages and/or termination of the concession without compensation.

21.2.5 Impact of Law and Governmental Regulation

The Issuer, and developers with whom the Issuer deals, will need to comply with the laws and regulations, whether in Malta or in other jurisdictions, relating to environment, planning, land use and development standards which may be subject to change. The institution and enforcement of such laws and regulations could have the effect of exposing the Issuer to high level of liability, increasing the expense and lowering the income or rate of return from, as well as adversely affecting the value of, the Issuer's investments. New laws may be introduced, which may be retrospective and could affect environmental, planning, land use and development regulations.

21.2.6 Nature of the Issuer's Investments

Investments in marinas and marina related real estate may be relatively illiquid. The Issuer will be subject to the general risks incidental to the ownership and operation of marinas and marina related real estate, including those associated with the general economic climate and local marina and marina related real estate conditions, the level of the supply of or demand for marinas in an area, various uninsurable and insurable risks - for which the Issuer may not be adequately insured and which can be material. The marketability and value of investments held by the Issuer will, therefore, depend on many factors beyond the control of the Issuer and there is no assurance that there will be either a ready market for any investments or that such investments will be sold at a profit or will yield positive cash flow.

21.2.7 Development Risk

The Issuer may be subject to risks associated with the development of marinas and marina related real estate, including the risk relating to project financing, planning permits, delays, cost over-run, legal disputes such as title dispute and counterparty risk.

21.2.8 Valuation Risk

Valuations of marinas and marina related real estate may be complex as there may be no liquid market or pricing mechanisms. As a result, valuations could be subject to uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales price even where such sales occur shortly after the date of the valuation.

21.2.9 Concentration Risk

The Issuer expects to participate in a limited number of investments and, as a consequence, the aggregate return of the Issuer may be substantially adversely affected by the unfavourable performance of even a single investment. As at the date of this Prospectus, the only investment held by the Issuer is the Marina. Bondholders have no assurance as to the degree of diversification, if at all, in the Issuer's investments, either by geographic region or asset type.

21.2.10 Competition

The Issuer may be subject to competition, both in Malta and elsewhere. Competition and changes in economic and market conditions could adversely affect the Issuer's business and operating results. The relevant authorities may create additional marina capacity and international competition may affect the Issuer's performance. Some of the Issuer's competitors may have greater resources and the Issuer may not be able to compete successfully for investments. Furthermore, competition for investments may lead to the price of such investments increasing, which may limit the Issuer's ability to generate its desired returns.

21.2.11 Joint Arrangement Risk

The Issuer's investments may be held through joint arrangements with third parties, meaning that the ownership and control of such assets is shared with such third parties. As a result, certain decisions relating to the assets and operation, including the making of distributions and right to dispose of investments, may depend upon the consent or approval of such third parties. Disputes may arise between the Issuer and third party partners which could mean that the Issuer may not be able to manage or deal with a particular investment in the way it would wish and this may adversely affect the Issuer's results of operations.

- 21.3 Risks relating to the Bonds
- 21.3.1 Prior to the Bond Issue, there has been no public market or trading record for the Bonds within or outside Malta. Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.
- 21.3.2 The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell the Bonds at or above the Bond Issue Price or at all.
- 21.3.3 It is possible that the Issuer's results of operations or its business outlook may fall short of expectations, in which case the price of the Bonds could be negatively affected.
- 21.3.4 Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- 21.3.5 A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.
- 21.3.6 No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.
- 21.3.7 The Bonds constitute the general, direct, unconditional, and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Furthermore, subject to the negative pledge clause (Section 38.8), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.
- 21.3.8 The Issuer has the option to redeem the Bonds in whole or in part on any of the Early Redemption Dates (in accordance with the provisions of Section 38.2), together with any accrued and unpaid interest until the time of redemption. This optional redemption feature may condition the market value of the Bonds.
- 21.3.9 In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders in accordance with the provisions of 38.14. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.
- 21.3.10 The terms and conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.
- 21.3.11 An investment in the Bonds may not be suitable for all recipients of this Prospectus and investors are advised to consult their advisors as to the suitability or otherwise of the Bonds before investing.

PART C - INFORMATION ABOUT THE ISSUER

22 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS

As at the date of this Prospectus, the Board of Directors of the Issuer is constituted by the following persons:

22.1 Directors of the Issuer

Lawrence Zammit	Chairman
Nicholas Maris	Director
Trevor Ash	Director
Roger Lewis	Director
John Hignett	Director

THE DIRECTORS OF THE ISSUER ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS. TO THE BEST OF THEIR KNOWLEDGE AND BELIEF (AFTER HAVING TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

The persons listed under the sub-heading "Advisors" have advised and assisted the Directors in the drafting and compilation of the Prospectus.

22.2 Senior Management

The General Manager of the Issuer, a post which is currently occupied by Mr Ben Stuart, is responsible for the overall implementation of the strategies of the Board of Directors. In addition, the management of the Grand Harbour Marina is entrusted to Camper & Nicholsons pursuant to a marina service agreement dated 1 July 2007, details of which agreement are contained in Section 34.2. Further details on the senior management of the Issuer including the organisational structure of Camper & Nicholsons pursuant to which the Marina is managed and operated are contained in Section 29.2.

22.3 Advisors

Legal Counsel to the Bond Issue

Name: Camilleri Preziosi
Address: Level 3, Valletta Buildings, South Street, Valletta VLT 1103 Malta

Legal Counsel to the Issuer

Name: Guide de Marco & Associates
Address: 9, Britannia House, Level 2, Old Bakery Street, Valletta VLT 1450 Malta

Sponsor

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

Manager & Registrar

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

Financial Advisors

Name: Finco Treasury Management Limited
Address: Level 5, the Mall Complex The Mall, Floriana FRN1470 Malta

22.4 Auditors

Name: KPMG
Address: Portico Building, Marina Street, Pieta, PTA 9044 - Malta

The annual statutory financial statements of the Issuer for the financial year ended 31 December 2007 and 31 December 2008 have been audited by KPMG. KPMG is a firm of Certified Public Accountants holding a Practising Certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Cap. 281, Laws of Malta).

23 SELECTED FINANCIAL INFORMATION

Extracts from the audited financial statements of the Issuer for the two financial years ended 31 December 2007 and 2008 and from the interim unaudited half-yearly financial statements for the period from 1 January 2009 to 30 June 2009, are set out below.

Condensed Statement of Comprehensive Income

	1 Jan 2008 to 31 Dec 2008	1 Jan 2007 to 31 Dec 2007	1 Jan 2009 to 30 Jun 2009 (6 months)	1 Jan 2008 to 30 Jun 2008 (6 months)
	€'000	€'000	€'000	€'000
Revenue	2,497	11,177	926	1,080
Personnel expenses	(307)	(213)	(151)	(142)
Directors' emoluments	(44)	(138)	(22)	(23)
Depreciation expense	(335)	(285)	(168)	(142)
Other operating expenses	(2,053)	(3,501)	(703)	(892)
Results from operating activities	(242)	7,040	(118)	(119)
Finance income	140	23	13	83
Finance expenses	(297)	(483)	(154)	(127)
Net finance costs	(157)	(460)	(141)	(44)
(Loss) / profit before income tax	(399)	6,580	(259)	(163)
Income tax (expense) / credit	(12)	(2,678)	91	78
Total comprehensive (loss) / income for the period	(411)	3,902	(168)	(85)
(Loss) / earnings per share (in Euros)	(0.04)	0.39	(0.02)	(0.01)

PART C - INFORMATION ABOUT THE ISSUER

Condensed Statement of Financial Position

	At 30 Jun 2009 €'000	At 31 Dec 2008 €'000	At 31 Dec 2007 €'000
ASSETS			
Non-current assets	8,772	8,807	8,877
Current assets	2,938	3,061	8,796
Total assets	<u>11,710</u>	<u>11,868</u>	<u>17,673</u>
EQUITY			
Total equity	<u>4,396</u>	<u>4,564</u>	<u>6,975</u>
LIABILITIES			
Non-current liabilities	3,537	3,363	4,319
Current liabilities	3,777	3,941	6,379
Total liabilities	<u>7,314</u>	<u>7,304</u>	<u>10,698</u>
Total equity and liabilities	<u>11,710</u>	<u>11,868</u>	<u>17,673</u>
Net asset value per share (in Euros)	<u>0.44</u>	<u>0.46</u>	<u>0.70</u>

Condensed Statement of Cash Flows

	1 Jan 2008 to 31 Dec 2008 €'000	1 Jan 2007 to 31 Dec 2007 €'000	1 Jan 2009 to 30 Jun 2009 (6 months) €'000	1 Jan 2008 to 30 Jun 2008 (6 months) €'000
Net cash (used in) / generated from operating activities	(369)	7,423	418	(2,503)
Net cash used in investing activities	(501)	(829)	(125)	(468)
Net cash used in financing activities	<u>(3,036)</u>	<u>(768)</u>	<u>(351)</u>	<u>(2,548)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(3,906)</u>	<u>5,826</u>	<u>(58)</u>	<u>(5,519)</u>
Cash and cash equivalents at 1 January	<u>6,323</u>	<u>497</u>	<u>2,417</u>	<u>6,323</u>
Cash and cash equivalents at end of period	<u>2,417</u>	<u>6,323</u>	<u>2,359</u>	<u>804</u>

The movement in revenue and operating results from one year to the next is mainly the result of the nature of the Issuer's business, in particular the timing of the successful conclusion of long-term licensing contracts for Super-yacht berths⁷.

⁷ Super-yachts are generally defined as motor or sail boats exceeding 25 metres in length.

23.1 Financial year to 31 December 2007

2007 was a successful year for the Issuer. At the time of its admission to the Official List of the Malta Stock Exchange in early 2007, the Issuer had concluded the sale of seven Super-yacht berth licences leaving 26 further Super-yacht berths in stock.

This successful track record continued in 2007 culminating in the successful negotiation of three long-term Super-yacht berth licence agreements (3x75 metre berths), generating sales proceeds amounting to €10,017,000 in December 2007.

The second half of 2007 also saw a number of further operational milestones being reached in the Issuer's development plan and capital expenditure program and an increased impetus towards reaching the Issuer's stated aim of providing truly world class marina facilities.

During the year the Marina achieved a 98% "take up" level (i.e., occupancy) of annual berth licenses of the pontoons available for rental. This showed the strength of demand for berths at the Marina. Combined with a waiting list for such berths, this demand dynamic underpins the strong business fundamentals of the Marina.

23.2 Financial year to 31 December 2008

After a strong year for Super-yacht berth licence sales in 2007, the Issuer continued to sell long-term Super-yacht berth licenses in 2008, albeit at a slower pace as the global economic climate worsened over the course of the year. Owners of Super-yachts became more cautious in making commitments, especially during the second half of 2008. However, the Issuer maintained a high level of enquiries for long-term Super-yacht berth licenses. During the financial year, the Issuer concluded the sale of two 30 metre berth licences, with total sales proceeds amounting to €1,018,000. During the six months ended 30 June 2008, one Super-yacht berth licence was concluded, amounting to €508,000.

Over the course of the year, rental pontoon berths at the Marina remained at close to full occupancy and the waiting list of clients seeking berths was also maintained. Berth rental pricing was increased by 5% across the board in 2008.

During the year, the Issuer completed the improvements to the mooring system on Xatt ir-Risq at the Marina for six 30 metre berths and created an additional 23 berths which were offered on a seasonal rental basis. These berths have been occupied since installation.

The extensive sales and marketing programme continued in 2008 and the Marina was represented at the Camper & Nicholsons stands at the Genoa, Monaco, Dusseldorf, London and Fort Lauderdale boat shows. In addition, an extensive programme of face-to-face visits with leading yacht brokers, managers, shipyards, and professional intermediaries was continued.

The decrease in net assets from €6,975,000 at 31 December 2007 to €4,564,000 at 31 December 2008 is mainly related to the payment of dividends and the loss incurred by the Issuer during 2008.

In June 2008, the Issuer paid a dividend of €2.0 million from the consideration received in December 2007 from the sale of three 75 metre Super-yacht berth licenses.

23.3 Six months to 30 June 2009

Following a tariff increase of 15% for pontoon rental berths and a 50% price increase for visiting yachts at the beginning of the financial year, full occupancy was maintained on the rental pontoon berths. At the same time visiting and seasonal yacht revenues reached their highest levels to date with strong winter occupancy, especially on the Super-yacht berths for boats staying in Malta during the winter months.

PART C - INFORMATION ABOUT THE ISSUER

During the period 1 January to 30 June 2009, pontoon rental fees and revenue from ancillary services (i.e., revenues excluding proceeds from the sale of Super-yacht berth licenses) increased by 62% over the first six months of 2008, as a result of the increased tariffs and high occupancy levels. The Issuer achieved slightly better than breakeven at the EBITDA level during the period and is on target to reach operating break even without berth sales during the course of 2009.

Prospective buyer enquiries from boat owners, brokers, captains and other intermediaries for berth licences have remained strong, but continued caution amongst buyers meant that no berth sales were concluded in the period.

23.4 Six months to 31 December 2009

The third quarter of 2009 saw the continuation of a high level of occupancy throughout the Marina. Pontoon berths remained full and Super-yacht berthing for the summer equated to 104 yachts which compares favourably to 96 for the summer of 2008. The Marina's winter bookings were late in materialising however as yachts remained unsure of their movements. Notwithstanding, the Issuer has maintained the berth occupancy at the Marina for the period compared to last winter and notably has managed to increase the occupancy on a square meter basis.

Whilst enquiries for licensing of long-term Super-yacht berths remained solid, external factors continued to depress the realisation of sales. That said, in the third quarter the Issuer has seen a solid progression from individual enquiries towards requests for negotiations.

CB Richard Ellis Limited⁸, one of the world's premier, full service real estate service and property companies, valued the Marina on the basis of market value at €20,100,000 in its valuation as at 31 December 2009.

23.5 Future outlook

Earnings at an EBITDA level (Earnings before Interest, Taxes, Depreciation and Amortisation) excluding the sale of Super-yacht berth licenses have risen over the last two years through a combination of full pontoon occupancy and tariff rises. Given that berth tariffs in Malta remain at the lower end of those in comparable privately owned Mediterranean marinas⁹, it is reasonable to expect that these trends will be maintained in 2010.

Since 2001, the Issuer has sold a total of 12 Super-yacht berth licenses for an aggregate consideration of around €19 million. Prices for such berths over the period have increased from circa €600 per square meter of water area in 2001 to today's list prices of €2,050 and €2,250 for smaller and larger Super-yachts, respectively. The value at list prices of the stock of Super-yacht berths currently available for sale at Grand Harbour Marina exceeds €30 million. Currently prospective berth license sales enquiries remain strong, although caution amongst buyers has prevented the finalisation of sales to date in 2009. Notwithstanding the effects of the current economic climate, the Issuer believes that the sales of long term berth licenses will continue and will form an important part of the future revenues of Grand Harbour Marina.

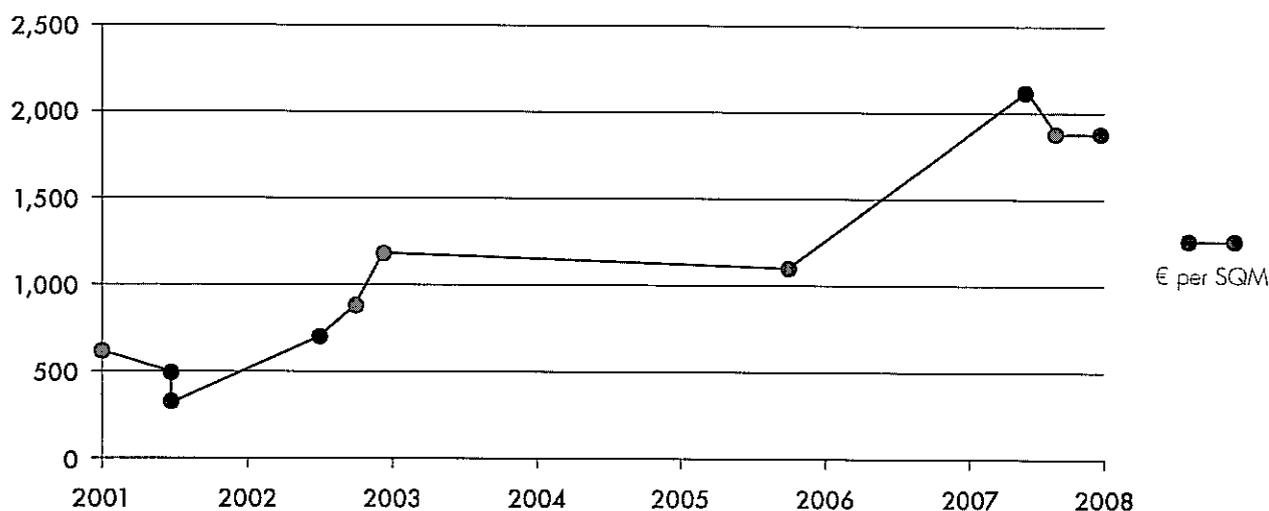
As shown by the chart opposite, GHM has successfully increased the actual selling price for long-term Super-yacht licenses on a square metre basis almost four-fold over the last eight years from c.€600 per square metre in 2001 when the first berths were sold off-plan to c.€2,200 per square metre for berths above 40 metres and c.€1,900 per square metre for berths between 30 and 40 metres in 2007 and 2008, respectively.

⁸ CB Richard Ellis Limited with business address at St. Martin's Court, 10, Paternoster Row, London EC4M 7HP, United Kingdom. The valuation report was signed by Kenelm Cornwall-Legh Mrics and David Batchelor Bsc Mrics and was prepared in accordance with the RICS Valuation Standards, Sixth Edition.

⁹ This statement has been on the basis of the Camper & Nicholsons report as the same has been reproduced in Section 28 of this Prospectus.

The information extracted therefrom has been actually reproduced and as far as the Issuer is aware and able to ascertain, no facts have been omitted which would render the information reproduced, inaccurate or misleading.

ACTUAL PRICE OF Super-yacht BERTHS AT GHM

Table 1 - Actual prices achieved for long-term Super-yacht berth licenses at Grand Harbour Marina since 2001¹⁰

Note: The last berth licenses sold at the Marina were two 30 metre berths in 2008. Such smaller Super-yacht berth licenses are sold at a lower list price than the larger Super-yacht berth licenses for berths above 40 metres.

24 CAPITALISATION AND INDEBTEDNESS

The following table sets out the Issuer's capitalisation and indebtedness as at 30 June 2009 and the estimate after reflecting the issue of the Bonds including the exercise of the Over-allotment Option and other forecast movement in indebtedness in the period from 1 July 2009. Information with respect to the position as at 30 June 2009 has been extracted from the unaudited half-yearly financial statements for the period from 1 January 2009 to 30 June 2009.

Interest bearing borrowings	€'000
Total bank borrowings as at 30 June 2009	4,075
Repayment of bank borrowings post 30 June 2009	(4,075)
Issue of Bond	12,000
Total interest bearing indebtedness after issue of bond	12,000
Shareholders' Equity	
Called up issued share capital	2,329
Retained earnings	2,066
Shareholders' equity as at 30 June 2009	4,395
Total capital (debt and equity) as at 30 June 2009	8,470
Total capital (debt and equity) after bond issue	16,395
Gearing ratio (debt is to equity) as at 30 June 2009	0.93
Pro-forma gearing ratio (debt is to equity) after issue of bond	2.73

The pro-forma gearing ratio (debt is to equity) after the Bond Issue based on the market value of equity of €19.8 million, calculated with reference to the closing price of the Issuer's equity as last traded on the Malta Stock Exchange of €1.98 per share, would be 0.61.

Based on CB Richard Ellis Limited's valuation opinion of the Marina as at 31 December 2009 (€20,100,000), the resulting pro-forma debt-to-value ratio after the bond issue would be 0.60.

