REGISTRATION DOCUMENT

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

Dated 1 July 2015

In respect of an issue of €20,000,000 5.5% Unsecured Bonds 2020
of a nominal value of €100 per Bond issued at par by

MEDITERRANEAN INVESTMENTS HOLDING P.L.C.
A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C-37513

FULLY UNDERWRITTEN BY THE ISSUER'S SHAREHOLDERS
AND
GUARANTEED BY CORINTHIA PALACE HOTEL COMPANY LIMITED

ISIN: MT0000371279

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

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS, INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

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

APPROVED BY THE DIRECTORS

Joseph Fenech

Joseph Fenech on behalf of:
Alfred Pisani, Samuel D. Sidiqi, Joseph Pisani,
Faisal J.S. Alessa, Mario P. Galea and Khadija Oubala

Legal Counsel	Sponsor	Registrar & Manager
GVTH ADVOCATES	RIZZO FARRUGIA YOUR INVESTMENT CONSULTANTS	BOV Bank of Valletta

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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON MEDITERRANEAN INVESTMENTS HOLDING P.L.C. IN ITS CAPACITY AS ISSUER AND CORINTHIA PALACE HOTEL COMPANY LIMITED IN ITS CAPACITY AS GUARANTOR IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES ISSUED BY THE LISTING AUTHORITY, THE COMPANIES ACT, 1995 (CHAPTER 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS, AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012 COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013 AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014.

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

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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

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

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

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

STATEMENTS MADE IN THIS REGISTRATION DOCUMENT 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 AND THE GUARANTOR NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING "*ADVISORS TO THE ISSUER AND GUARANTOR*" IN SUB-SECTION 4.4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION 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.

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

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.

1 DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

"**Act**" or "**Companies Act**"	the Companies Act, 1995 (Chapter 386 of the laws of Malta);
"**AHCT**"	Alinmaa Holding Company for Tourism & Real Estate Investments, a company registered under the laws of Libya and having its registered office at Al-Hamamat St., Al Madina Alsiahya, Tripoli, Libya;
"**AUCC**"	Arab Union Contracting Company, a company registered under the laws of Libya and having its registered office at Level 21, General Department, Tripoli Tower, Tower 1, Tripoli, Libya;
"**Authorised Intermediaries**"	all the licensed stockbrokers and financial intermediaries listed in Annex B of the Securities Note forming part of the Prospectus;
"**Bond/s**"	the €20,000,000 unsecured bonds 2020 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.5% per annum. The Bonds are guaranteed by CPHCL;
"**Bondholder**"	a holder of Bonds;
"**CIL**"	Corinthia Investments Limited, a company registered under the laws of England and Wales with company registration number 01962947 and having its registered office at Bermuda House, 45, High Street, Hampton Wick, Kingston-upon-Thames, Surrey, KT1 4EH, England;
"**CHI**"	CHI Limited, a company registered under the laws of Malta with company registration number C-26086 and having its registered office at 1, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"**Corinthia Group**"	CPHCL (as defined below) and the companies in which CPHCL has a controlling interest;
"**CPHCL**"	Corinthia Palace Hotel Company Limited, a company registered under the laws of Malta with company registration number C-257 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"**Directors**" or "**Board**"	the directors of the Issuer whose names are set out in sub-section 4.1 of this Registration Document;
"**EDREICO**"	Economic Development and Real Estate Investment Company, a company registered under the laws of Libya and having its registered office at 49, 4th Floor, Burj Al Fatah Tower, PO BOX 93142, Tripoli, Libya;
"**Euro**" or "**€**"	the lawful currency of the Republic of Malta;
"**Exchange**" or "**Malta Stock Exchange**" or "**MSE**"	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Chapter 345 of the Laws of Malta) with company registration number C-42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
"**Financial Analysis Summary**"	the financial analysis summary dated 1 July 2015 compiled by the Sponsor in line with the applicable requirements of the Listing Authority policies and which is intended to summarise the key financial data set out in the Prospectus appertaining to the Issuer, a copy of which is set out in Annex D of the Seurities Note forming part of the Prospectus;
"**Group**"	the Issuer (parent company), PCL and PWL (subsidiary companies), and MTJSC (associate company);
"**Guarantor**"	CPHCL, in terms of the guarantee contained in Annex A of the Securities Note and as described in Element B.18 of the Summary Note;
"**IHI**"	International Hotel Investments p.l.c., a company registered under the laws of Malta with company registration number C-26136 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"**Issuer**" or "**MIH**"	Mediterranean Investments Holding p.l.c., a company registered under the laws of Malta with company registration number C-37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"**Listing Authority**"	the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the laws of Malta) by virtue of Legal Notice 1 of 2003;

"Listing Rules"	the listing rules issued by the Listing Authority, as may be amended from time to time;
"LFICO"	Libyan Foreign Investment Company, a company registered under the laws of Libya with company registration number 9481 and having its registered office at Ghadem Aljabel, Gharian, P.O. Box 4538 Tripoli, Libya;
"LPTACC"	Libya Projects General Trading And Contracting Company, a company registered under the laws of Kuwait with company registration number 119633 and having its registered office at Office 16/ Mezzanine, Block 12, Al Asfour International Company, Al Manqaf, Kuwait;
"MFCC"	Malta Fairs and Conventions Centre Limited, a company registered under the laws of Malta with company registration number C-39678 and having its registered office at Millenium Stand, Level 1, National Stadium, Ta' Qali, Malta;
"Malta Stock Exchange Bye-Laws"	the Malta Stock Exchange p.l.c. bye-laws issued by the authority of the board of directors of Malta Stock Exchange p.l.c., as may be amended from time to time;
"Maturing Bonds"	the 7.5% bonds 2015 with ISIN code MT0000371220 due to mature on 4 August 2015, amounting as at the date of the Prospectus to €19,649,600, issued by the Issuer pursuant to a prospectus dated 15 July 2008;
"Medina Tower"	the proposed Medina Tower project in Tripoli, Libya;
"Memorandum and Articles of Association" or **"M&As"**	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
"MFSA"	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Chapter 330 of the laws of Malta);
"MTJSC"	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 (2010), having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343;
"NPHC"	National Projects Holding Company (KSC), a company registered under the laws of Kuwait with company registration number 111731 and having its registered office at National Market Building, 4th Floor, Office 24, Abdullah Al Salem, Al Mirqab, Kuwait;
"NREC"	National Real Estate Company KSCP, a company registered under the laws of Kuwait with company registration number 19628 and having its registered office at P.O. Box 64585, Shuwaikh, B 70456, Kuwait;
"Official List"	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
"Palm City Residences"	the Palm City Residences, a property operated by PCL (as defined below) and situated in Janzour, Libya;
"PCL"	Palm City Ltd, a company registered under the laws of Malta with company registration number C-34113 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"PWL"	Palm Waterfront Ltd, a company registered under the laws of Malta with company registration number C-57155 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"Prospectus"	collectively the Summary Note, this Registration Document and the Securities Note, all dated 1 July 2015, as such documents may be amended, updated, replaced and supplemented from time to time;
"Prospectus Directive"	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
"QPM"	QPM Limited, a company registered under the laws of Malta with company registration number C-26148 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
"Redemption Date"	31 July 2020;
"Registration Document"	this registration document in its entirety issued by the Issuer dated 1 July 2015, forming part of the Prospectus;

"**Regulation**"	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus (Text with EEA relevance);
"**Securities Note**"	the securities note issued by the Issuer dated 1 July 2015, forming part of the Prospectus;
"**Sponsor**"	Rizzo, Farrugia & Co. (Stockbrokers) Ltd., a private limited liability company registered under the laws of Malta having its registered office at Airways House, Third Floor, High Street, Sliema SLM 1549, Malta and bearing company registration number C-13102. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. is an authorised financial intermediary licensed by the MFSA and a member of the MSE;
"**Summary Note**"	the summary note issued by the Issuer dated 1 July 2015, forming part of the Prospectus.

All references in the Prospectus to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

a) words importing the singular shall include the plural and *vice-versa*;
b) words importing the masculine gender shall include the feminine gender and *vice-versa*;
c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER AND/OR THE GUARANTOR. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR ARE IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER AND/OR GUARANTOR TO FULFIL THEIR RESPECTIVE OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AND THE GUARANTOR AS AT THE DATE OF THE PROSPECTUS, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND GUARANTOR FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S AND/OR GUARANTOR'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR GUARANTOR.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE GUARANTOR OR THE SPONSOR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's and Guarantor's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and Guarantor's control.

Important factors that could cause actual results to differ materially from the expectations of the Issuer's and/or Guarantor's directors include those risks identified under this heading "Risk Factors" and elsewhere in the Prospectus. If any of the risks described were to materialise, they could have a serious effect on the Issuer's and/or Guarantor's financial results, trading prospects and the ability of the Issuer and/or Guarantor to fulfil their respective obligations under the securities to be issued.

Accordingly, the Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or Guarantor with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

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

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, unless the Bonds are previously re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

2.2 General

Prospective investors in the Bonds must determine the suitability of that investment in the light of their own circumstances. In particular, each prospective investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
(ii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
(iii) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
(iv) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.3 Risks relating to the Group and its business

2.3.1 General

The Issuer was incorporated in 2005 and, through PCL, has primarily been involved in the development and operation of Palm City Residences. Until such time when the Medina Tower project and the Palm Waterfront project are fully developed and launched on the market, the Issuer will continue to be solely dependent on the business prospects and operating results of PCL.

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

2.3.2 Risks relating to the political, economic and social environment of the countries in which the Issuer operates

Whilst the Issuer and PCL are registered in Malta, all of their respective assets, operations, business interests and activities are located or conducted in Libya through a branch of PCL. The Issuer is also an investee in a joint stock company MTJSC in respect of the business interests of the Medina Tower project, another project that will be developed in Tripoli, Libya. An application for the establishment of an investment project is underway at the Libyan Ministry of Economy in respect of the future development of Palm Waterfront. The Group's business activities over the coming years are expected to be focused on and aimed at the development of the Medina Tower project in which the Group has a 25% holding and Palm Waterfront, which is to be developed by a 100% owned subsidiary of the Issuer. Accordingly, the Group is susceptible to the political and economic risks that may from time to time influence Libya's prospects. Negative political or economic factors and trends in or affecting Libya could have a material impact on the business of the Issuer.

As the political, economic and social environment in Libya remains subject to continuing change, investment in this country is characterised by a significant degree of uncertainty and unpredictability. Any unexpected changes in the political, social, economic or other conditions in Libya may have an adverse effect on the operations and financial results of the Group and on any investments made by the Group, as occurred during 2011 when PCL's operations were adversely affected by the conflict and political turmoil in Libya, reporting decreases in occupancy levels and apartment rental rates for that year. The consequences may be profound and, accordingly, prospective investors should take into account the unpredictability associated therewith.

2.3.3 Emerging market

Prospective investors should also note that emerging markets present economic and political conditions which differ from those of the more developed markets and could possibly present less social, political and economic stability, which could render investment in such markets more risky than investments in more developed markets. As an emerging market, the Libyan market is undergoing and may continue to undergo substantial political, economic and social reform, and the implications and consequences of reform may not be entirely clear at the outset. The consequences may be profound and, accordingly, prospective investors should take into account the unpredictability associated thereto.

The Group's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in emerging markets. Specific country risks that may have a material impact on the Group's business, operating results, cash flows and financial condition include: acts of warfare and civil clashes; political, social and economic instability; government intervention in the market, including tariffs, protectionism and subsidies; changes in regulatory, taxation and legal structures; exchange control and rules on expropriation, nationalisation and/or confiscation of assets; difficulties and delays in obtaining permits and consents for operations and developments; inconsistent governmental action and/or lack or poor condition of infrastructure.

The occupancy levels at the Palm City Residences, and progress achieved in the development of the Medina Tower and the Palm Waterfront, could be adversely impacted by the events set out above, all of which could have an adverse impact on the Group's operations and financial results.

The Libyan legal and judicial system may be different from that which some investors may be more familiar with in certain civil and common law jurisdictions, and investors in Malta may consider such system as not providing, in various aspects, the level of comfort for investment which they are used to under the Maltese legal system or other civil and common law jurisdictions, and, accordingly, they may consider that the Issuer may face difficulties in enforcing its legal rights relating to its investments made in Libya.

Businesses in emerging markets may not be operating in a market-oriented economy as known in more developed markets.

2.3.4 Libya

The continued instability and state of uncertainty prevailing since the 2011 uprising continues to have a negative effect on travel to Libya. Economic, political and financial system risk remain high in Libya with prevalent threats to positive development, including the rising incidence of violent acts resulting from conflicts in several parts of the country. At present a number of militias are proving to be particularly active in the eastern and south-western regions of the country, with a number of attacks targeting locations visited by foreigners, including diplomatic interests and other symbolic targets. Palm City Residences is commonly frequented by foreign diplomats, government officials, United Nations personnel and foreign companies, although at the date of this Registration Document most foreign companies and all diplomatic agencies have evacuated the country.

Practically all foreign embassies in Libya have suspended operations and withdrawn their diplomatic staff, and have advised their respective nationals against all unnecessary travel to the country.

Security concerns resulting from the above, as well as regional instability, social unrest and lack of clarity on the political situation have also brought about a decline in investor confidence, investment (including foreign direct investment) and capital spending. Increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group.

2.3.5 Natural disasters, contagious disease, terrorist activity and war have, in the past, adversely affected the expatriate community and similar events could adversely affect the industry in the future

Natural disasters, the spread of contagious disease, industrial action, travel-related accidents, terrorist activity and war and the targeting of particular destinations have, in the past, had a significant negative impact on the travel industry globally and such events could have a similarly negative impact in the future. The Corinthia Hotel Tripoli was the subject of an armed attack on 27 January 2015.

Events such as the afore-mentioned in the location where the Group operates will invariably affect tenancy patterns and reduce the number of business travellers to the country, including demand for residential accommodation at Palm City Residences. In addition, concerns about air travel safety could substantially decrease the overall amount of air travel. Actual or threatened war, terrorist activity, political unrest, civil strife and other geopolitical uncertainty may also reduce overall demand for business travel. Furthermore, the occurrence of any of these events or increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group.

2.3.6 *Liquidity Risk*

The lack of liquidity and alternative uses of real estate investments could significantly limit the Issuer's ability to respond to adverse changes in the performance of its investments, thereby potentially harming its financial condition. Furthermore, the Issuer's ability to sell, in a timely fashion, one or more of its investments in response to changing economic, financial and investment conditions, is limited.

The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond the Issuer's control.

