



MALITA

INVESTMENTS

PROSPECTUS

dated 2 July 2012

An issue of 20,000,000 Ordinary B Shares
[with an over-allotment option of a further
10,000,000 Ordinary B Shares]
of a nominal value of €0.50 each in
Malita Investments p.l.c.

at an Issue Price of €0.50 per Ordinary B Share
[ISIN: MT0000610106]

Joint Sponsors



Joint Manager



Joint Manager & Registrar



Malita Investments p.l.c.

Summary Note

This document is a Summary Note issued in accordance with the provisions of the Commission Regulation (EC) No. 809/2004 of the 29th April 2004 (the “**Regulation**”) implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

This Summary Note contains information about Malita Investments p.l.c. (the “**Issuer**”) as the issuer of securities. This Summary Note should be read in conjunction with the Registration Document and the most updated Securities Note issued from time to time containing information about the securities to which it relates.

This document is dated 2 July 2012.

Important Information

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO MALTA INVESTMENTS P.L.C. (THE "ISSUER") AND ITS BUSINESS. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CAP. 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; AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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

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

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE APPROVAL OF THE PROSPECTUS AND FOR THE ADMISSION OF THE ISSUER'S SHARES ON A REGULATED MARKET. APPLICATION HAS ALSO BEEN MADE TO THE MSE, FOR THE SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.**

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

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE SHARE ISSUE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF SHARES, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

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

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.

Warnings

THE SUMMARY NOTE IS TO BE READ AS AN INTRODUCTION TO THE PROSPECTUS DATED 2 JULY 2012 COMPOSED OF THE REGISTRATION DOCUMENT, THE SECURITIES NOTE AND THIS SUMMARY NOTE.

ANY DECISION TO INVEST IN THE SECURITIES HAS TO BE BASED ON AN EXHAUSTIVE CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR.

THE DIRECTORS OF THE ISSUER, WHOSE NAMES APPEAR UNDER THE HEADING “ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES” HEREUNDER, ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS SUMMARY NOTE.

TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS SUMMARY NOTE IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ASSUME RESPONSIBILITY FOR ITS CONTENTS, BUT ONLY TO THE EXTENT THAT THE SUMMARY NOTE IS FOUND TO BE MISLEADING, INACCURATE OR INCONSISTENT WHEN READ TOGETHER WITH THE OTHER PARTS OF THE PROSPECTUS.

Table of Contents

Important Information.....	2
Warnings	3
Table of Contents.....	4
Definitions.....	6
1 Risk Factors.....	8
1.1 Risks relating to the Issuer and its business.....	8
1.2 Risks relating to Shares	9
1.3 Forward-Looking Statements.....	10
2 Information about the Issuer	10
2.1 History and Development of the Issuer	10
2.2 Investments.....	10
3 Business Overview	11
3.1 Principal Activities	11
3.2 Corporate Vision.....	14
3.3 Principal Markets	14
4 Organisational Structure.....	14
5 Selected Financial Information	14
5.1 Presentation of Financial Information	14
5.2 Extracts from the <i>pro forma</i> Statement of Financial Position	15
5.3 Extracts from the <i>pro forma</i> Statement of Comprehensive income	16
6 Operating and Financial Review	17
6.1 Historical Financial Information	17
7 Capital Resources	18
8 Key Information.....	20
8.1 Working Capital Statement	20
8.2 Capitalisation and Indebtedness	20
9 Trend Information.....	20
10 Profit Forecasts and Estimates.....	21
11 Administrative, Management and Supervisory Bodies	23
11.1 Directors and Management.....	23
11.2 Remuneration and Benefits.....	24
11.3 Advisers and Statutory Auditors	24
12 Employees.....	25
13 Major Shareholders and Dilution Following Issue.....	25
14 Financial Information.....	25
14.1 Historical Financial Information	25
14.2 Dividend Policy	25
14.3 Legal and arbitration proceedings	26
14.4 Significant change in the Issuer's financial or trading position.....	26
15 Related Party Transactions	26
16 Additional Information.....	27
16.1 Memorandum and Articles of Association.....	27

17	Statement by Experts and Declarations of any Interests	27
17.1	Property Valuation Reports	27
17.2	Accountants' Report	27
17.3	Confirmations	27
18	Issue Statistics	27
19	Expected Timetable	29
20	Reasons for the Share Issue and use of proceeds.....	29
20.1	Interest of natural and legal persons involved in the Issue.....	30
21	Expenses of the Share Issue.....	30
22	Plan of Distribution and Allotment.....	30
23	Documents on Display	30

Definitions

The capitalised terms used throughout this Summary Note shall bear the following meaning:

Applicant	a person/s whose name/s, appear in the registration details of an Application Form;
Application	the application/s to purchase Shares made by an Applicant by completing an Application Form and delivering it to any Financial Intermediary, the Managers or the Registrar;
Application Form	the form of application for subscription of Shares pursuant to the Share Issue, a specimen of which is set out in Annex 3 of the Securities Note;
Articles	the memorandum and articles of the Issuer, as the same are registered with the Registrar of Companies in Malta;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Contracting Agreement	the agreement entered into between Government and GHRC pursuant to which Government engaged GHRC to, <i>inter alia</i> , construct and develop the City Gate area in accordance with agreed timelines and specifications;
Emphyteutical Grants	the deed of temporary emphyteusis granted by Government in favour of the Issuer over the Parliament Building and the Open-Air Theatre, which deed was published by Notary Tania Spiteri on 26 June 2012;
Financial Intermediaries	the banks, financial institutions, stockbrokers and other persons set forth in Annex 2 of the Securities Note;
GHRC	Grand Harbour Regeneration Corporation p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-42094;
Government	the Government of Malta;
Issue Price	€0.50 per Share;
Issuer or Malita	Malita Investments p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-53047 and with registered office at Clock Tower, Level 1, Tigne Point, Sliema, TP 01, Malta;
Lease Agreements	collectively, the Parliament Building Lease and the Open-Air Theatre Lease;
Manager	jointly, Bank of Valletta p.l.c. and HSBC Bank Malta p.l.c.;
MIA	Malta International Airport p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-12663;
MIA Site	such portion of land and buildings in respect of which Government transferred to the Issuer the title of <i>dominium directum</i> , as the same is described in the MIA Transfer Contract;
MIA Transfer Contract	the deed of transfer of <i>dominium directum</i> by Government to the Issuer published by Notary Tania Spiteri on 14 June 2012;
MSE or the Malta Stock Exchange	Malta Stock Exchange p.l.c. as originally constituted by the Financial Markets Act, Cap. 345 of the laws of Malta, bearing company registration number C-42525 and having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Novation Agreement	the agreement entered into between Government, the Issuer and GHRC on 28 December 2011, as amended on 27 February 2012;
NSO	the National Statistics Office set up by virtue of the Malta Statistics Authority Act, Cap. 422 of the laws of Malta;

Open-Air Theatre	the immovable property described as the “Second Property” in the Emphyteutical Grants;
Open-Air Theatre Lease	the lease agreement entered into on 26 June 2012 by the Issuer in its capacity as lessor and Government in its capacity as lessee in respect of the lease of the Open-Air Theatre, subject to the terms and conditions contained therein;
Over-Allotment Option	the option of the Issuer to increase the issue of the Shares by 10,000,000 additional Shares at the Issue Price in the event that during the Issue Period the Issuer receives applications for Shares in excess of 20,000,000 Shares subject to the terms and conditions contained in the Section of the Securities Note entitled “Over-Allotment Option”;
Parliament Building	the immovable property described as the “First Property” in the Emphyteutical Grants;
Parliament Building Lease	the lease agreement entered into on 26 June 2012 by the Issuer in its capacity as lessor and Government in its capacity as lessee in respect of the lease of the Parliament Building, subject to the terms and conditions contained therein;
Premium	the amount of €82 million being the amount payable by the Issuer to Government by way of premium in terms of the Emphyteutical Grants;
Prescribed Dividend Period	the period commencing from the date of registration of the Issuer and ending on 31 December 2014;
Project	the acquisition of the temporary emphyteusis by the Issuer from Government of the Parliament Building and Open-Air Theatre pursuant to the Emphyteutical Grants;
Properties	collectively, the Parliament Building, the Open-Air Theatre and the Transfer Sites;
Property Valuation Reports	the valuations of the title held by the Issuer over the Parliament Building, the Open-Air Theatre, and the Transfer Sites;
Prospectus	the Registration Document, the Securities Note and the Summary Note;
Registrar	HSBC Bank Malta p.l.c.;
Registration Document	the registration document issued by the Issuer on 2 July 2012, as the same may be updated, amended and/or supplemented from time to time;
Retail Price Index	the retail price index published in the Malta Government Gazette by the NSO;
Securities Note	the securities note issued by the Issuer on 2 July 2012, as the same may be updated, amended and/or supplemented from time to time;
Shares	the Ordinary B Shares in the share capital of the Issuer having a nominal value of €0.50 per share to be issued pursuant to the Share Issue at the Issue Price;
Share Issue or Issue	the issue by the Issuer to the public in Malta of 20,000,000 Shares (and if the context so requires shall include the Over-Allotment Option, if applicable) at the Issue Price;
Share Issue Period or Issue Period	the period between 23 July 2012 and 27 July 2012, inclusive, or such earlier date as may be determined by the Issuer in the event of over-subscription of the Share Issue;
Sponsors	collectively, Rizzo Farrugia & Co (Stockbrokers) Limited and Curmi & Partners Limited;
Summary Note	this document in its entirety, as the same may be updated, amended and/or supplemented from time to time;
Transfer Sites	the MIA Site and the VCP Site;
Transfer Contracts	collectively, the MIA Transfer Contract and the VCP Transfer Contract;

VCP	Valletta Cruise Port p.l.c., (formerly VISET Malta p.l.c.) a public limited liability company registered under the laws of Malta with company registration number C-26469;
VCP Site	such portion of land and buildings in respect of which Government transferred to the Issuer the title of <i>dominium directum</i> , as the same is described in the VCP Transfer Contract;
VCP Transfer Contract	the deed of transfer of <i>dominium directum</i> by Government to the Issuer published by Notary Tania Spiteri on 14 June 2012.

1. Risk Factors

An investment in the Issuer is subject to a number of risks, including general risks associated with buying shares. The risks listed hereunder are not necessarily listed in an order of priority and are those identified by the Directors – this does not mean that other risks may not result. More details on the risks are contained in the Registration Document and in the Securities Note. Investors should request advice from their own independent financial, tax, accounting, legal and other advisers before investing. If any of the risks set out below and other risks not identified by the Directors were to materialise, the Issuer and its results as well as the value of the Shares could be negatively affected. Investors should read the section “Forward-Looking Statements” below and should fully understand the risk of investing in the Shares before deciding to invest.

1.1 Risks relating to the Issuer and its business

- a) The property valuations are prepared by an independent architect however contain a number of assumptions. These assumptions are subjective and may not materialise. Such valuations may not reflect actual market values;
- b) The Issuer invests in properties – these may not be sold in a timely manner;
- c) Negative political or economic factors and trends affecting the Maltese business climate and prospects could impact the Issuer negatively;
- d) A change in relevant law and regulations, for instance property related laws, could negatively affect the Issuer;
- e) The Issuer is dependent upon Government performing its obligations under the Emphyteutical Grants, the Lease Agreements and the Transfer Contracts. If Government were not to perform such obligations, this could have a negative impact on the Issuer;
- f) The lease of each of the Parliament Building and the Open-Air Theatre commences once they are completed. In the event that the said properties are not completed within the agreed timeframes, although being entitled to a daily penalty, the Issuer would not be entitled to receive the rental payments until they are completed. In terms of the Emphyteutical Grants, if Government does not complete the Parliament Building and/or the Open-Air Theatre by 31 December 2017, the Issuer is entitled to terminate the Emphyteutical Grant subject to the payment of compensation;
- g) The Issuer is dependent upon the payment of ground rent and other amounts due by MIA and VCP in respect of the Transfer Sites. If such payments are not made or if Government does not perform its obligations, the Issuer could be negatively impacted;
- h) The Transfer Contracts may be terminated for reasons beyond the Issuer’s control. Should that happen, the Issuer may not find other parties to replace the lost revenue;
- i) The projections (see section “Profit Forecasts and Estimates”) have been prepared on a fair and reasonable basis. However, there is a risk that unexpected events could occur, or expected future events do not occur, which could have a negative effect on the Issuer;
- j) Rents and property values are affected by changes in the local and international economic and political climate, over supply or reduced demand for properties. These could impact the Issuer;
- k) The loan facility agreements contain restrictions on the Issuer and its assets (including security provided by the Issuer to the banks) which may affect potential further investment by the Issuer, may restrict the Issuer’s control over its assets and may restrict the payment of dividends. If the Issuer is required to pay a floating interest rate, it will be negatively affected by increases in interest rates. In addition, if the Issuer were to default under one facility agreement, this could result in the default on other facility agreements;
- l) The Issuer may be subject to certain financial risks, including market risk, credit risk, foreign exchange rate risk and interest rate risk;

- m) Whilst the use of borrowings should enhance the value of the Shares where the value of the Issuer's assets is rising, it will have the opposite effect if the asset value is falling;
- n) The continuing international economic crisis could impact the Issuer's ability to re-finance its existing borrowings;
- o) If the Issuer defaults under the terms of any borrowing agreements with the banks, the lender/s concerned may take control of the Issuer's assets. Any amounts owing under borrowing agreements will rank ahead of shareholders' entitlements;
- p) The Issuer's operating and other expenses could increase, without a corresponding increase in turnover or revenue, due to certain factors. Such increases could have a material adverse effect on the Issuer's financial position and its ability to make distributions to its shareholders;
- q) The Issuer's properties could suffer physical damage caused by fire or other causes, resulting in losses (including loss of rent/ground rent) which may not be fully recovered by insurance. There may be losses which will not be covered by insurance; and
- r) The amount of taxation charged on the Issuer's activities is subject to changes in tax laws and their practical application.

1.2 Risks relating to Shares

- a) There has been no market in the Shares before the Share Issue. The market price of the Shares may not be the same as the Issue Price and may change if there is a change to the Issuer's results or due to changes in the Maltese political and economic situation;
- b) The Shares are expected to be listed on the MSE, which is a relatively small market. The liquidity of the MSE depends on factors outside the Issuer's control which could impact the value of the Shares and investors may not be able to sell their Shares at the price wanted or within the time desired. In addition, there are no market makers in Malta. The lack of market makers in Malta may be considered to contribute to the limited trading activities on the MSE. Market makers quote prices on a daily basis at which they are prepared to buy and/or sell listed instruments;
- c) In terms of the Articles and subject to limited exceptions, a person cannot, directly or indirectly, acquire or hold a beneficial interest in the Ordinary A Shares and Ordinary B Shares of the Issuer in excess of 5% of the total issued share capital of the Issuer having voting rights. Investors ought to be aware that if a person holds, directly or indirectly, shares in the Issuer in excess of the said 5% threshold, that person shall, by resolution of the Directors, after due verification, lose any and all voting rights attached to the respective shares in such excess;
- d) There can be no assurance that the Share Issue will be subscribed in full;
- e) Even after the Shares are admitted to trade on the MSE, the Issuer must remain in compliance with certain requirements. The Listing Authority has the authority to suspend trading of the Shares if, for instance, it believes that such a suspension is required to protect investors or the integrity/reputation of the markets. The Listing Authority may discontinue the listing of the Shares on the MSE. Any such trading suspensions or listing revocations/discontinuations could have a material adverse effect on the liquidity and value of the Shares. The Listing Authority may also discontinue the listing of the Shares if it is satisfied that, owing to special circumstances, normal regular dealings in the Shares are no longer possible or upon the request of the Issuer or the MSE;
- f) The value of investments can rise or fall, and past performance does not necessarily indicate future performance. If in need of advice, you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta);
- g) An investment in the Issuer may not be suitable for all persons receiving the Prospectus. Investors should consult their advisers as to the suitability of the Shares before investing;
- h) Even following the Share Issue, Government will be in a position to control the Issuer and to decisively influence all matters that require approval of the shareholders of the Issuer. The interests of the Issuer may not be the same as the interests of other shareholders of the Issuer. In terms of the Articles, if Government transfers any of its Shares in the Issuer such that it reduces its shareholding below 70%, such transfer would be null and void unless such transfer is made with the consent of the House of Representatives;
- i) The distribution by the Company of a dividend will depend upon, amongst other matters, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the cash flows for the Issuer, working capital requirements, and the requirements of the Companies Act (Cap. 386 of the laws of Malta) especially with regard to distributable reserves; and
- j) A Shareholder will bear the risk of changes in exchange rates between the currency of the Shares (€) and the Shareholder's currency of reference, if different.

1.3 Forward-Looking Statements

Statements in the Prospectus such as “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or similar words relate to matters that are not historical facts. The statements may refer to the intentions, beliefs or current expectations of the Issuer and/or the Directors concerning, for instance, the Issuer’s strategy and business plans, results of operations, financial condition, liquidity, prospects and dividend policy and the markets in which it operates. Such forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should not be understood as such. Actual results and the development of the Issuer’s business may change over the years due to, for instance, changes in the economy, the law and taxation.

2 Information about the Issuer

2.1 History and Development of the Issuer

Name	Malita Investments p.l.c.
Date of Registration	3 June 2011
Registration Number	C-53047
Form	Maltese public limited liability company
Domicile	Malta
Email	info@malitainvestments.com
Telephone	+356 2132 3503
Authorised Share Capital on Registration	€150,000,000: <ul style="list-style-type: none">• 113,000,000 Ordinary A Shares (€1 per share)• 37,000,000 Ordinary B Shares (€1 per share)
Issued Share Capital on Registration	€15,000,000: <ul style="list-style-type: none">• 14,999,999 Ordinary A Shares (€1 per share) in favour of Government• 1 Ordinary A Share (€1 per share) in favour of Malta Investment Management Company Limited
Redenomination	On 29 May 2012, the nominal value all ordinary shares were redenominated from €1 to €0.50 per share
Increase in Issued Share Capital	On 30 May 2012, 20,000,000 Ordinary A Shares of a nominal value of €0.50 per share were issued to Government for cash On 14 June 2012, 68,108,064 Ordinary A Shares of a nominal value of €0.50 per share were issued to Government for the acquisition of the Transfer Contracts
Current Authorised Share Capital	€100,000,000 <ul style="list-style-type: none">• 150,000,000 Ordinary A Shares of a nominal value of €0.50 per share• 50,000,000 Ordinary B Shares of a nominal value of €0.50 per share
Current Issued Share Capital	€59,054,032 (118,108,064 Ordinary A Shares) <ul style="list-style-type: none">• 118,108,062 Ordinary A Shares of €0.50 fully paid up in favour of Government• 2 Ordinary A Shares of €0.50 fully paid up in favour of Malta Investment Management Company Limited

2.2 Investments

The Issuer’s investments as at the date of this Prospectus consist of the *dominium directum* of the Transfer Sites as well as the Emphyteutical Grants over the Parliament Building and Open-Air Theatre. The total cost of these investment properties is €116,056,032 (including transaction costs). Details on the Properties and the rights of the Issuer thereto are described in the below Section entitled “Principal Activities”.

3 Business Overview

3.1 Principal Activities

3.1.1 Parliament Building and Open-Air Theatre

The Issuer was incorporated with the principal purpose, *inter alia*, of acquiring, developing, managing and operating immovable property and granting any real or personal right over immovable property. The first of such investments made by the Issuer was the acquisition of the temporary emphyteusis over the Parliament Building and the Open-Air Theatre from Government.

During 2010, Government commenced the development of the area known as City Gate in Valletta, Malta, which development reflects the schematic designs of the internationally-recognised architect Renzo Piano. As a result of the development, the City Gate area will be replaced by, *inter alia*: two interconnecting buildings consisting of the Parliament Building; the historical site which will be transformed into the Open-Air Theatre; and the landscaping of public areas.