¹⁰ Camper & Nicholsons Report - The information extracted therefrom has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published thereby, no facts have been omitted which would render the reproduced information inaccurate or misleading.

PART C - INFORMATION ABOUT THE ISSUER

25 HISTORICAL DEVELOPMENT

25.1.1 The Issuer

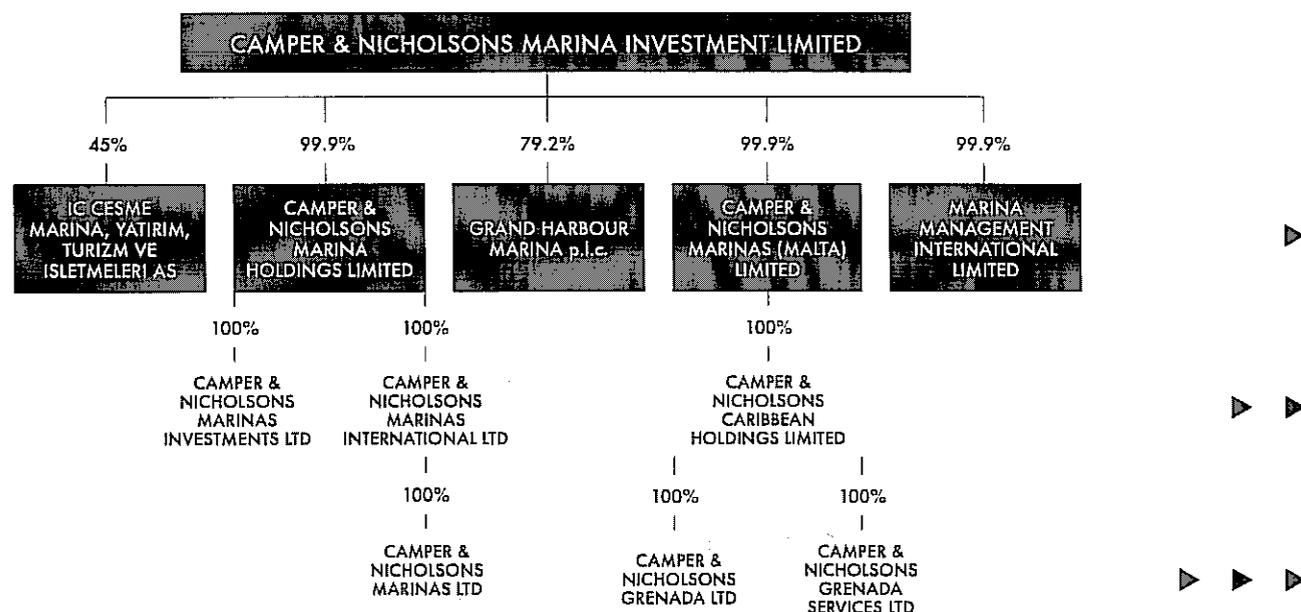
Full Legal & Commercial Name of Issuer: Grand Harbour Marina p.l.c.
 Registered Address: Vittoriosa Wharf, Vittoriosa, BRG 1721, Malta
 Place of registration & Domicile: Malta
 Registration Number: C 26891
 Date of registration: 31 August 2000
 Legal Form: Public Limited Liability Company
 Telephone Number: +356 21 800 700

The Issuer was first established on 31 August 2000, as a private company under the Act. On the 4 September 2001, the Issuer acquired the rights to develop and operate Grand Harbour Marina, located in that part of the Grand Harbour in Malta known as Dockyard Creek for the 97-year balance of a 99-year sub-emptysis. In January 2003, the Issuer received a full development permit from Malta Environment & Planning Authority and in December 2003 obtained a practical completion certificate for the Grand Harbour Marina. Practical completion of the marina occurred in 2003 whilst in 2005 the Marina was officially opened by Her Majesty Queen Elizabeth II. Grand Harbour Marina was completed to high standards with its mooring systems certified by Bureau Veritas. Grand Harbour Marina has also secured ISPS certification (International Ship and Port Security Code).

In preparation of the initial public offering of the Issuer in 2007, the Issuer was converted into a public limited company in accordance with section 213 of the Act and is currently duly registered and existing as a public company pursuant to the Act.

On 1 March 2007, the ordinary share capital of the Issuer was admitted to the Official List of the Malta Stock Exchange following a successful initial public offering of 30% of the Issuer's shares. Subsequently, an offer was made to the then shareholders by CNMI which as a result acquired 79.2% of the issued share capital of the Issuer. CNMI is a closed-ended investment company registered and incorporated in Guernsey under the Companies (Guernsey) Law, 1994 (as amended) with registered number 45700 and is listed on the Alternative Investment Market of the London Stock Exchange.

26 ORGANISATIONAL STRUCTURE



PART C - INFORMATION ABOUT THE ISSUER

The Issuer forms part of a group of companies, the parent company of which is CNMI. Other than the Issuer, CNMI has a shareholding in the following companies:

- ▶ IC Çeşme Marina Yatırım, Turizm ve İşletmeleri Anonim Şirketi , a joint stock company registered under the laws of Turkey with company registration number 236641 and with registered office situated at Musalla District 1016th Street No: 8 Çeşme / İzmir, Turkey. CNMI holds 45% of the issued share capital of IC Çeşme Marina Yatırım, Turizm ve İşletmeleri Anonim Şirketi.
- ▶ Camper & Nicholsons Marinas (Malta) Limited, a limited liability company registered under the laws of Malta with company registration number C39672 and with registered office situated at Tower Gate Place, Tal-Groqq Street, Msida MSD 1703, Malta. CNMI holds 99.99% of the issued share capital of Camper & Nicholsons Marinas (Malta) Limited.
- ▶ ▶ Camper & Nicholsons Caribbean Holdings Limited, an international business company registered under the laws of The Commonwealth of the Bahamas with company registration number 151527 B and with registered office situated at Lyford Financial Centre, Lyford Cay, P.O. Box N-7776, Nassau, Bahamas . CNMI, through its shareholding in Camper & Nicholsons Marinas (Malta) Limited holds 100% of the issued share capital of Camper & Nicholsons Caribbean Holdings Limited.
- ▶ ▶ ▶ Camper & Nicholsons Grenada Limited, a limited liability company registered in Grenada with company registration number 166 of 2007 – 6160 and with registered address Lucas Street, St Georges, Grenada, West Indies. CNMI, through its shareholding in Camper & Nicholsons Caribbean Holdings Limited, holds 100% of the issued share capital of Camper & Nicholsons Grenada Limited.
- ▶ ▶ ▶ Camper & Nicholsons Grenada Services Limited, a limited liability company registered in Grenada with company registration number 165 of 2007 – 6159 and with registered address Lucas Street, St Georges, Grenada, West Indies. CNMI, through its shareholding in Camper & Nicholsons Caribbean Holdings Limited, holds 100% of the issued share capital of Camper & Nicholsons Grenada Services Limited.
- ▶ Marina Management International Limited, a limited liability company registered under the laws of Malta with company registration number C 39581 and with registered office situated at the Treasury Building, Vittoriosa, BRG 1721, Malta. CNMI holds 99.99% of the issued share capital of Marina Management International Limited.
- ▶ Camper & Nicholsons Marina Holdings Limited, a limited liability company registered under the laws of Malta with company registration number C 38368 and with registered office situated at the Treasury Building, Vittoriosa, BRG 1721, Malta. CNMI holds 99.99% of the issued share capital of Camper & Nicholsons Marina Holdings Limited.
- ▶ ▶ Camper & Nicholsons Marinas International Limited, a limited liability company registered under the laws of Malta with company registration number C38396 and with registered office situated at the Treasury Building, Vittoriosa, BRG 1721, Malta. CNMI holds, through its shareholding in Camper & Nicholsons Marina Holdings Limited, 99.99% of the issued share capital of Camper & Nicholsons Marinas International Limited.

PART C - INFORMATION ABOUT THE ISSUER

- ▶ ▶ ▶ Camper & Nicholsons Marinas Limited (in this Prospectus referred to as Camper & Nicholsons), a limited liability company incorporated under the laws of the United Kingdom with company registration number 02764678 and with registered office situated at Arcadia House, Maritime Walk Ocean Village, Southampton, Hampshire, SO14 3TL. CNMI holds, through its shareholding in Camper & Nicholsons Marina Holdings Limited and in turn through Camper & Nicholsons Marinas International Limited, 99.99% of the issued share capital of Camper & Nicholsons Marinas Limited;
- ▶ ▶ Camper & Nicholsons Marinas Investments Limited, a limited liability company registered under the laws of Malta with company registration number C38399 the Treasury Building, Vittoriosa, BRG 1721, Malta. CNMI holds, through its shareholding in Camper & Nicholsons Marina Holdings Limited, 99.99% of the issued share capital of Camper & Nicholsons Marinas Investments Limited.

26.1 Dependence on entities within the group

Camper & Nicholsons (the defined term for Camper & Nicholsons Marinas Limited) is the marina consultant and marina manager for the Issuer and the exclusive sales agent for long-term berth licences. Although the Issuer can generate sales from sources other than Camper & Nicholsons, it relies heavily on the sales generated by, and the know-how of, Camper & Nicholsons. The Issuer also depends on Camper & Nicholsons' ability to identify, analyse, invest in projects, operate and dispose of projects and secure finance for those projects that meet the Issuer's investment criteria. Failure by Camper & Nicholsons to find projects meeting the Issuer's investment objectives and to manage investments effectively could have a material adverse effect on the Issuer's business, financial condition and results of operations. The contract with Camper & Nicholsons and the Issuer (as described in Section 34.2) is due to expire in June 2010. Whilst the Issuer is confident that the said contract shall be renewed, it cannot guarantee that it is able to keep the existing relationship or replace it with other relationships on similar terms.

27 BUSINESS OVERVIEW

27.1 Principal Activities of the Issuer

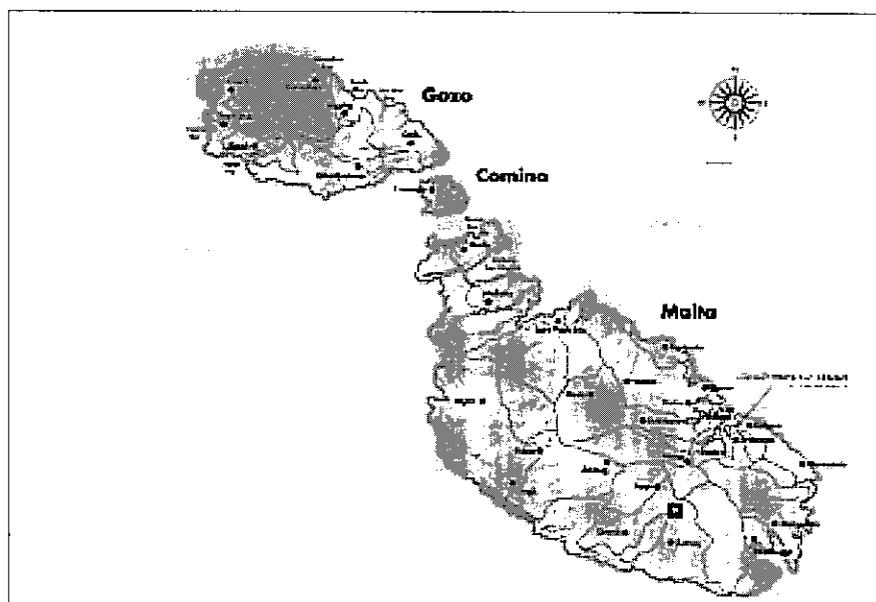
The Issuer's principal activity is the development, operation and management of marinas and marina related real estate, with a focus on the Mediterranean.

Grand Harbour Marina

Presently the Issuer owns, under a 99 year sub-emphyteusis, and operates Grand Harbour Marina which is located within Dockyard Creek in Grand Harbour, Malta. It is bordered by the three cities of Birgu, Senglea and Cospicua and is within a 20 minute drive of Malta's international airport. The Marina is sheltered with deep water and its waterfront is bordered by restaurants, bars and a casino. The Marina was valued in December 2009 at €20,100,000 by CB Richard Ellis.

Grand Harbour Marina currently provides a total berthing area of 46,700 square metres, presently configured into 197 pontoon berths for yachts up to 25 metres in length, and 33 berths (or 63% of the lettable berthing area) for Super-yachts ranging from 30 to 100 metres in length. Of these 33 Super-yacht berths, 12 have been sold on long-term licenses until now. Seven berths were sold between 2001 and 2006, three berths in 2007 and two berths in 2008.

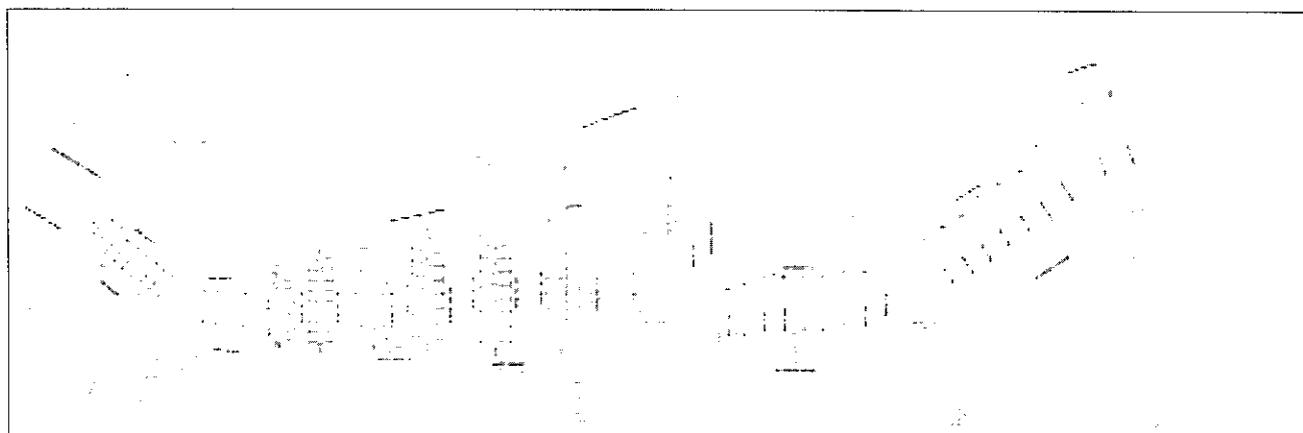
Pontoon berths are made of concrete structures and are generously dimensioned with wide fairways for easy navigation. The berths are equipped with water and electricity connections which are directly linked to the marina management software system in use at the Marina. The Marina is operated from a Capitainerie which offers toilets, showers and boardroom facilities for berth holders. The Marina is manned on a twenty four hour basis, seven days a week and security is aided by a network of CCTV cameras.



Location of Grand Harbour Marina in Malta

The water depth in the Marina varies from 5 metres at the quay to 20 metres at the centre of the creek. In addition to the available berths for rental and licensing, the Marina also provides approximately 300 moorings for smaller boats free of charge to local boat owners.

In addition, over the last few years the Marina has also hosted major yachting events including the Rolex® Middle Sea Race, and the Classic Yacht Regatta, the Baille de Suffran, which links St. Tropez to Malta.



Grand Harbour Marina berth layout 2009

PART C - INFORMATION ABOUT THE ISSUER

Clients

Grand Harbour Marina's clients include yachts owned by Maltese citizens and residents, foreign visiting and annual berth holding yachts, and foreign super-yachts

Management

The marina is managed by a General Manager who has under him a team of specialists which include berthing masters, maintenance engineers, front desk staff, accountant and others. The total team comprises 16 direct employees.

Services Agreement with Camper & Nicholsons – Use of Brand – Sales and Marketing

Grand Harbour Marina benefits from a services contract with Camper & Nicholsons. This licenses the use of the Camper & Nicholsons' brand which is widely promoted and recognised internationally as a premium brand. Additionally the agreement gives access to resources which include technical, finance, operations, and sales and marketing services. Camper & Nicholsons' international sales and marketing activities which feature Grand Harbour Marina include attendance at leading European and Florida boat shows, direct and internet marketing, advertising and event sponsorship.

Grand Harbour Marina also has access to Camper & Nicholsons' marina and client databases and know-how, and to certain of its investment opportunities. Camper & Nicholsons' marina operating headquarters is located within the same building as Grand Harbour Marina's capitainerie.

Revenue Generating Activities:

The Marina's revenues derive from three principal areas:

- the rental of berths for periods from daily up to one year;
- the sale of long-term Super-yacht berth licences typically for periods of 25 years; payment being made at the commencement of the agreement with an additional annual service charge;
- the sale of utilities including electricity and water

Additionally revenue may be generated from ancillary services such as parking, storage, concierge services, the sale of fuel and other service provisions.

Costs:

The principal costs of the Marina include but are not limited to:

- Salaries for berthing masters, security, accounting and other staff;
- Rental payments under the sub-empyreutical deed and insurance;
- Promotion;
- Sales and marketing;
- Fees for external management and branding;
- Repairs and maintenance.

Other Current Activities

The Issuer presently has a short-term management agreement with the Malta Maritime Authority in relation to a temporary marina offering of about 50 unserviced berths located in the area of Dock No 1 in Dockyard Creek.

Potential Future Activities

The Issuer intends to continue with its plan as set out in its 2007 IPO prospectus, namely to raise additional finance to permit continued expansion within and outside of Malta. The Issuer presently foresees that investment opportunities may arise within the existing Grand Harbour Marina and its adjacent areas. These opportunities may include:

- reconfiguration options to increase the rentable and saleable areas of the Marina;
- acquisition of marina-related real estate or rights in the vicinity;
- acquisition or licensing of additional water areas.

Furthermore, the Issuer may also consider investing in other marina investment opportunities within Malta.

The Issuer's relationship with Camper & Nicholsons gives it potential access to attractive investment and co-investment opportunities in international marinas and with it the ability to source, conduct due diligence, acquire and operate such marinas.

For a full description of the use of Bond proceeds see Section 36.

27.2 Principal Markets of the Issuer

The Issuer's clients can be divided into three main categories:

- Sail and power yachts of less than 25 metres owned by Maltese citizens and residents taking up annual licenses. The issuer's principal competitors in this category are other existing marinas within Malta which offer a total of 1,225 berths. These presently include:
 - Msida marina (presently being privatized by the Government);
 - Manoel Island Marina;
 - Portomaso;
 - Ta' Xbiex;
 - Gozo.

Tenders have also recently been issued for additional temporary marinas in Malta which would also compete for this category of business and for visiting yachts from outside Malta.

- Visiting Sail and Power yachts over 25 metres principally foreign-owned

Presently only Manoel Island and Ta' Xbiex, in addition to the Grand Harbour Marina, offer significant capacity for these larger yachts. These yachts also occasionally berth for refuelling only at the Cruise Terminal in Grand Harbour.

- Long-term licenses for Sail and Power Yachts over 25 metres, principally foreign owned

Presently the Issuer is not aware of any Maltese marina offering such berths. In this category Grand Harbour Marina competes with other Mediterranean Super-yacht marinas which include those located on the Spanish East coast and Balearics, the South of France, Italy, Greece, and Montenegro. Certain Tunisian marinas also offer long term berth sales.

28 TREND INFORMATION

Sector dynamics (Supply demand; more boats than berths)

The underlying dynamic in the marina sector has been characterised for many years as a supply and demand imbalance in many important markets between yachts looking for berths and marinas being able to accommodate them. For instance, ICOMIA¹¹ and UCINA¹² estimate that in Italy there are four boats per berth, in France and Spain two boats per berth, and in Greece seventeen boats per berth.

Whilst the supply of new marinas in general has shown slow growth, supply in some mature markets such as the South of France and the Balearics has only grown little in the past decade. Production of yachts has, however, continued year on year with the super-yacht sector growing particularly rapidly as exhibited by the global order book rising from 283 super-yachts to over 1,000 in the last 10 years. For comparison, in 1980 the world fleet of super-yachts was estimated at around 200 yachts.