2.3.7 *Risks relating to property development*

The main pillar of the Group's business consists of the acquisition, development and running of real estate projects in Libya. Property development projects are subject to a number of specific risks inherent in this field – the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of sale or rental transactions not being effected at the prices and within the timeframe envisaged; higher interest costs; and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance.

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

If such risks, many of which are common to the real estate industry, were to materialise, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

2.3.8 *Litigation Risk*

All industries, including the property development industry, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Issuer's future cash flow, results of operations or financial condition.

2.3.9 *The Group may not be able to obtain the capital it requires for development or improvement of existing or new properties on commercially reasonable terms, or at all*

The Group may not be able to secure sufficient financing for its current and future investments. No assurance can be given that sufficient financing will be available on commercially reasonable terms or within the timeframes required by the Group, also taking into account the need, from time to time, for the Group's properties to undergo renovation, refurbishment or other improvements in the future. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future properties. Failure to obtain, or delays in obtaining, the capital required to complete current or future developments and refurbishment projects on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

2.3.10 The Group's indebtedness could adversely affect its financial position

The Issuer and PCL both have a material amount of debt, and the amount of debt funding of the Issuer is expected to increase as and when the Issuer undertakes the Medina Tower and the Palm Waterfront projects, and other possible future development plans.

A substantial portion of the Group's generated cash flows will be required to make principal and interest payments on the Group's debt. A substantial portion of the cash flow generated from PCL's operations is utilised to repay its debt obligations pursuant to the terms of the facilities provided. The financial covenants to which such facilities are subject give rise to a reduction in the amount of cash available for distribution to the Issuer which would otherwise be available for funding of the Issuer's working capital, capital expenditure, development costs and other general corporate costs, or for the distribution of dividends.

The bank agreement regulating bank credit facilities, which PCL is party to, contains financial covenants which could limit PCL's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the ability to conduct necessary corporate activities; and which, subject to applicable grace periods, could render the Issuer liable, in its capacity as joint and several guarantor for the purposes of the facility, for defaults by the parties to the facility. Any cross-default provisions contained in such facilities could have a material adverse effect on the financial position of the Issuer. Pursuant to the terms of issue of the said bank credit facilities, the land on which Palm City Residences has been constructed is subject to a land charge granting a right of preference and ranking to the lending banks in priority and preference to other creditors.

As to the Medina Tower and Palm Waterfront projects, MTJSC and PWL are and/or will be negotiating bank credit facilities for the construction of their respective projects. The agreements regulating the bank debt are likely to impose significant operating restrictions and financial covenants on MTJSC and PWL. These restrictions and covenants could limit the ability of each of the said companies and the Group to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. Furthermore, the sites on which the Medina Tower and Palm Waterfront are to be constructed may be subject to a land charge granting a right of preference and ranking to the lending banks in priority and preference to other creditors.

2.3.11 The Group may be exposed to certain financial risks, including interest rate risk which the Group may be unable to effectively hedge against

The Group's activities potentially expose it to a variety of financial risks, including market risk (principally interest rate risk and fair value risk), credit risk and risks associated with the unpredictability of financial markets, all of which could have adverse effects on the financial performance of the Issuer and PCL.

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows if any future borrowings are made under bank credit facilities set at variable interest rates. Although in such a case the Group may seek to hedge against interest rate fluctuations, this may not always be economically viable. Furthermore, the possibility of hedging may in future be curtailed due to the unavailability or limited availability of hedging counterparties. An increase in floating interest rates which is not hedged by the Group may have a material adverse effect on its business, financial condition and results of operations.

2.3.12 Exchange rate risk and other regional economic developments may have a material adverse effect on the Issuer's business, financial condition and results of operations

The Issuer's overseas operations are exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables and borrowings that are denominated in a currency other than the Euro. As a result, exchange gains and losses may arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies.

The Issuer's financial statements, which are presented in Euro, can be affected by foreign exchange fluctuations through both translation risk, which is the risk that the financial statements for a particular period or as of a certain date depend, although in part only, on the prevailing exchange rate to the Libyan Dinar against the Euro; and transaction risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the currency of its revenue and assets, which fluctuation may adversely affect its operating performance.

2.3.13 Issuer's reliance on PCL to service and repay Issuer's debt securities

The timely payment of interest payable by the Issuer on its debt securities could be negatively conditioned by unforeseen adverse circumstances affecting the operations of PCL which could significantly impinge on PCL's cash flow.

The payment of interest and/or capital repayment on the Issuer's debt securities will be funded principally by the dividend pay-outs of PCL. The payment of dividends by PCL will depend on, among other factors, its future profits, financial position, working capital requirements, general economic conditions and other factors that its board of directors deems significant from time to time. Accordingly, any occurrence that could impede or otherwise delay the cash flow generation from Palm City Residences could have a detrimental impact on PCL's ability to pay dividends, which in turn would have an adverse impact on the ability of the Issuer to meet interest payments or capital repayments on its securities on their due date.

Furthermore, in respect of Palm City Residences, the Group could in future face competition from other residential properties in its area of operation. The principal factors which the Issuer expects could affect the said property's ability to both attract new tenants as well as retain tenants beyond the term of their current lease are, amongst others:

- the availability of other residential properties;
- the quality of the amenities and facilities offered;
- the level of security offered;
- the convenience and location of the residential property;
- transport infrastructure;
- the age and quality of the building in comparison to competing properties;
- the number of people who work in the Tripoli catchment area;
- the strength of tenant demand;
- the quality of past and present of tenants; and
- fluctuations in rental rates and asset values of the Group's properties as well as of property in and around Tripoli generally.

2.3.14 Reliance on the Corinthia Group and NREC

The Issuer relies, and will in future be relying heavily, on the contacts and expertise of the Corinthia Group and NREC, its principal shareholders, in connection with providing assistance in the application for and procurement of permits, licenses or other development authorisations from the competent authorities in Libya, in relation to present and future projects. However, no assurance can be given that the Issuer or its subsidiaries will be able to use such contacts and expertise as and when required.

The involvement of CPHCL and NREC in the Issuer is considered to be an important factor for the success of the Issuer, and for reasons such as those set out in the preceding paragraph, the dilution of their interest in the Issuer, if it were to occur, could have an adverse effect on the Issuer.

2.3.15 Risks relating to the business of CPHCL

CPHCL has been trading since 1962 and has a history in mixed-use real estate developments that consist principally of hotels, residences, offices, retail areas, as well as industrial and event catering. The hotel industry globally is characterised by strong and increasing competition. Many of CPHCL's current and potential competitors in the hotel industry may have longer operating histories, greater name recognition, larger customer bases and greater financial and other resources than CPHCL. Severe competition in certain countries and changes in economic and market conditions could adversely affect CPHCL's business and operating results. CPHCL's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in new and rapidly developing markets.

CPHCL's operations and its results are subject to a number of factors that could adversely affect the Corinthia Group's business, many of which are common to the hotel and real estate industry and beyond the Corinthia Group's control.

2.3.16 Risks relating to CPHCL's acquisition strategy

CPHCL's business, either directly or through subsidiaries, consists of the acquisition, development and running of real estate projects that consist principally of ownership, development and operation of hotels, residences, offices and retail spaces in its own right including the holding company and/or shareholder in other mixed-use hotel ownership and real estate companies, as well as the rental of these spaces to third parties. Property acquisition and development projects are subject to a number of specific risks, including the inability to source adequate opportunities, cost overruns, insufficiency of resources to complete the projects, rental of commercial areas not being effected at the prices and within the times envisaged, higher interest costs and curtailment of revenue generation. If these risks were to materialise, they would have an adverse impact on CPHCL's revenue generation, cash flows and financial performance.

Furthermore, CPHCL is subject to various counter-party risks, including that of contractors engaged in the demolition, excavation, construction and finishing of developments in which CPHCL may be involved and prospective tenants and/or purchasers defaulting on their obligations with CPHCL. Such parties may fail to perform or default on their obligations due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond CPHCL's control.

2.3.17 Reliance on key senior personnel and management

The Group's growth since inception is, in part, attributable to the efforts and abilities of the members of the executive management teams and other key personnel of the Issuer and PCL. If one or more of the members of this team were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In common with many businesses, the Issuer will be relying heavily on the contacts and expertise of its senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Issuer's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Issuer's business.

2.3.18 The Group's insurance policies

Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the business in which the Group operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

2.3.19 Other risks

The Group is subject to taxation, environmental and health and safety laws and regulations. As with any business, the Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of Group companies.

3 PERSONS RESPONSIBLE

This Registration Document includes information prepared in compliance with the Listing Rules of the Listing Authority for the purpose of providing Bondholders with information with regard to the Issuer and the Guarantor. Each and all of the Directors whose names appear in sub-section 4.1 of this Registration Document accept responsibility for all of the information contained in the Prospectus, save for the information specifically relating to the Guarantor, for which the directors of the Guarantor whose names appear in sub-section 4.3 of this Registration Document are responsible. To the best of the knowledge and belief of the directors of the Issuer and Guarantor, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer and of the Guarantor hereby accept responsibility accordingly.

4 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS OF THE ISSUER AND GUARANTOR

4.1 Directors of the Issuer

As at the date of this Registration Document, the Board of Directors is constituted by the following persons:

Alfred Pisani	Executive Director and Chairman
Samuel D. Sidiqi	Non-executive Director and Deputy Chairman
Joseph Fenech	Executive Director
Joseph Pisani	Non-executive Director
Faisal J.S. Alessa	Non-executive Director
Mario P. Galea	Non-executive Director
Khadija Oubala	Non-executive Director

Mr Alfred Pisani and Mr Joseph Fenech occupy senior executive positions within the Corinthia Group. The other five Directors, Mr Samuel D. Sidiqi, Mr Joseph Pisani, Mr Faisal J.S. Alessa, Mr Mario P. Galea and Ms Khadija Oubala, serve on the Board of the Issuer in a non-executive capacity. Mr Mario P. Galea is considered as an independent Director since he is free of any business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair his judgement. In assessing Mr Galea's independence due notice has been taken of sub-section 5.117 of the Listing Rules.

The business address of Mr Alfred Pisani, Mr Joseph Pisani, Mr Joseph Fenech and Mr Mario P. Galea is 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta.

The business address of Mr Samuel D. Sidiqi, Mr Faisal J.S. Alessa and Ms Khadija Oubala is P.O. Box 64585, Shuwaikh, B 70456, Kuwait.

The Company Secretary of the Issuer is Mr Stephen Bajada.

The following are the respective *curriculum vitae* of the Directors:

Name: **Alfred Pisani;** Executive Director and Chairman

Alfred Pisani is the founder of the Corinthia Group and has been the Chairman and Chief Executive Officer since the inception of Corinthia in 1962. He was responsible for the construction of the Corinthia Group's first hotel, the Corinthia Palace in Attard. He has led the Corinthia Group from a one hotel company to a diversified group having significant interests. Such interests vary from equity participations, management or both in several geographical areas and include interests in three hotels in Malta, two hotels in Turkey, two hotels in Hungary, nine hotels in the Czech Republic, two hotels in Portugal and one in each of Libya, Tunisia, the United Kingdom, the Russian Federation and Sudan. Mr Pisani is also the Chairman of IHI.

Name: **Samuel D. Sidiqi;** Non-executive Director and Deputy Chairman

Samuel D. Sidiqi is the Chief Executive Officer of NREC where he looks after a portfolio of real estate assets and developments across the Middle East. Before joining NREC he spent seven years with Agility Logistics and, before that, he worked with Bain & Company where he advised a number of Fortune 500 companies on strategy. Mr Sidiqi graduated from Massachusetts Institute of Technology and received his MBA from the Wharton School of Business of the University of Pennsylvania.

Name: **Joseph Fenech**; Executive Director

Joseph Fenech is a Fellow of the Association of Chartered Certified Accountants of the United Kingdom and a Fellow of the Malta Institute of Accountants. Mr Fenech joined the Corinthia Group in 1980 after having spent a number of years as senior auditor with a local auditing firm. His first appointment was as Group Accountant responsible for all financial and accounting matters of the Corinthia Group operations. Mr Fenech is the Joint Chief Executive Officer of IHI.

Name: **Joseph Pisani**; Non-executive Director

Joseph Pisani, besides being a director of the Issuer, is a founder director and member of the main board of CPHCL as from 1966 and is a director of IHI with effect from 22 December 2014, as well as acting as director on a number of boards of other subsidiary companies. Since 2000 he has served as Chairman of the Monitoring Committee of CPHCL and IHI. He was educated at St Edward's College and the University of Malta. He has ever since been intimately involved in the growth and evolution of the Corinthia Group.

Name: **Faisal J.S. Alessa**; Non-executive Director

Faisal J.S. Alessa currently holds the position of Chairman of Kuwait based NREC. Before becoming Chairman, Mr Alessa served NREC by leading its business development function and as a board member, Chairman and Managing Director of various subsidiary organisations. Prior to joining NREC, he was the Chairman of United Capital Group, a company registered in Kuwait with over USD 700 million in assets under management. Mr Alessa is a graduate of Barry University in Miami, Florida, USA. Besides holding office as a non-executive Director of the Issuer, Mr Alessa also serves as a member of the board of directors of Kuwait Agricultural Company and Kuwait Agro for General Trading and Contracting.

Name: **Mario P. Galea**; Non-executive Director

Mario P. Galea was the founder, Managing Partner and Chairman of Ernst & Young Malta until he retired in 2012. Currently he serves on a number of boards of directors, finance committees and audit committees in various companies. Mr Galea is a certified public accountant and auditor, a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Malta Institute of Accountants. He has served as President of the Malta Institute of Accountants and held various other positions in the Institute, Federation des Comptables Européens (FEE) and the Accountancy Board, which is the regulator of the accountancy profession in Malta. Mr Galea is the independent non-executive Director competent in accounting and auditing matters and acts as the Chairman of the Audit Committee of the Issuer.

Name: **Khadija Oubal**a; Non-executive Director

Khadija Oubala is Vice-President Investments at NREC where she is responsible for managing NREC's investment portfolio, and developing and implementing strategic growth initiatives. Prior to joining NREC, Ms Oubala was a principal in the real estate team of Arcapita Bank where she was responsible for managing and monitoring a portfolio of real estate projects, maintaining joint venture relationships and reviewing investment strategies. Before joining Arcapita, she headed the real estate activity at Asiya Investments, successfully building a portfolio of strategic investments in emerging Asia. Ms Oubala also held various positions in AIGhanim Industries, AXA Group and the World Bank Group. Ms Oubala holds an MSc in real estate development from Massachusetts Institute of Technology and an MBA from New York University.