Government has, pursuant to the Contracting Agreement, engaged GHRC to construct and develop the City Gate area. GHRC is a public limited liability company set up in August 2007 as a government entity under the Ministry for Infrastructure, Transport and Communication. Government is required to compensate GHRC for the services rendered by it in terms of the Contracting Agreement.

On 26 June 2012, the Issuer and Government entered into a public deed pursuant to which the Issuer acquired the 65-year *utile dominium* over the Parliament Building and Open-Air Theatre. In terms of the deed, Government is required to complete the development of the Parliament Building and Open-Air Theatre in accordance with the pre-established specifications and timelines and in the event of a delay in completion, Government would be required to pay the Issuer a daily penalty of €10,000 in respect of the Parliament Building and, or €4,200 in respect of the Open-Air Theatre. Upon their completion, Parliament Building and the Open-Air Theatre shall be leased to Government (see “Lease Agreements”).

The consideration payable by the Issuer for the acquisition of the temporary emphyteusis is an annual revisable ground rent of €100,000 and a premium of €82,000,000. On 28 December 2011, the Issuer and Government entered into the Novation Agreement pursuant to which, subject to a number of conditions, the Issuer assumed Government’s obligation to pay GHRC the compensation due to it in terms of the Contracting Agreement (that is, in connection with the construction and development of City Gate area), subject to the maximum amount of €82,000,000. Such assumption was done by way of prepayment of the premium that would have become due on the publication of the Emphyteutical Grants. Any costs and expenses relating to the project for the development of the City Gate area which exceed the said threshold will not be borne by the Issuer.

Pursuant to the Emphyteutical Deed, Government and the Issuer agreed that pursuant to the assumption of Government’s payment obligations to GHRC made in the Novation Agreement, the premium of €82,000,000 due to Government was paid in full and final settlement.

As security for the payment of the ground-rent and the performance of the obligations arising from the Emphyteutical Grant, Government has a special privilege on the Parliament Building and Open-Air Theatre.

The Emphyteutical Grants, *inter alia*, contain provisions which oblige the Issuer to maintain the Parliament Building and the Open-Air Theatre, not to effect any alterations to the said sites (unless such alterations are permitted in terms of the deed), to maintain sufficient insurance policies over the buildings and the improvements thereon, and to provide public access to certain determined areas. Furthermore, in terms of the said deed, the Issuer is prohibited from transferring, burdening or disposing any part of the properties and from granting any real right over the properties or from allowing any security interest to subsist thereon without first obtaining the written consent of Government in its capacity as *dominus*.

If the following events take place, Government is entitled to dissolve the emphyteutical grant over the Parliament Building and the Open-Air Theatre (subject to such grace period and other conditions):

- a) non-payment of the ground rent for three years or a sum equivalent thereto;
- b) non-performance of the Issuer’s refund obligations to GHRC;
- c) if the Parliament Building or the Open-Air Theatre are used for an unauthorised purpose;
- d) if the Issuer fails to insure the properties, does not observe the prohibitions on transfers and encumbrances or if

- the Issuer is in material breach of its other obligations; or
- e) if the Issuer becomes insolvent, if a winding order is passed against the Issuer or a compromise or arrangement involving the Issuer in terms of article 327 of the Companies Act (Cap. 386 of the laws of Malta), is applied for or sanctioned by the Court.

3.1.2 Lease Agreements

On 26 June 2012, the Issuer as lessor and Government as lessee, entered into the Lease Agreements where Government agreed to lease out the Parliament Building for an automatically renewable period of 20 years and the Open-Air Theatre for an automatically renewable period of 30 years. Each lease commences immediately upon the issuance of a completion certificate issued by an architect appointed by Government certifying that the said properties are practically completed. Both leases are subject to the revisable payment of rent in the amount of €3,680,000 in the case of the Parliament Building and €1,550,000 in the case of the Open-Air Theatre, which amounts are payable on a semi-annual basis.

The Issuer is responsible to pay and effect any extraordinary repairs to the leased properties whereas Government is responsible to make all necessary ordinary repairs thereto. The Issuer may terminate the respective leases if there is a continued non-payment of rent or any other sum due to the Issuer equivalent to 25% of the annual rent, or where Government makes use of the leased properties in a manner which is manifestly contrary to its permitted use, sublets or assigns the lease, and if the lessees breach or fail to perform or observe any of the other obligations undertaken by them in the respective Lease Agreement.

3.1.3 Transfer Contracts

On 14 June 2012, the Issuer and Government entered into the Transfer Contracts pursuant to which it acquired from Government the title of *dominium directum* over the Transfer Sites, which real right would entitle the Issuer to receive, with effect from 1 December 2011, all payments of ground rent due by each of VCP and MIA in terms of the temporary emphyteutical grants originally granted by Government. In consideration of the said transfers, the Issuer issued in favour of Government an aggregate amount of 68,108,064 fully paid up Ordinary A Shares of a nominal value of €0.50 per share. The Issuer is also vested with the privileges and hypothecs originally reserved by or granted to Government on the said original emphyteutical deeds.

Each of the Transfer Contracts provide that in the event that the Issuer decides to transfer the Transfer Sites or part thereof under any title and within 99 years from the date of the respective Transfer Contract, Government shall have the right of first refusal *a parvis conditionibus*. Such right of first refusal is exercisable by Government within two months from the date of receipt of the offer to submit its acceptance in writing. In the event that Government does not accept the offer, the Issuer is entitled to proceed with the transfer to any third party provided that the transfer is not made to any such third party at conditions which are more favourable than those offered to Government and provided further that the deed of transfer contains a number of conditions set out in the respective Transfer Contract, including the reservation in favour of Government of first refusal on any subsequent transfers.

a) The VCP Transfer Contract

On 22 November 2001, Government granted to VCP a temporary emphyteusis for a period of 65 years over the VCP Site expiring on 22 November 2066. VCP (a Maltese limited liability company) manages cruise and international ferry terminal operations and leisure facilities situated at the VCP Site. VCP has also restored the Pinto and Forni stores situated within the VCP Site. The management rights and emphyteutical concession was granted by Government to VCP following an international tender issued by Government in 1996.¹

The consideration payable by VCP for the acquisition of the temporary emphyteusis is by way of an annual ground rent of €559,049.62 revisable upwards at the beginning of the fourteenth year of the emphyteutical term by the higher of 20% or such amount as will represent the rate of inflation applicable in terms of the said deed. After the fourteenth year, the ground rent is revisable at the beginning of every subsequent five 12-month periods until the beginning of the sixty fourth 12-month period, whereby the amount of the ground rent is to be increased by the higher of 10% or such amount as will represent the rate of inflation applicable in terms of the deed.

In addition, the deed also caters for the payment of a sum equal to 15% of all VCP's revenue during the previous 12-month period deriving from the letting of buildings and facilities existing on the VCP Site. With respect to the first three 12-month periods of the grant, the payments of such sums were administratively abated. At the end of each

¹ Extracted from the official website of VCP (<http://www.vallettawaterfront.com/content.aspx?id=96873>)

12-month period, VCP is required to pay a sum equivalent to 10% of all gross revenue deriving from passenger and cruise liner operations and other activities which may be generated from the VCP Site and other sites over which VCP has management rights. With respect to the first three 12-month periods of the grant, the payments of such sums were administratively abated.

Any amounts due by VCP in terms of the preceding paragraph are reduced by the amount of the ground rent paid by VCP. In the event that the amount due by VCP in terms of the two preceding paragraphs is less than the ground rent, no payment from VCP will be due in terms of the said paragraphs.

In addition, in terms of the deed, a payment of €2,795,248 was due by VCP, which payment was settled by VCP issuing in favour of Government (at the time, the *dominus*), 1,200,000 preference shares of a nominal value of €2.329373 per share. VCP notified the public on 12 February 2010 that the said shares held by Government were redeemed and paid in full by VCP.

On 14 June 2012, Government transferred the title of *dominium directum* held by it over the VCP Site to the Issuer. As a result of the execution of the VCP Transfer Contract, the Issuer is entitled to receive, with effect from 1 December 2011 all amounts of ground rent and other payments which are payable under the original emphyteutical grant. The VCP Transfer Contract contains provisions which continue to bind Government to perform certain obligations and exercise certain rights and discretions emanating from the original deed of grant notwithstanding the transfer of the *dominium directum* in favour of the Issuer. In this respect, the VCP Transfer Contract also contains indemnities from Government in favour of the Issuer for certain losses which may be suffered by the Issuer in specific circumstances. On the expiry of the 65-year grant in favour of VCP, the Issuer will be vested with the freehold ownership of the VCP Site.

b) The MIA Transfer Contract

MIA (a Maltese public limited liability company) commenced operations on 1 January 1992. Initially, MIA managed and operated the air terminal in Malta and was later entrusted with the responsibility of the entire airport. On 1 May 1998, in addition to the operation of the air terminal activities, MIA also took over the operation and management of the airfield facilities as well as the air traffic control of Malta's Flight Information Region. Accordingly, MIA operates and manages all of the airport facilities of Malta's only licensed airport. MIA's core air terminal operations from the MIA Site include general passenger services and the operation of an extensive range of retail services at the airport, airside and landside shops, restaurants and other outlets, which are all operated on concession agreements. MIA also leases office space to airlines and other travel related operators at the airport.

In July 2002, Government signed an agreement with Malta Mediterranean Link Consortium Ltd (MML) for the sale of 40% of the share capital held in MIA. MML is owned by Flughafen Wien AG (57%), SNC-Lavalin Inc. (39%) and Airport Investments Ltd (4%). Government sold a further 20% of its shares in MIA by means of an Initial Public Offering in November 2002 and another 20% in November 2005.²

Pursuant to the public deeds dated 26 July 2002 and 1 July 2010, Government granted to MIA a temporary emphyteusis for a period of 65 years expiring on 25 July 2067 over the MIA Site. The annual ground rent payable by MIA in terms of the 2002 deed was originally €698,812 (Lm300,000). The annual ground rent payable by MIA in terms of the 2010 deed was €71,308, which ground rent was administratively abated by €71,192 to €116.00 per year with respect to the first two years from 1 July 2010. Both ground-rents are revisable upwards every fifth year of the emphyteutical grant by 15% on the ground rent payable annually in terms of the said deed in each year in the immediately preceding five year term.

On 14 June 2012, Government transferred the title of *dominium directum* held by it over the MIA Site to the Issuer. As a result of the entry into the MIA Transfer Contract, the Issuer is entitled to receive, with effect from 1 December 2011, all amounts of ground rents which are payable under the original emphyteutical grant. In terms of the original grant, Government is entitled to transfer the *dominium directum* over the MIA Site but is required to remain responsible for all the obligations undertaken by it pursuant to the original deed, including the payment of compensation, where applicable. Pursuant to the MIA Transfer Contract, the Issuer was indemnified by Government for any claims made by MIA against the Issuer as a result of all indemnities given, promised or assumed by Government on the original deed. On the expiry of the 65-year grant in favour of MIA, the Issuer will be vested with the freehold ownership of the MIA Site.

3.2 Corporate Vision

The corporate vision of the Issuer, which operates as an investment holding company, is primarily the acquisition, development and management of immovable property, the leveraging of revenue streams arising therefrom and the reinvestment of undistributed profits in national and/or strategic real estate projects as well as in commercial property opportunities.

Presently, the Issuer's funding and investment profile revolves around the reinvestment of the equity embedded in the *dominium directum* of the Transfer Sites, which in combination with the shares subscribed for in cash by the shareholders and further augmented by debt finance, has been utilised to acquire investment properties, which to date relate to the acquisition of the Parliament Building and Open-Air Theatre in Valletta. Once construction of these properties is completed, they will be leased out at a rental yield commensurate with that generated in the commercial property market in Malta.

The Issuer's business profile is such that the existing revenue streams are highly visible and quantifiable, given that they arise from long term contractual agreements. These contracts also provide for the periodic revision of the ground rent and rental income arising. Furthermore, the risk of the debtors defaulting on the amounts receivable by the Issuer is mitigated by the quality of tenants, the relativity of the amounts receivable compared to the market value of the Properties including the improvements undertaken thereon by the occupiers, as well as the inherent security enjoyed by the Issuer at law as the *dominus* of the Sites.

The Issuer's cash outflows also carry a high degree of visibility. These comprise the cost of collection of the revenue streams and corporate administration costs and taxation. The resulting cash surplus is applied primarily in the servicing of borrowing, and a high proportion of the balance is intended to be distributed in dividends to shareholders, such that the latter would receive a consistent return on the nominal value of their ordinary shares. The residual cash flows after these appropriations, are set aside for further re-investment in line with the Issuer's established investment mandate as the same is determined from time to time by the investment committee set up by the board of directors. In making any such investments, the Directors will keep in view the dividend policy described in detail in the section entitled "Dividend Policy" contained in the Registration Document.

3.3 Principal Markets

The Issuer currently operates exclusively in and from Malta.

4 Organisational Structure

The Issuer is a stand-alone entity and as such is not part of a group. The Issuer does not have any subsidiary or affiliated companies.

5 Selected Financial Information

5.1 Presentation of Financial Information

The Issuer was established on 3 June 2011 with its principal activities including the development, management and operation of immovable property, in particular, projects of national and/or strategic importance. In the period from incorporation to 31 December 2011 the Issuer's trading was limited to administrative activities and preparatory work in relation to the funding and acquisition of the Properties.

The Issuer has entered into the following material transactions:

- a. on 14 June 2012: the acquisition from Government of the *dominium directum* and the freehold ownership thereafter of the Transfer Sites granted on temporary emphyteusis to MIA and VCP; and
- b. on 26 June 2012: the acquisition of the 65-year emphyteutical grant of the Parliament Building and the Open-Air Theatre.

Financial information about the Issuer including the first audited financial statements of the Issuer, covering the financial period from incorporation to 31 December 2011 and the *pro forma* financial information as at 31 December 2011, reflecting the above material transactions, are available for inspection as set out under the heading "Documents on Display" in Section 23 of this Prospectus.

Extracts from *pro forma* financial information as at 31 December 2011 are set out overleaf.

5.2 Extract from the *pro forma* Statement of Financial Position

Pro forma statement of financial position of the Issuer as at 31 December 2011:

	As at 31 December 2011 €	Notes	Pro forma adjustments €	As per pro forma report €
ASSETS				
Non-current assets				
Property, plant and equipment	3,575		-	3,575
Investment property	-	a, b, c	116,056,032	116,056,032
	3,575		116,056,032	116,059,607
Current assets				
Premium on acquisition of property	82,000,000	b	(82,000,000)	-
Trade and other receivables	127,655		-	127,655
Cash and cash equivalents	15,036,144	c, h	(15,001,000)	35,144
	97,163,799		(97,001,000)	162,799
Total assets	97,167,374		19,055,032	116,222,406
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	15,000,000	a, d, e	53,367,177	68,367,177
Retained profits	84,907		-	84,907
Total equity	15,084,907		53,367,177	68,452,084
Non-current liabilities				
Borrowings	-	f, g	44,643,983	44,643,983
Current liabilities				
Capital creditor for acquisition of property	82,000,000	h	(78,956,128)	3,043,872
Trade and other payables	42,207		-	42,207
Current tax	40,260		-	40,260
Total current liabilities	82,082,467		(78,956,128)	3,126,339
Total liabilities	82,082,467		(34,312,145)	47,770,322
Total equity and liabilities	97,167,374		19,055,032	116,222,406

5.3 Extract from the *pro forma* Statement of Comprehensive Income

Pro forma statement of comprehensive income of the Issuer, covering the period from registration to 31 December 2011:

	Period from 3 June to 31 December 2011 €	Note	Pro forma adjustments €	As per pro forma report €
Revenue	115,029		-	115,029
Administrative expenses	(41,633)		-	(41,633)
Operating profit	73,396		-	73,396
Finance income	61,011		-	61,011
Finance costs	(88)		-	(88)
Profit before tax	134,319		-	134,319
Tax expense	(49,412)		-	(49,412)
Profit for the period - total comprehensive income	84,907		-	84,907
Earnings per share (cents)	0.57	i	-	0.12

The following is a description of the *pro forma* adjustments:

- to record the acquisition from Government of the *dominium directum* and the subsequent freehold ownership of the Transfer Sites granted on temporary emphyteusis to MIA and VCP concluded on 14 June 2012, as if the acquisition had taken place on 31 December 2011. The consideration for the acquisition is €34,054,032 satisfied with the issue of 68,108,064 Ordinary 'A' Shares to Government;
- to record the acquisition of the Parliament Building and the Open-Air Theatre, as if the acquisition had taken place on 31 December 2011. The premium payable on acquisition, amounting to €82,000,000, was settled with the novation to the Issuer of Government's obligation to reimburse GHRC a sum of the same amount;
- to record the transaction costs payable by the Issuer in relation to the transactions described in (a) and (b) above amounting to €1,000;
- to record the €10,000,000 additional share capital issued by the Company to Government for cash on 30 May 2012 as if this issue had taken place on 31 December 2011;
- to record the proceeds from the issue of equity in terms of the Prospectus as if the issue had taken place on 31 December 2011. For the purpose of the preparation of the *pro forma* financial information, it is assumed that the over allotment option is not exercised and that the Company raises €9,313,145, net of issue costs;
- to record the €40,000,000 long-term loan arranged to fund the transaction described in (b) as if this loan had been raised and drawn on 31 December 2011;
- to record the drawdown of the €4,643,983 bridge funding secured by the Company in case the over allotment option described in (e) above is not exercised;
- to record the payments to be made to the capital creditor in relation to the acquisition of the property described in (b) above as if such payments had been made on 31 December 2011. Such payments are assumed to have been made out of the Company's cash resources; the additional equity issued for cash; the issue of equity in terms of the Prospectus; and proceeds raised from borrowings, as described in (d) to (g) above. The remaining balance of €3,043,872 is scheduled to be paid in 2013 from the Company's projected operating cash flow to be generated in the interim;
- to adjust for the issue of shares as described in (a), (d) and (e) above.

6 Operating and Financial Review

6.1 Historical Financial Information

The audited historical information for the Issuer for the period from registration on 3 June 2011 to 31 December 2011 are available for inspection as set out in the Section entitled “Documents on Display”.

In the period between registration of the Issuer to 31 December 2011, the Issuer’s trading was limited to administrative activities relating to the recruitment of personnel, the establishment of the corporate profile, and the preparatory work related to the funding and the acquisition of the Properties (the deeds of transfer of which were executed on 14 June 2012 and the Emphyteutical Grants were published on 26 June 2012). The Properties will generate ground rent and related revenue with effect from 1 December 2011 in the case of the Transfer Sites and rental income as from 1 January 2013, in the case of the Parliament Building and the Open-Air Theatre.

Extract from the audited statement of financial position of the Issuer as at 31 December 2011:

	As at 31 December 2011 €
ASSETS	
Non-current assets	
Property, plant and equipment	3,575
Current assets	
Premium on acquisition of property	82,000,000
Trade and other receivables	127,655
Cash and cash equivalents	15,036,144
	97,163,799
Total assets	97,167,374
EQUITY AND LIABILITIES	
Capital and reserves	
Share capital	15,000,000
Retained profits	84,907
Total equity	15,084,907
Current liabilities	
Capital creditor for acquisition of property	82,000,000
Trade and other payables	42,207
Current tax	40,260
Total current liabilities	82,082,467
Total equity and liabilities	97,167,374

7 Capital Resources

At 31 December 2011, the Issuer had net assets of €15,084,907 made up primarily by the initial subscription of shares.