This has put upward pressure on both berthing rental rates and on berth license selling prices. Whilst some new marina supply has emerged to accommodate the growing Super-yacht fleet it has predominantly been in less favoured secondary or pioneering locations, away from the established marina locations around the Mediterranean.

PART C - INFORMATION ABOUT THE ISSUER

Effect of the current economic climate

It is recognised that the global economic crisis has strongly affected the delivery of smaller production yachts and the placing of new orders for super-yachts. However the global super-yacht order book which stood at over 1,000 yachts as at December 2008, as evidenced in Table 2 below, will despite some possible cancellations still give rise to large numbers of new yachts joining the fleet over the coming two to three years. Camper & Nicholsons' view however is that as past history has shown, and as would be expected, a recovery follows periods of downturn, and Camper & Nicholsons expects the same to occur on this occasion.

Table 2 - Global Super-yacht order book¹³



Source: Showboats Global Order Report; yachts over 30 metres; for 2009 including yachts over 24.5 metres

Supply and demand of rental berths in Malta

Malta too has shown an imbalance between the supply and demand of rental berths as recognised in recent studies commissioned by the Malta Maritime Authority¹² which estimated that demand for berths exceeded the supply by approximately 50%. This is evidenced by waiting lists for berths at established marinas including Grand Harbour Marina.

The development pattern at Grand Harbour Marina has followed the developments that have been observed in more mature marina markets, such as the Côte d'Azur in Southern France. Once the pontoon rental berths had been fully occupied in the 2006/07 season, a waiting list of prospective berth holders emerged and the Issuer has realised price increases at rates above inflation. These increases have brought the Marina's pricing structure more into line with, although its tariffs are generally still below, comparable private marinas elsewhere in the Mediterranean as evidenced by Table 3 below. Whilst additional capacity may be created within Malta, a comparison of international competitiveness suggests that it is reasonable to expect that, over the medium term, prices may rise at rates above inflation.

¹¹ International Council of Marine Industry Associations

¹² UCINA, the Italian marine industry association (Unione Nazionale dei Cantieri e delle Industrie Nautiche e Affini)

¹³ Showboats Global Order Report

¹⁴ Malta Maritime Authority Developments of Yachting Facilities in Malta, April 2009.

- The information extracted therefrom has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the said published information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

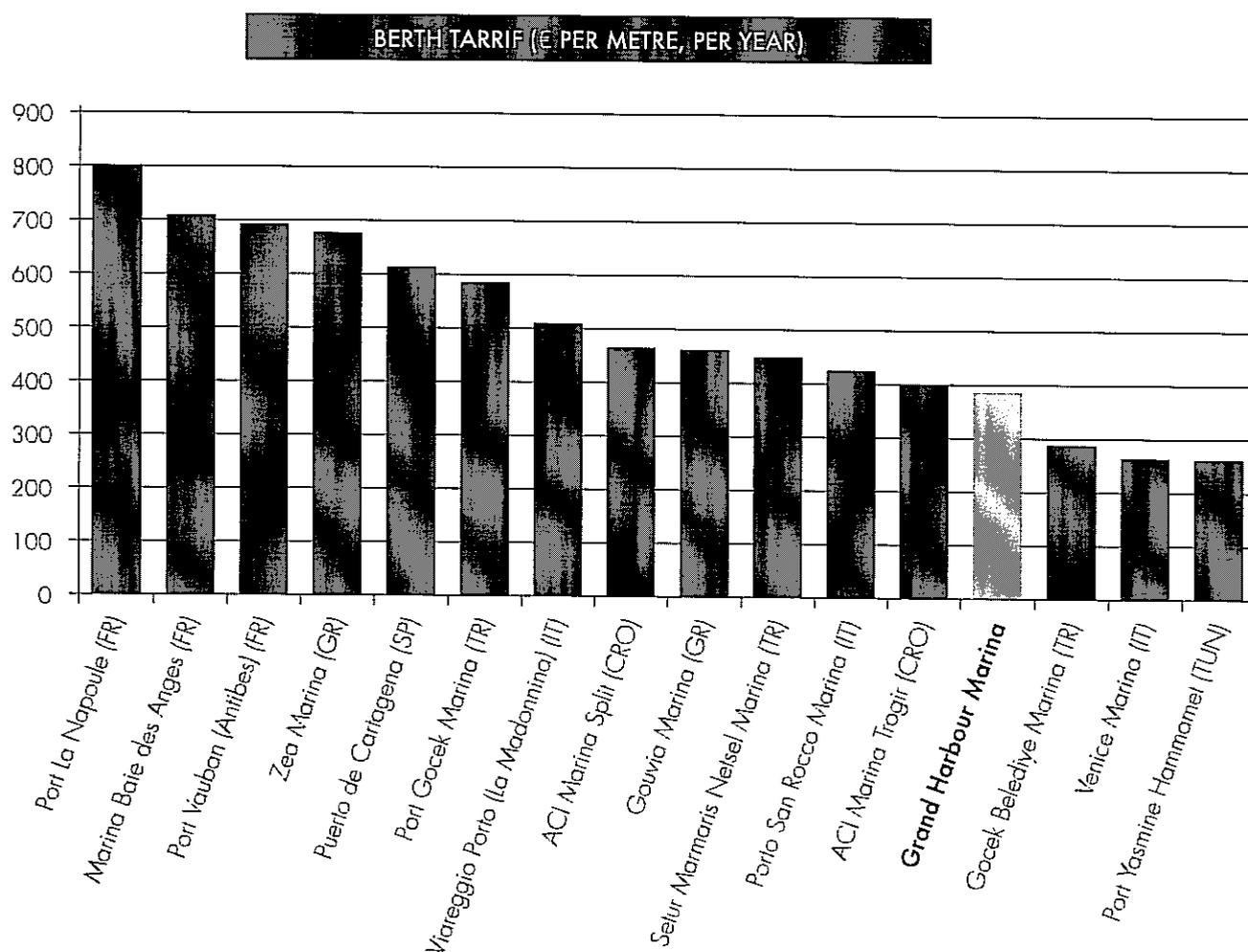


Table 3 - Annual tariff rates across marinas in the Mediterranean for a 15 metre berth (€ per metre, per year)¹⁵

Supply and demand of Super-yacht berths in Malta

The current global order book for Super-yachts will continue to deliver new Super-yachts for the next two to three years even absent new orders. This gives some time for new orders to resume to sustain berth demand in the future. Malta super-yacht berth prices are competitive in price and terms with comparable marinas elsewhere in the Mediterranean. Table 4 below illustrates this. Malta is attractive for a wide range of reasons, summarised in the section below, particularly to foreign yacht owners. It is therefore reasonable to assume that there will be continued demand for long-term super-yacht berth licenses at Grand Harbour Marina.

¹⁵ Camper & Nicholson's Report

The information extracted therefrom has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published thereby, no facts have been omitted which would render the reproduced information inaccurate or misleading.

LEASE PRICE (€) PER YEAR, PER SQM (ON 25-YEAR BASIS)

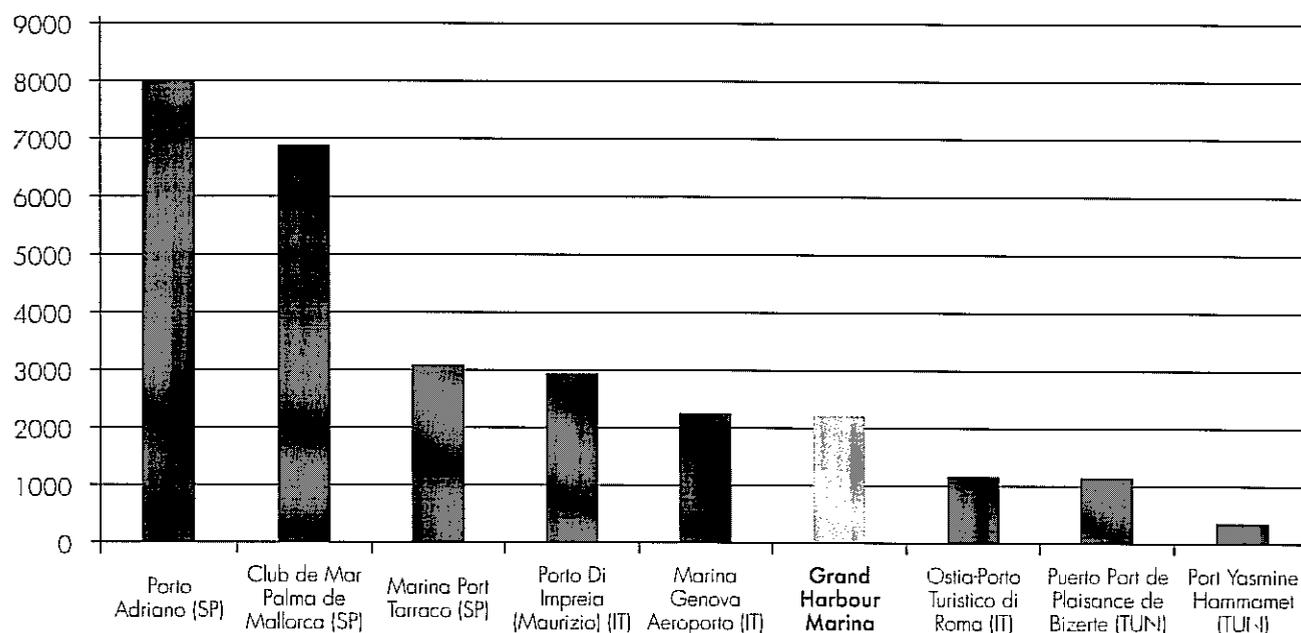


Table 4 - Asking prices for a 40-metre Superyacht berth in selected marinas around the Mediterranean (standardised to 25-year terms for comparison)¹⁶

Note: Based on the asking prices for 40 metre berths except Porto Adriano (30-metre berth) and Port Yasmine (50-metre berth).

There has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements.

29 BOARD OF DIRECTORS AND SENIOR MANAGEMENT

29.1 Board of Directors

The board of directors is responsible for the overall management of the Issuer, establishing policy guidelines for the management thereof, including the responsibility for the appointment of all executive officers and other key members of management.

The following is a list of the persons who act as directors of the Issuer: -

Lawrence Zammit	Chairman
Nicholas Maris	Non-Executive Director
Trevor Ash	Non-Executive Director
Roger Lewis	Non-Executive Director
John Hignett	Non-Executive Director

The business address of each director of the Issuer is the registered office of the Issuer.

¹⁶ Camper & Nicholsons Report

The information extracted therefrom has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published thereby, no facts have been omitted which would render the reproduced information inaccurate or misleading.

29.1.1 Curriculum Vitae of Directors

Lawrence Zammit

Lawrence Zammit is a Founding Partner and a Director of MISCO. He also holds a number of directorships in both private and public companies. At MISCO Lawrence has developed the market research division of the organisation and also acts as a consultant to a number of business organisations, both in the private and public sector, focussing on strategic issues related to leadership and marketing. He is a former chairman of the Employment and Training Corporation, Malta International Airport p.l.c. and the Malta Development Corporation, and is currently chairman of Air Malta p.l.c. and Grand Harbour Marina p.l.c..

Nicholas Maris

Nicholas Maris has 38 years of experience in the marine sector, and a 15-year track record as a marina investor with experience of financing, developing, managing and investing in marinas and marina projects globally, including the acquisition and subsequent redevelopment and sale of Gosport Marina Limited in the United Kingdom and investment in Grand Harbour Marina Limited in Malta.

He joined the Camper & Nicholsons Group as an investor and a non-executive Director in 1981 and since 1983 has held executive positions within the group, including current positions as the Chairman of Camper & Nicholsons and Chairman of Camper & Nicholsons (Designs) Limited, which owns the rights to the Camper & Nicholsons trademarks. Mr Maris was also a Director and then Chairman of Camper & Nicholsons Yachts Limited (yacht builders and naval architects) from 1981 to 1999 and Chairman of Camper & Nicholsons International Limited (yacht brokers, charterers and managers) from 1988 to 1992.

Trevor Ash

Trevor Ash has over 30 years of investment experience. He is a Fellow of the Securities Institute in England & Wales. He was formerly a managing director of Rothschild Asset Management (CI) Limited (now Insight Investment Management (CI) Limited). He is a director of a number of hedge funds, fund of hedge funds, venture capital, derivative and other offshore funds including several managed or advised by Insight, Merrill Lynch and Thames River Capital. Mr. Ash recently retired as a director of NM Rothschild & Sons (CI) Limited, the banking arm of the Rothschild Group in the Channel Islands. He was a founding director of Valletta Fund Management Limited, the first fund management company to be established in Malta following the introduction of financial services regulations in 1995.

Roger Lewis

Roger Lewis was director of Berkeley Group Holdings p.l.c. for over 15 years, the last 8 of which he acted as Chairman, a position from which he retired at the end of July 2007. He now acts as a consultant to the Group which is the holding company to UK land and property development entities including Berkeley Homes p.l.c., St. Georges p.l.c. and St. James Group Limited.

Prior to joining the Berkeley Group, Mr. Lewis was group chief executive officer of The Crest Nicholson Group p.l.c. from 1983 to 1991, managing director of Crest Homes Limited and Crest Estates Limited and subsequently Chief Executive of Crest Nicholson's property division from 1975 to 1983 and finance director of Crest Homes Limited from 1973 to 1975. Mr. Lewis chaired the marina division of Crest Nicholson which included four marinas and led the development by Berkeley of Gunwharf Quays in Portsmouth.

John Hignett

John Hignett has over 40 years of experience in investment banking and finance. He has recently retired as chairman of Schroder Income Growth Fund p.l.c. but remains a non-executive director of The World Trust Fund. Previous positions include head of Corporate Finance Division (1980) and managing director (1984-1988) at Lazard Brothers & Co. Limited, finance director of Glaxo Holdings p.l.c. from 1988 to 1994, and non-executive director of Smiths Group P.l.c. from 1999 to 2003. Furthermore Mr. Hignett served as Director General of the Panel on Takeovers and Mergers from 1981 to 1984 and as Director General of the Council for the Securities Industry in 1983.

PART C - INFORMATION ABOUT THE ISSUER

29.2 Management Structure

Currently, the Issuer employs sixteen (16) persons and engages the services of an additional twelve persons. The day to day management of the Issuer is entrusted to the General Manager, who in addition, is also responsible for the implementation of the strategies and policies adopted by the Board of Directors.

Ben Stuart – General Manager

Ben joined the Issuer on 12th July 2007 as General Manager. Prior to joining GHM, Ben spent 12 years sailing professionally both on motor boats and sailing yachts, on five of which he held the post of Captain. During that time he sailed extensively around Europe. Following his sailing career Ben spent three years working as a project manager in the yachting industry and oversaw two extensive yacht refits (33 metre and 40 metre boats) and also the new-build construction of a semi custom 75 foot catamaran. His responsibilities covered all staffing, scheduling, ordering, budgeting and operational issues as well as be in liaison with the yard and the owner.

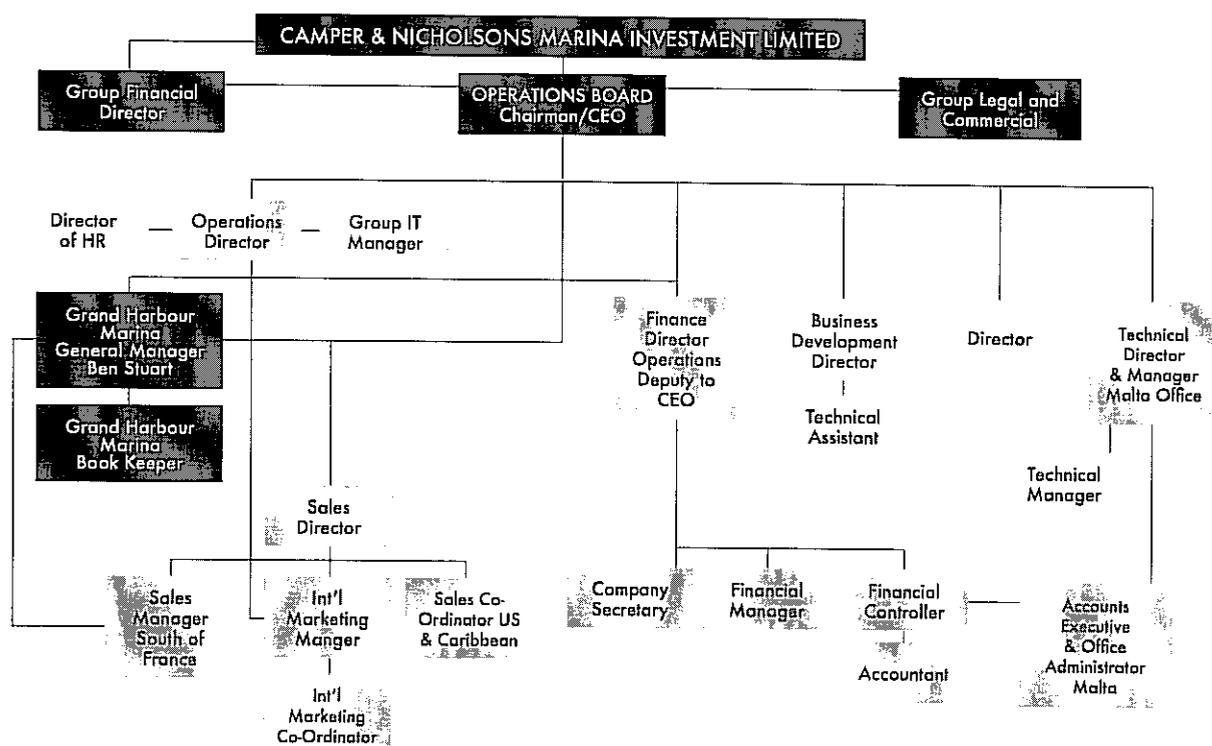
Immediately prior to joining the Issuer, Ben was responsible for setting up and administering the Malta Cruise Network (MCN), a non-profit making organisation aimed at co-ordinating Malta's approach to the cruise industry. The MCN founder members were the Malta Maritime Authority, Malta Tourism Authority, Viset and Malta International Airport p.l.c. and remains the only organisation of its kind within the Cruise Industry.

Camper & Nicholson's – Marina Management

Furthermore, in terms of a marina management agreement entered into on the 1 July 2007, the Marina is also managed by Camper & Nicholson's, details of which contract can be found in Section 34.2 of this Prospectus.

Under this agreement, the Issuer has full access to all available resources of Camper & Nicholson's which include sales and marketing, finance, business development, technical, legal, IT, and HR expertise. This expertise can be applied to the operations at Grand Harbour Marina as well as for other projects inside and outside of Malta.

As can be seen by the organisational chart below, the Issuer can draw on a whole host of resources and experts in various fields and, through the Marina management agreement, is also positively associated with the Camper & Nicholson's brand.



29.3 Conflict of Interest

Nicholas Maris, Trevor Ash, John Hignett and Roger Lewis, all Directors of the Issuer, are also directors of CNMI, the majority shareholder of the Issuer. Nicholas Maris is also a director of Camper & Nicholson's Marinas Limited (defined in this Prospectus as Camper & Nicholson's). The audit committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by directors, are handled according to law. To the extent known or potentially known to the Issuer as at the date of the Prospectus, there are no other potential conflicts of interest between any duties of the directors of the Issuer and their private interests and/or their other duties which require disclosure in terms of law.

29.4 Audit Committee Practices

29.4.1 Audit Committee

The Issuer has in place an audit committee (the "**Committee**"), which terms of reference establish the composition, role and function, the parameters of its remit. The Committee is at all times accountable to the Board and reports to the Board on a regular basis. The Committee makes recommendations to the Directors where in its view certain improvements or changes are required.

29.4.2 Composition

The Committee is composed of the following persons: -

- a) Trevor Ash;
- b) John Hignett;
- c) Lawrence Zammit.