4.2 Senior Management of the Issuer

As at the date of the Prospectus the Issuer employed one person, Mr Karl Mallia, as its Chief Financial Officer. The Issuer is, therefore, reliant on the resources which are made available to it by CPHCL pursuant to the MSS Agreement detailed in sub-section 5.1.3 of this Registration Document, including, in particular, the services of Mr Reuben Xuereb, who is the Chief Executive Officer of MIH.

The following are the respective *curriculum vitae* of the key members of the Group's Executive Team:

Name: **Reuben Xuereb**; Chief Executive Officer of MIH

Reuben Xuereb joined the Corinthia Group in January 2005 in a senior executive role and has since been heading the real estate investments and operations in Libya. Having worked in the Middle East with one of the largest finance houses and investment groups based in Bahrain, he has specialised in real estate investment structures and is responsible for corporate strategy and business development of MIH. Prior to that, Mr Xuereb was the Chief Financial Officer of FIMBank - an international trade finance bank headquartered in Malta for six years. Mr Xuereb is also the CEO of Medina Tower Joint Stock Company, Chairman and CEO of PCL, and Executive Chairman of QPM Limited.

Name: **Karl Mallia**; Chief Financial Officer of MIH

Karl Mallia is a fellow of the Malta Institute of Accountants and a member of the Malta Institute of Taxation. Mr Mallia has worked for one of the main international auditing and consultancy firms in Malta, and has also served as Financial Controller of a number of Maltese companies. Mr Mallia joined MIH in September 2010 as Chief Financial Officer of the Group and is responsible for all financial and accounting matters of the Issuer.

Name: **Stephen Bajada**; Company Secretary of MIH

Stephen Bajada joined the Corinthia Group in 1998 after having spent a number of years as senior manager with the National Tourism Organisation - Malta. Since joining the Corinthia Group he has occupied a number of senior positions and serves as Company Secretary to MIH, PCL and PWL apart from other companies within the Corinthia Group. He is a graduate in business management from the University of Malta.

4.3 Directors of CPHCL

As at the date of this Registration Document, the board of directors of CPHCL is constituted by the following persons:

Alfred Pisani	Executive director and Chairman
Joseph Pisani	Executive director
Victor Pisani	Executive director
Moftah Ali Suliaman Abdullah	Non-executive director
Abuagila Almahdi	Non-executive director
Mustafa T. Mohamed Khattabi	Non-executive director

The business address of the directors of CPHCL is 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta.

The Company Secretary of CPHCL is Mr Alfred Fabri.

The following are the respective *curriculum vitae* of the directors of CPHCL:

Name: **Alfred Pisani**; Executive director and Chairman

The *curriculum vitae* of Alfred Pisani is set out in sub-section 4.1 above.

Name: **Joseph Pisani**; Executive director

The *curriculum vitae* of Joseph Pisani is set out in sub-section 4.1 above.

Name: **Victor Pisani**; Executive director

Victor Pisani has been a director of CPHCL since 1966 and is a director of companies within the Corinthia Group. He is also the Chairman of Pisani Flour Mills Ltd.

Name: **Moftah Ali Suliaman Abdullah**; Non-executive director

Moftah Ali Suliaman is the Director of Investments of LFICO. Mr Suliaman occupied various positions within LFICO for the past sixteen years and has served as a board member in several subsidiaries, in different sectors of the company. He is also the Chairman of Management Committee of Social Takaful of LFICO's employees.

Name: **Abuagila Almahdi**; Non-executive director

Abuagila Almahdi is a director of CPHCL and has been appointed as non-executive director of IHI with effect from 16 October 2014. Mr Almahdi joined LFICO in 1999 and has served as Deputy Managing Director until he was appointed Vice Chairman of CPHCL in February 2014. He is also Chairman of Medelec Switchgear Limited. Mr Abuagila holds a Bachelor of Accounting degree from Tripoli University, a postgraduate diploma in accounting from the Academy of Graduate Economic Studies Tripoli and a Master in Finance, Accounting and Management from Bradford University School of Management.

Name: **Mustafa T. Mohamed Khattabi**; Non-executive director

Mustafa T. Mohamed Khattabi has been a director of CPHCL since 15 November 2011. He holds a master's degree in engineering and is the former Chairman of the Electricity Corporation in Tripoli. In 1982 he joined LFICO and in 1984 moved to Malta, where he chaired the Jerma Palace Hotel management committee, which post he held for ten years. He later moved back to Tripoli and held the position as general manager of the participation department of LFICO, managing and supervising all LFICO's investments. In 1997 he was appointed Chairman of the Libyan Arab African Investment Company, responsible for that company's investments in Africa. In 2004 he moved to Egypt to manage LFICO's tourism investments in the country, which include Sheraton Cairo, Hilton Hurgada, Swiss in Dahabas, as well as its participation in Conrad, Marriott and Hilton Sharm. Mr Khattabi is a former director of IHI.

4.4 Advisors to the Issuer and Guarantor

Legal Counsel

Name:	GVTH Advocates
Address:	192, Old Bakery Street, Valletta VLT 1455, Malta

Sponsor

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

Registrar & Manager

Name:	Bank of Valletta p.l.c.
Address:	BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta

The organisations listed above have advised and assisted the directors of the Issuer and Guarantor in the drafting and compilation of the Prospectus.

4.5 Auditors

Name:	Grant Thornton
Address:	Tower Business Centre, Suite 3, Tower Street, Swatar BKR 4013, Malta

The annual statutory consolidated financial statements of the Issuer and CPHCL for the financial years ended 31 December 2012, 2013 and 2014 have been audited by Grant Thornton. Grant Thornton is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

5 INFORMATION ABOUT THE ISSUER AND GUARANTOR

5.1 Historical development of the Issuer

5.1.1 Introduction

Full legal and commercial name of the Issuer:	Mediterranean Investments Holding p.l.c.
Registered address:	22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta
Place of registration and domicile:	Malta
Registration number:	C-37513
Date of registration:	12 December 2005
Legal form	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone number:	+356 21 233 141
Fax number:	+356 21 234 219
E-mail address:	info@mihplc.com
Website:	www.mihplc.com

The principal object of the Issuer, which objects are limited to activities outside Malta and to such other activities as are or may be necessary for its operations from Malta, is to directly or indirectly acquire and develop real estate opportunities in North Africa, including, without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, residential gated compounds, housing, hotels, build-operate-transfer (BOT) and other governmental projects and conference centres. The issue of bonds falls within the objects of the Issuer.

The Issuer was set up on 12 December 2005 as a private limited liability company and was subsequently converted into a public limited liability company on 6 November 2007. Today, following a share capital increase effected in 2006, MIH has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of a nominal value of €1 each and 50,000,000 ordinary 'B' shares of a nominal value of €1 each. The issued share capital of MIH is €48,002,000 divided into 24,001,000 ordinary 'A' shares of €1 each and 24,001,000 ordinary 'B' shares of €1 each, all of which have been fully paid. Each of CPHCL and NREC (directly or indirectly) hold 50% of the Issuer's share capital. Accordingly, CPHCL and NREC are the ultimate beneficial shareholders of the Issuer. Of the 50% share owned by NREC, 10% is held by its subsidiary LPTACC, a fully owned subsidiary of NPHC which, in turn, is 98% owned by NREC. In terms of the Memorandum and Articles of Association of the Issuer each of CPHCL and NREC have the right to appoint three Directors to the Board, with the seventh Director jointly appointed by CPHCL and NREC. Further details concerning the manner in which the shares in MIH are subscribed to are set out in sub-section 8.1 of this Registration Document.

Since incorporation MIH issued six bonds, five of which are currently listed and traded on the Malta Stock Exchange.

In November 2007, pursuant to a prospectus dated 7 November 2007, MIH issued LM6,439,500 (equivalent to €15,000,000) 7.5% bonds redeemable at par between 2012 and 2014. These bonds, which matured on 4 December 2014, were repaid in full upon maturity.

In July 2008, MIH issued to the public in Malta €15,000,000 7.5% bonds due in 2015 having a nominal value of €100 each and issued at par, subject to an over-allotment option of an additional €5,000,000 7.5% bonds on the same terms. The said issue of bonds was regulated by the prospectus dated 5 July 2008 and in virtue thereof the maturity date of the bonds in question falls due on 4 August 2015. Interest on the maturing bond in question is payable annually in arrears on 4 August of each year between and including each of the years 2009 and 2015. As at the date of this Registration Document the amount of €19,649,600 of this bond is outstanding and it is the Group's intention to repay this outstanding amount with the proceeds raised from this Bond Issue.

In June 2010, MIH issued an aggregate of €40,000,000 7.15% bonds redeemable at par between 2015 and 2017 which were distributed as follows: €28,767,200 in EUR denominated bonds, £4,385,900 in GBP denominated bonds and $7,216,500 in USD denominated bonds. The said issue of bonds was regulated by the prospectus dated 14 June 2010. The said bonds will, unless previously purchased and cancelled, be redeemed by MIH on 23 July 2017, subject to MIH's option, exercisable at its discretion, to redeem all or any part of the bonds in the said bond issue on the dates falling between and including 23 July 2015 and 22 July 2017. Interest on the bonds is payable annually in arrears on 23 July of each year between and including each of the years 2011 and 2017. As at the date of this Registration Document the respective amounts outstanding of the above-mentioned bonds are: €28,519,400, £4,351,100 and $7,120,300.

In June 2014, MIH issued a further €12,000,000 6% bonds due 2021 having a nominal value of €100 each and issued at par pursuant to a prospectus dated 2 June 2014. The maturity date of the bonds in question falls due on 22 June 2021 and interest on the bonds is payable annually in arrears on 22 June of each year between and including each of the years 2015 and 2021. The net proceeds from said June 2014 bond issue were used by MIH to part finance the redemption of the outstanding amount of €14,757,659 7.5% bonds which had been previously issued by MIH in November 2007. As at the date of this Registration Document the amount of €12,000,000 of the said June 2014 bond remains outstanding.

5.1.2 Overview of the Group's business

Palm City Residences

Since incorporation, the Issuer has been primarily involved, through PCL, in the development and operation of the Palm City Residences. This oceanfront gated complex, located in Janzour, Libya, consists of 413 residential units, ranging from one-bedroom apartments to four-bedroom fully detached villas with private pools, constructed on a plot of land measuring 171,000m^2 and enjoying a 1.3km shorefront (including beach area). The village-type complex offers a host of amenities and leisure facilities that include a piazza, supermarket, a variety of retail shops, a laundry, health clinics, and a number of catering outlets and cafes. The development also features numerous indoor and outdoor sports facilities, including a fully equipped gym, squash court, tennis courts, an indoor pool, water sports facilities and an outdoor swimming pool.

By virtue of an agreement dated 5 July 2006, CPHCL holds legal title under Libyan law to the land on which the Palm City Residences are built. Such agreement is for a term of 99 years. With effect from 6 July 2006 PCL entered into a build-operate-transfer agreement with CPHCL, whereby CPHCL engaged PCL to complete the construction of the Palm City Residences and to operate the said complex thereafter for a 65-year term. Upon the expiry of this 65 year term, PCL is bound to transfer the operation back to CPHCL. The Group is in the process of registering a joint stock company in Libya, to be owned as to 90% of its share capital by PCL (CPHCL and NREC to hold the remaining 10% in equal proportions between them). Subject to approval by the competent authority in Libya, the Libyan Investment Board, title to the land underlying the Palm City Residences will be transferred by CPHCL to such company. Upon such title transfer taking effect, the BOT agreement between PCL and CPHCL will be terminated, resulting in PCL no longer being bound to return the operation of the Palm City Residences to CPHCL upon the lapse of the said 65 year term.

This project was completed in late 2009 and by 2010 all the residences were operational. At the time, the Issuer's principal objectives remained focused on the management and operations of Palm City Residences through its subsidiary PCL and on securing medium to long-term lease contracts with a view to achieving a stabilised occupancy rate of 95% by mid-2011. Significant progress had been registered throughout the course of 2010 and the first two months of 2011 as Palm City Residences continued to secure lease contracts and increase its occupancy. Towards the end of February 2011, however, due to the civil unrest in Benghazi and other parts of Libya, and the resulting mass evacuation of expatriate personnel from the country, the majority of lease contracts were either cancelled or suspended on a force majeure basis, and the Group's focus shifted to safeguarding and protecting its personnel, the property and the personal belongings of its remaining tenants.

Towards the end of the third quarter of 2011, when the country-wide civil unrest was generally considered to have come to an end, the management of Palm City Residences resumed its original mandate to raise the level of occupancies. Short-term leases were given priority, in line with corporate clients' preference at the time not to commit to long-term leases. Such leases ranged between one month and two year terms, at increased rents compared to the rates prevailing prior to the civil unrest. Although ordinarily one would have assumed Palm City Residences would have faced competition from other residential properties in its area of operation following the end of the civil unrest, the expatriate community turned its overall preference for tenanted accommodation to gated and secure residential accommodation. With no comparable residential complex available on the market as that of Palm City Residences, the competition was non-existent.

Whilst the unrest in Libya had largely subsided in 2012, 2013 and the first six months of 2014, fresh outbreaks of conflict erupted again in July 2014 and continued to escalate over the second half of 2014 culminating in a highly unstable political setting featuring two groups claiming legitimacy to govern the country in consequence of which all foreign nationals have been directed to evacuate the country by their respective countries. The period during the conflict and its aftermath were characterised by political and economic instability and a curtailment of business activity. By December 2014 the level of operational occupancy leases at Palm City Residences had reduced and by the end of March 2015 continued to reduce further such that at the end of the first quarter of 2015, occupancy levels were at 49%.

As a consequence of the geopolitical uncertainty in the region and the resulting impact on operations and cash flow during most of 2011 carrying through to the early part of 2012, the shareholders of MIH were called upon to support the Group's cash flow requirements by extending a €13.2 million shareholders' loan. This was necessary principally for the Issuer to meet its bond interest costs under existing bonds and for PCL to meet its commitments with capital creditors. Furthermore, and in order to alleviate the cash flow pressures on the Group in this delicate period, the terms of the then existing bank loan facilities were successfully renegotiated and increased to a longer term for repayment. Both these measures allowed the Group to adequately safeguard its investment during the 2011 revolution, ensuring it was able to pursue high levels of occupancy and improved rates throughout 2012 (91%), 2013 (94%) and in the first half of 2014 (95%). The shareholders' loans continue to demonstrate the shareholders' unrelenting commitment to support the Group as and when needed.

Tenancies at Palm City Residences marginally reduced towards the end of 2014 and the beginning of 2015 following the attack on the Corinthia Hotel Tripoli, and it is likely that the situation of reduced tenancies will persist in 2015. It is PCL's objective during the course of the current year to manage the reduced operation of the residences and to ensure payroll and other operating costs are contained and be commensurate with the level of operational activity. Occupancies have dropped further during the first quarter of 2015 to 48% by the end of March.