In terms of the Emphyteutical Grants, the Issuer is obliged to pay a premium of €82,000,000 and an annual revisable ground rent of €100,000. Government and the Issuer agreed that the payment of such premium is to be satisfied by the Issuer assuming the obligation of Government arising under the Contracting Agreement to pay GHRC for the compensation due to it in connection with the construction and development of City Gate area, subject to the maximum amount of €82,000,000. The Issuer expects that the transaction costs related to the Emphyteutical Grants will amount to €1,000. The Issuer plans to fund the payment to GHRC (which payments are projected to be due in instalments amounting to €76,100,000 during the year ending 31 December 2012 and €5,900,000 in the year ending 31 December 2013) and the said transaction costs, through a combination of the following funding sources: -

- a) in an amount of €15,000,000, through the application of initial share capital subscribed by Government on registration of the Issuer;
- b) in an amount of €10,000,000, through the application of additional share capital subscribed by Government on 30 May 2012;
- c) in an amount of €9,313,145 through the application of the proceeds of the Share Issue being made pursuant to the Securities Note, net of share issue costs;
- d) in an amount of €44,643,983 through the application of the proceeds of bank facilities arranged for this purpose including €40,000,000 raised by way of a long term credit facility at a fixed rate of interest; and
- e) with respect to the balance of €3,043,872, by the application of the operating cash flow forecast to be generated in the years ending 31 December 2012 and 31 December 2013.

Any over-allotment resulting from the Share Issue being made pursuant to the Securities Note will be applied to substitute, in part and up to the amount so received, bank borrowings sanctioned for the investment in the Parliament Building and Open-Air Theatre referred in paragraph (d) above. In the event that the full amount of the Over-Allotment Option is exercised by the Issuer, the bank borrowings would be reduced to 48.8% of the total Premium.

The issuance of Shares (including such number of Shares allotted pursuant to the Over-Allotment Option) has been authorised by Government and Malta Investment Management Company Limited in their capacity as shareholders of the Issuer. The said shareholders authorised the Directors to issue up to 30,000,000 Ordinary B Shares of a nominal value of €0.50 per share (the “**Authorised Shares**”), which authorisation is valid for a period up to 28 May 2017. In addition to the issue of 20,000,000 Ordinary B Shares being made pursuant to the Securities Note, the Issuer’s business plan provides for the issue of the balance of Authorised Shares (the “**Additional Shares**”) either through the exercise of the Over-Allotment Option and/or by way of a secondary public offer and/or a private placement thereof.

In the event that the issue by Malita of 20,000,000 Ordinary B Shares is not subscribed to in full, Government has undertaken to subscribe to, and Malita has agreed to issue, an amount of Ordinary B Shares equivalent to the difference between the 20,000,000 Ordinary B Shares issued for subscription in terms of the Share Issue and the amount of Ordinary B Shares actually subscribed to pursuant to the Share Issue.

Furthermore, in the event that the Additional Shares are not issued in full by Malita by 31 December 2014, and until such time as they are so issued thereafter, Malita shall offer shareholders the option to elect to receive dividends in cash or by way of scrip dividend. In this respect, Government and Malita have agreed that Government shall elect to receive dividends by way of scrip dividend until such time as all the Additional Shares have been issued in full.

A Project funding summary is set out below:

	€
Consideration (including transaction costs)	82,001,000
Equity – initial amount subscribed	15,000,000
Equity – additional amount subscribed on 30 May 2012	10,000,000
Equity – Share Issue (excluding Over-Allotment & net of issue costs)	9,313,145
Operating Cash Flows	3,043,872
Bank borrowings	44,643,983
Project borrowings as a % of total Premium	54.4%

Interest cover for the year ending 31 December 2013* is set out below:

- based on the project funding and rent receivable from the lease of the Parliament Building and the Open-Air Theatre	3.15x
- based on the project funding and projected operating profit excluding fair value movements	4.08x

*The financial year ending 31 December 2013 represents the first year in which the Issuer will receive the rent from the Parliament Building and the Open-Air Theatre.

8 Key Information

8.1 Working Capital Statement

The Issuer, after reasonable inquiry, is of the opinion that the working capital available to the Issuer is sufficient for its present business requirements.

8.2 Capitalisation and Indebtedness

The following table sets out the *pro forma* capitalisation and indebtedness of the Issuer as at 31 December 2011 and the estimate as at 31 December 2012, which reflects the acquisition of the Properties, the drawdown of the credit facilities as described in the Registration Document and the proceeds from the issue of shares in favour of Government for cash on 30 May 2012 and the Share Issue (assuming that the Over-Allotment Option is not exercised).

	Pro forma as at 31 December 2011 €	Forecast as at 31 December 2012 €
Shareholders' equity		
Share capital	68,367,177	68,367,177
Other reserves	-	141,305
Total shareholders' equity	68,367,177	68,508,482
Non-current debt		
Unsecured borrowings	44,643,983	44,643,983
Less cash and cash equivalents	(35,144)	(4,376,135)
Net non-current debt	44,608,839	40,267,848
Total capital employed	112,976,016	108,776,330
Gearing ratio*	39.5%	37.0%

* Gearing ratio is calculated as debt divided by the aggregate of debt and equity.

9 Trend Information

The Issuer's income stream will be derived from long term contractual agreements related to the Properties which the Issuer acquired on 14 June 2012 (in respect of the Transfer Sites) and on 26 June 2012 (in respect of the Parliament Building and the Open-Air Theatre) for a total fixed consideration of €116,056,032. This includes €82,000,000 by way of premium which was paid by the Issuer assuming the obligation to pay GHRC the amounts due under the Contracting Agreement. The Issuer will settle such amount on the receipt of claims for payment as provided for in the Contracting Agreement. The consideration is fixed and not subject to revision or rebates.

In view of the long term nature of the Issuer's contractual agreements, the Directors do not consider the Issuer to be unduly exposed to operating uncertainties relating to the commercial real estate sector and/or to other external events related to the economy, which could be deemed likely to have a material impact on the upcoming business of the Issuer in the foreseeable future.

The Issuer's business prospects therefore predominantly revolve around the ability of the Properties' tenants to service their obligations towards the Issuer in a timely manner. The annual amounts receivable by the Issuer are quantifiable and revisable over time at pre-agreed terms. They therefore provide the Issuer with a visible and stable revenue stream, which will increase over time, generally in line with the rate of inflation. In addition, given the spread and the value of the annual receipts receivable from the Transfer Sites and the stature of the lessees of the Parliament Building and the Open-Air Theatre, the Directors are confident that the anticipated revenue streams in the coming financial year and in the foreseeable future will be generated as contracted.

10 Profit Forecasts and Estimates

Extracts from the profit forecasts of the Issuer for the five years ending 31 December 2012, 2013, 2014, 2015 and 2016 are set out below:

Projected statement of comprehensive income extract

	Period from 3 June 2011 to 31 December 2011 €'000	Projections for the year ending 31 December				
		2012	2013	2014	2015	2016
		€'000	€'000	€'000	€'000	€'000
Revenue	115	1,458	6,784	6,785	6,907	7,250
Gross profit	115	1,403	6,684	6,685	6,802	7,145
Operating profit	73	2,304	7,961	8,592	8,876	9,117
Profit before tax	134	2,368	6,654	7,365	7,809	8,195
Profit for the period/year	85	1,414	4,429	4,813	5,120	5,364
Earnings per share (euro cents)	0.28	1.02	3.21	3.48	3.57	3.64

Projected statement of financial position extract

	Projections as at 31 December					
	As at 31					
	December					
	2011	2012	2013	2014	2015	2016
	€'000	€'000	€'000	€'000	€'000	€'000
ASSETS						
Non-current assets						
Property, plant and equipment	4	2	1	-	-	-
Investment property	-	117,577	119,114	121,287	123,631	125,877
Total non-current assets	4	117,579	119,115	121,287	123,631	125,877
Current assets						
Premium on acquisition of property	82,000	-	-	-	-	-
Accounts receivable	128	45	45	45	45	45
Cash and cash equivalents	15,036	4,376	3,058	5,997	6,645	6,431
Total current assets	97,164	4,421	3,103	6,042	6,690	6,476
Total assets	97,168	122,000	122,218	127,329	130,321	132,353
EQUITY AND LIABILITIES						
Capital and reserves	15,085	69,865	73,838	78,193	82,859	86,917
Non-current liabilities						
Borrowings	-	44,644	44,644	42,786	39,516	37,128
Deferred tax	-	604	1,380	2,450	3,593	4,722
Total non-current liabilities	-	45,248	46,024	45,236	43,109	41,850
Current liabilities						
Borrowings	-	-	-	1,858	3,270	2,388
Capital creditor for acquisition of property	82,000	5,899	-	-	-	-
Trade and other payables	43	638	908	908	984	978
Current taxation	40	350	1,448	1,134	99	220
Total current liabilities	82,083	6,887	2,356	3,900	4,353	3,586
Total liabilities	82,083	52,135	48,380	49,136	47,462	45,436
Total equity and liabilities	97,168	122,000	122,218	127,329	130,321	132,353

Detailed profit forecasts and the assumptions on which these forecasts are based are included under Annex 2 of the Registration Document.

11 Administrative, Management and Supervisory Bodies

11.1 Directors and Management

The Issuer is currently managed by a Board of Directors consisting of five members, which is entrusted with the overall direction, administration and management of the Issuer. The Board consists of Non-Executive Directors. Kenneth Farrugia, Anne Marie Tabone, Frederick Mifsud Bonnici and Publio Danny Rosso are considered to be independent within the meaning of the Listing Rules. The responsibility of the Directors is a collective one, although within the structure of a unitary board, the main functions of the Directors are in practice complementary.

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

NAME	DESIGNATION
Kenneth Farrugia	Chairman & Non-Executive Director
Vincent Mifsud	Non-Executive Director
Frederick Mifsud Bonnici	Non-Executive Director
Publio Danny Rosso	Non-Executive Director
Anne Marie Tabone	Non-Executive Director

The only member of the management of the Issuer is Ms Jennifer Falzon, the Accounts Manager of the Issuer.

The following is a brief curriculum vitae of the Issuer's Directors, Ms Jennifer Falzon (Accounts Manager) and Mr Tom Anastasi Pace (member of the Issuer's investment committee):

Kenneth Farrugia (Chairman & Non-Executive Director)	Mr Farrugia joined Bank of Valletta p.l.c. in October 1985, and has occupied various roles within the BOV Group. He currently holds the post of Chief Officer at Valletta Fund Services Limited, Bank of Valletta p.l.c.'s fund servicing arm, and is also a director on the board of Valletta Fund Management Limited. Within Bank of Valletta p.l.c., Mr Farrugia sits on the executive committee of the Group. He also serves as Chairman of the Malta Funds Industry Association and is also a member of the management committee of the Depositor and Investor Compensation Schemes. He was appointed as Governor on the Board of Finance Malta in 2007 and Chairman of the Board in April 2009.
Vincent Mifsud (Non-Executive Director)	Mr Mifsud was appointed Chief Executive Officer of Malta Investment Management Company Limited in 2010 having joined the company in 2001 as a Manager. For the past 11 years, Mr Mifsud was involved in several public sector initiatives and was also the Chief Internal Auditor for MITTS Ltd (now MITA) between 2004 and 2008. Mr Mifsud also holds a number of directorships including, among others, Casma Limited and Gozo Channel Company Limited.
Frederick Mifsud Bonnici (Non-Executive Director)	Mr Mifsud Bonnici, now retired, spent the whole of his professional career of over 42 years with PricewaterhouseCoopers most of them as an audit partner and lately as head of Risk Management and Assurance Leader. During this time he numbered several public-listed clients both in London and Malta as his clients and developed specialist expertise in financial services and regulatory matters. He has been a member of the Council of the Malta Institute of Accountants uninterruptedly for over 30 years. He has served first as Deputy Chairman and then Chairman at the Malta Stock Exchange for four and five years respectively. He is also a senior lecturer in Auditing at the University of Malta since 1982. Between 1988 and 1992, he was a director of the Malta Freeport Corporation Limited.

Publio Danny Rosso (Non-Executive Director)	Mr Rosso, a qualified accountant, started his career with Bank of Valletta p.l.c., holding the post of Group Chief Accountant before joining Melita p.l.c. as its Chief Financial Officer between 1992 and 1994. Following a six year stint in private practice offering accountancy and financial consultancy services, Mr Rosso returned to Melita p.l.c., as its Chief Executive Officer, a post held until 2003. From 2003 until his retirement in December 2011, Mr Rosso occupied the post of Chief Financial Officer and Finance Director of the Gasan Group, operating in various sectors including insurance, automotive, property, telecommunications and industrial and commercial products. Mr Rosso also sat on the boards and audit committees of various group companies.
Anne Marie Tabone (Non-Executive Director)	Ms Tabone, a certified public accountant by profession, was the Vice President of Operations at Middlesea Insurance p.l.c., having held various executive roles in the Middlesea Insurance Group over the past ten years. In 2002, Ms Tabone was appointed General Manager of Bee Insurance Management Ltd (formerly International Insurance Management Services Ltd) where she formed part of the insurance management arm of the Middlesea Group, and was later appointed Group Chief Financial Officer in 2007 and subsequently, in 2010, Chief Operations Officer of Middlesea Insurance p.l.c. responsible for the execution of the Board's strategy and overall management of the company. Ms Tabone was a director on the board of a number of other local companies, a council member and Chairperson of the Financial Affairs Committee of the Malta Insurance Association. She is a Member of the Malta Institute of Management and a Fellow of the Malta Institute of Accountants.
Jennifer Falzon (Accounts Manager)	Ms Falzon, a Chartered Certified Accountant, commenced her career with Go p.l.c., holding the post of management accountant. During her employment with Go p.l.c., Ms Falzon assisted in the preparation of management accounts, VAT returns and annual statutory accounts.
Tom Anastasi Pace (Member of Investment Committee)	Mr Anastasi Pace currently sits on the boards of a number of collective investment schemes, fund management companies and insurance companies registered in Malta, including the Bank of Valletta Group's fund management and fund administration companies. He occupied various deputy and executive positions within the Bank of Valletta Group, including Chief Officer at Financial Markets between 2000 and 2002 where he was responsible for the Group's Treasury and Foreign Currency Assets. Between 1984 and 2000, he headed the Group's International Division. From 1997 to 2002, he was also the official responsible for the development of the investment banking unit of the Bank of Valletta Group. Between 2005 and 2006, Mr Anastasi Pace acted as a director of the Privatisation Unit within the Ministry for Investment, Industry & Information Technology.

11.2 Remuneration and Benefits

For the period between the date of registration of the Issuer and 31 December 2011, the Issuer paid approximately €19,340 by way of remuneration (including any contingent or deferred compensation) to the Directors, the company secretary, the members of the board committees and to management in the aggregate in respect of services rendered to the Issuer.

11.3 Advisers and Statutory Auditors

Legal Counsel	Camilleri Preziosi Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta
Sponsors	Curmi & Partners Ltd Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102, Malta Rizzo Farrugia & Co (Stockbrokers) Limited Airways House, Third Floor, High Street, Sliema SLM 1549, Malta

Joint Managers	Bank of Valletta p.l.c. Cannon Road, St Venera SVR 9030, Malta HSBC Bank Malta p.l.c. 1st Floor, Banking Centre, Mill Street, Qormi QRM 3101, Malta
Registrar	HSBC Bank Malta p.l.c. 1st Floor, Banking Centre, Mill Street, Qormi QRM 3101, Malta
Statutory Auditors	PricewaterhouseCoopers 167, Merchants Street, Valletta VLT 1174, Malta PricewaterhouseCoopers is a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

12 Employees

As of the date of this Summary Note, the Issuer had one employee. Such employee does not hold any securities of the Issuer and there are no arrangements in place for involving employees in the capital of the Issuer.

13 Major Shareholders and Dilution Following Issue

As at the date of this Summary Note, Government holds 99.99% of the ordinary shares of the Issuer. The Ordinary A Shares held by Government have the same voting rights as the Shares, that is, the shares forming part of the Share Issue.

In terms of the Articles of the Issuer, Government, whether directly or indirectly (through an entity or body corporate wholly owned and controlled by Government), is obliged to hold at least seventy per cent (70%) of the issued share capital of the Issuer. Any transfer of shares by Government or any issuance of shares by the Issuer which has the effect of reducing the holding or otherwise diluting the holding of Government below the seventy percent (70%) threshold is null and void unless such transfer or issuance is made pursuant to the prior approval of the House of Representatives and evidence of such approval is submitted to the Issuer.

The audit committee has the task to ensure that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The presence of independent non-executive directors on the board of the Issuer aims to minimise the possibility of any abuse of control by its major shareholder. Furthermore, in terms of the articles of the Issuer, in the event that a director has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such director is not entitled to vote on any decisions taken in connection therewith.

14 Financial Information

14.1 Historical Financial Information

This Summary Note makes reference to the financial statements of the Issuer for the period commencing on registration of the Issuer (3 June 2011) and ended 31 December 2011. The financial statements referred to are audited financial statements and copies thereof are available from the Issuer's registered office and from the website of the Issuer (www.malitainvestments.com).

14.2 Dividend Policy

The Directors intend the Issuer's dividend policy to provide shareholders with consistent dividend income.

The Board's policy is to pay an interim and a final dividend typically in April and September of each year. The extent of any dividend distribution will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the cash flows for the Issuer, working capital requirements and the requirements of the Companies Act (Cap. 386 of the laws of Malta) especially with regard to distributable reserves.

Subject to the above, it is the Directors' intention to distribute a total dividend to the holders of ordinary shares in the Issuer equivalent to approximately 60%-75% of the profit after tax earned in a financial year, excluding fair value gains and tax charges thereon.

In the absence of unforeseen circumstances, the Issuer will pay its final dividend for the year ending 31 December 2012, following the publication of the financial statements of the Issuer in April 2013. An interim dividend is also expected to be paid in September 2013 following the publication of the interim results for that period. The Issuer anticipates that the interim and final dividends paid during a calendar year, commencing with calendar year 2012, will represent a gross dividend yield of at least 7.0% per annum on the Issue Price.

Government has waived its right to receive dividends during the Prescribed Dividend Period.

14.3 Legal and arbitration proceedings

There have been no governmental, legal or arbitration proceedings (including those which are pending or threatened of which the Issuer is aware), which may have, or have had, significant effects on the Issuer's financial position or profitability.

14.4 Significant change in the issuer's financial or trading position

Since the date of audited financial statements of the Issuer, that is, for the period from 3 June 2011 to 31 December 2011, the Issuer has entered into, on 14 June 2012, the Transfer Contracts and, on 26 June 2012, the Emphyteutical Grants and the Lease Agreements, the financial impact of which is summarised in the *pro forma* financial information as at 31 December 2011. Furthermore, as indicated in Section 7, the Issuer has secured an aggregate of €40,000,000 by way of bank borrowings through the €15,000,000 twenty five year and €25,000,000 twenty year credit facility agreements entered with the European Investment Bank on 26 June 2012.

15 Related Party Transactions

Related parties are defined as those that have an ability to control or exercise significant influence over the other party in making financial and operational decisions. In the ordinary course of its operations, the Issuer carries out business with Government, government departments, public sector corporations and other entities owned or controlled by Government. Government is the ultimate controlling party and holds the majority of the issued share capital of the Issuer.

The transactions entered into between the Issuer and any related party during the period from the registration of the Issuer to 2 July 2012 are as follows:

Purchase of goods and services: rent of offices at <i>Clock Tower, Level 1, Tigne Point, Sliema, TP 01, Malta</i> from Malta Investment Management Company Limited (C-9588)	€7,500 per annum
Rent receivable: lease agreements for rent receivable for the Parliament Building and the Open-Air Theatre (see "Lease Agreements")	€5,230,000 per annum
Acquisition of Investment property: acquisition of the <i>utile dominium</i> over the Parliament Building and Open-Air Theatre (see "Parliament Building and Open-Air Theatre")	€82,000,000
Acquisition of the <i>dominium directum</i> over the Transfer Sites (see "Transfer Contracts")	€34,054,032

16 Additional Information

16.1 Memorandum and Articles of Association

The memorandum and articles of association of the Issuer described in the Registration Document are registered with the Registry of Companies and may be inspected during the lifetime of the Prospectus at the registered office of the Issuer and at the Registry of Companies.