29.4.3 Role

The role of the Committee is determined principally by the Listing Rules. In essence, it is entrusted to ensure that the Issuer has the appropriate measures in place to identify, manage, minimise and control its risks. Furthermore, it has the authority to make recommendations to the Board and to approve the remuneration terms of engagement of the external auditors. The Committee shall be required to advise the Board of Directors on the following matters: -

- (a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- (b) maintaining communications on such matters between the board, management and the independent auditors; and
- (c) preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

In the discharge of this role, but without prejudice to the generality of the foregoing, the Committee shall inter alia have the responsibility:

- (a) to review the significant financial reporting issues and judgments made in connection with the preparation of the Issuer's financial statements, interim reports, preliminary announcements and related formal statements. The audit committee should also review the clarity and completeness of disclosures in the financial statements;
- (b) to review the Issuer's internal financial controls and the Issuer's internal control and risk management systems;
- (c) to should consider annually whether there is a need for an internal audit function and make a recommendation to the board;
- (d) to make recommendations to the board in relation to the appointment of the external auditors and to approve the remuneration and terms of engagement of the external auditors with the aim of requesting shareholder approval;
- (e) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process;
- (f) proposals for the development and implementation of a policy on the engagement of the external auditors to provide non-audit services to the Issuer;
- (g) unless dealt with in any other manner, to monitor and scrutinise Related Party Transactions falling within the ambit of the Listing Rules and to make its recommendations to the Board on any proposed Related Party Transactions falling within the scope of the Listing Rules.

PART C - INFORMATION ABOUT THE ISSUER

29.4.4 Meetings

In terms of the terms of reference of the Committee and in terms of the Listing Rules, the Committee shall meet at least four times a year. The chairman of the Committee may convene additional meetings as and when he/she considers it appropriate. The quorum for the dispatch of business of the Committee is two (2) members. Committee meetings should be attended by the financial controller or equivalent officer within the Issuer (or his representative) and may be attended by a representative of the external auditors.

29.4.5 Remuneration

The members of the Committee are entitled to such reasonable remuneration to recompense them for the responsibilities assumed in being a member of the Committee.

29.4.6 Related Party Transactions

The Committee must monitor and scrutinise Related Party Transactions falling within the ambit of the Listing Rules and make its recommendations to the Board on any proposed Related Party Transactions falling within the scope of the Listing Rules. The said monitoring function of the Committee is to be undertaken with the view to ensure that the execution of any such transaction is at arm's length and on a commercial basis and is ultimately in the best interests of the Issuer. In this context the Committee may call in to the meeting such officers of the Issuer and advisers as it may consider appropriate to enable it to make a proper and exhaustive assessment of the proposed transaction.

29.5 Compliance with Corporate Governance Regime

The Issuer supports the Code of Principles of Good Corporate Governance (the "Code") forming part of the Listing Rules. The Issuer is confident that the adoption of the Code has resulted in positive effects accruing to the Issuer. The Board deems that, during the reporting periods referred to in this Prospectus, the Issuer has been substantially in compliance with the requirements of the Code. The Issuer has not however complied with all the recommendations of the Code due to the size, nature and operations of the Issuer. Notwithstanding, the Issuer believes that, in the context of the size and nature of its business, it has adopted such appropriate structures to achieve an adequate level of good corporate governance, together with an adequate system of checks and balances in line with its requirements.

29.6 Major Shareholder

The majority of the issued share capital of the Issuer is held by Camper & Nicholsons Marina Investments Limited. In terms of the Articles of Association of the Issuer, a director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Issuer, is required to declare the nature of his interest. In addition, Article 68.2 prohibits a Director from voting on any contract or arrangement or other proposal in which he has a material and personal interest. The Issuer however discloses that the said prohibition does not apply in respect of any directors appointed to the board of the Issuer by Nicholas Maris on any matter relating to the implementation and renewal of the marina management agreement with Camper & Nicholsons. Since the adoption of such Articles, Mr Nicholas Maris does not, directly, own any shares in the Issuer.

Furthermore, the presence of an audit committee aims to minimise the possibility of any abuse of control by the major shareholder.

30 HISTORICAL INFORMATION

The historical financial information for the issuer for the financial years ended 31 December 2007 and 31 December 2008, as audited by KPMG, are set out in the financial statements of the Issuer. Such audited financial statements are available for viewing at the registered office of the Issuer.

On the 28 August 2009, the Issuer announced its unaudited interim financial results. (vide Section 5 of this Prospectus). The said interim financial results have not been audited or reviewed by the Issuer's independent auditors and are available for viewing at the registered office of the Issuer.

31 LITIGATION

There is no governmental, legal or arbitration proceedings against the Issuer, including any pending or threatened proceedings, which the Issuer is aware of and considers could have significant effects on the Issuer's financial position or profitability.

32 SIGNIFICANT CHANGE IN THE ISSUER'S FINANCIAL OR TRADING POSITION

There were no significant changes to the financial or trading position of the Issuer since the end of the financial period to which the last interim unaudited half-yearly financial statements relate (that is, 30 June 2009).

33 ADDITIONAL INFORMATION

33.1 Share Capital of Issuer

The authorised share capital and issued share capital of the Issuer is two million three hundred and twenty nine thousand three hundred and seventy euro (€2,329,370) divided into ten million ordinary shares of a nominal value of €0.232937 per share. All of the issued shares of the Issuer form part of one class of ordinary shares in the Issuer, which shares are listed on the MSE. The issued share capital is subscribed as follows: - Camper & Nicholson's Marina Investments Limited holds 7,917,209 shares (79.17%). The General Public holds, in aggregate, 2,082,791 (20.83%).

33.2 Memorandum and Articles of Association

Objects

The principal objects of the Issuer are

- a) to carry out the construction, development, operations and management of marinas; and
- b) to provide all relative services, ancillary to marina related activities including, but not limited to, the berthing, mooring and anchoring of craft, the brokerage of new and used crafts, the operation of sea school or similar training facility, the storage of yacht and other crafts, including related marine equipment ashore, the operation of a capitainerie and yacht club, the raising, slipping and launching of craft, the sale of fuels and lubricants, and the holding of yachting, boating and shipping exhibitions and events, and the repair, refit and servicing of craft and equipment.

34 MATERIAL CONTRACTS

34.1 Deed of Emphyteusis and Sub-Emphyteusis

On the 2 June 1999, the Government of Malta entered into a deed of emphyteusis with Port Cottonera Ltd, Cottonera Waterfront Group p.l.c., Malta Maritime Authority and the National Tourism Organisation of Malta. By virtue of the said deed, the Government of Malta granted various portions of immovable property situated at Birgu. Pursuant to the same, the Malta Maritime Authority also granted to Cottonera Waterfront Group p.l.c., the exclusive right to construct and install, own, operate, develop, control and promote a yacht marina in the sea area in the Dockyard Creek, limits of Senglea, Cospicua and Birgu, including amongst others, the right to grant mooring and berthing rights to third parties under such terms and conditions as it deems fit. The said exclusive right was granted subject to certain terms and conditions, namely, that one hundred and fifty (150) spaces, or such larger amount as agreed between the parties, must be made available for free to 'frejgolini'.

On the 4 September 2001, a deed of sub-emphyteusis was entered into between the Issuer and Cottonera Waterfront Group p.l.c. whereby all marina related rights granted to the Cottonera Waterfront Group p.l.c. in the previously mentioned deed, were transferred to the Issuer, subject to the terms and conditions contained therein. The term of sub-emphyteusis is for a period of ninety nine (99) years commencing on the 2 June 1999.

34.2 Marina Management Agreement

On the 1 July 2007, the Issuer entered into an exclusive marina management agreement with Camper & Nicholson's for a period of three years. The said agreement shall continue in force thereafter unless and until terminated by either party by giving not less than six (6) months prior written notice. The agreement of the 1 July 2007 replaced the marina management agreement entered into between the same parties on the 1 April 2004.

PART C - INFORMATION ABOUT THE ISSUER

In terms of the said agreement, Camper & Nicholsons agreed to provide recruitment services, project services, commissioning, operational services, sales and marketing, berth sales, branding and auditing, subject to the terms and conditions contained therein, Camper & Nicholsons also granted the Issuer the licence to use the Camper & Nicholsons brand name and the right to associate Camper & Nicholsons Marinas Limited in the Issuer's advertising material.

It is the present intention of both the Issuer and Camper & Nicholsons to continue working together and renew the agreement in July 2010.

34.3 Development and Operations Agreement

On the 30 June 2000, Cottonera Waterfront Group p.l.c. and Camper & Nicholsons Marinas Limited, entered into a development and operations agreement whereby Camper & Nicholsons Marinas Limited was appointed to develop, construct and install, own, operate, manage, control and promote the yacht marina and ancillary facilities. Cottonera Waterfront Group p.l.c. undertook to transfer the required property by way of sub-emphyteusis (which deed was subsequently published and the sub-emphyteutical granted to the Issuer on the 4 September 2001 – vide Section 34.1 above). Camper & Nicholsons subsequently substituted the Issuer with their rights under this agreement. The term of the said agreement is stated to be the unexpired term of the emphyteutical deed described in Section 34.1 above. In consideration of the functions, powers and rights granted to the Issuer, the Issuer was required to pay to Cottonera Waterfront Group p.l.c. a fee equivalent to ten per cent of the Issuer's annual turnover, subject to the terms and conditions contained therein. The agreement may be dissolved if the Issue is in default of two yearly required payments and remains in default 15 days from receipt of a judicial letter to that effect.

35 EXPERT STATEMENTS

The Issuer commissioned CB Richard Ellis Limited to issue a valuation report of the Grand Harbour Marina.

The following are the details of the said valuers: -

Name:	CB Richard Ellis Limited
Business address:	St Martin's Court, 10, Paternoster Row, London EC4M 7HP, United Kingdom
Qualifications:	David Batchelor MRICS and Kenelm Cornwall-Legh MRICS, on behalf of CB Richard Ellis Limited, are qualified to prepare valuations in accordance with The RICS Valuation Standards, Sixth Edition and are both Chartered Surveyors.

CB Richard Ellis Limited has given (and has not withdrawn) its consent for the publication of the valuation in the form and context in which it is included in this Prospectus. The said valuation is annexed to this Prospectus in Annex 4.

The effective date of the valuation contained in the said report is 31 December 2009. There can be no assurance that the value of the Marina would remain unchanged after the 31 December 2009.

36 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The Issuer's intentions, in line with what has been communicated at the time of the Issuer's initial public offering in 2007, are presently to use the net proceeds of the Bond Issue amounting to approximately €9,550,000, or approximately €11,550,000 in the event of the exercise of the Over-allotment Option:

- i) in priority to ii) and iii) below, to exercise the Issuer's option to prepay its current loan facility of €3.8 million with HSBC Bank Malta p.l.c.,
- ii) for further waterside and landside investments within the Marina itself and within Malta,
- iii) and potentially to co-invest with Camper & Nicholsons in existing and new investment marinas outside of Malta with a focus on the Mediterranean.

Exercising its option to pay down the Issuer's existing loan would enable the Issuer to cancel the security interests granted by the Issuer in favour of HSBC Bank Malta p.l.c. as security for its existing loan facility. Accordingly, upon the prepayment of such facility, the assets of the Issuer would, barring any security interest arising by operation of the law, be unencumbered. This would further increase the Issuer's capability to obtain financing in the future, whether on an unsecured or secured basis.

Within and around Grand Harbour Marina there are a number of potential opportunities synergistic with the existing marina business of the Issuer. These include related real estate projects, the potential expansion of the water area in Dockyard Creek, and the reconfiguration of the marina layout to increase the potential lettable berth area amongst other projects. Such reconfigurations would lead to more berths becoming available for letting and licensing.

Elsewhere in Malta the government has been active in privatising existing marinas, and issuing requests for proposals for additional berthing. It is likely that this process will continue and the Issuer may wish to pursue such opportunities.

In addition, the Issuer's long-standing relationship with Camper & Nicholsons gives the Issuer potential access to a range of marina investment opportunities including co-investment opportunities within the Mediterranean and further afield. The application of the net proceeds of the Bond Issue for such investment purposes would enable the Issuer to potentially take advantage of investment opportunities at a favourable point in the economic cycle. In order to make these potential investments, the Issuer has the benefit of the Camper & Nicholsons transaction team who can help evaluate, negotiate, conduct due diligence and finalise such transactions and acquisitions. In the past, a number of such potential investment opportunities have been evaluated including existing and new development marinas in the Mediterranean region and further afield.

The Issuer in making investments contemplates borrowings of up to 75% (loan-to-value). Over the long-term and across all investments loan-to-value ratios are expected to average approximately 50%. Furthermore, reference is also made to the negative pledge covenant contained in Section 38.8 of this Prospectus whereby the Issuer has imposed upon itself in favour of Bondholders a number of limitations on the type and extent of security interests.

37 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €450,000. There is no particular order of priority with respect to such expenses. Accordingly, the net amount of proceeds from the Bond Issue is estimated to be €9,550,000 or, in the case of the exercise of the over-allotment option, €11,550,000.

The overall amount of the placing commission payable to Financial Intermediaries entering into conditional placement agreements in terms of Section 40.12 of this Prospectus will not exceed €60,000.

PART D - INFORMATION ABOUT THE BONDS

38 ISSUE STATISTICS

Amount:	€10,000,000 subject to the Over-Allotment Option described below;
Over-allotment Option:	At the sole and absolute discretion of the Issuer, additional Bonds not exceeding an aggregate of €2,000,000 may be issued at the Bond Issue Price in the event of over-subscription;
Form:	The Bonds 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 Issuer at the CSD;
Denomination:	Euro (€);
Underwriting:	The Bonds are not underwritten
ISIN:	MT0000321217;
Minimum amount per subscription:	Minimum of €2,000 and multiples of €100 thereafter;
Redemption Date:	25 February 2020 unless otherwise redeemed on any of the Early Redemption Date;
Early Redemption Dates:	any day falling between and including the 25 February 2017 and the 25 February 2020;
Bond Issue Price:	At par (€100 per Bond);
Status of the Bonds:	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other unsecured debt ;
Listing:	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Issue Period:	The period between 11 February 2010 to 15 February 2010 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which the Bonds are on offer;
Interest:	7% per annum;
Interest Payment Date(s):	Semi-annually on the 25 February and 25 August of each year as from 25 August 2010;
Redemption Value:	At par (€100 per Bond);
Governing Law of Bonds:	The Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

38.1 Information Concerning The Securities to be Issued and Admitted to Trading

38.2 General

Each Bond forms part of a duly authorised issue of 7% Bonds of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €10,000,000 (except as otherwise provided under clause 38.13 "Further Issues") subject to the exercise by the Issuer of the Over-Allotment Option whereby the Issuer may issue further Bonds up to an aggregate amount of €2,000,000 provided that in no event the aggregate nominal value of the Bonds outstanding at any time shall exceed €12,000,000.

The currency of the Bonds is Euro (€).

The Bonds have been assigned the following ISIN: MT0000321217.

All outstanding Bonds shall be redeemed by the Issuer on the Redemption Date, unless otherwise redeemed at the option of the Issuer on any of the Early Redemption Dates, at par.

The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.

The Issue Date of the Bonds is expected to be on the 22 February 2010.

38.3 Ranking of the Bonds

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt.

38.4 Rights attached to the Bonds

There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest and in accordance with the ranking specified in Section 38.3 hereof.

38.5 Interest

The Bonds shall bear interest, from and including, the date of issuance of the Bonds, which is expected to be on the 22 February 2010, at the rate of 7% per annum on the nominal value thereof, payable semi-annually in arrears on each "Interest Payment Date". The first interest payment will be paid on 25 August 2010. Provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

38.6 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is seven per cent (7%).

38.7 Registration, Form, Denomination and Title

Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the Issuer for the purpose of inspecting same.

The CSD will issue, upon a request by the Bondholder, a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000.

Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading 'Transferability of the Bonds' in Section 38.12 of this Prospectus.

38.8 Negative Pledge

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless, at the same time or prior thereto the Issuer's indebtedness under the Bonds, is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

PART D - INFORMATION ABOUT THE BONDS

"Financial Indebtedness" means any indebtedness in respect of

- (A) monies borrowed;
- (B) any debenture, bond, note, loan stock or other security;
- (C) any acceptance credit;
- (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset;
- (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased;
- (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; and
- (G) any guarantee, indemnity or similar assurance against financial loss of any person;

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

"Permitted Security Interest" means any Security Interest:

- (A) arising by operation of law;
- (B) securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds;
- (C) existing as at the date of the Prospectus, which subject to the prepayment from the proceeds of the Bond Issue of the facility held by the Issuer with HSBC Bank Malta p.l.c.. (vide Section 36), shall be cancelled;
- (D) securing bank loans or overdrafts in the ordinary course of business;
- (E) in addition to (A) to (D) above, both included, securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding eighty per cent (80%) of the difference between i) the Value of the unencumbered assets of the Issuer and ii) the principal amount of Bonds outstanding at the time less any amounts held in the sinking fund pursuant to Section 38.17.

Provided that the aggregate Security Interests referred to in (D) and (E) above do not result in the Value of unencumbered assets of the Issuer being less than one hundred and seven per cent (107%) of the aggregate principal amount of the Bonds still outstanding less any amounts held in the sinking fund pursuant to Section 38.17;

"unencumbered assets" means assets which are not subject to a Security Interest;

"Value" means the market based valuation prepared, from time to time, by an independent expert engaged by the Issuer.

38.9 Payments

Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment of the principal amount of the Bond will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment the Issuer shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

38.10 Redemption and Purchase

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 25 February 2020, provided that the Issuer reserves the right to redeem all or any part of the Bonds on any one or more of the Early Redemption Dates. The Issuer shall give at least sixty (60) days' notice in writing to all Bondholders of its intention to effect such earlier redemption, stating the number of Bonds that will be redeemed on that Early Redemption Date and the manner in which it shall select the Bonds for such early redemption.

Subject to the provisions of this section 38.10, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

All Bonds so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold.

38.11 Events of Default

The Bonds shall become immediately due and repayable at their principal amount together with accrued interest if any of the following events ("Events of Default") shall occur:-

- a) The Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- b) The Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- c) An order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- d) The Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- e) The Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- f) There shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of €1,250,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or

PART D - INFORMATION ABOUT THE BONDS

- g) Any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined above) of the Issuer in excess of €1,250,000 or its equivalent at any time.

38.12 Transferability of the Bonds

The Bonds are freely transferable and once admitted to the Official List of the MSE, shall be transferable in accordance with the rules and regulations of the MSE applicable from time to time.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD, 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 transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

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

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

The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

The Bonds may be transferred in whole and in multiples of one hundred Euros (€100).

38.13 Further Issues

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

38.14 Meetings of Bondholders

The Terms and Conditions contained herein may be amended with the approval of Bondholders at a meeting called for that purpose in accordance with the terms hereunder.

In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders by giving such Bondholders not less than fourteen (14) days notice, in writing setting out in the notice the time, place and date set for the meeting and the matters to be discussed thereat.

A meeting of Bondholders shall only validly and properly proceed to business if there is quorum present at the commencement of the meeting. For this purpose a quorum shall be considered present if there are Bondholders present, in person or by proxy, accounting for at least fifty per cent (50%) in nominal value of the Bonds then outstanding.

Once a quorum is declared present by the Chairman of the meeting (who shall be the person who in accordance with the Memorandum and Articles of Association of the Issuer would chair a general meeting of the bondholders), the meeting may then proceed to business and the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that the Terms

and Conditions of Issue of the Bonds ought to be amended as proposed by the Issuer. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present.

The voting process shall be managed by the company Secretary under the supervision and scrutiny of the Auditors of the Issuer.

The proposal placed before a meeting of Bondholders shall only be considered approved if at least seventy-five per cent (75%) in nominal value of the Bondholders present at the meeting shall have voted in favour of the proposal.