PCL has implemented a number of measures to reduce its cost base where appropriate, whilst being careful not to lower the standards of operations to the detriment of the upkeep of the complex. In view of these political challenges, PCL has significantly stepped up its security of the complex with a corresponding increase in the relevant cost. All tenants who have cancelled their leases early have paid early termination penalties without exception. A number of tenants have left their personal belongings at the residences given that the complex is still operational and, therefore, PCL can cater for their safekeeping in the interim period. These very same tenants have left their lease security deposits with PCL, giving the company the best indication that the tenants are taking a long-term view on the country and will return the moment the political situation improves and resume their tenancy at Palm City Residences.

Medina Tower

On 14 July 2009 MIH announced its intention to start its second major development project, Medina Tower, through the signing of a shareholders' agreement with EDREICO. For this purpose, on 22 May 2010 MTJSC was registered in Libya. MIH owns 25% of MTJSC, while IHI and EDREICO owned 25% and 50% respectively of the issued share capital of the said company. In 2014 EDREICO was liquidated and its shares in MTJSC were divided equally and held directly by its two shareholders, AHCT and AUCC respectively, so that each now holds 25% in the MTJSC. MTJSC holds legal title to the land under Libyan law and has full development approvals for the project. Medina Tower will be built on a parcel of land measuring *circa* 11,000m^2, located in the main boulevard of Tripoli, Libya. The Medina Tower mixed-use project, the plans of which have been completed, will consist of a 200,000m^2 42-storey development over the said plot of land, comprising 254 residences for resale, 25,200m^2 of office space for rental, 21,200m^2 for retail and leisure, as well as a spa, conference and car park facilities for rental to third parties. This project has been temporarily placed on hold in view of the prevailing situation in Libya.

The total development cost of the Medina Tower project is estimated to be around €320 million. The land which was valued at approximately €26 million was contributed by EDREICO as a contribution in kind for share capital in MTJSC. Whilst the equity contribution required for the first phase of this project is already fully paid up, a term sheet has been signed with a Libyan financial institution with a view to securing the remainder of the full debt funding needs for this project, on a debt to equity basis of 60:40. The development is expected to be completed within *circa* 48 months from commencement of the works. Said term sheet provides for a moratorium on capital repayments for the length of this 48 month period.

Meanwhile, MTJSC continues to hold bank balances amounting to €12.3 million, which is the balance of uncommitted equity funds being held for future development.

Palm Waterfront

In 2013 MIH resolved to develop a third project, Palm Waterfront, through PWL, which is a wholly-owned subsidiary of MIH. By virtue of a deed dated 10 June 2009, CPHCL holds legal title under Libyan law to the said parcel of land for a 99 year term.

On 5 December 2013, PWL entered into a BOT agreement with CPHCL which gives PWL the right to develop a site located in Shuhada Sidi Abuljalil, Janzour in Libya. It also gives it the right to construct, implement, manage, operate and receive all the revenue generated by the project to be developed on the said site at its discretion. The term of the BOT agreement is for a period of 80 years from date of signing of the said agreement. The subject parcel of land in Shuhada Sidi Abuljalil measures 50,000m^2 and enjoys a 400m shorefront.

Once completed, the Palm Waterfront is planned to comprise 257 luxury apartments, a 164-room 4-star hotel, a 60-berth yacht marina, six cinemas, restaurants and entertainment facilities, and a six-lane bowling centre. Contrary to the business model adopted for Palm City Residences where residential units are available on a lease basis only, PWL will offer the apartments at the Palm Waterfront either for rent or outright sale. The mix of units for lease and acquisition will depend on the prevailing conditions at the time when the property is launched on the market. As at the date of the Prospectus, PWL has submitted development plans to the local authorities for their approval and has initiated discussions with financial institutions to fund the construction and development of Palm Waterfront.

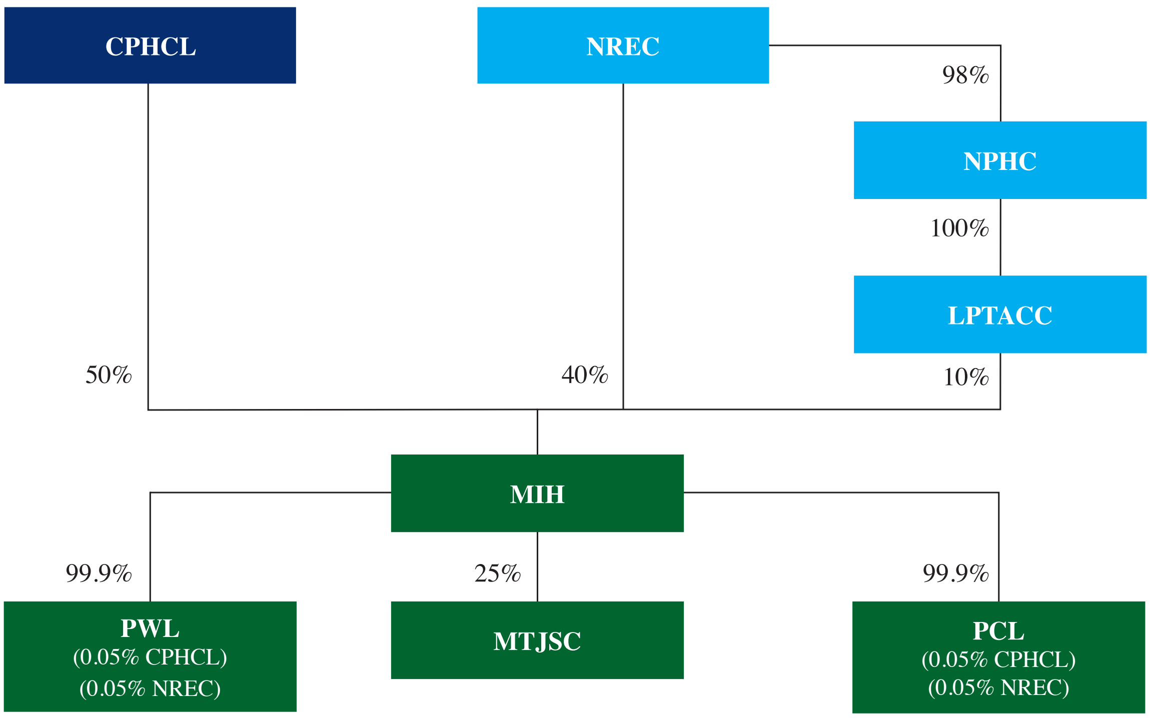
This project has been temporarily placed on hold in view of the prevailing situation in Libya.

5.1.3 *Organisational structure*

The Issuer is the parent company of the Group and, accordingly, is ultimately dependent upon the operations and performance of its subsidiaries and other investments.

CPHCL has established an organisational structure with the objective to operate the Corinthia Group in an effective and efficient manner, which is considered to be instrumental in ensuring success. This is due to the fact that it allows CPHCL to keep the strategic direction and development of the Corinthia Group's subsidiary companies and affiliates as its primary focus, whilst allowing the respective boards and management teams of the Corinthia Group's subsidiary companies to focus on achieving the Corinthia Group's operational objectives. CPHCL's business is increasingly being driven through public companies. In the first instance, this results in more accountability and stronger corporate governance structures that are most effective in safeguarding the ultimate shareholders' interests. Secondly, this allows the Corinthia Group to procure fresh capital injections both in terms of equity and debt funding in order to secure the financing required in fulfilling its ambitious plans. Thirdly, it achieves the objective of turning CPHCL into an investment company that holds equity in other companies rather than operating assets in its own name or indirectly through wholly-owned subsidiaries.

The organisational structure of the Group is illustrated in the diagram below as at the date of the Prospectus:



MIH

The principal activity of the Issuer is to directly or indirectly acquire, develop and operate real estate projects in Libya and invest in any related trade or business venture. The Issuer is party to a management and support services agreement (the "MSS Agreement") with CPHCL in connection with the provision of management services at the strategic level of the Issuer's business, enabling the Issuer to benefit from the experience and expertise of CPHCL in the operation of its business and the implementation of a highly efficient and cost-effective construction programme which is expected to be reflected in a substantial increase in the market value of the Group's real estate properties.

The MSS Agreement also ensures that at the top executive and central administrative level, the Issuer has continued and guaranteed access to the top executive staff and support personnel of the Corinthia Group. The agreement has a term of two years expiring on 31 December 2016 but allows for an extension of the term upon agreement to that effect being reached between the parties thereto. In terms of the current agreement, in consideration for the support services afforded by CPHCL, the Issuer shall pay CPHCL a fixed annual fee of €300,000 adjusted for inflation at 5% per annum. The Directors believe that this is a reasonable charge to the Issuer, particularly in light of the benefits enjoyed by the Issuer pursuant to the MSS Agreement, which include:

- the commitment of an executive team with over 38 years' experience of successfully operating in Libya;
- an experienced, motivated, proven and loyal local and foreign senior management team of international calibre with an average of over 15 years' service;
- a team of well-qualified and dynamic young professionals, fuelling the potential for future growth;
- an effective monitoring system assuring controls on standards and performance;
- a long experience in developing and managing properties planned and built to exacting standards with equally high standards demanded on maintenance, resulting in high quality, well-maintained assets; and
- corporate strength through a long-term policy of diversification into construction, project management and other service ventures.

PCL

Palm City Ltd is a private limited liability company incorporated and registered in Malta on 10 June 2004, bearing registration number C-34113 with registered office is at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. It has an authorised share capital of €250,000,000 and an issued share capital of €140,500,000 divided into 140,500,000 ordinary shares of €1 each, fully paid up. PCL is a wholly-owned subsidiary of the Issuer. Pursuant to a BOT agreement dated 6 July 2006 entered into by and between CPHCL and PCL, CPHCL engaged PCL to finalise the construction of Palm City Residences and operate the complex for a period of 65 years. Palm City Residences was completed at a cost of *circa* €160 million and commenced full operations in 2010.

MTJSC

By virtue of a Memorandum of Incorporation dated 20 May 2010 and registered under law no. 343 at the investment register in Tripoli, Libya on 7 August 2010, the Issuer subscribed to a 25% equity participation in a joint venture company, Medina Tower Joint Stock Company for Real Estate Investment and Development. This joint venture was set up together with IHI and EDREICO (the latter now AHCT and AUCC, two Libyan investment companies). MIH, IHI, AHCT and AUCC hold a 25% equity participation respectively. MTJSC was set up to construct the Medina Tower.

PWL

Palm Waterfront Ltd is a private limited liability company incorporated and registered in Malta on 3 August 2012 with registration number C-57155 and whose registered office is at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. It has an authorised share capital of €100,000,000 and an issued share capital of €2,000 divided into 2,000 ordinary shares of €1 each, fully paid up. PWL is a wholly-owned subsidiary of the Issuer. On 5 December 2013, the company entered into a BOT agreement with CPHCL which gives PWL the right to develop a site adjoining Palm City Residences on the West, located in Shuhada Sidi Abuljalil, Janzour in Libya. It also gives it the right to construct, implement, manage and operate the project to be developed on said site at its discretion. The term of the BOT agreement is for a period of 80 years from signing date of the said agreement.

5.2 Historical development of CPHCL

5.2.1 Introduction

Full legal and commercial name of CPHCL:	Corinthia Palace Hotel Company Limited
Registered address:	22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta
Place of registration and domicile:	Malta
Registration number:	C-257
Date of registration:	21 June 1966
Legal form	The company is lawfully existing and registered as a private limited company in terms of the Act
Telephone number:	+356 21 233 141
Fax number:	+356 21 234 219
E-mail address:	corinthia@corinthiacorporate.com
Website:	www.corinthiacorporate.com

The authorised and issued share capital of CPHCL is €20,000,000 divided into 20,000,000 ordinary shares of €1 each, fully paid up. At present, the shares in CPHCL are subscribed to and held as indicated in sub-section 8.2 of this Registration Document.

CPHCL is the parent company of the Corinthia Group and is principally engaged, directly or through subsidiaries, in investments that are predominantly focused on the ownership, development and operation of hotels, and in other activities related to the hospitality industry in various countries. The Corinthia Group, through its investment companies, is organised at the strategic level into a number of distinct business units, each of which plan and implement well-defined strategies driven by the objective of continued growth, furtherance of their core interests and the on-going optimisation of profitability of their operations.

These business units of CPHCL are organised as follows:

(a) **IHI**: IHI is CPHCL's largest subsidiary company and has the objective of investing, acquiring and developing real estate projects with a principal focus on hotel assets. To date, IHI has acquired luxury five star hotels in Prague (Czech Republic), Tripoli (Libya), Lisbon (Portugal), Budapest (Hungary), St. Petersburg (Russia) and St George's Bay (Malta), has a 50% share in a hotel and residential property in London (United Kingdom) and has a joint venture agreement for the development of a hotel in Benghazi (Libya). IHI also fully owns CHI, the main objective of which latter entity is to provide hotel management services to hotel properties owned by IHI, CPHCL and third party hotel owners. It acts as the exclusive licensee of the Corinthia® brand. Additionally, IHI acquired all the intellectual property associated with the Corinthia® brand for hotel and property operations from CPHCL. Whilst CPHCL holds 58.89% of the share capital in IHI, Istithmar Hotels FZE of Dubai acts as a strategic investor in the company with a 22.14% holding. LFICO is another strategic investor in IHI and owns 11.00% of its equity. The remaining shares are held by the general investing public;

(b) **MIH**: The Issuer is 50% owned by CPHCL and has the goal of investing, acquiring and developing luxury residential complexes and commercial centres in Africa;

(c) **QPM**: QPM specialises in construction and the provision of project management services both locally and overseas. CPHCL owns 80% of the shares in this company, with the remaining 20% owned by IHI; and

(d) CPHCL holds other properties and investments either directly in its own name or through subsidiaries, including CIL, being a wholly-owned subsidiary of CPHCL and holding the Corinthia Group's interests in two four-star hotels in Turkey, one four-star hotel in Portugal, one four-star hotel in Hungary and one four-star hotel in Tunisia. Included in CPHCL's holdings are the Panorama Hotel in Prague, the Ramada Plaza Hotel in Budapest, the Ramada Plaza Hotel in Tunisia and the Corinthia Palace Hotel in Malta. CPHCL also owns six small hotels in the Czech Republic. On the industrial side, CPHCL owns Swan Laundry and holds a majority shareholding in the Danish Bakery. CPHCL also holds a 50% share in Catermax Limited, a joint venture entered into with Vassallo Group of Companies (which owns the MFCC, an events venue company). Catermax Limited is incorporated in Malta and provides events catering in Malta.