17 Statement by Experts and Declarations of any Interests

The information extracted from third party sources and used in the Section entitled “Transfer Contracts” of this Summary Note has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published thereby, no facts have been omitted which would render the reproduced information inaccurate or misleading.

17.1 Property Valuation Reports

The Issuer commissioned paulcamilleri & associates of 127, Archbishop Street, Valletta, VLT 1444, Malta, a firm of architects, to issue the Property Valuation Reports.

17.2 Accountants’ Report

The Issuer commissioned PricewaterhouseCoopers of 167, Merchants Street, Valletta, VLT 1174, Malta, to issue the accountants’ report on the profit forecasts of the Issuer.

17.3 Confirmations

The Issuer confirms that the Accountants’ Report dated 27 June 2012 and the Property Valuation Report dated 14 May 2012 have been accurately reproduced in the Prospectus, with the consent of PricewaterhouseCoopers and paulcamilleri & associates, respectively. The Issuer further confirms 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. To the knowledge of the Issuer, none of the foregoing experts have any beneficial interest in the Issuer. PricewaterhouseCoopers and paulcamilleri & associates have given (and have not withdrawn) their consent for the publication of the valuation in the form and context in which it is included in this Prospectus.

18 Issue Statistics

Share Issue	the issue by the Issuer to the public in Malta of up to 30,000,000 Shares (including the Over-Allotment Option, if applicable) at the Issue Price;
Description & Class of Shares	the Shares are Ordinary B Shares of the Issuer having a nominal value of €0.50 per share;
Issue Price	€0.50 per Share;
Legislation	the Shares were created in terms of the Companies Act, Cap. 386 of the laws of Malta;
Currency	€;
Expected Date of Issue of the Shares	the Shares are expected to be issued on 16 August 2012;
ISIN	MT0000610106;
Admission to Trading	the Shares have been declared admissible to listing by the Listing Authority in terms of the Financial Markets Act by letter dated 2 July 2012;

Markets	application has been made to the MSE for the Shares to be listed and traded on its Official List. The Shares are expected to be admitted to the MSE on 16 August 2012 and trading is expected to commence on 17 August 2012;
Dividends	holders of the Ordinary A Shares are not entitled to receive dividends declared during a period commencing on the date of incorporation of the Issuer and expiring on 31 December 2014. Such dividends distributed during that period shall be reserved for the holders of the Ordinary B Shares, that is, the shares forming part of the Share Issue. With respect to dividends declared thereafter, the Ordinary A Shares and the Ordinary B Shares shall rank <i>pari passu</i> in all respects;
Voting Rights	each Share shall be entitled to one vote at meetings of shareholders;
Capital Distributions	the Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether in the context of a winding up or otherwise, <i>pari passu</i> with all other shares of the Issuer;
Transferability	<p>subject to the below, the Shares are freely transferable and once admitted to the Official List of the MSE shall be transferable in accordance with the applicable rules and regulations thereof.</p> <p>In terms of the Articles, no person is permitted, directly or indirectly, from acquiring or holding a beneficial interest in the Ordinary A Shares and Ordinary B Shares of the Issuer in excess of 5% of the total issued share capital of the Issuer having voting rights (the “Prescribed Ceiling”).</p> <p>Any person who holds, directly or indirectly, shares in the Issuer in excess of the Prescribed Ceiling, shall by resolution of the Directors, after due verification, be disenfranchised and divested of any and all voting rights attached to the respective shares in excess of the Prescribed Ceiling held by such person. The Directors are authorised, in terms of the Articles, to request any information from a shareholder which they deem reasonable to verify whether the Prescribed Ceiling has been exceeded or otherwise.</p> <p>These restrictions do not apply to the following persons: -</p> <ol style="list-style-type: none"> Government; an underwriter or sub-underwriter under the provisions of an underwriting or sub-underwriting agreement; custodians in their custodian capacity provided such custodians can only exercise the voting rights attached to such shares under instructions given in writing or by electronic means by the beneficial owner/s. <p>Furthermore, Government, whether, directly or indirectly, (through an entity or body corporate wholly owned and controlled by Government), is obliged to hold at least 70% of the entire issued share capital of the Issuer. Any transfer of shares by Government or any issuance of shares by the Issuer which has the effect of reducing the holding or otherwise diluting the holding of Government as above, is considered null and void, unless such transfer or issuance is made pursuant to the prior approval of the House of Representatives and evidence of such approval is submitted to the Issuer;</p>

Pre-Emption	<p>in accordance with article 88 of the Companies Act (Cap. 386 of the laws of Malta) and the Issuer's Articles, should any shares in the Issuer be proposed for allotment for consideration in cash, such shares must be offered on a pre-emptive basis to holders of shares in that same class of shares in proportion to the respective share capital held by them. In the event that the Ordinary B Shares are proposed to be allotted for consideration in cash during the Prescribed Dividend Period, the right of pre-emption of the holders of the Ordinary A Shares may only be exercised after the exercise of the right of pre-emption by the holders of the Ordinary B Shares and <i>vice versa</i>. In the event that the Ordinary B Shares or Ordinary A Shares are proposed to be allotted for consideration in cash after the expiry of the said Prescribed Dividend Period, the holders of the Ordinary A Shares and the Ordinary B Shares shall equally enjoy a pre-emption right in proportion to the share capital held by them.</p> <p>A copy of any offer of subscription on a pre-emptive basis indicating the period within which this right must be exercised must be delivered to the Registrar of Companies in Malta. This right of pre-emption must be exercised in accordance with the terms and conditions set out in the Articles of the Issuer and the said right may be assigned in favour of third parties. This right of pre-emption may be withdrawn by an extraordinary resolution of the general meeting of shareholders, in which case, the Directors will be required to present to that general meeting a written report indicating the reasons for restriction/withdrawal of the said right and justifying the issue price;</p>
Mandatory Takeover Bids, Squeeze-Out & Sell-Out Rules	<p>Chapter 11 of the Listing Rules, implementing the relevant provisions of <i>Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004</i> regulates the acquisition by a person or persons acting in concert of the control of a company and provides specific rules on takeover bids, squeeze-out rules and sell-out rules. The shareholders of the Issuer may be protected by the said Listing Rules in the event that the Issuer is subject to a Takeover Bid (as defined therein). The Listing Rules may be viewed on the official website of the Listing Authority – www.mfsa.com.mt;</p>
Other	<p>in terms of the Articles and in terms of the Companies Act (Cap. 386 of the laws of Malta), the Issuer may by extraordinary resolution convert any paid-up shares into stock, and re-convert any stock into paid-up shares of any denomination. The Shares are not redeemable or convertible into any other form of security.</p>

19 Expected Timetable

Availability of Application Forms	09 July 2012
Opening of Issue Period	23 July 2012
Closing of Issue Period	27 July 2012
Expected announcement of basis of acceptance & any Over-Allotment Option	03 August 2012
Expected dispatch of allocation advices & refunds of unallocated monies	10 August 2012
Expected admission of the Shares on the MSE	16 August 2012
Expected commencement of trading on the MSE	17 August 2012

The Issuer reserves the right to close the Issue Period before the above described date in the case of over-subscription, in which the Issuer may, but shall not be bound to, anticipate in the same chronological order the remaining events in such a way as to retain the number of Business Days between the said events.

20 Reasons for the Share Issue and use of proceeds

The proceeds from the Share Issue, which net of commissions and expenses are expected to amount to €9,313,145 shall be used to contribute towards the payment of the premium due by the Issuer to Government in terms of the

Emphyteutical Grants. The remaining amount of €72,687,855 due by way of premium to Government and including initial transaction costs shall be funded as follows:

- a) in an amount of €15,000,000, through the application of initial share capital subscribed by Government on registration of the Issuer;
- b) in an amount of €10,000,000, through the application of additional share capital subscribed by Government on 30 May 2012;
- c) in an amount of €44,643,983 through the application of the proceeds of bank facilities arranged for this purpose; and
- d) with respect to the balance of €3,043,872, by the application of the operating cash flow forecast to be generated in the years ending 31 December 2012 and 31 December 2013 (refer to Annex 2 of the Registration Document).

In the event that the Issuer exercises the Over-Allotment Option, the proceeds thereof will be applied by the Issuer to substitute, in part and up to the amount so received, bank borrowings sanctioned for the investment in the Parliament Building and Open-Air Theatre referred in paragraph (c) above.

20.1 Interest of natural and legal persons involved in the Issue

Reference is made to the undertaking given by Government described in Section 8.13 of the Securities Note, that is, the undertaking to subscribe to such amount of Ordinary B Shares equivalent to the difference between the 20,000,000 Ordinary B Shares in issue, and the amount of Ordinary B Shares actually subscribed to pursuant to the Share Issue. In this respect, therefore, Government has an interest in the Share Issue being subscribed to in full.

21 Expenses of the Share Issue

The selling commissions and professional, publicity, printing, listing, registration, Registrar, sponsorship, management, and other miscellaneous fees and expenses borne by the Issuer in connection with the Share Issue are estimated not to exceed €686,855. In the event that the Over-Allotment Option is exercised, the expenses of the Share Issue shall increase to a maximum of €786,855.

22 Plan of Distribution and Allotment

The Share Issue shall be conducted through Financial Intermediaries during the Issue Period. Applications to purchase Shares may be made through any of the Sponsors, the Managers or any Financial Intermediary. The Shares are open for application to all categories of investors in Malta.

It is expected that an allocation advice to Applicants will be dispatched within seven (7) days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (and regulations made thereunder). Such monies will not bear interest while retained as aforesaid.

23 Documents on Display

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

- a) the Articles;
- b) the Transfer Contracts;
- c) the Emphyteutical Grants;
- d) the Lease Agreements;
- e) the Novation Agreement;
- f) the Contracting Agreement;
- g) the profit forecasts of the Issuer for the financial years ending 31 December 2012, 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016 and the Accountants' Report thereon;
- h) the Property Valuation Report for the Property dated 14 May 2012 and issued by paulcamilleri & associates, and site plans referred to therein;
- i) the audited financial statements of the Issuer for the period between 3 June 2011 and 31 December 2011;
- j) the *pro forma* financial information of the Issuer as at 31 December 2011 and the Accountants' Report thereon; and
- k) the Prospectus.

Malita Investments p.l.c.

Registration Document

This document is a Registration Document issued in accordance with the provisions of the Commission Regulation (EC) No. 809/2004 of the 29th April 2004 (the “**Regulation**”) implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

This Registration Document contains information about Malita Investments p.l.c. (the “**Issuer**”) as the issuer of securities. This Registration Document should be read in conjunction with the most updated Securities Note issued from time to time containing information about the securities to which it relates.

This document is dated 2 July 2012.

Important information

THIS DOCUMENT CONSTITUTES A REGISTRATION DOCUMENT AND CONTAINS INFORMATION IN RELATION TO MALITA INVESTMENTS P.L.C. (THE “ISSUER”) AND ITS BUSINESS. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CAP. 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; AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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

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

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MSE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE APPROVAL OF THE PROSPECTUS AND FOR THE ADMISSION OF THE ISSUER'S SHARES ON A REGULATED MARKET. APPLICATION HAS ALSO BEEN MADE TO THE MSE, FOR THE SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

THE CONTENTS OF THE ISSUER'S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER'S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEB SITES AS THE BASIS FOR A DECISION TO INVEST IN ANY FINANCIAL INSTRUMENTS AND SECURITIES ISSUED BY THE ISSUER.

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE SHARE ISSUE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENSED UNDER THE INVESTMENT SERVICES ACT (CAP. 370 OF THE LAWS OF MALTA).

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF SHARES, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

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

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.

Table of Contents

Important Information.....	32
Table of Contents.....	34
Definitions.....	36
1 Persons Responsible.....	38
2 Advisors & Statutory Auditors.....	38
3 Selected Financial Information.....	38
3.1 Presentation of Financial Information.....	38
3.2 Extract from the <i>pro forma</i> Statement of Financial Position.....	39
3.3 Extract from the <i>pro forma</i> statement of comprehensive income.....	40
4 Risk Factors.....	41
4.1 Risks relating to the Issuer and its business.....	41
4.2 Risks Associated with the Issuer's financial strategy.....	43
4.3 Forward Looking Statements.....	44
5 Information About the Issuer.....	45
5.1 History and Development of the Issuer.....	45
5.2 Investments.....	45
6 Business Overview.....	46
6.1 Principal Activities.....	46
6.2 Corporate Vision.....	49
6.3 Principal Markets.....	50
7 Organisational Structure.....	50
8 Property, Plant and Equipment.....	50
9 Operating and Financial Review.....	50
9.1 Historical Financial Information.....	50
10 Capital Resources.....	51
11 Trend Information.....	52
12 Profit Forecasts and Estimates.....	53
13 Administrative, Management and Supervisory Bodies and Senior Management.....	55
13.1 Curriculum Vitae of the Directors.....	55
13.2 Potential Conflicts of Interest.....	56
14 Remuneration and Benefits.....	57
15 Board Practices.....	57
15.1 Audit Committee.....	57
15.2 Remuneration and Nominations Committee.....	58
15.3 Investment Committee.....	58
15.4 Corporate Governance.....	59
16 Employees.....	59
17 Major Shareholders.....	59

18	Maximum Holding	60
19	Related Party Transactions	60
20	Financial Information.....	61
20.1	Historical Financial Information	61
20.2	Dividend Policy	61
20.3	Legal and arbitration proceedings	61
20.4	Significant change in the issuer's financial or trading position	61
21	Additional Information.....	62
21.1	Share Capital.....	62
21.2	Memorandum and Articles of Association.....	62
22	Statement by Experts & Declarations of any Interests.....	64
22.1	Property Valuation Reports.....	64
22.2	Accountants' Report	64
22.3	Confirmations	64
23	Documents on Display	65
	Annex 1 - List of Directorships.....	66
	Annex 2 - Profit Forecasts and Accountants' Report.....	68
	Annex 3 - Property Valuation Reports.....	75

Definitions

The capitalised terms used throughout this Registration Document shall bear the following meaning:

Articles	the memorandum and articles of association of the Issuer, as the same are registered with the Registrar of Companies in Malta;
Contracting Agreement	the agreement entered into between Government and GHRC pursuant to which Government engaged GHRC to, <i>inter alia</i> , construct and develop the City Gate area in accordance with agreed timelines and specifications;
Emphyteutical Grants	the deed of temporary emphyteusis granted by Government in favour of the Issuer over the Parliament Building and the Open-Air Theatre, which deed was published by Notary Tania Spiteri on 26 June 2012;
Equity Securities	shares in the Issuer of whatever class and other securities of the Issuer affording the holder thereof a right to subscribe for, or to convert the securities into, shares in the Issuer;
GHRC	Grand Harbour Regeneration Corporation p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-42094;
Government	the Government of Malta;
Issuer or Malita	Malita Investments p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-53047 and with registered office at Clock Tower, Level 1, Tighe Point, Sliema, TP 01, Malta;
Issue Price	€0.50 per Share;
Lease Agreements	collectively, the Parliament Building Lease and the Open-Air Theatre Lease;
MIA	Malta International Airport p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-12663;
MIA Site	such portion of land and buildings in respect of which Government transferred to the Issuer the title of <i>dominium directum</i> , as the same is described in the MIA Transfer Contract;
MIA Transfer Contract	the deed of transfer of <i>dominium directum</i> by Government to the Issuer published by Notary Tania Spiteri on 14 June 2012;
MSE or the Malta Stock Exchange	Malta Stock Exchange p.l.c. as originally constituted by the Financial Markets Act (Cap. 345 of the laws of Malta), bearing company registration number C-42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Novation Agreement	the agreement entered into between Government, the Issuer and GHRC on 28 December 2011, as amended on 27 February 2012;
NSO	the National Statistics Office set up by virtue of the Malta Statistics Authority Act (Cap. 422 of the laws of Malta);
Open-Air Theatre	the immovable property described as the “Second Property” in the Emphyteutical Grants;
Open-Air Theatre Lease	the lease agreement entered into on 26 June 2012 by the Issuer in its capacity as lessor and Government in its capacity as lessee in respect of the lease of the Open-Air Theatre, subject to the terms and conditions contained therein;
Over-Allotment Option	the option of the Issuer to increase the issue of the Shares by 10,000,000 additional Shares at the Issue Price in the event that during the Issue Period the Issuer receives applications for Shares in excess of 20,000,000 Shares subject to the terms and conditions contained in the Section of the Securities Note entitled “Over-Allotment Option”;

Parliament Building	the immovable property described as the “First Property” in the Emphyteutical Grants;
Parliament Building Lease	the lease agreement entered into on 26 June 2012 by the Issuer in its capacity as lessor and Government in its capacity as lessee in respect of the lease of the Parliament Building, subject to the terms and conditions contained therein;
Premium	the amount of €82 million being the amount payable by the Issuer to Government by way of premium in terms of the Emphyteutical Grants;
Prescribed Dividend Period	the period commencing from the date of registration of the Issuer and ending on 31 December 2014;
Project	the acquisition of the temporary emphyteusis by the Issuer from Government of the Parliament Building and Open-Air Theatre pursuant to the Emphyteutical Grants;
Properties	collectively, the Parliament Building, the Open-Air Theatre and the Transfer Sites;
Property Valuation Reports	the valuations of the title held by the Issuer over the Parliament Building, the Open-Air Theatre, and the Transfer Sites;
Prospectus	the Registration Document, the Securities Note and the Summary Note;
Qualifying Holding	such number of Equity Securities held by a member of the Issuer amounting to eleven point twenty five percent (11.25%) of the issued share capital of the Issuer having voting right;
Registration Document	this document in its entirety, as the same may be updated, amended and/or supplemented from time to time;
Retail Price Index	the retail price index published in the Malta Government Gazette by the NSO;
Securities Note	the securities note issued by the Issuer on 2 July 2012, as the same may be updated, amended and/or supplemented from time to time;
Shares	the Ordinary B Shares in the share capital of the Issuer having a nominal value of €0.50 per share to be issued pursuant to the Share Issue at the Issue Price;
Share Issue or Issue	the issue by the Issuer to the public in Malta of 20,000,000 Shares (and if the context so requires shall include the Over-Allotment Option, if applicable) at the Issue Price;
Share Issue Period or Issue Period	the period between 23 July 2012 and 27 July 2012, inclusive, or such earlier date as may be determined by the Issuer in the event of over-subscription of the Share Issue;
Summary Note	the summary note issued by the Issuer on 2 July 2012, as the same may be updated, amended and/or supplemented from time to time;
Transfer Sites	the MIA Site and the VCP Site;
Transfer Contracts	collectively, the MIA Transfer Contract and the VCP Transfer Contract;
VCP	Valletta Cruise Port p.l.c., (formerly VISET Malta p.l.c.) a public limited liability company registered under the laws of Malta with company registration number C-26469;
VCP Site	such portion of land and buildings in respect of which Government transferred to the Issuer the title of <i>dominium directum</i> , as the same is described in the VCP Transfer Contract;
VCP Transfer Contract	the deed of transfer of <i>dominium directum</i> by Government to the Issuer published by Notary Tania Spiteri on 14 June 2012.

1 Persons Responsible

The Directors of the Issuer, whose names appear under the sub-heading “Administrative, Management and Supervisory Bodies and Senior Management” hereunder, are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure 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 accept responsibility accordingly.