Save for the above, the rules generally applicable to the Issuer during general meetings of shareholders shall apply.

38.15 Authorisations and approvals

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on the 4 January 2010.

38.16 Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his registered address and posted.

38.17 Sinking Fund

The Issuer hereby undertakes that as of the beginning of the financial year commencing 1 January 2012 it shall build a sinking fund, the value of which will by the Redemption Date be equivalent to 50% of the value of the issued Bonds. This is expected to create a cash reserve from the Issuer's annual surpluses to meet part of the redemption proceeds on the Redemption Date.

Annual surpluses are defined as net cash inflows from operating activities, i.e., operating profits adjusted for non-cash items, working capital changes and tax payments, and after deducting net cash used in investing activities and net cash used in financing activities.

The Directors reserve the power to invest the funds allocated to the sinking fund, provided that, save where market conditions may dictate otherwise from time to time, the investment of these proceeds will only be made either for the purpose of the Issuer buying back Bonds for cancellation in terms of Section 38.10 of the Prospectus, or for investing in such debt securities issued or guaranteed by any sovereign state or any supra-national authority within the Eurozone or which is a member of the OECD, or other debt securities which are rated as 'A' by a recognised international rating agency, denominated in Euro.

In making such investment decisions, the Directors will apply the necessary level of prudence, taking into account the then current market circumstances and the obligations of the Issuer over the term of the Bonds. The directors shall keep under review their investment policies with respect to the assets constituting the sinking fund for the term of the Bonds and shall determine the asset allocation of the sinking fund with a view to creating as balanced and diversified a portfolio of assets as can reasonably be considered practicable in the then current market and overall economic conditions.

PART D - INFORMATION ABOUT THE BONDS

The proceeds constituting the sinking fund shall be settled on trust to an authorised trustee independent of the Issuer that shall hold such proceeds for the benefit of the Bondholders. The authorised trustee may, but shall not be required or bound to, ensure, monitor, or otherwise procure the creation and funding of the said sinking fund by the Issuer. In the event of a cancellation or redemption in full of all outstanding Bonds, any funds remaining in the sinking fund thereafter shall be distributed by the authorised trustee to the Issuer.

39 TAXATION

39.1 General

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

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

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

39.2 Malta tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, (Cap. 123, Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. However tax withheld shall in no case be available to any person for a credit against that person's tax liability or for a refund as the case may be.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary does not qualify as a "recipient" in terms of article 41(c) of the Income Tax Act. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

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

39.3 European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Inland Revenue who

will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

39.4 Malta capital gains on transfer of the Bonds

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

39.5 Duty on documents and transfers

In terms of article 50 of the Financial Markets Act, (Cap 345, Laws of Malta) as the Bonds constitute financial instruments of a company quoted on a regulated market, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese duty.

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

40 TERMS AND CONDITIONS OF THE BOND ISSUE

40.1 Expected Time-table of Bond Issue

Issuance of Formal Notice	25 January 2010
Application Forms available	25 January 2010
Pre-Placement Date	8 February 2010
Preferred Applicants' Date	8 February 2010
Opening of subscription lists	11 February 2010
Closing of subscription lists	15 February 2010
Announcement of basis of acceptance	22 February 2010
Commencement of interest on the Bonds	22 February 2010
Expected dispatch of allotment advices and refunds of unallocated monies	1 March 2010

The Issuer reserves the right to close the Bond Issue before 15 February 2010 in the event of over-subscription, in which case, the remaining events set out above 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.

40.2 General

The contract created by the acceptance of an Application shall be subject to the terms and conditions set out in this Prospectus and the Memorandum and Articles of the Issuer.

It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

The amount of the Bond Issue is €10,000,000 subject to the Over-Allotment Option in virtue of which the Issuer may, at its sole and absolute discretion, issue additional Bonds not exceeding an aggregate value of €2,000,000, issued at par, in the event of over-subscription.

PART D - INFORMATION ABOUT THE BONDS

40.3 Conditionality

The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE, the Application monies will be returned by the Issuer without interest by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form.

The Issuer has not established an aggregate minimum subscription level for the Bond Issue. Accordingly, in the event that the Bond Issue is not fully subscribed, but provided that the Bonds are listed on the Official List of the Malta Stock Exchange, the subscribed portion of the Bonds shall be allocated to the respective Applicants in accordance with the terms of this Prospectus.

40.4 Issue Period

The subscription lists during the Issue Period will open at 08.30 hours on 11 February 2010 and will close as soon thereafter as may be determined by the Issuer but not later than 12.00 hours on 15 February 2010.

40.5 Minimum Subscription

The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for during the Issue Period is €2,000.

40.6 Pricing

The Bonds are being issued at par, that is, at €100 per Bond.

40.7 No Offer outside Malta

The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America 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.

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 such person nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person 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/herself 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 issue, transfer or other taxes required to be paid in such territory.

40.8 Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholders at his registered address and posted. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in the Application Form and in any other document issued pursuant to the Prospectus.

40.9 Applications

If the Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have bound his principal, or the relative corporation, corporate entity, or association of persons and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such intermediary may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar.

PART D - INFORMATION ABOUT THE BONDS

In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each Applicant, and liability therefor is joint and several. In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner and shall not be entitled to the repayment of principal on the Bond.

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 and bind such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.

Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or 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 Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder. Provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

In the case of joint Applications, the joint holders shall nominate one of their number as their representative and his/her name will be entered in the register with such designation. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

Subject to all other terms and conditions set out in the Prospectus, the Issuer 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 Issuer 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.

If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, the Application monies or the balance of the amount paid on Application will be returned by the Issuer without interest by direct credit into the Bondholder's bank account as indicated by the Bondholder on the Application Form. The Issuer shall not be responsible for any loss or delay in transmission.

Application Forms and the pre-printed applications for Preferred Applicants must be lodged with any of the Financial Intermediaries.

All Application Forms must be accompanied by the full price of the Bonds applied for in Euro and in cleared funds at the Bond Issue Price, as the case may be. Payment may be made either in cash or by cheque payable to "The Registrar – GHM Bond Issue 2010". In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

PART D - INFORMATION ABOUT THE BONDS

Within five (5) Business Days from the closing of the subscription lists, the Issuer shall determine and announce the basis of acceptance of applications and allocation policy to be adopted through a press release in at least one local newspaper.

For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008, as amended from time to time, all appointed Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in 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 said appointed Financial 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 (Chapter 440 of the Laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time;

Upon the allocation of Bonds by the Issuer in favour of an Applicant, the CSD will issue a Registration Advice to Bondholders evidencing their entitlement to the Bonds held in the register kept by the CSD.

By completing and delivering an Application Form, you, as the Applicant shall:

- a agree to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
- b warrant that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the person completing the Application Form; in the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
- c the Issuer and the MSE may process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for in accordance with the Data Protection Act, Cap 440 of the laws of Malta. The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates.
- d confirm that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than those contained in this Prospectus and accordingly agree/s 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;
- e 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, Cap 373 of the laws of Malta (and regulations made thereunder) and that such monies will not bear interest;
- f agree to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application(s);
- g warrant, in connection with the Application, to 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 Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or your Application;
- h warrant that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- i 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 Bondholders or to enjoy or receive any rights in respect of such Bonds unless you make

payment in cleared funds for the Bonds and such payment is accepted by the Registrar (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 Registrar of such late payment in respect of such Bonds, the Issuer may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to any other person, in which case you will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);

- i represent that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, 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;
- k agree that Rizzo Farrugia & Co. (Stockbrokers) Ltd, in their capacity of Sponsors, and Finco Treasury Management Limited, in their capacity of Financial Advisors to the Bond Issue, will not treat you as their customer by virtue of your making an Application for the Bonds and that Rizzo Farrugia & Co. (Stockbrokers) Ltd and Finco Treasury Management Limited will owe you no duties or responsibilities concerning the price of the Bonds or their suitability for you;
- l agree that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form;
- m renounce to any rights applicant(s) may have to set off any amounts applicant(s) may at any time owe the Issuer against any amount due under the terms of these Bonds.

40.10 Refunds

In the event that an Applicant has not been allocated any Bonds or has been allocated a smaller number of Bonds than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds 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.

40.11 Plan of Distribution and Allotment

During the Issue Period, Applications for subscription to the Bonds may be made through the Sponsor or any of the Financial Intermediaries. The Bonds are open for subscription to all categories of investors.

It is expected that an allotment advice to Applicants will be dispatched within five Business Days of the announcement of the allocation policy. Dealings in the Bonds may not commence prior to the said notification. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, Cap 373 of the laws of Malta (and regulations made thereunder). Such monies will not bear interest while retained as aforesaid.

40.12 Placing Arrangements prior to the Issue Period

Prior to the Issue Period, the Bonds shall be available for subscription in two tranches: -

- a) By Financial Intermediaries for the account of their clients other than Preferred Applicants during the Pre-Placement Date pursuant to, inter alia, the provisions of Section 40.12.1 of this Prospectus;
- b) By Preferred Applicants through Financial Intermediaries pursuant to, inter alia, the provisions of 40.12.2 of this Prospectus.

PART D - INFORMATION ABOUT THE BONDS

40.12.1 Pre-Placement Date

The Issuer intends to enter into conditional placement agreements with Financial Intermediaries (the "**Placement Agreements**") prior to the commencement of the Issue Period up to an amount not exceeding 41.66% of the maximum aggregate amount of Bonds being issued (including the over-allotment option), that is, €5,000,000, the "**Placed Portion**" with respect to the subscription of Bonds by Financial Intermediaries for the benefit of their clients other than Preferred Applicants.

Upon completion and submission of the Placement Agreements, the Issuer will be conditionally bound to issue, and each Financial Intermediaries will bind itself to subscribe to, a number of Bonds, subject to the Bonds being admitted to the Official List of the Malta Stock Exchange. Each Placement Agreement will become binding on both the Issuer and the Financial Intermediaries upon delivery, subject to the Issuer having received all subscription proceeds in cleared funds on delivery of the Placement Agreement.

Financial Intermediaries may submit the completed Placement Agreements together with subscription proceeds in cleared funds on the 8 February 2010, the "**Pre-Placement Date**".

The minimum subscription amount for each application lodged with Financial Intermediaries during the Pre-Placement Date shall be €10,000 and applications in a single name for a lesser amount shall not be eligible for the Placed Portion and shall be disregarded unless such applications for less than €10,000 shall have resulted from scaling down on account of over-subscription. Each Financial Intermediary shall be required to apply for, in aggregate, a minimum of €200,000 in value for Bonds on the Pre-Placement Date.

40.12.2 Preferred Applicants

The Issuer has reserved 8.33% of the maximum aggregate amount of Bonds being issued (including the over-allotment option), that is, €1,000,000 for subscription by Preferred Applicants, the "**Preferred Portion**". Such Preferred Applicants shall receive a pre-printed application form by mail directly from the Issuer and shall be required to submit same to Financial Intermediaries together with cleared funds on the 8 February 2010, the "**Preferred Applicants' Date**".

Each application submitted by a Preferred Applicant shall be accompanied by the subscription proceeds in cleared funds, corresponding to the Bond Issue Price, on the day of submission of the relevant application.

The minimum investment amount for Preferred Applicants shall be €2,000 in value of Bonds.

All such applications must be received during the Preferred Applicants' Date in order for Preferred Applicants to benefit from the preferential allotment afforded thereto.

40.12.3 Treatment of Placed Portion and Preferred Portion

The Placed Portion and the Preferred Portion shall be subject to the following limits: -

- (i) The Financial Intermediaries for the benefit of their clients other than Preferred Applicants shall be entitled to subscribe to up to a maximum aggregate amount of €5,000,000 pursuant to the Placement Agreements.
- (ii) The Preferred Applicants shall be entitled to apply through Financial Intermediaries, for up to a maximum aggregate amount of €1,000,000.

The above shall be subject to the following: -

- (a) any amount not taken up by the Financial Intermediaries for the benefit of their clients other than Preferred Applicants under (i) above shall be available for subscription by Preferred Applicants, subject to a combined limit of €6,000,000. Any excess remaining thereafter shall automatically participate during the Issue Period *pari passu* with other applicants; and
- (b) any amount not taken up by Preferred Applicants under (ii) above shall be available to Financial Intermediaries for the benefit of their clients other than Preferred Applicants during the Pre-Placement Date, subject to a combined limit of €6,000,000. Any excess remaining thereafter shall, unless a refund is requested by a Financial Intermediary, automatically participate during the Issue Period *pari passu* with other applicants.

If on opening of the conditional placement agreements after 10.00 hours on the 8 February 2010, it results that any part of the Placed Portion and/or the Preferred Portion has been oversubscribed then the Issuer shall determine the basis of acceptance of subscription agreements and the allocation policy to be adopted.

40.13 Public Offer

The balance of the Bonds not subscribed to during the Pre-Placement Date and the Preferred Applicants' Date shall be offered and issued to the general public during the Issue Period at the Bond Issue Price.

Preferred Applicants are at liberty to apply for Bonds during the Issue Period, at which stage, no preference shall be afforded to their application.

40.14 Admission to Trading

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 January 2010.

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to this Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 8 March 2010 and trading is expected to commence on 9 March 2010.

41 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 Issuer:

- (a) Memorandum and Articles of Association;
- (b) Audited Financial Statements of the Issuer for the years ended 31 December 2007 and 31 December 2008;
- (c) the unaudited interim financial statements of the Issuer for the period commencing 1 January 2009 and ended 30 June 2009;
- (d) the valuation of the Grand Harbour Marina issued by CB Richard Ellis Limited on the 31 December 2009.

ANNEX 1 - SPECIMEN APPLICATION FORM

Grand Harbour Marina p.l.c.
7% BONDS 2017-2020

GRAND HARBOUR MARINA
VITTORIOSA * MALTA

Please read the notes overleaf before completing the Application Form

APPLICANT [see notes 2 to 6]			
<input type="checkbox"/> Non-Resident <input type="checkbox"/> CIS-Prescribed Fund <input type="checkbox"/> Minor (under 18) <input type="checkbox"/> Body Corporate / Body of Persons			
TITLE (Mr/Ms/Ms...)		FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS / REGISTERED OFFICE			
			POSTCODE
MSE A/C NO. (1 applicable)	ID CARD / PASSPORT / COMPANY REG NUMBER	TELEPHONE NUMBER	MOBILE NUMBER
ADDITIONAL (JOINT) APPLICANTS [see note 2]		(please use additional Application Forms if space is not sufficient)	
TITLE (Mr/Ms/Ms...)		FULL NAME & SURNAME	
		ID CARD / PASSPORT NUMBER	
TITLE (Mr/Ms/Ms...)		FULL NAME & SURNAME	
		ID CARD / PASSPORT NUMBER	
MINOR'S PARENTS / LEGAL GUARDIAN/S [see note 4]		(to be completed ONLY if the Applicant is a minor)	
TITLE (Mr/Ms/Ms...)		FULL NAME & SURNAME	
		ID CARD / PASSPORT NUMBER	
TITLE (Mr/Ms/Ms...)		FULL NAME & SURNAME	
		ID CARD / PASSPORT NUMBER	
I / WE APPLY TO PURCHASE AND ACQUIRE [see notes 7 & 8]			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
Grand Harbour Marina p.l.c. 7% Bonds 2017-2020 (minimum €2,000 and in multiples of €100 thereafter) or any smaller number of Bonds for which this Application may be accepted at the Bond Issue Price as defined in the Prospectus dated 25th January 2010 payable in full upon application under the terms and conditions contained therein.			
WITHHOLDING TAX ON INTEREST [see note 9] (to be completed ONLY if the applicant is a resident)			
<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest.			
<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).			
NON-RESIDENT - DECLARATION FOR TAX PURPOSES [see notes 3 & 10] (to be completed ONLY if the applicant is a non-resident)			
TAX COUNTRY		TOWN OF BIRTH	
TAX IDENTIFICATION NUMBER		COUNTRY OF BIRTH	
PASSPORT / ID CARD NUMBER	COUNTRY OF ISSUE	ISSUE DATE	
<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union			
<input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union			
INTEREST MANDATE [see note 9]			
BANK		BRANCH	ACCOUNT NUMBER
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 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/s 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	APPLICATION NUMBER

**Notes on how to complete this Application Form
and other information**
The following notes are to be read in conjunction with
the Prospectus dated 25th January 2010, the "Prospectus"

1. The Application Form is to be completed in BLOCK LETTERS.
2. 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 Bond. Interest and redemption proceeds will be issued in the name of such Bondholder.
3. Non-Resident applicants must indicate their passport number in Panel B, complete Panel G and the relative box in Panel A must also be marked appropriately. Applications must be accompanied by the corresponding amount in euro of the Bonds applied for.
4. 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. In the latter case documentary evidence of the legal guardian's appointment should be provided. (Interest and redemption proceeds will be made payable to the parent/s / legal guardian/s named in Panel D until such time as the Issuer is notified in writing 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.
5. 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.
6. Applicants who hold securities on the Malta Stock Exchange are to indicate their MSE Account Number in Panel B. Any securities allocated to Applicants will be recorded by the Malta Stock Exchange on the MSE account number quoted on the application form even if the details of such MSE account number, as held by the Malta Stock Exchange, differ from any or all of the details appearing overleaf.
7. Application must be for a minimum of €2,000 and thereafter in multiples of €100.
8. Payment may be made in cash or by cheque payable to 'The Registrar – GHM Bond Issue 2010'. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer reserves the right to invalidate the relative Application.
9. Only Applicants who hold a valid official Maltese Identity Card or Companies registered in Malta will be treated as residents in Malta. In such cases, the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross, i.e. without deduction of Final Withholding Tax but he/she will be obliged to declare interest so received on his / her return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments. Applicants will receive their interest directly in a bank account held locally, which has to be indicated in Panel H. If any Application is not accepted, or is accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the Applicant's bank account as indicated in Panel H.
10. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU that pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.
11. Subscription lists will open at 08.30am on 11 February 2010 and will close at 12.00pm on 15 February 2010. The Issuer reserves the right, however, to close the Bond Issue before the 15 February 2010 in the event of over-subscription. Any Applications received by the Registrar after the subscription lists close will be rejected.
12. Completed Application Forms are to be delivered to the offices of the authorised financial intermediary listed in Annex 3 of the Prospectus, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing of the subscription lists.
13. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus.
14. This application is governed by the Terms and Conditions contained in the Prospectus. Capitalised terms not defined herein, shall unless the context otherwise requires, have the same meaning as that assigned to them in the Prospectus.
15. The Issuer may process the personal data that the Applicant provides in the Application Form, for all purposes necessary for and related to the issue of the Bonds applied for, in accordance with the Data Protection Act, Cap 440 of the laws of Malta. The Applicant has the right to request access to and rectification of the personal data relating to him/her, as processed by the Issuer. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by 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. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent investment advisor, licensed under the Investment Services Act (Cap.370 of the Laws of Malta), for advice