6 TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 Trend information of the Issuer

In 2014 MIH registered significantly strong revenue and equally positive profitability levels notwithstanding the unrest that broke out in July 2014 and the subsequent evacuation of tenants. Nonetheless, the majority of the tenants have maintained their leases during the course of 2014 and invoices issued by Palm City have been settled by the clients. As the instability in Libya in general has persisted in 2015, a number of tenants have requested termination of their leases whilst still retaining a number of units to allow them to return the moment the situation in the country stabilises. Since the downturn in business arising as a direct consequence of the civil unrest in Libya, as explained in sub-section 5.1.2 of this Registration Document, there has been a material adverse change in the trading performance of the Issuer since the date of its last published audited consolidated financial statements relating to the year ended 31 December 2014.

Ever since 2011, the North African region was affected by substantial political change. Civil unrest started in Tunisia, followed in Egypt and ultimately spread to Libya. In these three countries the existing governments either stepped down or were removed. Whilst the unrest in Libya had largely subsided by the end of the last quarter in 2011, the second half of 2014 saw various protests and episodes of violence, with security concerns and fragmented governance in many parts of the country. The period during the conflict and its aftermath were characterised by political and economic instability and a curtailment of business activity. As denoted above civil unrest was prevalent in the second half of 2014, culminating in a highly unstable political setting featuring two groups claiming legitimacy to govern the country.

Given these security challenges, commercial activity in Libya continued to diminish and consequently demand for residential premises to accommodate expatriate executives for the long-term has reduced. From the occupancy levels of 94% at Palm City Residences registered in 2013 and the first two quarters of 2014, occupancy reduced to 53% by February 2015 and 49% in March 2015. Barring any unforeseen circumstances, in the near to medium term, occupancy at Palm City Residences and anticipated revenues are expected to continue to reduce further and stabilise at around 19% by the end of the year.

Palm City Residences has remained operational at all times throughout the political turmoil in the country. It is likely that the present situation of lower than usual occupational leases at Palm City Residences will persist throughout 2015 with increased levels of activity returning to Tripoli as from 2016 given the long-term view of numerous PCL tenants and the lack of expatriate accommodation having equivalent standards and security measures in place.

Management has continued to retain constant communications with the tenants and, whilst occupancies have currently reduced, a number of tenants, particularly those who are heavily invested in Libya, have kept their personal belongings at the premises. The business model of Palm City Residences is such that the tenancies do not depend on the business or leisure client, but rather on blue chip international companies who would require the support of security and logistics service providers, all of whom would seek accommodation at Palm City Residences now more than ever as opposed to varied and fragmented rented accommodation generally around the city. The potential turn-around of events as witnessed subsequent to the civil unrest of 2011 is expected to result in a sudden return of tenants allowing for an increase in rates similar to the way rates had been significantly increased in 2011/2012.

Looking ahead, Palm Waterfront is expected to be developed adjacent to the Palm City Residences. As at the date of the Prospectus, PWL had submitted development plans to the local authorities for their approval and initiated discussions with financial institutions to fund the construction and development of Palm Waterfront. In devising the concept behind the Palm Waterfront project, MIH has taken into consideration feedback received from tenants at the Palm City Residences, including property design layout, services offered and general ambience. It is the intention of PWL to offer residential units at Palm Waterfront, when complete, either on a lease basis or outright sale, but will react to market trends as necessary and will, therefore, align its strategies and offerings in accordance with such trends and market developments. With respect to the planned 164-room 4-star hotel at the Palm Waterfront, PWL will take advantage of the Corinthia Group's experience in operating hotels, particularly in the operation of the Corinthia Hotel Tripoli.

As to the Medina Tower, the project designs are complete and all development approvals have been obtained from the relevant authorities. The joint venture company responsible for the project, MTJSC, has concluded a term sheet with a Libyan financial institution which would secure the debt funding for the said project on a debt to equity basis of 60:40. The development is expected to be completed within *circa* 48 months from commencement of the works. Said term sheet provides for a moratorium on capital repayments for the length of this 48 month period. This project is currently on hold given the political situation in Libya. Nonetheless, the value of the land and the building permits together with the completion of the detailed designs of the project would significantly add value to the land which is recorded in the books of MTJSC at €26 million. The location, proximity to the waterfront and neighbouring buildings considered to be the central business district, commands the highest premium in the whole of Tripoli.

Information relative to the profit forecasts or estimates of the Issuer is set out in the Financial Analysis Summary.

6.2 Trend information of CPHCL

There has been no material adverse change in the prospects of CPHCL since the date of its last published audited consolidated financial statements dated 31 December 2014.

CPHCL has, throughout the years, adopted a strategy aimed at increasing its resilience during challenging times, the likes of which have been experienced of late. In this regard, the results of this strategy have been particularly effective in acting as buffers against the adverse effects of this economic downturn:

CPHCL has distributed its investments across diverse geographic locations and is now achieving further diversity through growth in ancillary business segments. The diversity of the Corinthia Group's investment portfolio mitigates its exposure to any one specific country or source of business. This diversity ensures that the Corinthia Group's earnings provide a healthy mix between active (hotel business) and passive income (long-term rental income), thereby ensuring a more balanced profit and cash generation.

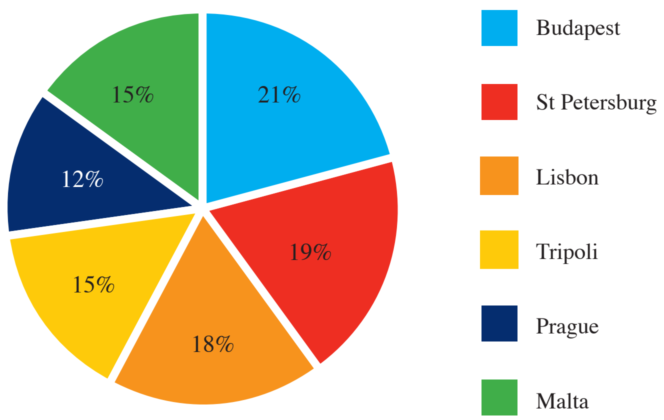
During the period of political conflict in North Africa, the Corinthia Group's properties remained operational, albeit commensurate to the business demands in each of Tunisia and Libya. This ensured that its properties did not become the focus of the disorder and turmoil that subsisted and once the former administrations were replaced, the Corinthia Group's properties were at the forefront in each of these countries to continue offering services and, therefore, had a head start over the competition which may have opted to close down operations during the period of conflict.

The business of CPHCL through its subsidiary company IHI in Western and Central Europe continued to operate in what, following the global financial crisis which took place in 2008, is at present still generally considered to be a subdued economic environment. Nonetheless, CPHCL's subsidiary companies in these regions registered a marginally improved performance in 2012 over the corresponding periods in 2011 and 2010. Similar growth patterns were evidenced in 2013 over 2012 and these were even more pronounced in 2014 over 2013 with a year-on-year growth of 32.9% in EBITDA earnings of IHI, notwithstanding the subdued economic and financial background.

CPHCL's subsidiary company IHI has, throughout the years, adopted a strategy aimed at increasing its resilience during challenging times, the likes of which are being experienced at present. In this regard, the results of this strategy have been particularly effective in acting as buffers against the adverse effects of this economic downturn:

IHI has distributed its investments across various geographic locations (as shown in the chart below) and is now achieving further diversity through growth in ancillary business segments. The diversity of the Group's investment portfolio mitigates its exposure to any one specific country or source of business, and furthermore ensures that IHI's earnings provide a healthy mix between active income (hotel business) and passive income (long-term rental income) thereby ensuring a more balanced profit and cash generation.

Geographical mix of operating profits



Whereas CPHCL remains primarily a holding company, its subsidiary company IHI remains a hotel owning and operating company with a number of its hotel assets containing significant retail, office and/or residential components meaning that it has through the years managed to put its competences in hotel management and real estate development to profitable use. By end 2014, €9.4 million (2013: €9.8 million; 2012: €9 million), or the equivalent of 33% (2013: 28%; 2012: 31%) of IHI's EBITDA, were generated from these ancillary business lines.

6.3 Key financial review

The financial information about the Issuer and CPHCL respectively is included in the audited consolidated financial statements for each of the financial years ended 31 December 2012, 2013 and 2014 below. The said statements are available for inspection as set out under the heading "*Documents available for inspection*" in section 16 of this Registration Document. Set out below are highlights taken from the audited consolidated financial statements of the Issuer and of CPHCL respectively for the years ended 31 December 2012, 2013 and 2014.

6.3.1 Financial information of the Issuer

Mediterranean Investments Holding p.l.c.
Extract from the Statements of Comprehensive Income
for the year ended 31 December

	2014 €'000	2013 €'000	2012 €'000
Revenue	30,091	30,875	27,315
Operating expenses	(5,078)	(5,468)	(4,577)
Gross Profit	**25,013**	**25,407**	**22,738**
Administrative and other expenses	(3,065)	(2,261)	(2,201)
EBITDA	**21,948**	**23,146**	**20,537**
Depreciation and amortisation	(191)	(260)	(240)
Increase / (Decrease) in FV of investment property	(60,867)	-	56,804
Share of profit from equity accounted investments	5	47	(276)
Net finance costs	(8,967)	(6,799)	(8,236)
Net fair value gain/(loss) on interest rate swaps	85	249	(432)
Profit / (Loss) before tax	**(47,988)**	**16,383**	**68,158**
Taxation	19,896	(2,590)	(19,115)
Net Profit / (Loss) for the year	**(28,092)**	**13,793**	**49,043**

Mediterranean Investments Holding p.l.c.
Condensed Consolidated Statements of Financial Position
as at 31 December

	2014 €'000	2013 €'000	2012 €'000
Assets			
Non-current assets	271,876	332,385	325,781
Current assets	18,936	18,522	20,529
Total assets	**290,813**	**350,907**	**346,310**
Equity and Liabilities			
Total equity	**138,048**	**166,140**	**152,393**
Liabilities			
Non-current liabilities	106,265	145,035	166,580
Current liabilities	46,500	39,732	27,337
Total liabilities	**152,765**	**184,767**	**193,917**
Total equity and liabilities	**290,813**	**350,907**	**346,310**

Mediterranean Investments Holding p.l.c.

Condensed Consolidated Cash Flow Statements

as at 31 December	**2014**	**2013**	**2012**
	€'000	**€'000**	**€'000**
Net cash from operating activities	20,761	22,426	22,033
Net cash used in investing activities	(437)	(9,942)	(15,888)
Net cash (used in)/from financing activities	(20,348)	(15,111)	(22,165)
Net (decrease)/increase in cash and cash equivalents	**(23)**	**(2,627)**	**(16,020)**
Cash and cash equivalents b/fwd	10,289	12,815	28,844
Cash and cash equivalents c/fwd before the effect of foreign exchange rate changes	10,267	10,188	12,824
Effect of foreign exchange rate changes	11	101	(9)
Cash and cash equivalents c/fwd	**10,277**	**10,289**	**12,815**

During the year ended 31 December **2012**, revenue increased considerably from €10.2 million in 2011 to €27.3 million mainly as a result of a substantial increase in signed lease agreements at the Palm City Residences which registered an occupancy rate of 91% at the year's end. EBITDA for the year amounted to €20.5 million, and after accounting for an uplift in the fair value of the property and taking into account net finance costs of €8.2 million, MIH reported a profit before tax of €68.2 million. As a result of the uplift and profitability at PCL, the assets of the Group increased by €55 million to €346 million. In 2012, MIH increased its investment in MTJSC by a further €8 million to a total amount of €13 million.

In view of the change in timing of the funding requirements for the Medina Tower project, the Issuer sought approval from bondholders, in June 2012, to utilise an amount of €8 million from bond proceeds, originally earmarked for the Medina Tower project, to reduce the temporary shareholders' loan granted in the previous year. The resolution was successfully passed and the Issuer proceeded to reduce the loan to €5.2 million. The Issuer repaid a further €2 million through proceeds received from PCL in settlement of an outstanding loan. The shareholders' loan as at the end of 2012 amounted to €3.2 million.

For the year ended 31 December **2013** the Group generated total revenue of €30.9 million, which is 13% higher when compared to the previous year. This increase was achieved as more units at the Palm City Residences were leased to third parties, resulting in an occupancy rate of 94% by year's end. PCL has converted a number of short term leases to longer term contracts, thus providing increased stability in tenancy and revenue generation. During the year under review the Group increased its gross profit by €2.7 million to €25.4 million and registered a gross profit margin of 82% (2012: 83%). Profit before tax achieved in 2013 amounted to €16.4 million which, excluding the effect of the uplift in valuation of the Palm City Residences (explained in further detail below), is €5 million (+44%) more than the 2012 profit before tax.

On 5 December 2013, MIH entered into a build-operate-transfer agreement with CPHCL for an aggregate value of €7 million to construct and operate the Palm Waterfront.

In addition, due to the Group's continued positive financial performance in 2013, the Issuer reduced further its outstanding bank borrowings by €8 million, from €49 million in 2012 to €40.9 million in 2013.

2014 has been a year of mixed experiences, with the first half proving to be a record performing period for MIH through its operations of Palm City Residences, whilst the second half of the year was overshadowed by the political conflict that developed in Libya.

During the first six months of the year under review, MIH's revenues were €16.3 million, which when compared to the corresponding period the year before, represents a 4% increase. What is equally noteworthy is the conversion of revenue to EBITDA which has been maintained at 74%, signifying a strong performance and a sound ability to retain low costs of operation.

The performance, both in terms of revenue generation and EBITDA, started to deteriorate towards the latter part of 2014, following the political unrest that unraveled in July 2014. Occupancy levels at Palm City Residences reduced to 66% by year's end from 95% in July. When one considers that by this time most of the tenants had evacuated their staff, it is meaningful to note that paying occupancy has remained fairly strong, signifying a commitment by the tenants that they would wish to return in the short to medium term. Management once again demonstrated its abilities to operate under strenuous conditions by continuing to offer its services to its existing clientele whilst also taking bold decisions to cut down on operating costs. As occupancy levels started to decline, management implemented a number of cost cutting measures primarily by reducing staffing headcount. In order to alleviate the cash flow pressures once again, the terms of the existing bank loan facility are presently the subject of renegotiations.

Notwithstanding the challenges that the Palm City Residences operation continued to face during the latter part of the year under review, the Directors are pleased to note the strong financial performance, which at year end, was close to the levels achieved in the previous twelve months when MIH registered record revenue and profitability levels.