2 Advisors & Statutory Auditors

Legal Counsel	Camilleri Preziosi Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta
Sponsors	Curmi & Partners Ltd Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102, Malta Rizzo Farrugia & Co (Stockbrokers) Limited Airways House, Third Floor, High Street, Sliema SLM 1549, Malta
Joint Managers	Bank of Valletta p.l.c. Cannon Road, St Venera SVR 9030, Malta HSBC Bank Malta p.l.c. 1 st Floor, Banking Centre, Mill Street, Qormi QRM 3101, Malta
Registrar	HSBC Bank Malta p.l.c. 1 st Floor, Banking Centre, Mill Street, Qormi QRM 3101, Malta
Statutory Auditors	PricewaterhouseCoopers 167, Merchants Street, Valletta, VLT 1174, Malta PricewaterhouseCoopers is a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

3 Selected Financial Information

3.1 Presentation of Financial Information

The Issuer was established on 3 June 2011 with its principal activities including the development, management and operation of immovable property, in particular, projects of national and/or strategic importance. In the period from incorporation to 31 December 2011, the Issuer's trading was limited to administrative activities and preparatory work in relation to the funding and acquisition of the Properties.

The Issuer entered into the following material transactions:

- on 14 June 2012: the acquisition from Government of the *dominium directum* and the freehold ownership thereafter of the Transfer Sites granted on temporary emphyteusis to MIA and VCP; and
- on 26 June 2012: the acquisition of the 65-year emphyteutical grant of the Parliament Building and the Open-Air Theatre.

Financial information about the Issuer including the first audited financial statements of the Issuer, covering the financial period from incorporation to 31 December 2011 and the *pro forma* financial information as at 31 December 2011, reflecting the above material transactions, are available for inspection as set out under the heading “Documents on Display” in Section 23 of this Prospectus.

Extracts from the *pro forma* financial information as at 31 December 2011 are set out overleaf.

3.2 Extract from the *pro forma* Statement of Financial Position

Extract from the *pro forma* statement of financial position of the Issuer as at 31 December 2011:

	As at 31 December 2011 €	Notes	Pro forma adjustments €	As per pro forma report €
ASSETS				
Non-current assets				
Property, plant and equipment	3,575		-	3,575
Investment property	-	a, b, c	116,056,032	116,056,032
	3,575		116,056,032	116,059,607
Current assets				
Premium on acquisition of property	82,000,000	b	(82,000,000)	-
Trade and other receivables	127,655		-	127,655
Cash and cash equivalents	15,036,144	c, h	(15,001,000)	35,144
	97,163,799		(97,001,000)	162,799
Total assets	97,167,374		19,055,032	116,222,406
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	15,000,000	a, d, e	53,367,177	68,367,177
Retained profits	84,907		-	84,907
Total equity	15,084,907		53,367,177	68,452,084
Non-current liabilities				
Borrowings	-	f, g	44,643,983	44,643,983
Current liabilities				
Capital creditor for acquisition of property	82,000,000	h	(78,956,128)	3,043,872
Trade and other payables	42,207		-	42,207
Current tax	40,260		-	40,260
Total current liabilities	82,082,467		(78,956,128)	3,126,339
Total liabilities	82,082,467		(34,312,145)	47,770,322
Total equity and liabilities	97,167,374		19,055,032	116,222,406

3.3 Extract from the *pro forma* Statement of Comprehensive Income

Extract from the *pro forma* statement of comprehensive income of the Issuer for the period ended 31 December 2011:

	Period from 3 June to 31 December 2011 €	Note	Pro forma adjustments €	As per pro forma report €
Revenue	115,029		-	115,029
Administrative expenses	(41,633)		-	(41,633)
Operating profit	73,396		-	73,396
Finance income	61,011		-	61,011
Finance costs	(88)		-	(88)
Profit before tax	134,319		-	134,319
Tax expense	(49,412)		-	(49,412)
Profit for the period - total comprehensive income	84,907		-	84,907
Earnings per share (cents)	0.57	i	-	0.12

The following is a description of the *pro forma* adjustments:

- to record the acquisition from Government of the *dominium directum* and the subsequent freehold ownership of the Transfer Sites granted on temporary emphyteusis to MIA and VCP concluded on 14 June 2012, as if the acquisition had taken place on 31 December 2011. The consideration for the acquisition is €34,054,032 satisfied with the issue of 68,108,064 Ordinary 'A' shares to Government.
- to record the acquisition of the Parliament Building and the Open-Air Theatre, as if the acquisition had taken place on 31 December 2011. The premium payable on acquisition, amounting to €82,000,000, was settled with the novation to the Issuer of Government's obligation to reimburse GHRC a sum of the same amount.
- to record the transaction costs payable by the Issuer in relation to the transactions described in (a) and (b) above amounting to €1,000.
- to record the €10,000,000 additional share capital issued by the Company to Government for cash on 30 May 2012 as if this issue had taken place on 31 December 2011.
- to record the proceeds from the issue of equity in terms of the Prospectus as if the issue had taken place on 31 December 2011. For the purpose of the preparation of the pro forma financial information, it is assumed that the over allotment option is not exercised and that the Company raises €9,313,145, net of issue costs.
- to record the €40,000,000 long-term loan arranged to fund the transaction described in (b) as if this loan had been raised and drawn on 31 December 2011.
- to record the drawdown of the €4,643,983 bridge funding secured by the Company in case the over allotment option described in (e) above is not exercised.
- to record the payments to be made to the capital creditor in relation to the acquisition of the property described in (b) above as if such payments had been made on 31 December 2011. Such payments are assumed to have been made out of the Company's cash resources; the additional equity issued for cash; the issue of equity in terms of the Prospectus; and proceeds raised from borrowings, as described in (d) to (g) above. The remaining balance of €3,043,872 is scheduled to be paid in 2013 from the Company's projected operating cash flow to be generated in the interim.
- to adjust for the issue of shares as described in (a), (d) and (e) above.

4 Risk Factors

An investment in the Issuer is subject to certain risks and prospective investors should carefully consider the risks associated with the Issuer and its business. In particular, prospective investors should carefully consider the risk factors set out in the following section (which have not necessarily been listed in order of priority), together with the other information contained in the Prospectus, before making an investment decision with respect to the Issuer and the securities issued by it. Prospective investors are also advised to consult their own independent financial, tax, accounting, legal and other professional advisers in regards to the merits of an investment in the Shares.

If any of the risks and uncertainties described below were to materialise, such an event could have a serious effect on the Issuer's financial results and trading prospects. The risks and uncertainties discussed below are those identified as such by the Directors, but these risks and uncertainties may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those which the Issuer's Directors are not currently aware of, may well have a material impact on the financial condition and operational performance of the Issuer that could lead to a decline in value of the Shares.

Moreover, information contained in the Prospectus contains "forward-looking statements", which are subject to the qualifications discussed in section 4.3 entitled "Forward Looking Statements" below.

4.1 Risks relating to the Issuer and its business

4.1.1 Property Valuations

The valuations referred to in the Prospectus are prepared by an independent qualified architect in accordance with the valuation Standards published by the Royal Institution of Chartered Surveyors (RICS). In providing a market value of the respective properties, the independent architect has made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can be no assurance that such valuations of property and property-related assets will reflect actual market values.

4.1.2 Real estate investments are illiquid

Properties such as those in which the Issuer currently invests are illiquid. Such illiquidity may affect the Issuer's ability to vary its portfolios or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiry of the originally agreed term. Furthermore, in terms of the Emphyteutical Grants, the Issuer is precluded from transferring, burdening or granting a security interest over the Parliament Building and the Open-Air Theatre without the consent of the *dominus*. These factors could have an adverse effect on the Issuer's financial condition and results.

4.1.3 Political and economic risks

The Issuer is susceptible to the political and economic trends that may from time to time influence the Maltese business climate and prospects. Negative political or economic factors and trends could have a material impact on the business of the Issuer.

4.1.4 Change in laws and regulations

Changes in laws and regulations relevant to the Issuer's business and operations could have an adverse impact on the Issuer's business, results of operations, financial condition or prospects. Specifically, any change to laws and regulations relating to the property market may have an adverse effect on the capital value of the Issuer's assets and/or the rental income.

4.1.5 Dependence on Government

The Issuer is dependent upon Government fulfilling its obligations under the Emphyteutical Grants, the Lease Agreements and the obligations reserved to it under each of the Transfer Contracts. The business, revenue and projected profits of the Issuer would be negatively impacted should Government fail to honour its respective obligations.

4.1.6 Delay in Completion of Parliament Building and/or Open Air Theatre

The term of the lease of each of the Parliament Building and the Open-Air Theatre commences upon their respective completion. Accordingly, in the event that the said properties are not finalised within the established timeframes, although being entitled to a daily penalty, the Issuer would not be entitled to receive the respective rental payments. Furthermore, in terms of the Emphyteutical Grants, if Government does not complete the Parliament Building and/or the Open-Air Theatre by 31 December 2017, the Issuer is entitled to terminate the Emphyteutical Grant subject to the payment of compensation.

4.1.7 Counterparty Risk

As a result of the Transfer Contracts, Government transferred the title of *dominium directum* to the Issuer in respect of the Transfer Sites which entitles the Issuer to receive, with effect from 1 December 2011, all payments of ground rent and other amounts due by each of MIA and VCP. The Issuer is dependent upon the timely payment of such amounts. In the event that, for whatever reason, such payments are not made in a timely manner or if Government does not perform its obligations arising in terms of the original emphyteutical grants in respect of the Transfer Sites, this will have a material adverse effect on the business, revenue and projected profits of the Issuer.

4.1.8 Risk of Termination

The Issuer is subject to the risk that in certain specific instances the contracts of emphyteusis which were the subject of the Transfer Contracts may be terminated for reasons which are beyond the control of the Issuer. In view of the nature, scale and specific purpose of the properties in question, it is possible that the Issuer may encounter difficulties in sourcing suitable alternative counterparties, if any, to replace the lost revenue.

4.1.9 Risks inherent in projections

The Issuer's projected revenues are described under the heading "*Profit Forecasts and Estimates*" of this Registration Document. Although the Directors believe that the financial projections included herein have been prepared on a fair and reasonable basis, all forecasts are inherently subject to the risk of adverse unexpected events which may affect the Issuer's revenue streams and its profitability. The forecast set out in this document is dependent on a number of assumptions and future expectations that may or may not occur. As such, the forecasts included herein are therefore merely an illustration of a possible future outcome which may or may not occur. The non-occurrence of such future expectations could have serious and material effects on the financial position and results of the Issuer. Investors should take this into consideration when making their investment decisions.

4.1.10 Risks relating to lease contracts

Investments in real estate are subject to varying degrees of risk. Rental revenues and property values are affected by changes in the general economic climate and local conditions such as reduced demand for real estate in the relevant catchment area, increased competition from other similar developments and rising operating costs. Rental revenues and property values may also be affected by factors such as political developments, changes in regulatory and, or fiscal conditions, fluctuations in interest rate levels, changes in inflation levels, the availability of financing and yields of alternative investments.

4.2 Risks Associated with the Issuer's financial strategy

4.2.1 Risks associated with the Issuer's indebtedness

The Issuer is party to financing agreements in terms of which a substantial portion of the cash flow generated from the Issuer's operations in the coming years must be dedicated to debt service and debt repayment. These obligations will limit the amount of cash that would otherwise be available for funding the Issuer's capital expenditure, and other general corporate costs, as well as for the distribution of dividends.

With respect to the distribution of dividends, prospective investors should be aware that payments of dividends may be blocked by the Issuer's lenders if an event of default has occurred under credit facility agreements to which the Issuer is a party.

Until such time as borrowings under bank credit facilities, which the Issuer is party to, are at variable interest rates, the Issuer could be vulnerable to increases in interest rates. Cross-default provisions contained in such facilities which are applicable to the Issuer could, in the event of the occurrence of a cross default, have a material adverse effect on the financial position of the Issuer.

Restrictions imposed by its lenders may affect, limit or prohibit its ability to create or permit to subsist any charges, liens or other encumbrances in the nature of a security interest; incur additional indebtedness by way of borrowing, or granting of guarantees; make any material changes in the nature of its business as presently conducted; sell, transfer, lease or otherwise dispose of all or a substantial part of its assets; amend, vary or waive the terms of certain acquisition documents or give any consent or exercise any discretion thereunder; acquire any businesses; or make any co-investments or investments over the longer term. If the Issuer were to seek to vary or waive any of these restrictions and the relevant lenders did not agree to such variation or amendment, the restrictions may over the longer term limit the Issuer's ability to plan for or react to market conditions or meet capital needs or otherwise restrict the Issuer's activities or business plans and adversely affect the Issuer's ability to finance ongoing operations, strategic acquisitions, investments and development projects.

The Issuer may, in future, be subject to financial covenants which could limit the Issuer's ability to, among other things: obtain further financing, fund capital expenditures, withstand future downturns in general business or economic conditions, conduct certain corporate activities, and pay dividends.

4.2.2 Certain financial market risks

The Issuer may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk (such as the risk associated with fluctuations in interest rates and fair values of investments), credit risk (the risk of loss by the Issuer due to its debtors not respecting their commitments), foreign exchange rate risk, and interest rate risk (such as the risk of potential changes in the value of financial assets and liabilities in response to changes in the level of market interest rates and their impact on cash flows).

4.2.3 Use of borrowing could adversely impact the net asset value of the Shares

Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Shares where the value of the Issuer's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling.

4.2.4 Fluctuations in financial markets and the global economic downturn could affect the Issuer's long term ability to refinance any of its obligations

Continuing global economic turmoil could inhibit the Issuer's ability to rollover its existing borrowings in the event that the Issuer is, in the long term, unable to comply with applicable financial covenants or to meet its financial obligations when they fall due. Such turmoil could also affect the Issuer's long term ability to refinance its obligations or obtain new financing.

4.2.5 Enforcement of security over the Issuer's assets

In the event that the Issuer defaults under the terms of any borrowing agreements entered into, the lender concerned may seize title to any assets securing the liability by enforcing their security. In addition, any amounts owing under borrowing agreements will rank ahead of shareholders' entitlements.

4.2.6 The Issuer may be subject to increases in operating and other expenses

The Issuer's operating and other expenses could increase without a corresponding increase in turnover or revenue. The factors which could materially increase operating and other expenses include:

- a) increases in the rate of inflation, in particular where the income stream of the Issuer does not increase correspondingly;
- b) increases in payroll expenses;
- c) increases in property taxes and other statutory charges;
- d) changes in laws, regulations or government policies;
- e) increases in insurance premiums;
- f) unforeseen increases in the costs of maintaining properties; and
- g) unforeseen capital expenditure.

Such increases could have a material adverse effect on the Issuer's financial position and its ability to make distributions to its shareholders.

4.2.7 The Issuer may suffer material losses in excess of insurance proceeds

The Issuer's properties could suffer physical damage caused by fire or other causes, resulting in losses (including loss of rent/ground rent) which may not be fully compensated by insurance. In addition, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, that may be uninsurable or are not economically insurable. Under such circumstances, the insurance proceeds may be inadequate to restore the Issuer's economic position with respect to the affected real estate.

4.2.8 Risks Relating To Taxation

The amount of taxation charged on the Issuer's activities is subject to changes in tax laws and their practical application.

4.3 Forward Looking Statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or the Directors concerning, amongst other things, the Issuer's strategy and business plans, results of operations, financial condition, liquidity, prospects and dividend policy of the Issuer and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Issuer are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in taxation regimes and the availability of suitable financing.

Potential investors are advised to read this Prospectus in its entirety and, in particular, the "Risk Factors" section hereof, for a further discussion of the factors that could affect the Issuer's future performance. In light

of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

5 Information About the Issuer

5.1 History and Development of the Issuer

The Issuer was registered in Malta as a public limited liability company under the Companies Act (Cap.386 of the laws of Malta) on 3 June 2011 with the name Malita Investments p.l.c. The place of domicile of the Issuer is Malta. The registration number of the Issuer is C-53047. The registered address of the issuer is situated at Clock Tower, Level 1, Tigne Point, Sliema, TP01, Malta. The contact details of the Issuer are the following:

Email: info@malitainvestments.com
Telephone: +356 2132 3503

The Issuer was registered with an authorised share capital of one hundred and fifty million Euro (€150,000,000) divided into 113,000,000 Ordinary A Shares and 37,000,000 Ordinary B Shares, each having a nominal value of one Euro (€1). The issued share capital of the Issuer on registration was fifteen million Euro (€15,000,000) divided into 15,000,000 Ordinary A Shares each having a nominal value of one Euro (€1). Such Ordinary A Shares were subscribed to by the Government of Malta in the amount of 14,999,999 Ordinary A Shares and by Malta Investment Management Company Limited in the amount of 1 ordinary A share.

On 29 May 2012, the shareholders resolved to re-denominate the nominal value of the Ordinary A Shares and the Ordinary B Shares from €1 to €0.50 per share.

On 30 May 2012, a further 20,000,000 Ordinary A Shares having a nominal value of €0.50 per share were issued to the Government of Malta against an equity injection of ten million Euros (€10,000,000).

On 14 June 2012, a further 68,108,064 fully paid up Ordinary A Shares of a nominal value of €0.50 per share were issued in favour of Government in consideration of the acquisition by the Issuer of the MIA Site and the VCP Site from Government.

As at the date of this Registration Document, the issued share capital of the Issuer is subscribed as follows:-

SHAREHOLDER	ADDRESS	NUMBER OF ORDINARY A SHARES
Government of Malta	Ministry of Finance, The Economy And Investment Maison Demandols, South Street, Valletta, VLT 1103, Malta	118,108,062 Ordinary A Shares of €0.50 fully paid up
Malta Investment Management Company Limited (C-9588)	Clock Tower, Level 1, Tigne Point, Sliema, TP 01, Malta	2 Ordinary A Shares of €0.50 fully paid up

5.2 Investments

The Issuer's investments as at the date of this Prospectus consist of the *dominium directum* of the Transfer Sites as well as the Emphyteutical Grants over the Parliament Building and Open-Air Theatre. The total cost of these investment properties is €116,056,032 (including transaction costs). Details on the Properties and the rights of the Issuer thereto are described in the below Section entitled "Principal Activities".

6 Business Overview

6.1 Principal Activities

6.1.1 Parliament Building and Open-Air Theatre

The Issuer was incorporated with the principal purpose, *inter alia*, of acquiring, developing, managing and operating immovable property and granting any real or personal right over immovable property. The first of such investments made by the Issuer was the acquisition of the temporary emphyteusis over the Parliament Building and the Open-Air Theatre from Government.

During 2010, Government commenced the development of the area known as City Gate in Valletta, Malta, which development reflects the schematic designs of the internationally-recognised architect Renzo Piano. As a result of the development, the City Gate area will be replaced by, *inter alia*: two interconnecting buildings consisting of the Parliament Building; the historical site which will be transformed into the Open-Air Theatre; and the landscaping of public areas.



Government has, pursuant to the Contracting Agreement, engaged GHRC to construct and develop the City Gate area. GHRC is a public limited liability company set up in August 2007 as a government entity under the Ministry for Infrastructure, Transport and Communication. GHRC's main activity is the promotion of the implementation of selected projects for the Grand Harbour area in Malta. Government is required to compensate GHRC for the services rendered by it in terms of the Contracting Agreement.

On 26 June 2012, the Issuer and Government entered into a public deed pursuant to which the Issuer acquired the 65-year *utile dominium* over the Parliament Building and Open-Air Theatre. In terms of the deed, Government is required to complete the development of the Parliament Building and Open-Air Theatre in accordance with the pre-established specifications and timelines. In terms of the Emphyteutical Grants, in the event of a delay in the completion of the development, Government would be required to pay the Issuer a penalty in the amount of €10,000 in respect of the Parliament Building and, or €4,200 in respect of the Open-Air Theatre for each day of default. Upon completion of the Parliament Building and Open-Air Theatre, the terms of the lease thereof shall commence: in the case of the Parliament Building, to the Government of Malta represented by the Clerk of the House of Representatives; and in the case of the Open-Air Theatre, to the Government of Malta represented by the Permanent Secretary (Tourism, Culture and Sustainable Development). Further details of these leases are contained in the Section entitled "Lease Agreements".