ANNEX 2 - SPECIMEN PREFERRED APPLICANT'S APPLICATION FORM

Grand Harbour Marina p.l.c.
7% BONDS 2017-2020

GRAND HARBOUR MARINA
VITTORIOSA * MALTA

Please read the notes overleaf before completing the Application Form

APPLICANT (see notes 2 to 6)			
<input type="checkbox"/> Non-Resident <input type="checkbox"/> CIS-Prescribed Fund <input type="checkbox"/> Minor (under 18) <input type="checkbox"/> Body Corporate / Body of Persons			
B			
MSE A/C NO. (if applicable)	ID CARD / PASSPORT / COMPANY REG NUMBER	TELEPHONE NUMBER	MOBILE NUMBER
C			
ADDITIONAL (JOINT) APPLICANTS (see note 2) (please use additional Application Forms if space is not sufficient)			
TITLE (Mr/Mrs/Ms...)	FULL NAME & SURNAME	ID CARD / PASSPORT NUMBER	
D			
MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 4) (to be completed ONLY if the Applicant is a minor)			
TITLE (Mr/Mrs/Ms...)	FULL NAME & SURNAME	ID CARD / PASSPORT NUMBER	
E			
I / WE APPLY TO PURCHASE AND ACQUIRE (see notes 7 & 8)			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
Grand Harbour Marina p.l.c. 7% Bonds 2017-2020 (minimum €2,000 and in multiples of €100 thereafter) or any smaller number of Bonds for which this Application may be accepted at the Bond Issue Price as defined in the Prospectus dated 25th January 2010 payable in full upon application under the terms and conditions contained therein.			
F			
WITHHOLDING TAX ON INTEREST (see note 9) (to be completed ONLY if the applicant is a resident)			
<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest. <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).			
G			
NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 3 & 10) (to be completed ONLY if the applicant is a non-resident)			
TAX COUNTRY		TOWN OF BIRTH	
TAX IDENTIFICATION NUMBER		COUNTRY OF BIRTH	
PASSPORT / ID CARD NUMBER	COUNTRY OF ISSUE	ISSUE DATE	
<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union <input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union			
H			
INTEREST MANDATE (see note 9)			
BANK	BRANCH	ACCOUNT NUMBER	
I			
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 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/s are/is to sign if Applicant is a minor) (all parties are to sign in the case of a joint Application)			Date
PREFERRED APPLICANT			
AUTHORISED INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE	APPLICATION NUMBER	

**Notes on how to complete this Application Form
and other information**
The following notes are to be read in conjunction with
the Prospectus dated 25th January 2010, the "Prospectus"

1. The Application Form is to be completed in BLOCK LETTERS.
2. 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 Bond. Interest and redemption proceeds will be issued in the name of such Bondholder.
3. Where applicable, non-resident applicants must indicate their passport number in Panel B, complete Panel G and the relative box in Panel A must also be marked appropriately. Applications must be accompanied by the corresponding amount in euro of the Bonds applied for.
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. In the latter case documentary evidence of the legal guardian's appointment should be provided. (Interest and redemption proceeds will be made payable to the parent/s / legal guardian/s named in Panel D until such time as the Issuer is notified in writing that the minor named in Panel B has attained the age of 18).
5. In the case of a body corporate, the registration number, if not already completed, is to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **Applicants who hold securities on the Malta Stock Exchange are to indicate their MSE Account Number in Panel B, if not already completed. Any securities allocated to Applicants will be recorded by the Malta Stock Exchange on the MSE account number quoted on the application form even if the details of such MSE account number, as held by the Malta Stock Exchange, differ from any or all of the details appearing overleaf.**
7. Application must be for a minimum of €2,000 and thereafter in multiples of €100.
8. Payment may be made in cash or by cheque payable to 'The Registrar – GHM Bond Issue 2010'. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer reserves the right to invalidate the relative Application.
9. Only Applicants who hold a valid official Maltese Identity Card or Companies registered in Malta will be treated as residents in Malta. In such cases, the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross, i.e. without deduction of Final Withholding Tax but he/she will be obliged to declare interest so received on his / her return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments. Applicants will receive their interest directly in a bank account held locally, which has to be indicated in Panel H. If any Application is not accepted, or is accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the Applicant's bank account as indicated in Panel H.
10. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU that pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.
11. Preferred applicants are to submit application by 10.00am on 8 February 2010. In the event that the Applicant has been allocated a lower amount of Bonds from that applied for in the Preferred Portion, such unallocated monies shall automatically qualify for further allocation during the Issue Period. Such monies shall participate pari passu with all other applications received during the Issue Period.
12. Completed Application Forms are to be delivered to the offices of any authorised financial intermediary listed in Annex 3 of the Prospectus, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the date and time indicated in paragraph 11 above.
13. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus.
14. This application is governed by the Terms and Conditions contained in the Prospectus. Capitalised terms not defined herein, shall unless the context otherwise requires, have the same meaning as that assigned to them in the Prospectus.
15. The Issuer may process the personal data that the Applicant provides in the Application Form, for all purposes necessary for and related to the issue of the Bonds applied for, in accordance with the Data Protection Act, Cap 440 of the laws of Malta. The Applicant has the right to request access to and rectification of the personal data relating to him/her, as processed by the Issuer. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by 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. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent investment advisor, licensed under the Investment Services Act (Cap.370 of the Laws of Malta), for advice.

Members of the Malta Stock Exchange

Atlas Investment Services Ltd

Abate Rigord Street, Ta Xbiex XBX1121
Tel: 2132 2590
Fax: 2132 2584
www.atlas.com.mt

Bank of Valletta p.l.c.

Financial Markets & Investments Division,
BOV Centre, Cannon Road, Santa Venera SVR 9030
Tel: 2131 2020
Fax: 2275 3348
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

18A, Third Floor, Europa Centre,
Floriana FRN1913
Tel: 2122 4106
Fax: 2124 1101
www.charts.com.mt

Financial Planning Services Ltd

4, Marina Court, G Cali Street,
Ta Xbiex XBX1421
Tel: 2134 4255
Fax: 2134 1202

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

Operation Centre, Balzan Valley Road,
Balzan BZN 1409
Tel: 2131 0088
Fax: 2328 2207
www.globalcapital.com.mt

Hogg Capital Investments Ltd

Regent House, Level 3, Suite 33
Bisazza Street, Sliema SLM 1641
Tel: 2132 2872
Fax: 2134 2760
www.hoggcapital.com

HSBC Stockbrokers (Malta) Ltd

233, Republic Street
Valletta VLT 1116
Tel: 2597 2241
Fax: 2597 2494
www.hsbc.com.mt

Lombard Bank Malta p.l.c.

67, Republic Street,
Valletta, VLT 1117
Tel: 2558 1810
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

17, Republic Street,
Valletta VLT 1111
Tel: 2559 3400
Fax: 2559 3167
www.apsbank.com.mt

Crystal Finance Investments Ltd

6, Freedom Square,
Valletta VLT 1011
Tel: 2122 6190
Fax: 2122 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: 2380 2381
Fax: 2324 6046
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

Jesmond Mizzi Financial Services Ltd

67, Flat 3, South Street,
Valletta VLT 1105
Tel: 2122 4410
Fax: 2122 3810
www.jmfs.net

Joseph Scicluna Investment Services Ltd

Level 3, Bellavista Court,
Gorg Borg Olivier Street, Victoria, Gozo VCT2517
Tel: 2156 5707
Fax: 2156 5706

MFSP Financial Management

220 Immaculate Conception Str.,
Msida MSD 1838
Tel: 2132 2426
Fax: 2133 2190

Mercieca Financial Investment Services Ltd

'Mercieca', John F. Kennedy Square,
Victoria Gozo VCT 2580
Tel: 2155 3892
Fax: 2155 3892

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

MPM Capital Investments Ltd

81, Vinci Buildings, B.Bontadini Street,
B'Kara BKR 1732
Tel: 2149 3250
Fax: 2149 3077

MZ Investment Services Ltd

PO Box 24/55, MZ house, St Rita Street,
Rabat RBT1523
Tel: 2145 3739
Fax: 2145 3407
www.mzinvestments.com

Quest Investment Services

101, Townsquare, Ix-Xatt Ta' Qui-Si-Sana,
Sliema SLM 3112
Tel: 21 343 500
Fax: 21313 733

GRAND HARBOUR MARINA, MALTA

VALUATION REPORT

AS AT

31ST DECEMBER 2009

ON BEHALF OF

GRAND HARBOUR MARINA PLC

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PART I

EXECUTIVE SUMMARY

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EXECUTIVE SUMMARY

VALUATION STATEMENT

This valuation statement has been prepared using the information provided to us by Camper & Nicholson for the initial valuation exercise, subsequent trading information and management accounts up to November 2009.

We are aware that the purpose of this valuation is for possible inclusion in a listing prospectus. When preparing this valuation report we have had regard to the guidance of Chapter 14 of the Listing Rules, where applicable.

We have also been informed that no environmental or planning reports exist for our review.

THE PROPERTY

- Site comprises approximately 46,700 m² of water area and 1,200 m² of land area.
- The marina consists of 230 berths of which 33 are superyacht berths.
- The marina was constructed between 2001 and 2008. The Marina is operational with the last superyacht berths being completed in 2008.
- 3 further superyacht berths are planned but have not yet received planning consent, we have therefore not included them within our valuation.

MARKET VALUE – PROPERTY VALUED WITH REFERENCE TO TRADING POTENTIAL USING LIMITED INFORMATION

The Market Value of the Sub-Emphyteusis interest in the property as a fully fitted operational asset, and having regard to trading potential, as at the date of valuation.

€20,100,000
(Twenty Million One Hundred Thousand Euros)
Exclusive of VAT.

Our opinion of value is based upon the Scope of Work and Valuation Assumptions attached.

COMMENTS

- The property was last inspected on 27th June 2008 and full access to the property was obtained.
- The valuations are based on the assumptions that the property is a fully fitted operational business and is in conformity with all planning permissions and conditions issued by MEPA.
- The property has been valued with reference to its trading potential.
- The value provided includes a deduction for purchasers' costs.

ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

GRAND HARBOUR MARINA, MALTA

EXECUTIVE SUMMARY PAGE 2

- We are informed by Camper & Nicholson that 400m² of landside area has been designated for residential development. The value of this land has not been included in the valuation as no title plans, planning permission documentation or development plans have been provided. We understand that this land is currently being used for car parking.
- The property is held by way of a Sub-Emphyteusis agreement with a further 88 years remaining. We have been provided with a title report by Camillel Preziosi, dated 12th January 2010, which we have relied upon in respect of Title and related legal and regulatory issues. We note that there are charges in relation to the property, details of which are provided within this report and the listing prospectus. We have assumed that the Sub-Emphyteusis agreement is fully transferable to a third party purchaser.
- Suitability of Market Value – Property Valued with Reference to Trading Potential: in the event that the bank takes possession of the premises as security it is unlikely that the sale would be conducted following the assumptions we have made in respect of the “Market Value – Property Valued with Reference to Trading Potential” above. In particular it is likely the property will be closed and no longer trading due to failure of the business model. In these circumstances the value could be materially lower than that reported as “Market Value – Property Valued with Reference to Trading Potential”.

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PART II

VALUATION REPORT



ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

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VALUATION REPORT

REPORT DATE	12 th January 2010
ADDRESSEE	The Directors Grand Harbour Marina plc The Capitanerie Vittoriosa BRG1721 Malta
THE PROPERTY	Grand Harbour Marina Vittoriosa Wharf, Vittoriosa, BRG 1721, Malta
PROPERTY DESCRIPTION	The marina consists of 230 berths of which 33 are superyacht berths.
OWNERSHIP PURPOSE	Investment.
INSTRUCTION	We have been instructed by Grand Harbour Marina to re-value without inspection on the basis of Market Value with reference to trading potential, the Long Leasehold interest in the Property as at the Valuation Date. A copy of our terms of engagement letter, as signed by you, can be found at Part IV.
VALUATION DATE	31 st December 2009.
CAPACITY OF VALUER	External.
PURPOSE OF VALUATION	For potential inclusion in a listing prospectus for the issuance of bonds by Grand Harbour Marina Plc.
MARKET VALUE	The Market Value of the Sub-Employment interest in the property as a fully fitted operational entity, and having regards to trading potential, as at the date of valuation.

€20,100,000
 (Twenty Million One Hundred Thousand Euros)
 Exclusive of VAT.

Our opinion of value is based upon the Scope of Work and Valuation Assumptions attached.

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 Registered in England No. 1526037 CB Richard Ellis Limited is regulated by the FICS and is an appointed representative of
 CB Richard Ellis Indirect Investment Services Limited which is authorised and regulated by the Financial Services Authority.



ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

GRAND HARBOUR MARINA, MALTA

VALUATION REPORT PAGE II

COMPLIANCE WITH VALUATION STANDARDS

The valuations have been prepared in accordance with The RICS Valuation Standards, Sixth Edition.

We are aware that the purpose of this valuation is for possible inclusion in a listing prospectus. We have been provided with a copy of Chapter 14 of the Listing Rules and when preparing this valuation report we have had regard to these requirements within the report in so far as they comply with the RICS Valuation Standards, Sixth Edition.

We confirm that we have sufficient current local and international knowledge of the particular property market involved, and have the skills and understanding to undertake the valuation competently.

MARKET CONDITIONS

We would draw your attention to the fact that the current volatility in the global financial system has created a significant degree of turbulence in commercial real estate markets across the world. Furthermore, the lack of liquidity in the capital markets means that it may be very difficult to achieve a successful sale of property assets in the short-term. We would therefore recommend that the situation and the valuations are kept under regular review, and that specific marketing advice is obtained should you wish to effect a disposal.

ASSUMPTIONS

We have made various assumptions as to tenure, letting, town planning, and the condition and repair of buildings and sites – including ground and groundwater contamination – as set out below.

If any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, the valuation figures may also be incorrect and should be reconsidered.

VARIATION FROM STANDARD ASSUMPTIONS

None

PRINCIPLES ADOPTED IN VALUATIONS WITH REFERENCE TO TRADING POTENTIAL

Definitions of "Market Value" with our comments and assumptions adopted for the valuation are detailed in the attached Valuation Assumptions section of this report, in accordance with The RICS Valuation Standards, Sixth Edition (The Manual).

The Manual's Guidance Notes refer to the fact that certain types of property change hands at prices based directly on trading potential for a strictly limited use. Marinas are usually sold as a fully operational business including trade fixtures, fittings, furniture, furnishings and equipment. Further, a new owner will normally engage the existing staff and sometimes the management, and would, of course, expect to take over the benefit of licenses, which are an important feature of the continuing operation. It is assumed that existing licenses, consents, registration certificates and permits, as appropriate, can be renewed. Our valuation excludes loose stock and perishables, trade debtors and creditors, and any additional value attributable to antique furniture or works of art within the property.

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Additional principles adopted in Valuations with Reference to Trading Potential:

- We have made no allowances for any leased equipment which may exist at the property.
- We have assumed that the Property complies with relevant Health & Safety Laws, Employment Laws, Public Liability requirements and Environmental Health Food Safety Regulations.
- Unless stated to the contrary, our valuation assumes the Property is open for business and trading up to the date of sale and has the benefit of all necessary licences, fire certificates etc.
- No allowance has been made for any contingent tax liabilities or liability to staff (whether relating to redundancy or otherwise).
- We have assumed that existing financing and other contractual arrangements continue uninterrupted. Our valuation reflects only that goodwill which is transferable. It excludes goodwill which attaches to personal reputations and qualities.

In arriving at our valuation we have considered previous years' trading information where available and had regard to management forecasts and projections of future trading activity as indicators of potential. Details of the business plan were obtained from Camper and Nicholson, as managers of the marina. Such information is checked where appropriate but is normally accepted as accurate unless contrary indications are received.

In the event of a future change in the trading potential or actual level of trade from that indicated by such information and assumptions, the valuations with special assumptions could vary.

- Our valuations do not make provision for any unforeseen change in national or international, social, political or economic conditions that may occur.

VERIFICATION

We recommend that before any financial transaction is entered into based upon these valuations, you obtain verification and updates of the information contained within our report and the validity of the assumptions we have adopted.

We would advise you that whilst we have valued the Property reflecting current market conditions, there are certain risks, which may be or may become uninsurable. Before undertaking any financial transaction based upon this valuation, you should satisfy yourselves as to the current insurance cover and the risks that may be involved should an uninsured loss occur.

VALUER

The Property has been valued by valuers who are qualified for the purpose of the valuation in accordance with the RICS Valuation Standards.

ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

GRAND HARBOUR MARINA, MALTA

VALUATION REPORT PAGE IV

INDEPENDENCE	The total fees, including the fee for this assignment, received by CB Richard Ellis Ltd (or other companies forming part of the same group of companies within the UK) from the Addressee (or other companies forming part of the same group of companies) are less than 5.0% of the total UK revenues.
DISCLOSURE	<p>The principal signatory of this report has continuously been the signatory of valuations for the same addressee and valuation purpose as this report. CB Richard Ellis Ltd has continuously been carrying out valuation instructions for the addressee of this report.</p> <p>CB Richard Ellis Ltd has carried out Valuation and Professional services on behalf of the addressee for less than 5 years.</p>
RELIANCE	<p>We confirm that this Valuation Report may not be relied upon by any party other than for the specific purpose to which it refers, subject to the same conditions as the instruction letter, dated 7th January 2010, in Part IV of this report.</p> <p>We agree that the Addressees may name CB Richard Ellis Ltd as the valuer of the Property in any offering circular which may be issued by one or more of the Addressees in connection with any public offering which might ensue in relation to the Property and further may state the results of the valuation process in such an offering circular.</p>
PUBLICATION	We confirm that the Report can be used in accordance with the specific purpose to which it refers. Neither the whole of the Report, nor any part, nor reference thereto, may be published in any other document, statement or circular, nor in any communication with third parties, without our prior written approval of the form and content in which it will appear.

Yours faithfully



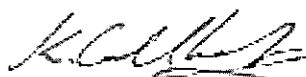
DAVID BATCHELOR BSc MRICS
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10 Paternoster Row
London
EC4M 7HP
United Kingdom

Yours faithfully



KENELM CORNWALL-LEIGH MRICS
SENIOR SURVEYOR
For and on behalf of
CB Richard Ellis Ltd

T: 020 7182 2314
E: kenelm.cornwall-leigh@cbre.com

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VALUATION APPROACH

VALUATION METHODOLOGY We have been asked to provide a valuation of the property based on information provided.

The valuation has been prepared on the basis of "Market Value" which is defined as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

VALUATIONS WITH REFERENCE TO TRADING POTENTIAL

We have received trading projections for the marina. Unless otherwise instructed we have assumed that the marina is fully constructed, fitted out, and that there are no outstanding works or costs. We have only received limited information. We have not received the following:

- Environmental reports, Planning reports or Construction plans

We have made assumptions based on the information provided by the client.

Stage one of our valuation was to form an assessment of trade. Using the information received we have made an assessment of the level of trade a hypothetical purchaser might consider reasonable as a basis for determining the level of bid that is appropriate. The annual revenue generated by the marina will include berthing income, dry storage and other services, including haul out, backyard (repairs & maintenance). We have considered that the following elements of the trading profile will be relevant.

- **Superyacht leases** - Assumptions have been made as to when 25 year leases for superyacht berth space will be sold. This has been projected over a number of years and has also formed the basis of the projections for service charge income.
- **Annual berthing** - We have estimated the number of annual berth sales the marina can achieve. Annual berthing assumes that the boat / yacht owner will commit to occupying the berth for one year. We have estimated the number of berths that could be re-let during times when the berth holder is not in occupation.
- **Winter Berthing** - We have estimated the number of berths that will be utilised for winter berthing only. Winter berthing assumes only limited occupation of the berths for a short period of the year.
- **Overnight berthing** - We have estimated the number of berths that will be used on a daily/overnight basis.

ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

GRAND HARBOUR MARINA, MALTA

VALUATION REPORT PAGE VI

- **Other services (haul out, boathard and commercial property rental)** – We have estimated the annual income generated by the additional marina services available on site. This assumes that these services are available on site and are suitable for the type of marina being operated.
- **Repairs and Capital Expenditure** – We made an independent assessment of the repairing and capital expenditure requirements to maintain the business.

The berthing rates adopted have been determined using comparable rates in the near vicinity and by also taking into account the berthing rates currently being achieved in the marina. Our analysis considers the level of berth occupancy over the term of the cash flow. The annual service charge payable on superyacht berths has also been included.

In addition to these revenue streams we have estimated the annual revenue potential derived from the fuelling station, water and electricity services.

Furthermore, we inspected the site, which included interviews with management in order to determine:

- Customer profiles
- Operational issues
- Competitive set
- Forthcoming challenges and opportunities
- Occupation/ownership structure

It should be noted that the property has not been inspected within the last 12 months. We are informed that no material changes have occurred since our last inspection.