Throughout the first six months of the year under review, MIH continued to develop plans for the construction of the Medina Tower project in Tripoli, Libya. Significant progress has been registered on various aspects of the Medina Tower project. There have been value added changes to the design aimed at decreasing costs related to the sub-structure whilst increasing revenues arising from an increased number of units as a result of an additional two floors.

For the year ended 31 December 2014, the Group's interest cover ratio stood at 2.98 times, registering a significant improvement of 112% in coverage since FY12. Over the same period, interest paid by the Group decreased by 4% to €7.4 million, whilst a 6.9% upward movement in EBITDA was registered.

for the year ended 31 December	**2014**	**2013**	**2012**
Interest Coverage ratio *(EBITDA / Cash Interest Payment)*	2.98x	3.21x	2.68x
Debt Service Cover Ratio (DSCR) *(EBITDA / Cash Capital & Interest Payment)*	1.48x	1.39x	1.69x

The debt service cover ratio on bank borrowings for FY12 stood at 1.69 times, whilst in FY13 stood at 1.39 times. During FY14, the Group's DSCR improved by 6.5% to 1.48 times when compared to previous year. During this period, the Group's EBITDA decreased by 5% in FY14 and the actual cash outflows on interest payments and bank loan repayments decreased by 11%.

Investment Property

The major operating asset that the Group has is held at PCL, being Palm City Residences. While CPHCL holds the legal title to the 99-year lease of the land on which Palm City Residences is built, PCL had entered into a 65 year agreement with CPHCL to build, operate and subsequently transfer (BOT agreement) the operations of the complex.

The fair value of the investment property was determined by discounting the forecast future cash flows generated by Palm City Residences for the remaining period of 57 years of the Build-Operate-Transfer agreement signed between Corinthia Palace Hotel Company Limited and Palm City Ltd in 2007. In both FY2012 and FY2013, a valuation exercise was carried out by an independent professional valuer with expertise in this field, to determine the fair value of the investment property, and a pre-tax discount rate of 8.77% in real terms was applied to the projected cash flows.

During FY2014, an exercise was carried out by the same independent professional valuer to help the directors determine the fair value of the investment property. The valuation arrived at was a result of various premia being applied including country risk, property risk and projection risk premium.

Due to the uncertainty and the civil strife that has characterised Libya during 2014, particularly the latter part of the year, the country risk premium used by the independent valuer was increased from 4.5% in 2013, to a pre-tax rate of 6.88% (equivalent to 5.5% post-tax) in the current exercise. The valuation also assumes a gradual linear reduction in country risk as from 2021, to settle at 4% by 2023.

With respect to property risk premium, this is incorporated in the discount rate to reflect the risk associated with the quality of the rental cash flow streams. The previous valuations of the property had all applied a property risk premium of 1.25%. The valuers were of the opinion that the considerations underlying the previous assessments still hold and therefore the property risk premium has been kept at the same level of the previous valuations i.e. 1.25%.

Previous valuations of the property had also factored in a BOT premium of 1% in the computation of the discount rate. This has been kept at the same level for the FY2014 valuation.

Based on their knowledge of the business and the conditions that the subsidiary is currently operating in, the Directors have decided to factor in a projection risk premium of 1.125% (2013: 0.50%).

The aggregate pre-tax discount rate for the year under review, for all the above inputs, including a risk free rate of 1.49%, is 11.75%. After making reference to the valuation report and in consideration of the various scenarios considered in the current circumstances, the Directors have prudently opted to reduce the value of the investment property by €60 million to €250 million.

6.3.2 *Financial information of CPHCL*

Corinthia Palace Hotel Company Limited
Consolidated Statements of Comprehensive Income
for the year ended 31 December

	2014	2013	2012
	€ 000	€ 000	€ 000
Revenue	159,238	164,901	158,676
Net operating expenses	(131,185)	(133,221)	(134,390)
Gross profit	**28,053**	**31,680**	**24,286**
Depreciation and amortisation	(24,129)	(28,169)	(29,014)
Other income	1,295	1,687	1,664
Loss on exchange	(788)	(2,175)	(965)
Net reversal of impairment (impairment) of hotel properties	5,170	5,000	(6,402)
Operating profit (loss)	**9,601**	**8,023**	**(10,431)**
Finance income	3,835	6,625	2,674
Finance costs	(21,408)	(23,950)	(23,822)
Gain on sale of investment property	-	3,447	-
Revaluation to fair value of investment properties	(14,629)	7,159	4,154
Share of results of associate companies	(29,075)	425	29,242
Other	923	(1,613)	124
(Loss) profit before tax	(50,753)	116	1,941
Tax income	12,028	4,653	973
(Loss) profit for the year	**(38,725)**	**4,769**	**2,914**
Attributable to:			
Owners of CPHCL	(32,251)	4,129	7,023
Non-controlling interest	(6,474)	640	(4,109)
(Loss) profit for the year	**(38,725)**	**4,769**	**2,914**

Other comprehensive income

Net revaluation (impairment) of hotel properties	(27,514)	13,115	(12,283)
Share of comprehensive income of equity accounted investments	19,197	39,466	18,456
Translation difference	6,407	(4,567)	1,205
Other	1,227	2,111	1,285
Tax	3,964	(7,973)	(1,458)
	3,281	**42,152**	**7,205**
Total comprehensive (expense) income for the year net of tax	**(35,444)**	**46,921**	**10,119**
Attributable to:			
Owners of CPHCL	(29,216)	35,576	10,797
Non-controlling interest	(6,228)	11,345	(678)
	(35,444)	**46,921**	**10,119**

Corinthia Palace Hotel Company Limited
Condensed Consolidated Statements of Financial Position
as at 31 December

	2014	**2013**	**2012**
	€ 000	**€ 000**	**€ 000**
ASSETS			
Non-current	1,136,924	1,230,312	1,177,319
Current	71,521	69,554	86,462
Total assets	**1,208,445**	**1,299,866**	**1,263,781**
EQUITY			
Equity pertaining to CPHCL's shareholders	386,745	418,211	382,635
Minority interest	246,961	259,609	248,457
Total equity	**633,706**	**677,820**	**631,092**
LIABILITIES			
Non-current	483,414	503,640	534,070
Current	91,325	118,406	98,619
Total liabilities	**574,739**	**622,046**	**632,689**
Total equity and liabilities	**1,208,445**	**1,299,866**	**1,263,781**

Corinthia Palace Hotel Company Limited
Condensed Consolidated Cash Flows Statements
as at 31 December

	2014	2013	2012
	€ 000	€ 000	€ 000
Net cash from operating activities	8,942	21,111	8,807
Net cash used in investing activities	39,362	(7,183)	(33,646)
Net cash used from financial activities	(32,166)	(26,948)	(3,025)
Net decrease in cash and cash equivalent	**16,138**	**(13,020)**	**(27,864)**
Cash and cash equivalent at beginning of year	(47)	12,973	40,837
Cash and cash equivalent at end of year	**16,091**	**(47)**	**12,973**

During **2012**, the Corinthia Group's hotels registered increases in revenues over 2011 with much of this attributable to the higher rates being achieved through the in-house developed reservation and distribution system. The Corinthia Hotel Tripoli, however, was affected by the continued state of flux in Libya following the end of the revolution in 2011 with the result that the expected improvement in its operating performance did not materialize to the budgeted level.

On the other hand the Corinthia Hotel London registered the most notable increase in revenues and gross operating profit which is reported with the share of equity accounted investments.

The investment property revaluation uplift of €4.2 million was attributable to an increase in value of the commercial centre adjacent to the Corinthia Hotel St. Petersburg. On the other hand, the valuations of the Corinthia Group's hotel properties resulted in a net impairment of €6.4 million. This charge was due to the reduction in the valuation of the Corinthia Hotel Lisbon, largely triggered by an increase in country risk that pushed up the cost of capital on investments in Portugal.

The share of profit from equity accounted investments amounted to €29.2 million and principally reflects the combined share of results of the Corinthia Group's investment in associated companies, namely the direct 50% investment in the Issuer, including its wholly-owned subsidiary PCL, and the 50% investment in Corinthia Hotel and Residences in London through its subsidiary IHI.

2012 was the first full year of operation for the London hotel and it resulted in a significant improvement in the operating profit. This was, however, impacted by substantial charges for depreciation and financing costs resulting in a net loss of €22 million. This loss was, however, more than compensated by a substantial uplift of €32 million in the value of the Residences that resulted in a combined net profit of €10 million, of which IHI's share was €5 million.

In 2012 Palm City Residences registered a significant increase in signed lease agreements with a 91% occupancy rate achieved by the end of the year. This resulted in a net profit after tax of €11.4 million. In turn, this improvement in the property's operational results and in the projected future cash flows, triggered an uplift in the value of this investment property of €56.8 million less €19.1 million deferred tax. The Corinthia Group's share from these combined positive results amounted to €24.5 million.

Net finance costs amounting to €23.8 million remained on the same level of the previous year as the loan and bond repayments made during the year were largely matched by new loans and bonds.

During 2012 the Corinthia Group registered a profit after tax of €2.9 million compared to a loss of €11.4 million in 2011.

The net income of €7.2 million recognised in the Statement of Comprehensive Income mainly reflects the Corinthia Group's share of revaluation uplifts of €17 million net of tax, on Corinthia Hotel London and €2.8 million on Corinthia Hotel Prague less impairment charges, net of tax, of €8.7 million on Corinthia Hotel and Commercial Centre St Petersburg and €2.7 million on Corinthia Hotel Budapest.

After adding the net comprehensive income of €7.2 million to the profit after tax of €2.9 million, the total comprehensive income for 2012 amounted to €10.1 million against a total comprehensive expense of €24.9 million in 2011 a positive year-on-year variance of €35 million.

The Corinthia Group's revenue for **2013** amounted to €164.9 million reflecting an increase of €6.2 million on the revenue of 2012 (€158.7 million). Moreover the results of the Corinthia Hotel in London and Palm City Residences in Zanzour, Libya, in which the Corinthia Group holds a 50% shareholding, are not included in the consolidated operating results but reflected in the line entitled 'Share of results of associate companies'.

In general, the Corinthia Group's hotels registered increases in revenues mainly from higher rates achieved through a strategic shift in market segmentation and from a sustained increase in business generated by the in-house developed reservation and distribution system. The highest improvements were registered in Lisbon, St Petersburg, and Libya, while some reductions were experienced in the Czech Republic and Tunisia. The best performer was the Corinthia Hotel and Commercial Centre in St. Petersburg.

Net operating expenses also increased on account of increased occupancies, additional payroll costs in Libya in consequence of changes in work practices, and a general increase in the cost base in line with enhanced brand service standards being introduced across the Corinthia Group.

The Corinthia Hotel London, as it entered its second year of operation continued to register improvements in its operating results, but being an associate, the results of this operation are reported with the share of equity accounted investments.

While the charge for depreciation remained on the same level of 2012, following the annual property valuation exercise, a reversal of impairment of €5 million was registered on the Corinthia Hotel Lisbon as a result of its improved results achieved in 2013 and a better long-term outlook for this property.

The share of results of associated companies amounting to €0.4 million principally reflects the combined share of results of the Corinthia Group's investment in associated companies, mainly the 50% investment in Corinthia Hotel and Residences in London and the 50% investment in MIH being the owning company of the Palm City Residences complex in Libya.

In 2013 MIH registered its best operational results to date through the robust performance of its subsidiary PCL. Launched in 2009, Palm City Residences weathered the after-effects of the Libyan revolution and in 2013 achieved a record 94% occupancy while the operational expenses were well contained. The profit for the year after tax amounted to €13.8 million.

The Corinthia Hotel London registered a significant improvement in its operating results reaching a Gross Operating Profit of €16.7 million against €9.67 million registered in 2012. This turned into a loss after tax of €11.7 million after accounting for depreciation, financing costs and valuation movements on the residences.

The gain of €3.4 million registered on the sale of investment property represents the 50% Corinthia Group's share relating to the assignment of rights of use of the Palm Waterfront site to an associated company.

The gain on revaluation to fair value of investment properties amounting to €7.2 million was mainly the result of an uplift of €6.6 million in the valuation of a plot of land earmarked for development belonging to CPHCL.

In 2013 the Corinthia Group recognised a tax Income of €4.7 million (2012: €1.0 million in consequence of the recognition of deferred tax income on losses on which there is a reasonable expectation of recovery.

The income of €42.2 million recognised in the Statement of Comprehensive Income mainly reflects the Corinthia Group's share of a revaluation uplift of €39.5 mllion, net of tax, on Corinthia Hotel London, an uplift of €16.3 million net of tax on the revaluation of the Corinthia Palace Hotel, less an impairment charge of €8.2 million, also net of tax, taken on Corinthia Hotel St. Petersburg.

Property revaluation adjustments feature in both the Corinthia Group's income statement and in the comprehensive income statement. Adjustments to the income statement represent movements in the values of investment properties and impairment adjustments or reversals thereof on hotel properties. Conversely, adjustments to the comprehensive income statement represent increases in values, or reversals thereof, in the book value of hotel properties.

After adding the net comprehensive income of €42.2 million to the profit after tax of €4.8 million, the Corinthia Group's total comprehensive income for 2013 amounted to €46.9 million against a total comprehensive income of €10.1 million registered in 2012, a year-on-year improvement of €36.8 million.

In **2014** the Corinthia Group's revenue amounted to €159.2 million reflecting a decrease of €5.7 million on the turnover registered in 2013 (€164.9 million). As in previous years, these consolidated figures do not include the 50% share of results of the Corinthia Hotel London and Palm City Residences in Libya which are reflected in the line item 'Share of results of associate companies'.

In view of the instability in Libya in the second half of the year and the economic conditions in the Russian Federation, the revenues generated by Corinthia Hotel Tripoli and Corinthia Hotel St. Petersburg for the year ended 31 December 2014 were lower than those of 2013 by *circa* €16.1 million. This reduction was, however, in the main compensated by increased revenues and the rationalisation of operating costs by the Corinthia Group's other hotel properties across Europe. The Corinthia Group's EBITDA for 2014 at €28.6 million (excluding the Corinthia Hotel London and Palm City Residences) represents a reduction of only €2.6 million on the EBITDA of €31.2 million reported in 2013.

The depreciation charge for 2014 reduced by more than €4.1 million on the prior year and this was largely due to some assets becoming fully depreciated. In 2014 there was also a reduction of approximately €2.6 million in finance costs (from €24 million in 2013 to €21.4 million in 2014) in consequence of reduced EURIBOR rates coupled with the further reduction of the Corinthia Group's indebtedness.

The loss of €29.1 million (2013: profit of €0.4 million) registered on the Corinthia Group's share of results of associate companies mainly reflects the developments at the Corinthia Hotel London (50% share of the loss of €29.1 million registered on this investment), and at MIH through its principal subsidiary company PCL (50% share of the loss of €28.1 million).