The consideration payable by the Issuer for the acquisition of the temporary emphyteusis is an annual ground rent of

€100,000 (revisable every three years by the higher of 5% and the rate of inflation as determined by the Retail Price Index) and a premium of €82,000,000. On 28 December 2011, the Issuer and Government entered into the Novation Agreement pursuant to which, subject to a number of conditions, the Issuer assumed Government's obligation to pay GHRC the compensation due to it in terms of the Contracting Agreement (that is, in connection with the construction and development of City Gate area), subject to the maximum amount of €82,000,000. Such assumption was done by way of prepayment of the premium that would have become due on the publication of the Emphyteutical Grants. Any costs and expenses relating to the project for the development of the City Gate area which exceed the said threshold will not be borne by the Issuer.

Pursuant to the Emphyteutical Deed, Government and the Issuer agreed that pursuant to the assumption of Government's payment obligations to GHRC made in the Novation Agreement, the premium of €82,000,000 due to Government was paid in full and final settlement.

In order to secure the payment of the ground-rent and the proper performance of each and all of the obligations arising from the Emphyteutical Grant, Government has reserved in its favour a special privilege on the Parliament Building and Open-Air Theatre accorded to it by law.

The Emphyteutical Grants, *inter alia*, contain provisions which oblige the Issuer to maintain the Parliament Building and the Open-Air Theatre, not to effect any alterations to the said sites (unless such alterations are permitted in terms of the deed), to maintain sufficient insurance policies over the buildings and the improvements thereon, and to provide public access to certain determined areas. Furthermore, in terms of the said deed, the Issuer is prohibited from transferring, burdening or disposing any part of the properties and from granting any real right over the properties or from allowing any security interest to subsist thereon without first obtaining the written consent of Government in its capacity as *dominus*.

In terms of the deed, Government is entitled to dissolve the emphyteutical grant over the Parliament Building and the Open-Air Theatre should an event of default occur, subject to such grace period and conditions contained in the deed. Such events of default include:

- a) if the Issuer fails to pay the ground rent for three years or a sum equivalent thereto;
- b) if the Issuer fails to honour its refund obligations to GHRC as and when they become due;
- c) if the Parliament Building or the Open-Air Theatre are used for a purpose which is not accordance with the deed;
- d) if the Issuer fails to insure the properties, does not observe the prohibitions on transfers and encumbrances or if the Issuer is in material breach of its other obligations under the deed; and
- e) if the Issuer becomes insolvent, if a winding order is passed against the Issuer or a compromise or arrangement involving the Issuer in terms of article 327 of the Companies Act (Cap. 386 of the laws of Malta), is applied for or sanctioned by the Court.

6.1.2 Lease Agreements

On 26 June 2012, the Issuer as lessor and the Government of Malta (represented thereon, in the case of the Parliament Building, by the Clerk of the House of Representatives and, in the case of the Open-Air Theatre, the Permanent Secretary (Tourism, Culture and Sustainable Development), each as lessees), entered into the Lease Agreements. Pursuant to each Lease Agreement, the Issuer agreed to lease out to Government for an automatically renewable period of 20 years in the case of the Parliament Building and 30 years in the case of the Open-Air Theatre. Each lease shall be deemed to commence immediately upon the issuance of a completion certificate (as the same is contemplated in the Emphyteutical Grants). Both leases are subject to the annual payment of rent in the amount of €3,680,000 in the case of the Parliament Building and €1,550,000 in the case of the Open-Air Theatre, which amounts are payable semi-annually and are revisable upwards every three years by the rate of inflation as determined by the Retail Price Index. The Parliament Building and the Open-Air Theatre would be considered complete once a certificate of completion has been issued by an architect appointed by Government certifying that the said properties are practically completed in accordance with the specifications outlined in the Emphyteutical Grants.

In terms of the Lease Agreements, the Issuer remains responsible to pay and effect any extraordinary repairs to the leased properties whereas the lessees are responsible to make all necessary ordinary repairs thereto. The Lease Agreements contain provisions which entitle the Issuer to terminate the respective leases, that is, in the case of the continued non-payment of rent or any other sum due to the Issuer equivalent to 25% of the annual rent, where the lessees make use of the leased properties in a manner which is manifestly contrary to its permitted use, sublets or assigns the lease, and if the lessees breach or fail to perform or observe any of the other obligations undertaken by them in the respective Lease Agreement.

6.1.3 Transfer Contracts

On 14 June 2012, the Issuer and Government entered into the Transfer Contracts pursuant to which it acquired from Government the title of *dominium directum* over the Transfer Sites, which real right would entitle the Issuer to receive, with effect from 1 December 2011, all payments of ground rent due by each of VCP and MIA in terms of the temporary emphyteutical grants originally granted by Government. In consideration of the said transfers, the Issuer issued in favour of Government an aggregate amount of 68,108,064 fully paid up Ordinary A Shares of a nominal value of €0.50 per share. The Issuer is also vested with the privileges and hypothecs originally reserved by or granted to Government on the said original emphyteutical deeds.

Each of the Transfer Contracts provide that in the event that the Issuer decides to transfer the Transfer Sites or part thereof under any title and within 99 years from the date of the respective Transfer Contract, Government shall have the right of first refusal *a par conditionibus*. Such right of first refusal is exercisable by Government within two months from the date of receipt of the offer to submit its acceptance in writing. In the event that Government does not accept the offer, the Issuer is entitled to proceed with the transfer to any third party provided that the transfer is not made to any such third party at conditions which are more favourable than those offered to Government and provided further that the deed of transfer contains a number of conditions set out in the respective Transfer Contract, including the reservation in favour of Government of first refusal on any subsequent transfers.

a) The VCP Transfer Contract

On 22 November 2001, Government granted to VCP a temporary emphyteusis for a period of 65 years over the VCP Site expiring on 22 November 2066. VCP is a limited liability company registered in terms of the Companies Act (Cap. 386 of the laws of Malta) on 30 May 2000. VCP manages cruise and international ferry terminal operations and leisure facilities situated at the VCP Site. VCP has also restored the Pinto and Forni stores situated within the VCP Site. The management rights and emphyteutical concession was granted by Government to VCP following an international tender issued by Government in 1996.¹

The consideration payable by VCP for the acquisition of the temporary emphyteusis is by way of an annual ground rent of €559,049.62 revisable upwards at the beginning of the fourteenth year of the emphyteutical term by the higher of 20% or such amount as will represent the rate of inflation applicable in terms of the said deed. After the fourteenth year, the ground rent is revisable at the beginning of every subsequent five 12-month periods until the beginning of the sixty-fourth 12-month period, whereby the amount of the ground rent is to be increased by the higher of 10% or such amount as will represent the rate of inflation applicable in terms of the deed.

In addition, the deed also caters for the payment of a sum equal to 15% of all VCP's revenue during the previous 12-month period deriving from the letting of buildings and facilities existing on the VCP Site. With respect to the first three 12-month periods of the grant, the payments of such sums were administratively abated.

At the end of each 12-month period, VCP is required to pay a sum equivalent to 10% of all gross revenue deriving from passenger and cruise liner operations and other activities which may be generated from the VCP Site and other sites over which VCP has management rights. With respect to the first three 12-month periods of the grant, the payments of such sums were administratively abated.

Any amounts due by VCP in terms of the two preceding paragraphs are reduced by the amount of the ground rent paid by VCP. In the event that the amount due by VCP in terms of the two preceding paragraphs is less than the ground rent, no payment from VCP will be due in terms of the said paragraphs.

In addition, in terms of the deed, a payment of €2,795,248 was due by VCP, which payment was settled by VCP issuing in favour of Government (at the time, the *dominus*), 1,200,000 preference shares of a nominal value of €2.329373 per share. VCP notified the public on 12 February 2010 that the said shares held by Government were redeemed and paid in full by VCP.

On 14 June 2012, Government transferred the title of *dominium directum* held by it over the VCP Site to the Issuer. As a result of the execution of the VCP Transfer Contract, the Issuer is entitled to receive, with effect from 1 December 2011, all amount of ground rent and other payments which are payable under the original emphyteutical grant. The VCP Transfer Contract contains provisions which continue to bind Government to perform certain obligations and exercise certain rights and discretions emanating from the original deed of grant notwithstanding the transfer of the *dominium directum* in favour of the Issuer. In this respect, the VCP Transfer

¹ Extracted from the official website of VCP (<http://www.vallettawaterfront.com/content.aspx?id=96873>)

Contract also contains indemnities from Government in favour of the Issuer for certain losses which may be suffered by the Issuer in specific circumstances.

On the expiry of the 65-year grant in favour of VCP, the Issuer will be vested with the freehold ownership of the VCP Site.

b) The MIA Transfer Contract

MIA is a public limited liability company registered under the Companies Act (Cap. 386 of the laws of Malta) on 16 May 1991 (registration number C-12663). MIA commenced operations on 1 January 1992. Initially, MIA managed and operated the air terminal in Malta and was later entrusted with the responsibility of the entire airport. Before 1992 these activities had been undertaken by the Government of Malta's Air Terminal Department since 1 January 1989, and before that by Government's Department of Civil Aviation (DCA). On 1 May 1998, in addition to the operation of the air terminal activities, MIA also took over the operation and management of the airfield facilities as well as the air traffic control of Malta's Flight Information Region. Accordingly, MIA operates and manages all of the airport facilities of Malta's only licensed airport. In July 2002, Government signed an agreement with Malta Mediterranean Link Consortium Ltd (MML) for the sale of 40% of the share capital held in MIA. MML is owned by Flughafen Wien AG (57%), SNC-Lavalin Inc. (39%) and Airport Investments Ltd (4%). Government sold a further 20% of its shares in MIA by means of an Initial Public Offering in November 2002 and another 20% in November 2005.²

Pursuant to the public deeds dated 26 July 2002 and 1 July 2010, Government granted to MIA a temporary emphyteusis for a period of 65 years expiring on 25 July 2067 over the MIA Site. The annual ground rent payable by MIA in terms of the 2002 deed was originally €698,812 (Lm300,000). The annual ground rent payable by MIA in terms of the 2010 deed was €71,308, which ground rent was administratively abated by €71,192 to €116.00 per year with respect to the first two years from 1 July 2010. Both ground-rents are revisable upwards every fifth year of the emphyteutical grant by 15% on the ground rent payable annually in terms of the said deed in each year in the immediately preceding five year term.

MIA's core air terminal operations from the MIA Site include general passenger services and the operation of an extensive range of retail services at the airport, airside and landside shops, restaurants and other outlets, which are all operated on concession agreements. MIA also leases office space to airlines and other travel related operators at the airport.

On 14 June 2012, Government transferred the title of *dominium directum* held by it over the MIA Site to the Issuer. As a result of the entry into the MIA Transfer Contract, the Issuer is entitled to receive, with effect from 1 December 2011, all amounts of ground rents which are payable under the original emphyteutical grant. In terms of the original grant, the Government is entitled to transfer the *dominium directum* over the MIA Site but is required to remain responsible for all the obligations undertaken by it pursuant to the original deed, including the payment of compensation, where applicable. Pursuant to the MIA Transfer Contract, the Issuer was indemnified by Government for any claims made by MIA against the Issuer as a result of all indemnities given, promised or assumed by Government on the original deed.

On the expiry of the 65-year grant in favour of MIA, the Issuer will be vested with the freehold ownership of the MIA Site.

6.2 Corporate Vision

The corporate vision of the Issuer, which operates as an investment holding company, is primarily the acquisition, development and management of immovable property, the leveraging of revenue streams arising therefrom and the reinvestment of undistributed profits in national and/or strategic real estate projects as well as in commercial property opportunities.

Presently, the Issuer's funding and investment profile revolves around the reinvestment of the equity embedded in the *dominium directum* of the Transfer Sites, which in combination with the shares subscribed for in cash by the shareholders and further augmented by debt finance, has been utilised to acquire investment properties, which to date relate to the acquisition of the Parliament Building and Open-Air Theatre in Valletta. Once construction of these properties is completed, they will be leased out at a rental yield commensurate with that generated in the commercial property market in Malta.

2 Extracted from the official website of MIA (<http://www.maltairport.com/page.asp?p=17150&l=1>)

The Issuer's business profile is such that the existing revenue streams are highly visible and quantifiable, given that they arise from long term contractual agreements. These contracts also provide for the periodic revision of the ground rent and rental income arising. Furthermore, the risk of the debtors defaulting on the amounts receivable by the Issuer is mitigated by the quality of tenants, the relativity of the amounts receivable compared to the market value of the Properties including the improvements undertaken thereon by the occupiers, as well as the inherent security enjoyed by the Issuer at law as the *dominus* of the Sites.

The Issuer's cash outflows also carry a high degree of visibility. These comprise the cost of collection of the revenue streams and corporate administration costs and taxation. The resulting cash surplus is applied primarily in the servicing of borrowing, and a high proportion of the balance is intended to be distributed in dividends to shareholders, such that the latter would receive a consistent return on the nominal value of their ordinary shares. The residual cash flows after these appropriations are set aside for further re-investment in line with the Issuer's established investment mandate, as the same is determined from time to time by the investment committee set up by the board of directors. In making any such investments, the Directors will have regard to the dividend policy described in the Section entitled "Dividend Policy".

6.3 Principal Markets

The Issuer currently operates exclusively in and from Malta.

7 Organisational Structure

The Issuer is a stand-alone entity and as such is not part of a group. The Issuer does not have any subsidiary or affiliated companies.

8 Property, Plant and Equipment

The material assets of the Issuer consist of the *dominium directum* over the VCP Site and the MIA Site as well as the Emphyteutical Grants over Parliament Building and the Open-Air Theatre. The rights of the Issuer in relation to the aforesaid assets are described in more detail under the Section entitled "Principal Activities" of this Registration Document. The Issuer also rents out offices situated at Clock Tower, Level 1, Tigne Point, Sliema, Malta from Malta Investment Management Company Limited for a rental consideration of €7,500 per annum.

In order to secure the payment of the ground-rent and the proper performance of each and all of the obligations arising from the Emphyteutical Grant, Government has reserved in its favour a special privilege on the Parliament Building and Open-Air Theatre accorded to it by law.

The Issuer's tangible fixed assets as at 31 December 2011 are summarised below:

	Plant, machinery & equipment €
Opening net book amount as at 3 June 2011	-
Additions	3,703
Depreciation	(128)
Closing net book amount as at 31 December 2011	3,575

9 Operating and Financial Review

9.1 Historical Financial Information

The audited historical information for the Issuer for the period from registration on 3 June 2011 to 31 December 2011 are available for inspection as set out in the Section entitled "Documents on Display".

In the period between registration of the Issuer and 31 December 2011, the Issuer's trading was limited to administrative activities relating to the recruitment of personnel, the establishment of the corporate profile, and the preparatory work related to the funding and the acquisition of the Properties (the deeds of transfer relating to the Transfer Sites were executed on 14 June 2012 and the Emphyteutical Grants were published on 26 June 2012). The Properties will generate

ground rent and related revenue with effect from 1 December 2011 in the case of the Transfer Sites and rental income as from 1 January 2013, in the case of the Parliament Building and the Open-Air Theatre.

Extract from the audited statement of financial position of the Issuer as at 31 December 2011:

	As at 31 December 2011 €
ASSETS	
Non-current assets	
Property, plant and equipment	3,575
Current assets	
Premium on acquisition of property	82,000,000
Trade and other receivables	127,655
Cash and cash equivalents	15,036,144
	97,163,799
Total assets	97,167,374
EQUITY AND LIABILITIES	
Capital and reserves	
Share capital	15,000,000
Retained profits	84,907
Total equity	15,084,907
Current liabilities	
Capital creditor for acquisition of property	82,000,000
Trade and other payables	42,207
Current tax	40,260
Total current liabilities	82,082,467
Total equity and liabilities	97,167,374

10 Capital Resources

At 31 December 2011, the Issuer had net assets of €15,084,907 made up primarily by the initial subscription of shares.

In terms of the Emphyteutical Grants, the Issuer is obliged to pay a premium of €82,000,000 and an annual revisable ground rent of €100,000. Government and the Issuer agreed that the payment of such premium is to be satisfied by the Issuer assuming the obligation of Government arising under the Contracting Agreement to pay GHRC for the compensation due to it in connection with the construction and development of City Gate area, subject to the maximum amount of €82,000,000. The Issuer expects that the transaction costs related to the Emphyteutical Grants will amount to €1,000. The Issuer plans to fund the payment to GHRC (which payments are projected to be due in instalments amounting to €76,100,000 during the year ending 31 December 2012 and €5,900,000 in the year ending 31 December 2013) and the said transaction costs, through a combination of the following funding sources: -

- in an amount of €15,000,000, through the application of initial share capital subscribed by Government on registration of the Issuer;
- in an amount of €10,000,000, through the application of additional share capital subscribed by Government on 30 May 2012;
- in an amount of €9,313,145 through the application of the proceeds of the Share Issue being made pursuant to the Securities Note, net of share issue costs;

- d) in an amount of €44,643,983 through the application of the proceeds of bank facilities arranged for this purpose including €40,000,000 raised by way of a long term credit facility at a fixed rate of interest; and
- e) with respect to the balance of €3,043,872, by the application of the operating cash flow forecast to be generated in the years ending 31 December 2012 and 31 December 2013.

Any over-allotment resulting from the Share Issue being made pursuant to the Securities Note will be applied to substitute, in part and up to the amount so received, bank borrowings sanctioned for the investment in the Parliament Building and Open-Air Theatre referred in paragraph (d) above. In the event that the full amount of the Over-Allotment Option is exercised by the Issuer, the bank borrowings would be reduced to 48.8% of the total Premium.

The issuance of Shares (including such number of Shares allotted pursuant to the Over-Allotment Option) has been authorised by the Government of Malta and Malta Investment Management Company Limited in their capacity as shareholders of the Issuer. The said shareholders authorised the Directors to issue up to 30,000,000 Ordinary B Shares of a nominal value of €0.50 per share (the “**Authorised Shares**”), which authorisation is valid for a period up to 28 May 2017. In addition to the issue of 20,000,000 Ordinary B Shares being made pursuant to the Securities Note, the Issuer’s business plan provides for the issue of the balance of Authorised Shares (the “**Additional Shares**”) either through the exercise of the Over-Allotment Option and/or by way of a secondary public offer and/or a private placement thereof.

In the event that the issue by Malita of 20,000,000 Ordinary B Shares is not subscribed to in full, the Government of Malta has undertaken to subscribe to, and Malita has agreed to issue, an amount of Ordinary B Shares equivalent to the difference between the 20,000,000 Ordinary B Shares issued for subscription in terms of the Share Issue and the amount of Ordinary B Shares actually subscribed to pursuant to the Share Issue.

Furthermore, in the event that the Additional Shares are not issued in full by Malita by 31 December 2014, and until such time as they are so issued thereafter, Malita shall offer shareholders the option to elect to receive dividends in cash or by way of scrip dividend. In this respect, the Government of Malta and Malita have agreed that Government shall elect to receive dividends by way of scrip dividend until such time as all the Additional Shares have been issued in full.

A Project funding summary is set out below:

	€
Consideration (including transaction costs)	82,001,000
Equity – initial amount subscribed	15,000,000
Equity – additional amount subscribed on 30 May 2012	10,000,000
Equity – Share Issue (excluding the Over-Allotment and net of issue costs)	9,313,145
Operating Cash Flows	3,043,872
Bank borrowings	44,643,983
Project borrowings as a % of total Premium	54.4%

Interest cover for the year ending 31 December 2013⁷ is set out below:

- based on the project funding and rent receivable from the lease of the Parliament Building and the Open-Air Theatre	3.15x
- based on the project funding and projected operating profit excluding fair value movements	4.08x

⁷The financial year ending 31 December 2013 represents the first year in which the Issuer will receive the rent from the Parliament Building and the Open-Air Theatre.