Results from the analysis of the projections and interviews with management enabled us to produce an assessment of Key Performance Indicators (KPIs), which in our opinion a hypothetical purchaser, without a special interest, would consider sustainable if the property operated as a marina business.

Having determined an appropriate level of sustainable trade for the marina we have applied a multiplier based on the industry, market transactions and also had regard to multipliers achieved for other leisure and alternative asset investments. Multipliers were assessed with regard to our opinion of the future trading and income potential of the marina.

If a business area has not reached maturity we have made assumptions as to the rate at which the business will grow in terms of occupancy, berth rates and cost profile. Throughout this period the rational value of the property is likely to fluctuate accordingly as the business matures.

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Further background information is in Part III, the Individual Property report.

VALUE DRIVERS

Physical valuation drivers for marina businesses include the following:

- Marina capacity and variety of berth sizes in order to accommodate larger vessels including superyachts
- Deep Water for yachts with large drafts
- Berth configuration
- Large turning circle in order to accommodate larger vessels
- Water and power accessibility
- Landside facilities, including a crane (60 tonne for boats up to 10 - 12 metres and 100 tonne for boats up to 25 metres) and Storage
- A brokerage service
- Chandlery
- Yacht Club
- Fueling station
- Retail and restaurant facilities
- Close proximity to cruising areas

The above facilities will help to shape the balance of the trading potential of a marina. Whilst superyacht berths are becoming increasingly common, without the capacity for boats in excess of 10 - 12 metres the marina immediately loses this important aspect of the marina business.

The value of such a property is driven by its historic trading performance and its future trading potential, including berth occupation, ancillary facilities and business trends. When assessing the value of such a property it is important to consider the trading environment and in particular the location and strength of the local and international demand. Equally market constraints will have a significant impact and need to be considered. Such restraints include regulatory control, geographical issues and customer base.

ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

GRAND HARBOUR MARINA, MALTA

VALUATION REPORT PAGE VIII

SCOPE OF WORK & SOURCES OF INFORMATION

SOURCES OF INFORMATION	<p>We have carried out our work based upon information supplied to us by Camper & Nicholson Marina Investments Ltd, which we have assumed to be correct and comprehensive.</p> <p>We have not received the following:</p> <ul style="list-style-type: none">• Environmental reports, Planning reports or Construction plans
THE PROPERTY	<p>Our report contains a brief summary of the property details on which our valuation has been based.</p>
INSPECTION	<p>We have not inspected the Property for the purpose of this updated valuation. We last inspected the property on 27th June 2028.</p>
REVALUATION WITHOUT INSPECTION	<p>As instructed, we have not re-inspected the property for the purpose of this valuation. You have confirmed that you are not aware of any material changes to the physical attributes of the property, or the nature of its location, since the last inspection. We have assumed this advice to be correct.</p>
AREAS	<p>We have not measured the Property but have relied upon floor areas provided.</p>
ENVIRONMENTAL MATTERS	<p>We have not undertaken, nor are we aware of the contents of, any environmental audit or other environmental investigation or soil survey which may have been carried out on the Property and which may draw attention to any contamination or the possibility of any such contamination. We have not carried out any investigation into the past or present uses of the Property, nor of any neighbouring land, in order to establish whether there is any potential for contamination and have therefore assumed that none exists. We have assumed that the properties possess current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive.</p>
REPAIR AND CONDITION	<p>We have not carried out building surveys, tested services, made independent site investigations, inspected wood-work, exposed parts of the structure which were covered, unexposed or inaccessible, nor arranged for any investigations to be carried out to determine whether or not any deleterious or hazardous materials or techniques have been used, or are present, in any part of the Property. We are unable, therefore, to give any assurance that the Property is free from defect.</p>
TOWN PLANNING	<p>We have not undertaken planning enquiries but have relied upon information provided to us by Grand Harbour Marina Plc. We have received a copy of the Original Decision Notice, dated 31st January 2003, from the Malta Environment & Planning Authority (MEPA), granting development permission in accordance with the application. We have assumed that the property is in conformity with all planning permissions and conditions issued by MEPA.</p>

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GRAND HARBOUR MARINA, MALTA

VALUATION REPORT PAGE IX

TITLES, TENURES AND LETTINGS

Details of title/tenure under which the Property is held and of lettings to which it is subject are as supplied to us. We have not generally examined nor had access to all the deeds, leases or other documents relating thereto. Where information from deeds, leases or other documents is recorded in this report, it represents our understanding of the relevant documents. We should emphasise, however, that the interpretation of the documents of title (including relevant deeds, leases and planning consents) is the responsibility of your legal adviser.

We have not conducted credit enquiries on the financial status of any tenants. We have, however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenants.

TRADING INFORMATION

We have been supplied with management accounts for Grand Harbour Marina. The accuracy of this data has been assumed and relied upon where appropriate. It has also been assumed that this reflects a fair and accurate view of trade for the property.

We have not conducted credit enquiries on the financial status of any current or proposed tenant. We have however, reflected our general understanding of purchasers' likely perceptions of the financial status of tenant where appropriate.

STANDARD VALUATION ASSUMPTIONS

CAPITAL VALUES

The valuation has been prepared on the basis of "Market Value" which is defined as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

No allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal. Acquisition costs have not been included in our valuation.

No account has been taken of any inter-company leases or arrangements, nor of any mortgages, debentures or other charges.

No account has been taken of the availability or otherwise of capital based Government or European Community grants.

RENTAL VALUES

Rental values indicated in our report are those which have been adopted by us as appropriate in assessing the capital value and are not necessarily appropriate for other purposes nor do they necessarily accord with the definition of Market Rent.

THE PROPERTY

Where appropriate we have regarded the shop fronts of retail and showroom accommodation as forming an integral part of the building.

Landlord's fixtures such as lifts, escalators, central heating and other normal service installations have been treated as an integral part of the building and are included within our valuations.

Process plant and machinery, tenants' fixtures and specialist trade fittings have been excluded from our valuations.

All measurements, areas and ages quoted in our report are approximate.

ENVIRONMENTAL MATTERS

In the absence of any information to the contrary, we have assumed that:

(a) the Property is not contaminated and is not adversely affected by any existing or proposed environmental law;

(b) any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities.

High voltage electrical supply equipment may exist within, or in close proximity of, the Property. The National Radiological Protection Board (NRPB) has advised that there may be a risk, in specified circumstances, to the health of certain categories of people. Public perception may, therefore, affect marketability and future value of the Property. Our valuation reflects our current understanding of the market and we have not made a discount to reflect the presence of this equipment.

REPAIR AND CONDITION

In the absence of any information to the contrary, we have assumed that:

(a) there are no abnormal ground conditions, nor archaeological remains, present which might adversely affect the current or future occupation, development or value of the property;

(b) the Property is free from rot, infestation, structural or latent defect;

(c) no currently known deleterious or hazardous materials or suspect techniques, including but not limited to Composite Paneling, have been used in the construction of, or subsequent alterations or additions to, the Property; and

(d) the services, and any associated controls or software, are in working order and free from defect.

We have otherwise had regard to the age and apparent general condition of the Property. Comments made in this property details do not purport to express an opinion about, or advise upon, the condition of uninspected parts and should not be taken as making an implied representation or statement about such parts.

TITLE, TENURE, PLANNING AND LETTINGS

Unless stated otherwise within this report, and in the absence of any information to the contrary, we have assumed that:

(a) the Property possesses a good and marketable title free from any onerous or hampering restrictions or conditions;

(b) all buildings have been erected either prior to planning control, or in accordance with planning permissions, and have the benefit of permanent planning consents or existing use rights for their current use;

(c) the Property is not adversely affected by town planning or road proposals;

(d) all buildings comply with all statutory and local authority requirements including building, fire and health and safety regulations;

(e) only minor or inconsequential costs will be incurred if any modifications or alterations are necessary in order for occupants of each Property to comply with the provisions of the Disability Discrimination Act 1995;

(f) all rent reviews are upward only and are to be assessed by reference to full current market rents;

ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

GRAND HARBOUR MARINA, MALTA

VALUATION REPORT PAGE XII

(g) there are no tenant's improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;

(h) tenants will meet their obligations under their leases and are responsible for insurance, payment of business rates, and all repairs, whether directly or by means of a service charge;

(i) there are no user restrictions or other restrictive covenants in leases which would adversely affect value;

(j) where more than 50% of the floorspace of a property is in residential use, the Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/head leasehold interest in the property. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to acquire the freehold/head leasehold interest. Disposal on the open market is therefore unrestricted.

(k) where appropriate, permission to assign the interest being valued herein would not be withheld by the landlord where required; and

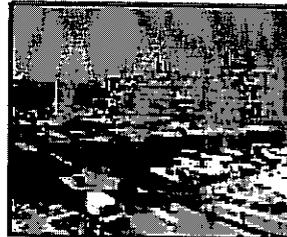
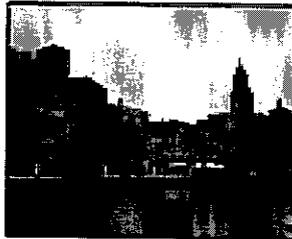
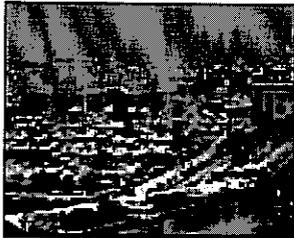
(l) vacant possession can be given of all accommodation which is unlet or is let on a service occupancy.

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PART III

PROPERTY REPORT

PROPERTY REPORT



BACKGROUND

The development rights to the marina and surrounding Vittoriosa Wharf were granted through a 99 year emphyteutical deed from Maltese Government to the Cottonera Waterfront Group. Subsequently a sub-emphyteusis was granted to the Grand Harbour Marina for the control over the water area and additional land, of which there is currently 88 years remaining.

LOCATION

Grand Harbour Marina is located in Vittoriosa, situated 4.8km (3 miles) north of Malta airport. Vittoriosa (Birgu as it was formally known) forms part of a very rich history within Malta and is the oldest of the so-called 'Three Cities' of the historic Cottonera District, adjacent to the Grand Harbour in Malta. Fort St Angelo, at the tip of its peninsula and Birgu itself were used to house the Headquarters, living quarters, arsenal, and other facilities of the Knights of St John when they came to Malta in 1530. It was renamed Vittoriosa after withstanding the Great Siege of 1565, during which Birgu was the seat of government in Malta.

Malta is an archipelago in the central Mediterranean Sea (in its eastern basin), some 93 km (58 miles) south of the Italian island of Sicily across the Malta Channel; east of Tunisia and north of Libya in Africa. Flanked by Comino and Gozo to the north of Malta, the archipelago's coastline extends to approximately 124 miles (200km). Malta is a densely populated island and currently has a population of approximately 403,000.

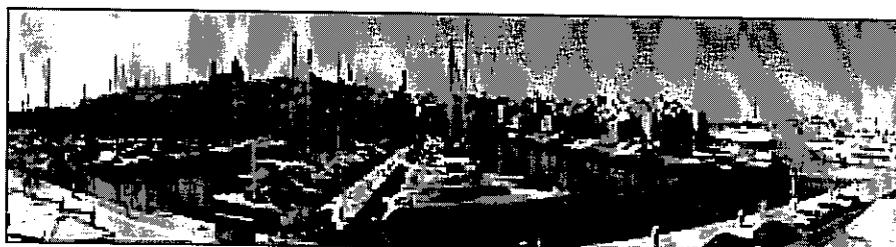
GRAND HARBOUR MARINA, MALTA

PROPERTY REPORT PAGE 7

Any part of the Mediterranean can be reached from Malta within 2.5 days at about 14 knots. This makes Malta a desirable location to base a yacht, with easy access to the Eastern and Western Mediterranean cruising routes. Many popular cruising areas including Sardinia, Sicily, the Italian coasts south of Naples, Croatia and the Ionian can be reached in a day or less. The marina is about 15 minutes drive from the international airport in Luqa.

THE GRAND HARBOUR MARINA SITE

The site comprises approximately 46,700 m² of water area and 1,200 m² of land area. The marina consists of 230 berths of which 33 are superyacht berths.



Land Area

It is understood that the emphyteusis agreement designates that Grand Harbour Marina holds the rights over approximately 1,200 m² of land area on St. Angelo's Wharf towards the northern end of the Vitoriosa. This is comprised of 800 m² of car parking space, and 400 m² of development area which it is understood has been designated for residential development. The exact location of these cannot be confirmed as we have not been provided with Title plans.

With regard to the potential future residential development, we have been informed that the units will comprise lower ground, first and second floors. However, we have not been provided with any documentation in respect of planning consent or development plans.

The emphyteusis controls the rights over the first five metres of the quays to the Grand Harbour Marina for the length of the term.

In addition, the rights to use the old treasury building as the captainerie are held by way of a separate lease. The development of this building has been completed. An annual rent will be payable by Grand Harbour Marina for this right.

Water Area

The Grand Harbour Marina which opened in November 2005 currently comprises 46,700 m² of habitable water space, of which approximately 36,100 m² is for superyachts (over 30 metres in length). In total there are 230 berths within the marina, of which 33 are superyacht berths. The marina has 7 floating pontoons providing berths for yachts from 8m to 25m. The berths are comprised of finger pontoons for boats up to 15 metres in length, and stern to mooring for yachts from 20m to 25m.

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ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

GRAND HARBOUR MARINA, MALTA

PROPERTY REPORT PAGE 3

In addition there are 33 superyacht berths within the marina, ranging from 30m to 100m in length.

Full services are supplied to every berth in the marina, including fresh water and electricity.

Access to the pontoons is from the various points along the Vittoriosa promenade. The larger pontoons are accessed from within the security controlled areas of Bakery Wharf, Vittoriosa Wharf and St. Angelo Wharf.

We have been informed the extent of the water area stretches across to Senglea, where there are approximately 300 additional moorings being used by small pleasurecraft and fishing boats. These are non-profit making as part of the emphyteusis agreement with the Government.

SURROUNDING INFRASTRUCTURE

In addition to the marina operation itself, and outside the control of the Grand Harbour Marina sub emphyteusis, the Vittoriosa Wharf is being substantially redeveloped. Operating next to the marina are four restaurant bars, an internationally renowned Casino at Venezia, and a chandlery. Furthermore there is a residential building housing a number of privately owned apartments. In addition, it is understood that a small 5 star hotel is due to be constructed next to the casino site, we are not aware as to whether this development has been granted consent or occurred. Also within the Grand Harbour are dry dock facilities capable of accommodating yachts of up to 140m in length. This is available on the opposite side of Senglea, a short distance from the Grand Harbour Marina.

TITLE

We have been provided with a report on title, dated 12th January 2010, prepared by Camilleri Preziosi. We have relied upon this document in respect of tenure and have assumed it to be an accurate reflection of the interest held. Should it transpire that the information provided is inaccurate the value reported herein may be materially impacted.

Although we have not taken any charges into account within our valuation we have been informed of the following encumbrances within the title:

- A general hypothec over all assets present and future of Grand Harbour Marina p.l.c., and a special hypothec over three parcels of land situated in Vittoriosa each measuring 400sqms, 830 sqm and 780 sqm, all acquired under title of sub-emphyteusis by Grand Harbour Marina pursuant to a public deed in the records of Notary Pierre Falson dated 4 September 2007, in favour of HSBC Bank Malta p.l.c. in respect of the outstanding balance of an overdraft of €7,747,030 and interest thereon and in respect of term loan of €6,623,505 and interest thereon;

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- A general hypothec over all assets present and future of Grand Harbour Marina p.l.c., and a special hypothec over three parcels of land situated in Vittoriosa each measuring 400sqms, 830 sqm and 780 sqm, all acquired under title of sub-emphyteusis by Grand Harbour Marina pursuant to a public deed in the records of Notary Pierre Falson dated 4 September 2001, in favour of American Mutual Properties Limited in respect of a liability of €232,937 and interest thereon; We are informed by Grand Harbour Marina p.l.c. that this indebtedness has been settled in full;
- A special legal hypothec over three parcels of land situated in Vittoriosa each measuring 400sqms, 830 sqm and 780 sqm, all acquired under title of sub-emphyteusis by Grand Harbour Marina pursuant to a public deed in the records of Notary Pierre Falson dated 4 September 2001 in favour of Cottonera Waterfront Group p.l.c. in respect of the payment of annual and temporary ground rent for the unexpired period imposed on the immovable property arising by virtue of the said deed of Notary Pierre Falson dated 4 September 2001;”

We have been provided with a title plan and berth plan by Camper & Nicholson, which is included in Appendix A. We have assumed this to be an accurate reflection of the interest held.

TENURE

The property is held by way of a Sub-Emphyteusis agreement with a period of 88 years remaining, as detailed below.

An original Emphyteutical deed was entered into by the Cottonera Waterfront Group in relation to the area known as “Port Cottonera” dated 02 June 1999 for a period of 99 years.

A Sub-Emphyteusis agreement between the Cottonera Waterfront Group plc and Camper & Nicholson Marinas Ltd / Grand Harbour Marina (GHM), was granted on 30 June 2000 for the remainder of the length of the emphyteutical deed. The agreement which is recognised by the Government of Malta is for GHM to develop, construct and install, own, operate, manage, control and promote the Yacht Marina and ancillary facilities.

The extent of the area is the Yacht marina and the area in Dockyard Creek in the areas of Senglea, Cospicua and Birgu on which a use clause stipulates “the running and operation of a marina and marina related activities” including the following:

ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

GRAND HARBOUR MARINA, MALTA

PROPERTY REPORT PAGE 5

- i. The berthing and mooring and anchoring of craft
- ii. The brokerage of new and used craft
- iii. The operation of a chandlery and spare parts service, and the sale of oils and lubricants (on a non-exclusive basis)
- iv. The charter and hire of craft
- v. The operation of a sea school or similar training facility
- vi. The storage of yacht and other crafts, including related marine equipment ashore
- vii. The operation of a captainerie and yacht club including their food and beverage operations
- viii. The raising, slipping and launching of craft within the marina
- ix. The holding of yachting/boating/shipping exhibitions and marine events

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GRAND HARBOUR MARINA, MALTA

APPENDICES

APPENDICES

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GRAND HARBOUR MARINA, MALTA

APPENDICES

APPENDIX A

TITLE PLAN & BERTH PLAN

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Room No.	Area (sq. m)	Area (sq. ft.)
101	120	1300
102	120	1300
103	120	1300
104	120	1300
105	120	1300
106	120	1300
107	120	1300
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200	120	1300

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GRAND HARBOUR MARINA, MALTA

LETTER OF INSTRUCTION

PART IV

STANDARD TERMS OF BUSINESS

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ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

CB RICHARD ELLIS LIMITED - STANDARD TERMS OF BUSINESS

1. PRELIMINARY

- 1.1. In these Conditions CB Richard Ellis Limited is referred to as "we", "us" or "our" and the client with whom we contract to supply services is referred to as "you", "your" and "yours".
- 1.2. Our responsibility is solely to you and we will perform our services with all reasonable care and skill and will act in good faith at all times.
- 1.3. Our services and fees are as stated in our letter dated 1st January 2010.
- 1.4. The terms of our agreement are binding between you and us and may only be varied in writing, or orally agreed in writing with you, and accepted in writing by your authorised signatory and one of our Directors or the Associate Director who has signed our letter of appointment.

2. CHARGES AND EXPENSES

- 2.1. If there is a change of charges in the scope of our instructions, we will agree with you, in writing, an additional or alternative fee arrangement.
- 2.2. All fees expressly stated in our letter of appointment, in addition to our fees, shall include (without limitation) the following: (a) all reasonable and necessary expenses out of pocket expenses, including, without limitation, advertising, photography, printing and reproduction costs, signboards, materials, and postage, telephone, plan printing charges, courier charges, travelling costs, overnight accommodation and marketing material of any kind.
- 2.3. If we are responsible for arranging marketing material, then we will obtain estimates for the costs of marketing materials and agree them with you before incurring the costs.
- 2.4. All fees quoted in our general appointment are exclusive of VAT, which will be charged at the applicable rate. VAT shall also be payable by you on disbursements and other amounts, if and where applicable.
- 2.5. In the event of our appointment being terminated for whatever cause, we reserve the right to charge for the work carried out even if incomplete in accordance with the fee set out agreed for the appointment or the amount we agreed to them to the terms of our appointment.