In 2014 the Corinthia Hotel London registered a marginal improvement in its operating performance over 2013. However, depreciation and interest costs turned this profit into a loss of €11.2 million. The continued positive trend in operational performance resulted in an uplift of €17.9 million in this property's value recognized in other comprehensive income. In April 2014, 11 apartments in Whitehall Place adjacent to the Corinthia Hotel London were sold to third parties while the penthouse apartment was retained to be sold when the right opportunity arises. Except for one-off property costs resulting from this sale of apartments, this disposal of assets had no effect on the Corinthia Group's financial results since these apartments had already been valued at their market price.

For MIH, 2014 was a year of mixed experiences, with the first semester proving to be a record performance at Palm City Residences, whilst the second semester was overshadowed by the political conflict that developed in Libya. Despite these difficult circumstances, management remained resolute in primarily ensuring the safety of its clients and its staff, but also in keeping this property operational at all times. This helped to achieve a profit after tax, but before impairment charges, of €12 million (2013: €13.8 million). However, in view of the reduced profitability and the higher country risk, MIH recognised an impairment charge on this property of €40.1 million net of tax.

Although, in 2014 the Corinthia Group registered an encouraging operational performance despite the problems in Libya and in Russia, its profitability for 2014 was adversely impacted by the resultant impairment charges on its properties in these two countries. In fact, the Corinthia Group recognized an impairment charge of €69.2 million in the value of its hotels and investment properties in Tripoli and in St. Petersburg. On the other hand, through the robust performance achieved by a number of the Corinthia Group's hotels located in Europe, the Corinthia Group registered a total uplift of €52.7 million in the fair values of these properties, most notable of which were the ones located in London (limited to 50% share), in Lisbon and in Budapest.

The net effect of these revaluation adjustments, excluding that on Palm City Residences, was a loss of €9.4 million reflected in the Income Statement and a further loss of €8.4 million in the Statement of Comprehensive Income with the relative tax effect mitigating the overall net impairment loss to €6.2 million.

In consequence of the foregoing, in 2014 the Corinthia Group registered a loss after tax of €38.7 million compared to a profit of €4.8 million in 2013.

The other comprehensive income of €3.3 million (2013: €42.2 million) mainly reflects the net effect of the Corinthia Group's share of impairment charges of €4.3 million, net of tax, and a favourable translation adjustment of €6.4 million on the investment in the Corinthia Hotel London and Residences as a result of the strengthening of the Pound Sterling versus our reporting currency, the Euro.

After adding the net comprehensive income of €3.3 million to the loss after tax of €38.7 million, the Corinthia Group's total comprehensive expense for 2014 amounted to €35.4 million against a total comprehensive income of €46.9 million registered in 2013.

Property revaluation adjustments feature prominently in both the Corinthia Group's income statement and in the comprehensive income statement. In 2014 the net impairment charges were significant and were the principal reasons for the deviation in the results for year when compared to 2013. It is also important to highlight the fact that the total comprehensive expense of €35.4 million includes €44 million of non-cash related adjustments relating to impairments, depreciation and translation adjustments.

Despite the force majeure situations in Russia and Libya the Corinthia Group remained resilient through its robust asset base which at the end of 2014 exceeded €1.2 billion, its diversified portfolio, its prudent gearing ratio, and the unbending commitment of its two shareholding blocks and its employees.

6.4 Future Investments

Pursuant to the build-operate-transfer agreement entered into on 5 December 2013 by and between CPHCL and PWL, the latter is committed, subject to the issuance of the required permits and raising the necessary financing by way of equity investment in PWL and/or bank financing, to construct the Palm Waterfront.

Furthermore, pursuant to the Issuer's 25% shareholding in MTJSC and the shareholding of the other shareholders in MTJSC, MTJSC has the equity contribution required for the first phase of the Medina Tower project and a signed term sheet with a Libyan financial institution for the debt portion of this project. The said term sheet provides for a moratorium on capital repayments for the anticipated 48 month works' period required for the completion of the development.

Save for the above, the Group is not party to any other principal investments, and has not entered into or committed for any principal investments subsequent to 31 December 2014, being the date of the latest audited consolidated financial statements of the Issuer.

7 MANAGEMENT AND ADMINISTRATION

7.1 The Issuer

7.1.1 The Board of Directors

In terms of its Memorandum and Articles of Association, the Issuer is managed by a Board of seven (7) Directors entrusted with the overall direction and management thereof.

The Issuer's Memorandum and Articles of Association further provide that:

- CPHCL, as the holder of ordinary 'A' shares, shall have the right to appoint three (3) Directors to the Board;
- NREC, as the holder of ordinary 'B' shares, shall have the right to appoint three (3) Directors to the Board; and
- CPHCL and NREC, as the holders of ordinary 'A' shares and ordinary 'B' shares respectively, shall have the right to jointly appoint the seventh Director to the Board.

As at the date of the Prospectus, the Board of the Issuer is composed of the individuals listed in sub-section 4.1 of this Registration Document. Furthermore, in line with generally accepted principles of sound corporate governance, at least one (1) of the Directors shall be a person independent of the Group.

During the first three-year term of the Issuer, the right to nominate the Chairman of the Board vested with CPHCL. Following the lapse of the said first three-year term, the right to appoint the Chairman of the Board vested jointly in NREC and LPTACC. Save for any amendments to the Memorandum and Articles of Association of the Issuer that may from time to time be made to such effect, the three-year term rotation policy will be maintained throughout the period that the Issuer is validly constituted.

The Board is responsible for the identification and execution of new investment opportunities and the funding of the Issuer's acquisitions. All proposed acquisitions of the Issuer are brought to the Board for approval. The Board is also responsible for ensuring the establishment of the appropriate management contracts of the Issuer's properties in the case of operational properties, and the negotiating and awarding of project contracts in the case of the development of new properties.

None of the Directors have been:

a) convicted in relation to fraud or fraudulent conduct in the last five (5) years;
b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
d) disqualified by a court from acting as director or manager in the last five (5) years.

The Directors believe that the Issuer's current organisational structure is adequate for its present activities. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

7.1.2 Directors' service contracts and remuneration

None of the Directors have a service contract with the Issuer.

In accordance with the Issuer's Articles of Association, the Directors shall be paid such amount of remuneration as may be so agreed by an extraordinary resolution of the shareholders of the Issuer. Since the date of the Issuer's formation, no extraordinary resolution has been taken for this purpose.

7.1.3 Conflict of interest

In addition to being a Director of the Issuer, Alfred Pisani is also a director of CPHCL and, together with Joseph Fenech, they are both also directors of MTJSC, whereas Mario P. Galea, Samuel D. Sidiqi and Faisal J.S. Alessa are also directors of PCL and PWL respectively. In light of the foregoing, such Directors are susceptible to conflicts between the potentially diverging interests of the Issuer and any of such other companies in transactions entered into, or proposed to be entered into, between them. 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 the Directors are handled in the best interest of the Issuer and according to law. To the extent known or potentially known to the Issuer, as at the date of the Prospectus, other than the information contained and disclosed in the Prospectus, there are no other conflicts of interest between any duties of the Directors and their private interests and/or their duties which require disclosure in terms of the Regulation.

7.1.4 Loans to Directors

There are no loans outstanding by the Issuer to any of its Directors, nor any guarantees issued for their benefit by the Issuer.

7.1.5 Removal of Directors

A Director may, unless he resigns, be removed by the shareholder appointing him or by an ordinary resolution of the shareholders as provided in Articles 139 and 140 of the Act. The Directors currently in office are expected to remain in office at least until the next Annual General Meeting of the company.

7.1.6 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting. The powers of the Directors are better described in sub-section 13.2.3 below.

7.1.7 Employees

As at the date of the Prospectus, the Issuer employed one person, Mr Karl Mallia, as the Chief Financial Officer. The Issuer is also reliant on the resources which are made available to it by CPHCL pursuant to the MSS Agreement detailed in sub-section 5.1.3 of this Registration Document, including, in particular, the services of Mr Reuben Xuereb who is the Chief Executive Officer of MIH.

As at 31 March 2015 the Group employed 80 members of staff, 64 of whom work in operations and the remaining 16 in administration. In this regard, the Issuer's objective during the course of 2015 is to manage the reduced operation of the Palm City Residences and to ensure that payroll and other operating costs continue to be met.

7.1.8 Working capital

The Issuer does not have sufficient working capital for its present requirements. In 2014, the Group reported a working capital deficiency of €27.6 million, as a result of the significant repayment of a long-term loan and the classification of the Maturing Bond as a current liability, taken in previous years to finance the Palm City project. For the years 2015 and 2016 it is forecasted that the Group will have a working capital deficiency of €11 million and €46.9 million respectively, the latter shortfall resulting from the reclassification as a current liability of the 7.15% bonds 2015 – 2017 maturing on 23 July 2017, amounting as at the date of the Prospectus to an aggregate amount of just under €40 million, issued by the Issuer pursuant to a prospectus dated 14 June 2010.

In view of the Group's working capital deficiency set out above, apart from the new issue of Bonds, which is being supported by an Underwriting Agreement by the Issuer's shareholders, to repay the Maturing Bond, the Directors have been in formal discussions with PCL's lenders to renegotiate the payment terms of existing bank borrowings. The on-going discussions with these lenders aim to refinance the remaining balance of the bank loan over a longer period, thus reducing the capital repayments currently shown in the forecasts provided for the years 2015 to 2020. The Directors believe that they will be successful in their endeavours to achieve this objective. The Directors have also obtained written assurances from the shareholders of MIH that they will, after appropriate due diligence on the shortfall requirements, continue to financially support the company, proportionate to their shareholding, on an on-going basis, to enable it to meet its liabilities as and when they fall due. Accordingly, the Directors are confident that the Issuer will continue to have adequate levels of cash to sustain its operations and investments.

7.2 The Guarantor

7.2.1 The Board of directors of CPHCL

The Memorandum of Association of CPHCL provides that the Board of directors shall be composed of six (6) directors. As at the date of the Prospectus, the Board of CPHCL is composed of the individuals listed in sub-section 4.3 of this Registration Document.

7.2.2 Directors' service contracts

None of the directors of CPHCL have a definitive service contract with the company.

7.2.3 Loans to directors

There are no loans outstanding by CPHCL to any of its directors, nor any guarantees issued for their benefit by CPHCL.

7.2.4 Other general information

The directors of CPHCL have appointed Alfred Pisani as the Chairman and Chief Executive Officer of CPHCL. He is supported by the executives employed in the subsidiary companies in the execution of the overall strategy.

On 29 May 2007, CPHCL entered into a corporate management services agreement with IHI whereby the latter company was appointed to provide CPHCL with the corporate management and administrative support services that its Chairman and CEO requires in running the business.

7.2.5 Boards of subsidiary companies

Each property is owned through a subsidiary company located in the jurisdiction where that property is located and such subsidiary company is required to comply with all the laws and regulations of that jurisdiction. Accordingly, a Board of directors is entrusted with the responsibility of the direction and management of each subsidiary within the strategic parameters established by CPHCL's Board. In some jurisdictions, CPHCL has adopted the structure of a dual board in line with the requirements of the legislation prevalent under those jurisdictions. These involve the concept of a Board of directors that is entrusted with setting the policies and strategies of each respective subsidiary to be implemented by management in the day-to-day operations and executive decisions, and a supervisory board that is entrusted with monitoring the policy implementation within that subsidiary by management.

The Board of each subsidiary is, within the strategic parameters established by the Board of CPHCL, autonomous in the determination of the appropriate policies for the respective property and, in the case of hotels, is entrusted with handling the relations with the hotel operating company. Each property, in turn, has its own management structure and employees that have the function of implementing the policies and directions of the subsidiary boards.

8 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

8.1 Major shareholders of the Issuer

As further detailed in sub-section 13.1 below, CPHCL currently owns 50% of the share capital of the Issuer, NREC holds 40% of the share capital, whereas LPTACC holds the remaining 10%. LPTACC is a fully-owned subsidiary by NPHC, which, in turn, is 98% owned by NREC.

Specifically, the Issuer has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of €1 each and 50,000,000 ordinary 'B' shares of €1 each. The Issuer has an issued share capital of €48,002,000 divided into 24,001,000 ordinary 'A' shares of €1 each and 24,001,000 ordinary 'B' shares of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

Name of Shareholder	Number of shares held
Corinthia Palace Hotel Company Limited (C-257)	24,001,000 ordinary 'A' shares of €1 each
National Real Estate Company KSCP (19628)	19,200,800 ordinary 'B' shares of €1 each
Libya Projects General Trading And Contracting Company (119633)	4,800,200 ordinary 'B' shares of €1 each

As far as the Issuer is aware, no person holds an indirect shareholding in excess of 5% of the company's total issued share capital. Furthermore, to the best of the Issuer's knowledge there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the "Code") with a view to ensuring that the relationship with its major shareholders is retained at arm's length, including adherence to rules on related party transactions requiring the sanction of the Audit Committee, which is constituted in its majority by non-executive Directors, of which one, in the person of Mr Mario P. Galea, also act as Chairman. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of an independent non-executive Director not appointed by either of the major shareholders of the Issuer, effectively minimises the possibility of any abuse of control by any major shareholder.

8.2 Major shareholders of CPHCL

The authorised share capital of CPHCL is €20,000,000 divided into 20,000,000 ordinary shares of a nominal value of €1 each. The share capital has been fully issued, subscribed and fully paid up, as follows:

Name of Shareholder	Number of shares held
1. A. & A. Pisani and Co Ltd (C-6430)	1,666,667 ordinary shares of €1 each
2. J & H Pisani Company Limited (C-6817)	1,666,667 ordinary shares of €1 each
3. PAKA Limited (C-6969)	1,666,667 ordinary shares of €1 each
4. VAC Company Limited (C-6818)	1,666,667 ordinary shares of €1 each
5. Rosanne Fenech	1,666,666 ordinary shares of €1 each
6. Intakur Limited (C-7038)	1,666,666 ordinary shares of €1 each
7. Libyan Foreign Investment Company (LFICO)	10,000,000 ordinary shares of €1 each

At present, in terms of the Memorandum and Articles of Association of CPHCL, the Board of CPHCL is to consist of six (6) directors. A shareholder or a number of members who individually or between them hold 16.5% plus one share of the issued share capital of CPHCL shall be entitled to appoint one director. In practice, the Pisani family is collectively (represented through the shareholders numbered 1 to 6 above) entitled to elect three directors and LFICO (numbered 7 above) is entitled to elect the other three. All issues arising at Board of directors meetings are to be decided by a majority of votes and in the case of equality of votes the Chairman shall not have a second or casting vote.