11 Trend Information

The Issuer’s income stream will be derived from long term contractual agreements related to the Properties which the Issuer acquired on 14 June 2012 (in respect of the Transfer Sites) and on 26 June 2012 (in respect of the Parliament Building and the Open-Air Theatre) for a total fixed consideration of €116,056,032. This includes €82,000,000 by way of premium which was paid by the Issuer assuming the obligation to pay GHRC the amounts due under the Contracting Agreement. The Issuer will settle such amount on the receipt of claims for payment as provided for in the Contracting Agreement. The consideration is fixed and not subject to revision or rebates.

In view of the long term nature of the Issuer's contractual agreements, the Directors do not consider the Issuer to be unduly exposed to operating uncertainties relating to the commercial real estate sector and/or to other external events related to the economy, which could be deemed likely to have a material impact on the upcoming business of the Issuer in the foreseeable future.

The Issuer's business prospects therefore predominantly revolve around the ability of the Properties' tenants to service their obligations towards the Issuer in a timely manner. The annual amounts receivable by the Issuer are quantifiable and revisable over time at pre-agreed terms. They therefore provide the Issuer with a visible and stable revenue stream, which will increase over time, generally in line with the rate of inflation. In addition, given the spread and the value of the annual receipts receivable from the Transfer Sites and the stature of the lessees of the Parliament Building and the Open Air Theatre, the directors are confident that the anticipated revenue streams in the coming financial year and in the foreseeable future will be generated as contracted.

12 Profit Forecasts and Estimates

Extracts from the profit forecasts of the Issuer for the five years ending 31 December 2012, 2013, 2014, 2015 and 2016 are set out below:

Projected statement of comprehensive income extract

	Period from 3 June 2011 to 31 December 2011 €'000	Projections for the year ending 31 December				
		2012	2013	2014	2015	2016
		€'000	€'000	€'000	€'000	€'000
Revenue	115	1,458	6,784	6,785	6,907	7,250
Gross profit	115	1,403	6,684	6,685	6,802	7,145
Operating profit	73	2,304	7,961	8,592	8,876	9,117
Profit before tax	134	2,368	6,654	7,365	7,809	8,195
Profit for the period/year	85	1,414	4,429	4,813	5,120	5,364
Earnings per share (euro cents)	0.28	1.02	3.21	3.48	3.57	3.64

Projected statement of financial position extract

	Projections as at 31 December					
	As at 31					
	December 2011 €'000	2012 €'000	2013 €'000	2014 €'000	2015 €'000	2016 €'000
ASSETS						
Non-current assets						
Property, plant and equipment	4	2	1	-	-	-
Investment property	-	117,577	119,114	121,287	123,631	125,877
Total non-current assets	4	117,579	119,115	121,287	123,631	125,877
Current assets						
Premium on acquisition of property	82,000	-	-	-	-	-
Accounts receivable	128	45	45	45	45	45
Cash and cash equivalents	15,036	4,376	3,058	5,997	6,645	6,431
Total current assets	97,164	4,421	3,103	6,042	6,690	6,476
Total assets	97,168	122,000	122,218	127,329	130,321	132,353
EQUITY AND LIABILITIES						
Capital and reserves	15,085	69,865	73,838	78,193	82,859	86,917
Non-current liabilities						
Borrowings	-	44,644	44,644	42,786	39,516	37,128
Deferred tax	-	604	1,380	2,450	3,593	4,722
Total non-current liabilities	-	45,248	46,024	45,236	43,109	41,850
Current liabilities						
Borrowings	-	-	-	1,858	3,270	2,388
Capital creditor for acquisition of property	82,000	5,899	-	-	-	-
Trade and other payables	43	638	908	908	984	978
Current taxation	40	350	1,448	1,134	99	220
Total current liabilities	82,083	6,887	2,356	3,900	4,353	3,586
Total liabilities	82,083	52,135	48,380	49,136	47,462	45,436
Total equity and liabilities	97,168	122,000	122,218	127,329	130,321	132,353

Detailed profit forecasts and the assumptions on which these forecasts are based are included under Annex 2 of the Registration Document.

13 Administrative, Management and Supervisory Bodies and Senior Management

The Issuer is currently managed by a Board of Directors consisting of five non-executive members, which is entrusted with the overall direction, administration and management of the Issuer. Four of the said directors are independent within the meaning of the Listing Rules, such independent directors being Kenneth Farrugia, Anne Marie Tabone, Frederick Mifsud Bonnici and Publio Danny Rosso. The responsibility of the Directors is a collective one, although within the structure of a unitary board, the main functions of the Directors are in practice complementary. As at the date of this Registration Document, the Board of Directors of the Issuer is constituted by the following persons:

NAME	DESIGNATION	DATE OF APPOINTMENT
Kenneth Farrugia	Chairman & Non-Executive Director	3 June 2011
Vincent Mifsud	Non-Executive Director	3 June 2011
Frederick Mifsud Bonnici	Non-Executive Director	27 February 2012
Publio Danny Rosso	Non-Executive Director	7 March 2012
Anne Marie Tabone	Non-Executive Director	1 January 2012

Noel Buttigieg Scicluna acts as the company secretary of the Issuer.

Meetings of the Board of Directors are held at the registered office of the Issuer or at such other place as determined by the Board of Directors from time to time. Each director's term of office expires on the day appointed for the annual general meeting of the Issuer and each such director is eligible for re-appointment.

The only member of the management of the Issuer is Ms Jennifer Falzon, the Accounts Manager of the Issuer. Ms Falzon does not have a service contract in place with the Issuer providing for benefits upon termination of employment with the Issuer. Ms Falzon is responsible for, *inter alia*, the following matters:-

- organisation and maintenance of the Issuer's accounting system;
- the preparation of management accounts and annual financial statements;
- the preparation of accounting reports and analysis for the board and committees thereof; and
- assisting in overseeing the business planning and budgetary functions of the Issuer, and ensuring compliance with corporate vision and overall policies set by the board.

13.1 Curriculum Vitae of the Directors

The following are brief curriculum vitae of the Directors:

Kenneth Farrugia

Mr Farrugia joined Bank of Valletta p.l.c. in October 1985, and has occupied various roles within the BOV Group. He currently holds the post of Chief Officer at Valletta Fund Services Limited, Bank of Valletta p.l.c.'s fund servicing arm, and is also a director on the Board of Valletta Fund Management Limited. Within Bank of Valletta p.l.c., Mr Farrugia sits on the executive committee of the Group. Mr Farrugia also serves as Chairman of the Malta Funds Industry Association and is also a member of the management committee of the Depositor and Investor Compensation Schemes. He was appointed as Governor on the Board of FinanceMalta in 2007 and Chairman of the Board in April 2009.

Vincent Mifsud

Mr Mifsud was appointed Chief Executive Officer of Malta Investment Management Company Limited in 2010 having joined the company in 2001 as a Manager. For the past 11 years, Mr Mifsud was involved in several public sector initiatives and was also the Chief Internal Auditor for MITTS Ltd (now MITA) between 2004 and 2008. Mr Mifsud also holds a number of directorships including, among others, Casma Limited and Gozo Channel Company Limited.

Frederick Mifsud Bonnici

Mr Mifsud Bonnici, now retired, spent the whole of his professional career of over 42 years with PricewaterhouseCoopers most of them as an audit partner and lately as head of Risk Management and Assurance Leader. During this time he numbered several public-listed clients both in London and Malta as his clients and developed specialist expertise in financial services and regulatory matters. He has been a member of the Council of the Malta Institute of Accountants uninterruptedly for over 30 years. He has served first as Deputy Chairman and then Chairman at the Malta Stock Exchange for four and five years respectively. He is also a senior lecturer in Auditing at the University of Malta since

1982. Between 1988 and 1992, he was a director of the Malta Freeport Corporation Limited.

Publio Danny Rosso

Mr Rosso, a qualified accountant, started his career with Bank of Valletta p.l.c., holding the post of Group Chief Accountant before joining Melita p.l.c. as its Chief Financial Officer between 1992 and 1994. Following a six year stint in private practice offering accountancy and financial consultancy services, Mr Rosso returned to Melita p.l.c., as its Chief Executive Officer, a post held until 2003. From 2003 until his retirement in December 2011, Mr Rosso occupied the post of Chief Financial Officer and Finance Director of the Gasan Group, operating in various sectors including insurance, automotive, property, telecommunications and industrial and commercial products. Mr Rosso also sat on the boards and audit committees of various group companies.

Anne Marie Tabone

Ms Tabone, a certified public accountant by profession, was the Vice President of Operations at Middlesea Insurance p.l.c., having held various executive roles in the Middlesea Insurance Group over the past ten years. In 2002, Ms Tabone was appointed General Manager of Bee Insurance Management Ltd (formerly International Insurance Managements Services Ltd) where she formed part of the insurance management arm of the Middlesea Group, and was later appointed Group Chief Financial Officer in 2007 and subsequently, in 2010, Chief Operations Officer of Middlesea Insurance p.l.c., responsible for the execution of the Board's strategy and overall management of the company. Ms Tabone was a director on the board of a number of other local companies, a council member and Chairperson of the Financial Affairs Committee of the Malta Insurance Association. She is a Member of the Malta Institute of Management and a Fellow of the Malta Institute of Accountants.

Save as indicated in the following paragraph, none of the Directors, members of the board committees or members of management have, in the last five years:

- been the subject of any convictions in relation to fraudulent offences;
- been associated with bankruptcies, receiverships or liquidations in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

The above is subject to the involvement, as director, of:

- Tom Anastasi Pace (a member of the Issuer's investment committee) in the companies DAM Malta Limited and DAM Holdings Limited, which were both liquidated following a members' voluntary winding up on 23 August 2010 and in Golden Hedge Umbrella SICAV p.l.c. which was liquidated following a members' voluntary winding up on 17 January 2011 and in Alphabetos International Funds SICAV p.l.c. which is in the process of being wound up voluntarily;
- Vincent Mifsud (non-executive director) in the companies Malta Export Credit Insurance Ltd and Malta Venture Capital p.l.c., which were both liquidated following a members' voluntary winding up on 15 September 2011 and 11 July 2011, respectively.

The business address of the Directors, the members of board committees and members of management is the registered office of the Issuer.

13.2 Potential Conflicts of Interest

Mr Vincent Mifsud is the Chief Executive Officer of Malta Investment Management Company Limited, a company beneficially owned by Government. There are no arrangements or understandings in place with any shareholder of the Issuer or any other person pursuant to which any of the directors was selected as a director of the Issuer.

The Issuer has entered into various material agreements (described in this Registration Document) with the Government of Malta, a majority shareholder of the Issuer.

The Issuer, through its Audit Committee, has the necessary measures in place to ensure the appropriate management and resolution, in the best interests of the Issuer, of any potential conflicts including those that may arise as a result of the above described relationship. Furthermore, in terms of the Articles, a Director is prohibited from voting on any contract or arrangement or any other proposal in which he has a material interest. The Listing Rules also regulate the

manner in which transactions with related parties (as the same is defined in the Listing Rules) are to be entered into. A full list of past directorships held by the Directors is contained in Annex 1 of this Registration Document.

Other than as otherwise disclosed herein, no private interests or duties unrelated to the Issuer and its ultimate shareholders, which may or are likely to give rise to any conflicts with any interests in, or duties towards, the Issuer, have been disclosed by the Directors, members of senior management or members of the Board committee.

14 Remuneration and Benefits

For the period between the date of registration of the Issuer and 31 December 2011, the Issuer paid approximately €19,340 by way of remuneration (including any contingent or deferred compensation) to the Directors, the company secretary, the members of the board committees and to management in the aggregate in respect of services rendered to the Issuer.

There are no arrangements in place for the payment of any pension, retirement or benefit in kind to any Director, members of management, members of board committees, or officer of the Issuer. None of such persons have a contract of service or employment with the Issuer which provide for benefits upon termination.

15 Board Practices

The Directors have constituted the following board committees, the terms of reference of which shall be determined by the board from time to time with the purpose of fulfilling the below mentioned purposes: -

15.1 Audit Committee

The Issuer set up an Audit Committee of the Board of Directors, the members of which are Anne Marie Tabone, Frederick Mifsud Bonnici and Vincent Mifsud. Frederick Mifsud Bonnici, the chairman of the Audit Committee, is also the independent member of the committee who is competent in accounting and/or auditing in conformity with article 41 of Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC.

The Audit Committee's primary objective is to assist the Board in dealing with issues of risk, control and governance; and in reviewing the Issuer's reporting processes, financial policies and internal control structure. The Audit Committee also oversees the conduct of the external audit and facilitates communication between the Issuer's Board, management and external auditors.

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.

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

- a) monitoring and reviewing the financial statements issued by the Issuer, as well as the internal control structures (including the appropriateness and security of computer systems being utilized), the financial reporting process (ensuring that the recommendations made by external auditors are implemented in a timely manner) and financial policies of the Issuer;
- b) maintaining communications on such matters between the Board, management and the external auditors;
- c) preserving the Issuer's assets by understanding the company's risk environment and determining how to deal with those risks;
- d) the appointment of the external Auditor and the approval of the remuneration and terms of engagement thereof following appointment by the shareholders in general meeting;
- e) the Issuer's internal financial control systems;
- f) the external audit functions, including the external auditor's independence, objectivity and effectiveness;
- g) the information upon which management bases its decision to consider the business as a going concern;
- h) the accounting policies adopted and assumptions made;
- i) whether the Issuer's financial statements compare well with industry norms;
- j) the Issuer's annual and interim financial statements, and evaluate the completeness of the financial information presented and investigate any significant variances from previous years; and
- k) the financial performance of related companies, in relation to any outstanding borrowings the latter may have with the Issuer.

In addition, the Audit Committee also has the responsibility for scrutinising any proposed transaction to be entered into between the Issuer and any related party for the purpose of ensuring that any such transaction is executed at arm's length terms and is ultimately in the best interests of the Issuer.

15.2 Remuneration and Nominations Committee

The primary purpose of the Remuneration and Nominations Committee (RemNom) is to:

- a) review the setting of remuneration levels within the Issuer, including remuneration levels for any executive directors that may be appointed to the Board of Directors of the Issuer;
- b) to evaluate the performance of any individual Executive Directors that may be appointed to the Board of Directors of the Issuer;
- c) to monitor the level and the structure of the remuneration of Non-Executive Directors on the basis of adequate information provided by the Executive Directors; and
- d) to approve or otherwise performance related bonus awards and long term incentive plan awards.

Furthermore, the RemNom is also mandated by the Board of Directors:

- a) to identify and nominate for Board approval, candidates for appointment as Members of the Board and Board Committees, including the respective Chairmen of the Board Committees;
- b) to deposit a list of the nominated candidates with the Issuer at least 14 days before the annual general meeting;
- c) to review candidates for and make appointments to fill senior management positions, as required;
- d) in identifying suitable candidates, to ensure the process of advertising, recruitment and selection is fair, open and orderly, consider candidates from a wide range of backgrounds and consider candidates on merit against objective, competency-based criteria;
- e) to give full consideration to and regularly review succession planning in the course of its work, taking into account the challenges and opportunities facing the Issuer and what skills and expertise are therefore needed for the future; and
- f) to regularly review the structure, size and composition (including the skills, knowledge and experience) of the Non-Executive Directors, the Independent Non-Executive Directors and the committees of the Board, and make recommendations to the Board/shareholders with regard to any changes.

The members of the RemNom are the following:

<u>NAME</u>	<u>CAPACITY</u>
Kenneth Farrugia	Non-Executive Director (chairman of the committee)
Vincent Mifsud	Non-Executive Director
Frederick Mifsud Bonnici	Non-Executive Director

15.3 Investment Committee

The purpose of the Investment Committee is the following:

- a) determining: (i) what investments the Issuer is to undertake from time to time; and (ii) the prudent strategic investment policies within the parameters of which the determination in para (i) hereof is to be made, giving due consideration to the Issuer's funding requirements as these may vary from time to time;
- b) considering proposed ethical positions with respect to appropriate projects and investments;
- c) overseeing the management of the Issuer's investments in accordance with such policies; and
- d) reviewing, where necessary, the Issuer's investment policies.

In exercising its functions, the Investment Committee is required to ensure that any investment proposed to the Board of Directors does not materially and negatively disrupt the dividend policy adopted by the Board of Directors of the Issuer from time to time.

In terms of the Articles of the Issuer, the Investment Committee is to be made up of such persons that the Board of Directors determines from time to time provided that the majority of the committee shall be composed of independent Non-Executive Directors.

The Board of Directors is obliged to provide the Investment Committee, in advance of each meeting thereof, the

following information:

- a) detailed reports on the Issuer's liquidity level, financing, shareholdings, planned investments and disinvestments and most significant corporate transactions; and
- b) updates on the forecasted and actual accounting data, the auditor's reports and the audit committee's recommendations.

The members of the Investment Committee are the following:

<u>NAME</u>	<u>CAPACITY</u>
Publio Danny Rosso	Non-Executive Director (chairman of the committee)
Anne Marie Tabone	Non-Executive Director
Tom Anastasi Pace	Investment Committee Member

The following is a brief curriculum vitae of Mr. Tom Anastasi Pace:

Tom Anastasi Pace

Mr Anastasi Pace currently sits on the boards of a number of collective investment schemes, fund management companies and insurance companies registered in Malta, including the Bank of Valletta Group's fund management and fund administration companies. He occupied various deputy and executive positions within the Bank of Valletta Group, including Chief Officer at Financial Markets between 2000 and 2002 where he was responsible for the Group's Treasury and Foreign Currency Assets. Between 1984 and 2000, he headed the Group's International Division. From 1997 to 2002, he was also the official responsible for the development of the investment banking unit of the Bank of Valletta Group. Between 2005 and 2006, Mr Anastasi Pace acted as director of the Privatisation Unit within the Ministry for Investment, Industry & Information Technology.

15.4 Corporate Governance

The Corporate Governance Guidelines for Public Interest Companies provide recommended practices to, *inter alia*, companies which are owned by the Government of Malta, such as the Issuer. In view of the fact that the Issuer's activities were limited to administration and preparatory work in relation to the funding and acquisition of the Properties, and considering the inherent absence of a trade or business to govern during the period and the nascent state of the Company, compliance with the said Guidelines was not possible. Indeed, the final composition of the Board was, in fact, only finalised in early 2012. The Board was also cognisant of the fact that following admission of the Shares to the Official List of the MSE, the Issuer would be obliged to endeavour to adopt the more comprehensive corporate governance regime contemplated in the Code of Principles of Good Corporate Governance contained in the Listing Rules (the "**Code**").

Following the admission of the Shares to the Official List of the MSE, it is the Issuer's intention to comply with the recommendations of the Code insofar as these are commensurate with the nature and scale of its operations. Pursuant to the Listing Rules, in the event that the Issuer were to depart from the recommendations of the Code, it will be obliged to provide, in its annual financial statements, an explanation as to which parts of the Code it has departed from and the reasons for doing so and where the Issuer has decided not to apply any such provisions, it will be obliged to explain its reasons for doing so.

16 Employees

As of the date of this Registration Document, the Issuer had one employee. Such employee does not hold any securities of the Issuer and there are no arrangements in place for involving employees in the capital of the Issuer.

17 Major Shareholders

As at the date of this Registration Document, the Government holds 99.99% of the ordinary shares of the Issuer. The Ordinary A Shares held by Government have the same voting rights as the Shares, that is, the shares forming part of the Share Issue.

In terms of the Articles of the Issuer, the Government of Malta, whether directly or indirectly (through an entity or body corporate wholly owned and controlled by Government), is obliged to hold at least seventy per cent (70%) of the issued share capital of the Issuer.

Any transfer of shares by Government or any issuance of shares by the Issuer which has the effect of reducing the holding or otherwise diluting the holding of Government below the seventy percent threshold is null and void, unless such transfer or issuance is made pursuant to the prior approval of the House of Representatives and evidence of such approval is submitted to the Issuer.