3. PAYMENT

- 3.1. Our invoices are due for payment upon receipt by you.
- 3.2. We reserve the right to charge interest (calculated on a daily basis from the 31st day following the date of the invoice at the statutory rate of interest determined in accordance with the late Payment of Commercial Debts (Interest) Act 1998) on amounts not paid to us by the due date. We shall not be liable to you for any loss or damage caused by us in the recovery of any outstanding payments that are properly due to us by you.

4. QUALITY CONTROL AND COMPLAINTS PROCEDURE

- 4.1. We have implemented Quality Management System (QMS) which have been developed to meet the requirements of ISO 9001:2000. Enhancing client satisfaction and continual improvement are key requirements of our system and we are dedicated to providing you with an optimal personal service.
- 4.2. In the event that you feel that we are falling short of the high standards that we set ourselves in the services we provide, please do let us know. Our Complaints Procedure involves a full investigation of any complaints that we receive and has been designed to comply with the Royal Institution of Chartered Surveyors Rules of Conduct. A written copy of our Complaints Procedure will be made available upon request.

5. LIABILITY

- 5.1. All information that has been or will be supplied to us by you or your representatives has been or will be accepted as being correct unless otherwise stated.
- 5.2. Nothing in this appointment shall exclude or limit a party's liability for death or personal injury caused by that party's negligence, or for fraud, and misrepresentation.
- 5.3. Neither party to the appointment shall be liable to the other party for any indirect, special or consequential loss or damage howsoever caused, whether in contract, tort, negligence or otherwise.
- 5.4. A party shall not be liable to the other party for any failure or delay in performance of its obligations under the appointment where such failure or delay is due to reasons outside its reasonable control.
- 5.5. Subject to condition 5.6 below, our maximum liability (in contract, tort, negligence or otherwise) to you, howsoever arising in relation to any property to which the appointment relates, shall in no circumstances exceed 25% of the value for the basis

stated in the appointment or (if no basis is expressed) Market Value as defined in the CML5 or the value of the market value of that property.

- 5.6. Our maximum aggregate liability to you arising from, or in relation to, this appointment (in contract, tort, negligence or otherwise) (howsoever arising) shall not in any circumstances exceed £20 million or exceed the sum that would have been payable in our insurance policies (if any) available on request.

6. DOCUMENTS

- 6.1. Unless expressly stated in our letter of appointment, all intellectual property rights in all reports, drawings, accounts and other documentation created, prepared or provided by us in relation to our appointment (including this).

7. TERMINATION

- 7.1. Our services under the terms of our appointment will terminate when one of the number of events occurs, which include:
 - 7.1.1. The job is finished; or
 - 7.1.2. If you and we consider that it is not in the mutual best interests of the two parties for us to continue to perform your behalf; or
 - 7.1.3. If you do not pay our invoices as they fall due, or we receive notice and pay that that will be the case; or
 - 7.1.4. If either you or us becomes insolvent, or has a receiver, liquidator, administrator or administrative receiver appointed, or if either you or us, assigns or transfers its entire business.

8. SUPPLEMENTARY TERMS

- 8.1. Agency appointments only - Where we are acting for you on the sale or purchase of an interest in a property, please refer to the attached Supplementary Terms for Agency Appointments.
- 8.2. Valuation appointments only - Where we are acting for you on the valuation of a property or a property portfolio, please refer to the attached Supplementary Terms for Valuation Appointments.

9. MONEY LAUNDERING REGULATIONS

- 9.1. Legislation has imposed on us obligations for money laundering, requiring us to carry out client identification procedures. We may have to obtain certain information and documentation from you which we will attempt to verify independently, but on occasions we may need to ask you to assist in complying with such requirements. Where such information is requested, you will provide such information promptly to enable us to proceed to provide our services. We shall not be liable to you or any other parties for any delay in the performance of our obligations to perform the services which may be caused by our duty to comply with such requirements.

10. GENERAL

- 10.1. We do not give legal advice. You should seek legal advice as appropriate from your lawyers. We have no responsibility for the content of any legal advice that is published.
- 10.2. We maintain professional indemnity insurance (PII) and will act on request.
- 10.3. We comply with the Data Protection Act 1998 in relation to your personal data.
- 10.4. If discussions we have with you, advice we give to you and documentation provided by you to us will be kept confidential, unless we agree with you otherwise.
- 10.5. We support the Code of Practice for Commercial Property Lettings.
- 10.6. For the purposes of the Contract (Rights of Third Parties) Act 1999, you and we agree that it is not intended for any term of the appointment to be enforceable by any third party who, but for the Act, would not have been entitled to enforce such terms.
- 10.7. If at any time any part of the appointment is held to be or become void or otherwise unenforceable for any reason, then that part will be deemed to have been severed from the appointment. The validity or enforceability of the remaining parts of the appointment shall not in any way be affected or impaired as a result of that severance.
- 10.8. The appointment, and any issues and disputes arising out of or in connection with it (whether such disputes are contractual or non-contractual in nature), such as claims in tort, for breach of statute or regulation, or otherwise, shall be governed by and construed in accordance with English law and the exclusive jurisdiction of the English Courts.

CB RICHARD ELLIS LIMITED - STANDARD TERMS OF BUSINESS**SUPPLEMENTARY TERMS FOR VALUATION APPOINTMENTS (Page 1 of 2)****GENERAL PRINCIPLES ADOPTED IN THE PREPARATION OF VALUATIONS AND REPORTS**

We set out below the general principles upon which our valuations and reports are normally prepared, which will apply unless specifically mentioned otherwise in the body of the report. We will be pleased to discuss specific variations to suit your particular requirements.

These supplementary conditions should be read in conjunction with our Standard Terms of Business and Letter of Appointment.

1) RICS VALUATION STANDARDS

All valuations are carried out in accordance with the latest edition of the Valuation Standards published by the Royal Institution of Chartered Surveyors ("the Valuation Standards") and are undertaken by appropriately qualified valuers as defined therein.

2) VALUATION BASIS

Unless stated otherwise within the report, we have adopted 'Market Value' and its interpretative commentary as the basis of valuation in accordance with the Valuation Standards, which is defined as:

"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion."

It should be noted that the interpretative commentary of the Valuation Standards makes it clear that, amongst other things, the valuation assumes that the appropriate marketing period had occurred prior to the valuation date and that simultaneous exchange and completion of the sale took place on the valuation date. Our valuations are, therefore, based upon the facts and evidence available as of the date of valuation.

We would also draw your attention to the fact that we are required to assume that the buyer will purchase in accordance with the realities of the current market, and with current market expectations, and that the seller will sell the property at market terms for the best price obtainable in the open market after proper marketing, whatever that price may be.

No allowances are made in our valuations for any expenses of redemption that would be incurred on a sale, or to reflect the balance of any outstanding mortgages, unless in respect of capital or interest accrued thereon. Costs of acquisition are also not included in our valuations.

3) INFORMATION SUPPLIED

We have assumed that where any information referred to our report is supplied by you, or by any third party of your institution, it is correct and comprehensive, and can be safely relied upon by us in preparing our valuation.

4) INSPECTIONS

We undertake such inspections and investigations as are, in our opinion, necessary to produce a valuation which is professionally adequate for its purpose.

5) DOCUMENTATION AND TITLE

Unless specifically instructed, we do not read legal documentation. Where legal documentation is provided to us, we will have regard to the matters therein but recommend that reliance should not be placed on our interpretation thereof without prior consultation by your legal advisers.

Unless notified to the contrary, we assume that each property has a good and marketable title and is free from any pending litigation.

We further assume that all documentation is satisfactorily drawn and that unless disclosed to us, there are no charges or onerous restrictions, encumbrances, covenants or other outgoings which would adversely affect the value of the relevant interest(s).

In respect of leasehold properties, we will assume that your landlord will give any necessary consent to an assignment.

6) TENANCIES

Unless disclosed to us, it is assumed that all properties are subject to normal outgoings and that tenants are responsible for all repairs, the cost of insurance and payment of rates and other usual outgoings, either directly or by means of service charge provisions.

Unless we state otherwise, it is further assumed that rent reviews are on an upward only basis to the open market rent and that no questions of doubt arise as to the interpretation of the rent review provisions in the lease. We assume that neither the landlord nor the tenant may terminate the lease prematurely.

7) TENANTS' COVENANT STRENGTH

Unless specifically required, we do not make detailed enquiries into the covenant strength of occupational tenants but rely on our judgement of the market's perception of them. Any comments on covenant strength should therefore be read in this context. Furthermore, we assume, unless otherwise advised, that the tenant is capable of meeting its financial obligations under the lease and that there are no arrears of rent or other payments or unpaid landlord benefits of covenant.

8) MEASUREMENTS

All property measurement is carried out in accordance with the latest edition of the Code of Measuring Practice issued by the Royal Institution of Chartered Surveyors, unless stated otherwise. Unless specifically instructed, we do not undertake a measured site survey but calculate site areas by reference to the identified boundaries of the property and the appropriate Ordnance Survey Plan.

9) TOWN PLANNING AND OTHER STATUTORY REGULATIONS

Unless specifically instructed, we do not normally undertake enquiries to obtain town planning and highway information from the relevant local authority.

Our valuations are prepared on the assumption that the premises comply with all relevant statutory enactments and Building Acts and Regulations, that a valid and up-to-date Fire Certificate has been issued and that the properties possess current Energy Performance Certificates (EPCs) as required under the Government's Energy Performance of Buildings Directive. We also assume that all necessary consents, licences and authorisations for the use of the property and the premises (and our terms have been obtained and will continue to subsist and are not subject to any onerous conditions).

We further assume that there are no outstanding obligations or liabilities arising out of the provisions of the Defective Premises Act 1972, and that only minor or inconsequential works will be incurred if any modifications or alterations are necessary in order for occupation of each Property to comply with the provisions of the Disability Discrimination Act 1995.

Unless disclosed to us, we assume that there are no outstanding statutory benefits or impending litigation in respect of the property.

ANNEX 4 - CB RICHARD ELLIS LIMITED VALUATION

Standard Terms of Business – Supplementary Terms for Valuation Appointments (Page 2 of 2)

10) BUILDING SURVEYS

Unless specifically instructed, we do not undertake building surveys, nor do we inspect those parts that are created, unexposed or inaccessible, or test any of the electrical, heating, drainage or other services. Any readily apparent defects or items of disrepair noted during our inspection will, unless otherwise stated, be reflected in our valuation, but no assurance is given that any property is free from defects. We assume that those parts which have not been inspected would not reveal material defects which would cause us to alter our valuations.

11) HAZARDOUS AND DELETERIOUS MATERIALS

Unless specifically instructed, we do not carry out investigations to ascertain whether any building has been constructed or altered using deleterious materials or methods. Unless specifically notified, our valuation assumes that no such materials or methods have been used. Common examples include high alumina cement concrete, calcium chloride, asbestos and wood wool slabs used as permanent churning.

12) SITE CONDITIONS

Unless specifically instructed, we do not carry out investigations on site in order to determine the suitability of ground conditions and services, we do not undertake environmental, archaeological, or geotechnical surveys. Unless notified to the contrary, our valuation is on the basis that these aspects are satisfactory and also that the site is clear of underground mineral or other workings, methane gas, or other noxious substances.

In the case of properties that may have redevelopment potential, we assume that the site has load bearing capacity suitable for the proposed form of redevelopment without the need for additional and expensive foundations or drainage systems. Furthermore, we assume in such circumstances that no unusual costs will be incurred in the demolition and removal of any existing structure on the property.

13) ENVIRONMENTAL CONTAMINATION

In preparing our valuation we assume that no contamination or potentially contaminative uses, or has been, carried out at the property. Unless specifically instructed, we do not undertake any investigation into the past or present uses of either the property or any adjoining or nearby land, to establish whether there is any potential for contamination from these uses and assume that none exists. Should it, however, be subsequently established that such contamination exists at the property or on any adjoining land or that any premises have been or are being put to contaminative use, this may have a detrimental effect on the value reported.

14) HIGH VOLTAGE ELECTRICITY SUPPLY APPARATUS

Where there is high voltage electricity supply apparatus within close proximity to the property, unless otherwise stated we have not taken into account any likely effect on future marketability and value due to any change in public perception of the health implications.

15) PLANT AND MACHINERY

Our valuation includes those items usually regarded as forming part of the building and comprising landlords fixtures, such as boilers, heating, lighting, sprinklers and ventilation systems and lifts but generally exclude process plant, machinery and equipment and those fixtures and fittings normally considered to be the property of the tenant.

Where the property is valued as a fully equipped commercial entity our valuation includes trade fixtures and fittings and equipment necessary to generate the turnover and profit and it is assumed that these are owned and not leased.

16) TAXATION

In preparing our valuations, no allowances are made for any liability which may arise for payment of Corporation Tax or Capital Gains Tax, or any other property related tax, whether arising or which may arise on development or disposal, deemed or otherwise. We also specifically draw your attention to the fact that our valuation is exclusive of any VAT liability which may be incurred. Unless specifically instructed we have not taken into account the availability of capital allowances.

17) LANDLORD AND TENANT ACT 1987

The Landlord and Tenant Act 1987 (the "Act") gives certain rights to defined residential tenants to acquire the freehold/leasehold interest in a building where more than 50% of the floor space is in residential use. Where this is applicable, we have assumed that necessary notices have been given to the residential tenants under the provisions of the Act, and that such tenants have elected not to exercise the freehold/leasehold interest, and therefore disposal into the open market is unrestricted.

18) GOVERNMENT GRANTS

All valuations are given without any adjustment for capital based Government or European Community grants received or potentially receivable at the date of the valuation.

19) AGGREGATION

In the valuation of portfolios, each property is valued separately and not as part of the portfolio. Accordingly, no allowance, either positive or negative, is made in the aggregate value reported to reflect the possibility of the whole or part of the portfolio being put on the market at any one time.

20) OVERSEAS PROPERTIES

Our valuations of overseas properties will be reported in the appropriate local currency and represent our opinion of the realistic value in the country of origin, computed in accordance with local practices, with no allowance made for the transfer of funds to the UK.

21) CONFIDENTIALITY/THIRD PARTY LIABILITY

Our valuations and reports are strictly confidential to the party to whom they are addressed, or their other professional advisors for the specific purpose to which they refer. Third parties may rely upon our valuations and reports and no responsibility whatsoever is accepted to any third parties for the whole or part of their contents without our written approval.

22) PUBLICATION

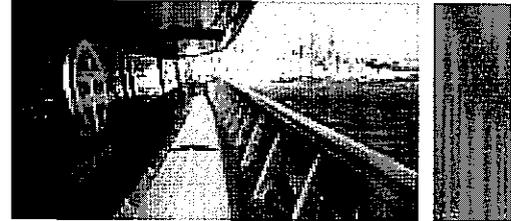
Neither the whole nor any part of our reports, nor any reference thereto, may be included in any published document, circular or statement, nor published in any way nor disclosed orally to a third party, without our written approval of the form and content of such publication or disclosure. Such approval is required whether or not CB Richard Ellis are referred to by name and whether or not the report is combined with others.

23) COMPLAINTS PROCEDURE

In accordance with the RICS Rules of Conduct, we operate a Complaints Procedure. Should you have any reason to complain, please contact our Head of Compliance & Best Practice at St Martin's Court, 10 Foremaster Row, London EC2A 7HP.

Grand Harbour Marina p.l.c.

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- Legal Counsel to the Issuer: **Guido de Marco & Associates**
9, Britannia House, Level 2,
Old Bakery Street,
Valletta, VLT 1450 Malta
- Sponsor: **Rizzo Farrugia & Co.
(Stockbrokers) Ltd**
Airways House, Third Floor,
High Street,
Sliema SLM 1549 Malta
- Manager & Registrar: **HSBC Bank Malta p.l.c.**
233, Republic Street,
Valletta, VLT 1116 Malta
- Financial Advisors: **Finco Treasury Management Ltd**
Level 5, The Mall Complex,
The Mall, Floriana FRN 1470 Malta
- Auditors: **KPMG**
Portico Building, Marina Street,
Pieta, PTA 9044 Malta

GRAND HARBOUR MARINA
VITTORIOSA * MALTA

**Camper &
Nicholsons**
YACHTING SINCE 1767
MARINAS

To whom it may concern

Reference is made to the prospectus to be issued by Grand Harbour Marina p.l.c. pursuant to a public offer in terms of the Companies Act, Cap 386 of the laws of Malta pursuant to which Grand Harbour Marina p.l.c. has applied for bonds to be considered admissible to listing on the Official List of the Malta Stock Exchange, the "Prospectus".

By virtue of this letter, I Nicholas Maris, holder of Passport Number BC215123 hereby appoint Mr Lawrence Zammit, holder of Maltese identity card number 12456M as my agent for the purpose of approving and signing the Prospectus on my behalf and for the purpose of submitting the same to the Registry of Companies in Malta in compliance with the provisions of the Companies Act, Cap 386 of the laws of Malta.

Signed on the 20/01/2010



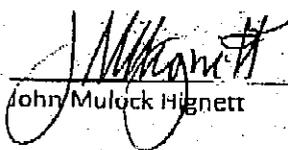
Nicholas Maris

To whom it may concern.

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By virtue of this letter, I John Mulock Hignett, holder of Passport Number 500289035 hereby appoint Mr Lawrence Zammit, holder of Maltese identity card number 12456M as my agent for the purpose of approving and signing the Prospectus on my behalf and for the purpose of submitting the same to the Registry of Companies in Malta in compliance with the provisions of the Companies Act, Cap 386 of the laws of Malta.

Signed on the 20/01/2010

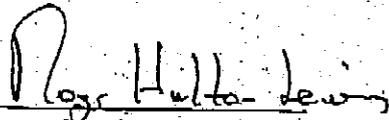

John Mulock Hignett

To whom it may concern

Reference is made to the prospectus to be issued by Grand Harbour Marina p.l.c. pursuant to a public offer in terms of the Companies Act, Cap 386 of the laws of Malta pursuant to which Grand Harbour Marina p.l.c. has applied for bonds to be considered admissible to listing on the Official List of the Malta Stock Exchange, the "Prospectus".

By virtue of this letter, I Roger St. John Hulton Lewis, holder of Passport Number 622064335 hereby appoint Mr Lawrence Zammit, holder of Maltese identity card number 12456M as my agent for the purpose of approving and signing the Prospectus on my behalf and for the purpose of submitting the same to the Registry of Companies in Malta in compliance with the provisions of the Companies Act, Cap 386 of the laws of Malta.

Signed on the 20/01/2010

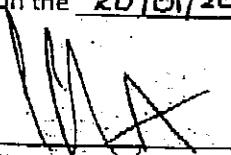

Roger St. John Hulton Lewis

To whom it may concern

Reference is made to the prospectus to be issued by Grand Harbour Marina p.l.c. pursuant to a public offer in terms of the Companies Act, Cap 386 of the laws of Malta pursuant to which Grand Harbour Marina p.l.c. has applied for bonds to be considered admissible to listing on the Official List of the Malta Stock Exchange, the "Prospectus".

By virtue of this letter, I Trevor Charles Ash, holder of Passport Number 627078092 hereby appoint Mr Lawrence Zammit, holder of Maltese identity card number 12456M as my agent for the purpose of approving and signing the Prospectus on my behalf and for the purpose of submitting the same to the Registry of Companies in Malta in compliance with the provisions of the Companies Act, Cap 386 of the laws of Malta.

Signed on the 20/01/2010



Trevor Charles Ash