9 AUDIT COMMITTEE PRACTICES

9.1 The Issuer

9.1.1 Audit Committee

The terms of reference of the Audit Committee of the Issuer consist of *inter alia* its support to the Board in its responsibilities in dealing with issues of risk; control and governance; and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time.

Briefly, the Committee is expected to deal with and advise the Board on:

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 company's assets by understanding the company's risk environment and determining how to deal with those risks.

In addition, the Audit Committee also has the role and function of scrutinising and evaluating any proposed transaction to be entered into by the Issuer and a related party, to ensure that the execution of any such transaction is at arm's length and on a commercial basis and ultimately in the best interests of the Issuer.

A majority of the Directors sitting on the Audit Committee are of a non-executive capacity. Mario P. Galea acts as chairman, whilst Joseph Fenech and Samuel D. Sidiqi act as members. In compliance with the Listing Rules, Mario P. Galea is the independent non-executive Director who is competent in accounting and/or auditing matters.

9.1.2 Internal audit

The internal audit function is conducted by CPHCL in terms of the MSS Agreement. The role of the internal audit team is to carry out systematic risk-based reviews and appraisals of the operations of the Issuer (as well as of the subsidiaries and associates from time to time thereof) for the purpose of advising management and the Board, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. The function is expected to promote the application of best practices within the Issuer's organisational structure.

The internal audit unit reports directly to the Audit Committee.

9.2 The Guarantor

9.2.1 Audit Committee of CPHCL

The primary objective of CPHCL's Audit Committee is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management, the external auditors and the internal audit team. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee of CPHCL reports directly to the Board of directors of said company.

The terms of reference of CPHCL's Audit Committee have been formally set out in a separate Charter. Joseph F.X. Zahra acts as Chairman and Joseph J. Vella and Mario Galea as members, whilst Alfred Fabri performs the duties of secretary to the Audit Committee.

The Audit Committee's role principally involves the review of the financial reporting process and internal controls. Additionally, it is responsible for monitoring the performance of the entities borrowing funds from the company and also carries out the oversight of related party transactions to ensure that these are carried out on an arm's length basis.

9.2.2 Internal audit

The role of the internal auditor is to carry out systematic risk-based reviews and appraisals of the operations of CPHCL (as well as of the subsidiaries and associates of the Corinthia Group) for the purpose of advising management and the Board, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. This function is expected to promote the application of best practices within the organisation. The internal auditor reports directly to the Audit Committee.

9.2.3 Hotel operations

Day-to-day management of hotel operations are the responsibility of CHI, the Group's hotel operating company that directs each subsidiary's management and staff in day-to-day operations. The responsibility of the operational performance of each hotel is that of the operating company, whose performance is monitored and evaluated on a regular basis by the board of each subsidiary, which in turn reports on performance and operations to CPHCL's Board.

9.2.4 Property audit

Regular property audits are carried out by QPM. These audits, which are unannounced, comprise a full review of each property twice a year when a physical inspection of the building and the assets is undertaken by experienced engineers. A detailed report is submitted to the owners, including a review of the maintenance systems and quality of the maintenance works and recommendations on the replacement of plant and equipment.

9.3 Related party transactions concerning CPHCL

CPHCL regularly enters into trading transactions with fellow subsidiaries and associates within the Corinthia Group in its normal course of business. Trading transactions between these companies include items which are normally encountered in a group context and include rental charges, management fees, recharging of expenses and financing charges. These transactions are subject to regular scrutiny of the Audit Committees of both the Issuer and of CPHCL to ensure that they are made on an arm's length basis and that there is no abuse of power by the Issuer or CPHCL in the context of related party transactions. In this regard, the Audit Committees of both the Issuer and of CPHCL meet as and when necessary for the purpose of discussing formal reports submitted by each company's internal auditor on any transactions or circumstances which may potentially give rise to such conflict or abuse.

10 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

10.1 The Issuer

The Issuer is subject to the Code and the Board has taken such measures as were considered necessary in order for the Issuer to comply with the requirements of the Code to the extent that these were deemed appropriate and complementary to the size, nature and operations of the Issuer, as follows:

- **Principles 1 & 4:** The Board of Directors is entrusted with the overall direction and management of the Issuer, including the establishment of strategies for future development, and the approval of any proposed acquisitions by the Issuer in pursuing its investment strategies. Its responsibilities also involve the oversight of the Issuer's internal control procedures and financial performance, and the review of business risks facing the Issuer, ensuring that these are adequately identified, evaluated, managed and minimised. All the Directors have access to independent professional advice at the expense of the Issuer, should they so require;
- **Principle 2:** The roles of Chairman and Chief Executive Officer are carried out respectively by Mr Alfred Pisani and Mr Reuben Xuereb;
- **Principle 3**: The Board is composed of two executive Directors, Alfred Pisani and Joseph Fenech, and five non-executive Directors. Three Directors are appointed by each of the two major shareholders, CPHCL and NREC, and are officers of these two companies. The other, Mr Mario P. Galea, is an independent Director jointly appointed by the two major shareholders. The composition and balance on the Board is determined in accordance with the provisions set out in the Memorandum and Articles of Association of the Issuer regulating the appointment of Directors, and although the majority of non-executive Directors are not independent as recommended by the Code, the Issuer considers the present mix of executive Directors and non-executive Directors (including the independent Director) to create a healthy balance and serves to unite all shareholders' interests, whilst providing direction to the Issuer's management to help maintain a sustainable organisation.

  The non-executive Directors constitute a majority on the Board and their main functions are to monitor the operations of the executive directors and their performance, as well as to analyse any investment opportunities that are proposed by the executive Directors. In addition, the non-executive Directors have the role of acting as an important check on the possible conflicts of interest of the executive Directors, which may exist as a result of their dual role as executive Directors and their role as officers of CPHCL;
- **Principle 5**: The Board of Directors aims to meet regularly and all Directors are given ample opportunity to discuss the agenda and convey their opinions. During 2014 the Board of Directors met four times to discuss the operations and strategy of the Issuer;
- **Principle 6**: The Chief Executive Officer ensures that Directors are provided with relevant information to enable them to effectively contribute to Board decisions;
- **Principle 7**: The Board of Directors performs a self-evaluation of its own performance and that of its committees on an annual basis, and the Board's performance is always under the scrutiny of the shareholders. The Board considers the present evaluation procedure to suffice and, therefore, does not consider it necessary to formalise the evaluation process through the setting up of an evaluation committee;
- **Principle 8**: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of a nomination and remuneration committee. Given that the Issuer employs only one senior official (the remainder of its senior executive team providing services to the Issuer pursuant to the MSS Agreement), and any remuneration to the Board of Directors is determined by the shareholders of the Issuer in accordance with its Memorandum and Articles of Association, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with its Memorandum and Articles of Association;
- **Principle 9**: The Issuer is highly committed to having an open and communicative relationship with its bondholders and investors;
- **Principle 10**: The Issuer ensures that it is in constant contact with its principal institutional shareholders and bondholders;
- **Principle 11**: By virtue of the Issuer's Memorandum and Articles of Association, the Directors are obliged to keep the Board advised, on an on-going basis, of any interest that could potentially conflict with that of the Issuer. The Board member concerned shall not take part in the assessment by the Board as to whether a conflict of interest exists. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has a material interest;
- **Principle 12**: The Issuer understands that it has an obligation towards society at large to put into practice sound principles of Corporate Social Responsibility. It achieves this through the commitments of CPHCL.

Save for the instances of non-adherence to the Code which have been explained above, the Board is of the opinion that the Issuer is in compliance with the Code.

10.2 CPHCL

Whilst it is not a requirement on CPHCL to adopt the Code, it has out of its own accord chosen to introduce disciplines that are recommended in the Code, including the setting up of an Audit Committee as indicated in sub-section 9.2.1 above.

11 HISTORICAL FINANCIAL INFORMATION

The Issuer's and CPHCL's historical financial information for the three financial years ended 31 December 2012, 2013 and 2014 as audited by Grant Thornton is set out in the consolidated financial statements of the Issuer and CPHCL respectively. Such audited consolidated financial statements are available for inspection as set out in section 16 below.

As explained in sub-section 6.1 of this Registration Document, since the downturn in business arising as a direct consequence of the civil unrest in Libya, there has been a material adverse change in the trading performance of the Issuer since the date of its last published audited consolidated financial statements relating to the year ended 31 December 2014.

There were no significant changes to the financial or trading position of CPHCL since the end of the financial period to which its last audited financial statements relate.

12 LITIGATION PROCEEDINGS

Except as set out below, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or CPHCL is aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, CPHCL and/or the Group, taken as a whole.

The Issuer is a co-defendant in court proceedings against it for alleged unpaid professional fees. Although the Issuer has reason to believe that it will prevail on the merits for which it will vigorously defend itself, the proceedings are still at an early stage and the ultimate outcome cannot be predicted at this time. The Issuer is also a defendant in proceedings against it for alleged unpaid works in relation to capital repairs at Palm City Residences. The Issuer believes that it has a strong defence in respect of these claims; however, in the event of an adverse determination of any and all such claims the Issuer's liability is not expected to have any material adverse effect on the financial position or profitability of the Issuer, CPHCL and/or the Group, taken as a whole.

13 ADDITIONAL INFORMATION

13.1 Share capital of the Issuer

The Issuer has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of €1 each and 50,000,000 ordinary 'B' shares of €1 each and an issued share capital of €48,002,000 divided into 24,001,000 ordinary 'A' shares of €1 each and 24,001,000 ordinary 'B' shares of €1 each, all fully paid up. CPHCL holds 24,001,000 ordinary 'A' shares of €1 each, NREC holds 19,200,800 ordinary 'B' shares of €1 each and LPTACC holds 4,800,200 ordinary 'B' shares of €1 each.

Since incorporation, the Issuer allotted shares as detailed in the following table:

Date of allotment	Number of shares	Shareholder	Consideration
Initial share capital, issued on 12 December 2005	1,000 ordinary 'A' shares	CPHCL	€1,000 in cash
Initial share capital, issued on 12 December 2005	1,000 ordinary 'B' shares	NREC	€1,000 in cash
21 February 2006	24,000,000 ordinary 'B' shares	NREC	€24,000,000 in cash
16 March 2006	24,000,000 ordinary 'A' shares	CPHCL	Capitalisation of shareholders' loan

On 12 September 2007, 4,800,200 ordinary 'B' shares of €1 each were transferred by NREC to LPTACC.

In terms of the Memorandum and Articles of Association of the Issuer, the Board may be authorised, by the members through an extraordinary resolution in general meeting or by a resolution in writing executed by or on behalf of each member who would have been entitled to vote on it if it had been proposed at a general meeting, to exercise the power of the Issuer to allot shares to the amount of the authorised but unissued share capital of the Issuer for the time being (or for such other amount as the authority may state), and the Board may allot, grant options over, or otherwise dispose of, such shares to such persons on such terms and in such manner as they think fit.

In terms of the Issuer's Memorandum and Articles of Association, no issue of shares in the Issuer shall take place where such issue would dilute a substantial interest of the shareholders of the Issuer without prior approval of the shareholders in general meeting.

It is not expected that shares in the Issuer shall be issued during the current financial year, whether fully or partly paid up, in consideration for cash or otherwise.

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

13.2 Memorandum and Articles of Association of the Issuer

13.2.1 Objects

The Memorandum and Articles of Association of the Issuer is registered with the Registry of Companies. The main objects for which the Issuer is constituted, which are limited to activities outside Malta and to such other acts as are or may be necessary for its operations from Malta, are to directly or indirectly acquire and develop real estate opportunities in North Africa, including without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, residential gated compounds, housing, hotels, build-operate-transfer and other governmental projects, and conference centres. Clause 4 of the Memorandum of Association contains the full list of objects of the Issuer.

The Memorandum and Articles of Association of the Issuer otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out under the heading "Documents available for inspection" in section 16 of this Registration Document and at the Registrar of Companies of the MFSA.

13.2.2 Voting rights and restrictions

The holders of shares in the Issuer are entitled to vote at meetings of the shareholders of the Issuer on the basis of one (1) vote for each share held.

13.2.3 Powers of Directors

The Directors are vested with the management of the Issuer, and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer. In terms of the Memorandum and Articles of Association they may do all such things that are not by the Memorandum and Articles of Association reserved for the shareholders in general meeting.

Directors may not vote on any proposal, issue, arrangement or contract in which they have a personal material interest.

The amount of remuneration payable to the Directors is, in terms of the Memorandum and Articles of Association, to be established by an extraordinary resolution of the shareholders.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and give security therefor, as it thinks fit.

There are no provisions in the Issuer's Memorandum and Articles of Association regulating the retirement or non-retirement of Directors over an age limit.

13.2.4 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two (2) years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Issuer or any of its subsidiaries.

13.3 Memorandum and Articles of Association of the Guarantor

In terms of clause 4.6 of its Memorandum of Association, CPHCL is, amongst other things, authorised to borrow, raise or secure the payment of money for the purpose of or in connection with the company's business and to secure the repayment of any moneys borrowed by hypothecation, charge or lien upon the whole or part of the movable and immovable property or assets of the company. Furthermore, CPHCL is authorised to give guarantees or provide security for any such persons, firms and companies as the directors may deem fit and proper and on such terms as may seem expedient and, in particular, to companies in which the company has an interest.

The Memorandum and Articles of Association of CPHCL otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of directors.

14 MATERIAL CONTRACTS

The Issuer, CPHCL and/or the Group have not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or CPHCL or any member of the Group being under an obligation or entitlement that is material to the Issuer's or CPHCL's ability to meet their obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

15 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the Financial Analysis Summary reproduced in Annex D of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 1 July 2015 has been included in the form and context in which it appears with the authorisation of Rizzo, Farrugia & Co. (Stockbrokers) Ltd. of Airways House, Third Floor, High Street, Sliema SLM1549, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. does not have any material interest in the Issuer. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

16 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta during the term of the Bond Issue during office hours:

i. the Memorandum and Articles of Association of the Issuer;
ii. the Memorandum and Articles of Association of CPHCL;
iii. the audited consolidated financial statements of the Issuer for the years ended 31 December 2012, 2013 and 2014;
iv. the audited financial statements of PCL for the years ended 31 December 2012, 2013 and 2014;
v. the audited financial statements of PWL for the period ended 31 December 2014;
vi. the audited consolidated financial statements of CPHCL for the years ended 31 December 2012, 2013 and 2014;
vii. the letter of confirmation drawn up by Grant Thornton dated 24 June 2015.

The documents listed in (i) and (iii) above are also available for inspection in electronic form on the Issuer's website www.mihplc.com