The audit committee has the task to ensure that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The presence of independent non-executive directors on the board of the Issuer aims to minimise the possibility of any abuse of control by its major shareholder. Furthermore, in terms of the Articles of the Issuer, in the event that a director has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such director is not entitled to vote on any decisions taken in connection therewith.

18 Maximum Holding

In terms of the Articles, no person is permitted, directly or indirectly, from acquiring or holding a beneficial interest in the Ordinary A Shares and Ordinary B Shares of the Issuer in excess of 5% of the total issued share capital of the Issuer having voting rights (the “**Prescribed Ceiling**”).

Any person who holds, directly or indirectly, shares in the Issuer in excess of the Prescribed Ceiling, shall by resolution of the Directors, after due verification, be disenfranchised and divested of any and all voting rights attached to the respective shares in excess of the Prescribed Ceiling held by such person. The Directors are authorised, in terms of the Articles, to request any information from a shareholder which they deem reasonable to verify whether the Prescribed Ceiling has been exceeded or otherwise.

These restrictions do not apply to the following persons: -

- a) the Government of Malta;
- b) an underwriter or sub-underwriter under the provisions of an underwriting or sub-underwriting agreement; and
- c) custodians in their custodian capacity provided such custodians can only exercise the voting rights attached to such shares under instructions given in writing or by electronic means by the beneficial owner/s.

19 Related Party Transactions

Related parties are defined as those that have an ability to control or exercise significant influence over the other party in making financial and operational decisions. In the ordinary course of its operations, the Issuer carries out business with the Government of Malta, government departments, public sector corporations and other entities owned or controlled by Government. The Government of Malta is the ultimate controlling party and holds the majority of the issued share capital of the Issuer.

The transactions entered into between the Issuer and any related party during the period from the registration of the Issuer to 2 July 2012 are as follows:

Purchase of goods and services - Rent of offices at <i>Clock Tower, Level 1, Tigne Point, Sliema, Malta</i> from Malta Investment Management Company Limited (C-9588)	€7,500 per annum
Rent receivable - Lease agreements for rent receivable for the Parliament Building and the Open-Air Theatre (refer to section entitled “Lease Agreements”)	€5,230,000 per annum
Acquisition of Investment property - Acquisition of the <i>utile dominium</i> over the Parliament Building and Open-Air Theatre (refer to section entitled “Parliament Building and Open-Air Theatre”)	€82,000,000
Acquisition of the <i>dominium directum</i> over the Transfer Sites (refer to section entitled “Transfer Contracts”)	€34,054,032

20 Financial Information

20.1 Historical Financial Information

This Registration Document makes reference to the financial statements of the Issuer for the period commencing on registration of the Issuer on 3 June 2011 and ended 31 December 2011. The financial statements referred to are audited financial statements and copies thereof are available from the Issuer's registered office and from the website of the Issuer (<http://www.malitainvestments.com>).

20.2 Dividend Policy

The Directors intend the Issuer's dividend policy to provide shareholders with consistent dividend income.

The Board's policy is to pay an interim and a final dividend typically in April and September of each year. The extent of any dividend distribution will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the cash flows for the Issuer, working capital requirements and the requirements of the Companies Act (Cap. 386 of the laws of Malta) especially with regard to distributable reserves.

Subject to the above, it is the Directors' intention to distribute a total dividend to the holders of ordinary shares in the Issuer equivalent to approximately 60%-75% of the profit after tax earned in a financial year, excluding fair value gains and tax charges thereon.

In the absence of unforeseen circumstances, the Issuer will pay its final dividend for the year ending 31 December 2012, following the publication of the financial statements of the Issuer in April 2013. An interim dividend is also expected to be paid in September 2013 following the publication of the interim results for that period. The Issuer anticipates that the interim and final dividends paid during a calendar year, commencing with calendar year 2013, will represent a gross dividend yield of at least 7.0% per annum on the Issue Price.

The Government of Malta has waived its right to receive dividends during the Prescribed Dividend Period.

20.3 Legal and arbitration proceedings

There have been no governmental, legal or arbitration proceedings (including those which are pending or threatened of which the Issuer is aware), which may have, or have had, significant effects on the Issuer's financial position or profitability.

20.4 Significant change in the issuer's financial or trading position

Since the date of audited financial statements of the Issuer, that is, for the period from 3 June 2011 to 31 December 2011, the Issuer has, entered into the Transfer Contracts (on 14 June 2012), the Emphyteutical Grants (on 26 June 2012), and the Lease Agreements (on 26 June 2012), the financial impact of which is summarised in the *pro forma* financial information as at 31 December 2011. Furthermore, as indicated in Section 10, the Issuer has secured an aggregate of €40,000,000 by way of bank borrowings through the €15,000,000 twenty five year and €25,000,000 twenty year credit facility agreements entered with the European Investment Bank on 26 June 2012.

21 Additional Information

21.1 Share Capital

As at the date of this Registration Document, the authorised and issued share capital of the Issuer is as follows: -

AUTHORISED SHARE CAPITAL	
€100,000,000	150,000,000 Ordinary A Shares (€0.50 nominal value per share);
	50,000,000 Ordinary B Shares (€0.50 nominal value per share);
ISSUED SHARE CAPITAL	
€59,054,032	118,108,064 Ordinary A Shares held as follows: - 118,108,062 Ordinary A Shares (€0.50 nominal value per share) held by the Government of Malta; and 2 Ordinary A Shares (€0.50 nominal value per share) held by Malta Investment Management Company Limited.

21.2 Memorandum and Articles of Association

21.2.1 Objects

The Articles of the Issuer are registered with the Registry of Companies. A full list of the objects for which the Issuer is established is provided in Clause 3 of the Memorandum of Association. These objects include:

- the acquisition under any title, development, management and operation of any immovable property, and the granting of any real or personal right over any immovable property held by the Issuer; and
- the subscription and acquisition of any shares, stock, debentures, debenture stock, bonds, notes, options, receivables, interests in or securities of all kinds of any company, corporation entity, partnership or other body of persons.

21.2.2 Appointment and Powers of Directors

At present, in terms of the Articles, unless the Issuer in general meeting determines otherwise, the board of directors consists of a maximum of seven (7) directors, the majority of which are to be independent non-executive directors. A member of the Issuer holding, or a number of members who between them hold, such number of Equity Securities having voting rights as may be sufficient to constitute one or more Qualifying Holdings, is entitled to appoint one (1) Director for every Qualifying Holding held, by letter addressed to the Company Secretary, provided that no member may, with its Qualifying Holdings, appoint more than five (5) directors.

The administration and management of the Issuer shall be conducted by the Directors provided that in the specific instances provided for in Clause 54.1 of the Memorandum of Association, the prior written approval of the Investment Committee shall be sought and obtained, prior to the putting into effect of the relevant decision. These instances are the following:

- incurring any indebtedness, whether actual or contingent, in excess of €200,000, whether in a single instance or otherwise;
- carrying out any investment or transaction which is not contemplated in the investment policies determined by the Investment Committee; and
- changing or in any way amending the investment policy of the Issuer.

21.2.3 Classes of Shares: Rights, Preferences and Restrictions

According to the Memorandum of Association, Ordinary A Shares and Ordinary B Shares rank *pari passu* for all intents and purposes of law, subject to the following:

- holders of Ordinary A Shares are not entitled to receive a dividend or other distribution declared by the directors during the Prescribed Dividend Period (that is, the period commencing from the date of incorporation of the Issuer and ending on 31 December 2014). The right to receive the aforesaid Restricted Dividends vests solely in the holders of the Ordinary B Shares; and
- holders of Ordinary A Shares are entitled to any and all dividends declared by the directors (other than Restricted Dividends) *pari passu* with the holders of Ordinary B Shares.

A detailed description of the principal rights, preferences and restrictions attaching to the Shares is contained in section 5.2 of the Securities Note.

21.2.4 Changes to Rights of Shareholders

The rights attached to any class of Equity Securities as is currently in existence, or other classes of Equity Securities that may be created in the future, may (unless otherwise provided by the terms of issue of those Equity Securities), whether or not the Issuer is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Equity Securities of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of the Equity Securities of that class.

21.2.5 Annual General Meetings

Subject to the provisions of the Companies Act, annual general meetings of the Issuer shall be held at such time and place as the Directors shall appoint. A general meeting is not deemed to have been duly convened unless at least twenty-one (21) days notice is given in writing to all persons entitled to receive such notice, which must specify the information prescribed by law. The notice period may be reduced to fourteen (14) days if certain conditions are satisfied. Persons are entitled to participate in and vote at a general meeting if they are entered as a holder of Equity Securities on the register of members on the record date. The quorum of shareholders required is not less than 51% of the nominal value of the issued Equity Securities entitled to attend and vote at the meeting.

The Directors may convene an extraordinary general meeting whenever they think fit.

If at any time there are not sufficient Directors capable of acting to form a quorum for a meeting of the Directors, any Director, or any two Members of the Issuer holding at least 10% of the Equity Securities conferring a right to attend and vote at general meetings of the Issuer, may convene an extraordinary general meeting.

For further detail on general meetings of the Issuer, please refer to the section entitled “General Meetings” in the articles of association of the Issuer.

21.2.6 Change in Control of the Issuer

Save as set out in section 21.2.7 below, the Government of Malta, whether directly or indirectly - through an entity or body corporate wholly owned and controlled by Government - is obliged, to hold at least seventy per cent (70%) of the issued share capital of the Issuer.

21.2.7 Changes in the Capital

Any transfer of shares by Government or any issuance of shares by the Issuer which has the effect of reducing the aforementioned minimum 70% holding of Government, or otherwise diluting it, shall, in accordance with the Articles of the Issuer be null and void, unless such transfer or issuance is made pursuant to the prior approval of the House of Representatives and evidence of such approval is submitted to the Issuer.

21.2.8 Authorised but unissued shares

As set out in the heading entitled “Capital Resources”, in the event that the Share Issue is not subscribed to in full, Government has undertaken to subscribe to, and Malita has agreed to issue, an amount of Ordinary B Shares equivalent to the difference between the 20,000,000 Ordinary B Shares and the amount of Ordinary B Shares actually subscribed to pursuant to the Share Issue.

Furthermore, in the event that 10,000,000 Ordinary B Shares (additional to the 20,000,000 Ordinary B Shares constituting the Share Issue), are not issued in full by Malita by 31 December 2014, and until such time as they are so issued thereafter, Malita shall offer shareholders the option to elect to receive dividends in cash or by way of scrip dividend. In this respect, the Government of Malta and Malita have agreed that Government shall elect to receive dividends by way of scrip dividend until such time as all the said shares have been issued in full.

22 Statement by Experts & Declarations of any Interests

The information extracted from third party sources and used in the Section entitled “Transfer Contracts” of this Registration Document has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published thereby, no facts have been omitted which would render the reproduced information inaccurate or misleading.

22.1 Property Valuation Reports

The Issuer commissioned paulcamilleri & associates, a firm of architects to issue the Property Valuation Reports. The following are the details of the said valuer: -

Name: paulcamilleri & associates
Business address: 127, Archbishop Street, Valletta, VLT 1444, Malta.

Listing Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of publication of the prospectus.

The Property Valuation Reports, issued by paulcamilleri & associates on 14 May 2012 (the “Sign-Off Date”), are effective as of 1 December 2011 (the “Effective Date”), which is also the date from when, in terms of the Transfer Contracts, ground rent and related revenue generated from the Transfer Sites start to accrue in favour of the Issuer. The Property Valuation Reports, prepared as of the Effective Date, also support the value at which the Transfer Sites were transferred to the Issuer and the value at which the Transfer Sites are initially recorded by the Issuer in its books of accounts.

The valuer, paulcamilleri & associates, estimates that the variance in value between that reported in the Property Valuation Reports as at the Effective Date and the value that would have been reported in valuations issued on the basis of the same terms and assumptions save for being effective as of the Sign-Off Date (as opposed to the Effective Date) is not material. The above applies in respect of the valuations relating to the VCP Site and MIA Site, as no change in the valuation of the Parliament Building and Open-Air Theatre would be registered between Effective Date and Sign-Off Date.

Having taken into account the specific nature of the transaction and the declaration by the valuer contained in the introduction to the letter accompanying the Property Valuation Reports (included in Annex 3 to this Prospectus), the Listing Authority agreed to the Effective Date of the Property Valuation Reports being more than 60 days from the publication of the Prospectus.

22.2 Accountants’ Report

The Issuer commissioned PricewaterhouseCoopers to issue the Accountants’ Report on the profit forecasts of the Issuer. The following are the details of the said expert: -

Name: PricewaterhouseCoopers
Business address: 167, Merchants Street, Valletta, VLT 1174, Malta.

22.3 Confirmations

The Issuer confirms that the Accountants’ Report dated 27 June 2012 and the Property Valuation Report dated 14 May 2012 have been accurately reproduced in this Registration Document, with the consent of PricewaterhouseCoopers and paulcamilleri & associates, respectively. The Issuer further confirms 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. To the knowledge of the Issuer, none of the foregoing experts have any beneficial interest in the Issuer.

PricewaterhouseCoopers and paulcamilleri & associates respectively have given (and have not withdrawn) their consent for the publication of the Accountants’ Report and the Property Valuation Report in the form and context in which there are included in this Registration Document.

23 Documents on Display

For the duration period of the Registration Document the following documents shall be available for inspection at the registered address of the Issuer:

- a) the Articles;
- b) the Transfer Contracts;
- c) the Emphyteutical Grants;
- d) the Lease Agreements;
- e) the Novation Agreement;
- f) the Contracting Agreement;
- g) the profit forecasts of the Issuer for the financial years ending 31 December 2012, 31 December 2013, 31 December 2014, 31 December 2015 and 31 December 2016 and the Accountants' Report thereon;
- h) the Property Valuation Report for the Property dated 14 May 2012 and issued by paulcamilleri & associates, and site plans referred to therein;
- i) the audited financial statements of the Issuer for the period between 3 June 2011 and 31 December 2011;
- j) the *pro forma* financial information of the Issuer as at 31 December 2011 and the Accountants' Report thereon; and
- k) the Prospectus.

Annex 1 – List of Directorships

Kenneth Farrugia	Present Directorships	Valletta Fund Management Limited
Vincent Mifsud	Present Directorships	Gozo Channel Company Limited Gozo Ferries Limited Gozo Heliport Limited Malpro Limited Property Management Services Limited Casma Limited Mediterranean Power Electric Limited
	Past Directorships	United Macaroni Manufacturing p.l.c. Malta Venture Capital p.l.c. Malta Export Credit Insurance Limited Libyan Arab Maltese Holdings Company Limited
Anne Marie Tabone	Past Directorships	Plaza Centres p.l.c. BEE Insurance Management Ltd (Formerly International Insurance Management Services Ltd) Euromed Risk Solutions Ltd Church Wharf Properties Ltd Premium Realty Ltd
Frederick Mifsud Bonnici	Past Directorships	Mauramy Limited Malta Freeport Corporation Limited Mauramy II Limited Abacus Holdings Limited Abacus (Nominees) Limited Atlas Insurance PCC
Publio Danny Rosso	Present Directorships	Domina Marine Ltd La Valette Funds SICAV p.l.c. Wignacourt Funds SICAV p.l.c. AMCI - MALTA Limited, OCCI - Malta Limited New Generation Press Limited
	Past Directorships	Melita p.l.c. Citadel Insurance p.l.c. Gasam Group Ltd Gasam Enterprises Ltd Gee Five Ltd Gasam Finance Company p.l.c. Gasam Investments Ltd Gasam Mamo Insurance Ltd Gasam Mamo Financial Services Ltd Gasam Mamo Insurance Brokers Ltd G.V. Investments Ltd International Automobiles Ltd V.G. Limited Property Portfolio Holdings Ltd Providential Limited Melita Cable Holdings Limited Mhg Trading Limited

Valletta Fund Management Limited
 Valletta Fund Services Limited
 Cevian Capital (Malta) Limited
 Cevian Capital Partners Limited
 CGHG Holding Limited
 Plimsoll Limited
 PSA Life Insurance Malta Limited
 Palatina Insurance Limited
 Hermes Linder Fund SICAV p.l.c.
 ONE Insurance Limited
 Veniero Investments Limited
 Praude Asset Management Limited
 CTH Funds SICAV p.l.c.
 TGA Funds SICAV p.l.c.
 GPS Malta Limited
 Northcourt Limited
 Scaris Investment Limited
 Scaris Limited
 NB Malta No. 1 Limited
 NB Malta No. 2 Limited
 General Membrane (Malta) Limited
 Rhenas Insurance Limited
(member investment committee)
 Duet Alternative Investments Malta Limited
 Duet Alternative Investments Malta Holding Limited
 RBAM II Funds SICAV p.l.c.

Past Directorships

Card Services Limited
 BOV Stockbrokers Limited
 RBAM I Funds Sicav p.l.c.
 GDP Asset Management (Malta) Limited
 Alphabetos International Funds SICAV p.l.c.
(in dissolution)
 Alphabetos Funds SICAV p.l.c.
 Golden Hedge Umbrella Fund Sicav p.l.c.
 DAM Malta Limited
(in dissolution)
 Setanta Insurance Company Limited
 Meridon Funds Sicav p.l.c.

Annex 2 – Profit Forecasts and Accountants’ Report

Summary of significant assumptions and accounting policies

1. Introduction

The projected statement of financial position and the projected income statement of Malita Investments p.l.c. (together the “projected financial information”) for the period from 1 January 2012 to 31 December 2016 have been prepared to provide financial information for the purpose of inclusion in the Prospectus of Malita Investments p.l.c. dated 2 July 2012. The projected financial information, set out on pages 71 to 72, and the assumptions below are the sole responsibility of the directors of Malita Investments p.l.c.

The projected financial information has been prepared on the basis of the assumption of an equity issue of €10 million. In the event that the Minimum Net Proceeds of the Issue are exceeded and the over-allotment option is exercised, the additional funds raised up to the maximum of €15 million, as provided for by way of the Additional Shares, would be principally used to reduce bank borrowings.

The projected financial information for the financial years ending 31 December 2016 has been based on the following financial information:

- a) the published audited financial information for the period ended 31 December 2011; and
- b) the projected financial information of the Company covering the period from 1 January 2012 to 31 December 2016.

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

The directors have exercised due care and diligence in adopting these assumptions. The projected financial information was formally approved on 27 June 2012 and the stated assumptions reflect the judgements made by the directors at that date. The assumptions that the directors believe are significant to the prospective financial information are set out below.

2. Significant accounting policies

The significant accounting policies of Malita Investments p.l.c. are set out in its audited financial statements for the period ended 31 December 2011. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the projected financial information.

3. Basis of preparation and principal assumptions

The projected financial information is based on the contractual arrangements entered into by the Company, consisting principally of the acquisition of the *dominium directum* of the VCP and MIA sites (the Transfer Sites) in terms of the agreements entered into by the Company with the Government of Malta on 14 June 2012; the acquisition of the Parliament Building and the Open-Air Theatre (the Rented Properties) in terms of the deed of emphyteusis dated 26 June 2012; and the lease agreements for the Rented Properties entered into with Government (represented thereon, in the case of the Parliament Building, by the Clerk of the House of Representatives and, in the case of the Open-Air Theatre, the Coordinator of the Culture and Audiovisuals Unit at the Office of the Prime Minister, each as lessees), on 26 June 2012.

The acquisition of the Rented Properties is funded by: the additional equity issued by the Company on 30 May 2012 for cash; the issue of equity in terms of this Prospectus; proceeds raised from the long-term loans arranged for this purpose, which are inclusive of a three-year capital moratorium period, and the Company’s own cash resources. The consideration for the acquisition of the Transfer Sites was satisfied with the issue of ordinary ‘A’ shares to Government.

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

- there will be no material adverse events originating from market and economic conditions;
- Malita Investments p.l.c. will continue to enjoy the confidence of its bankers;
- interest rates will not change materially throughout the period covered by the projections;
- the basis and rates of taxation will not change materially throughout the period covered by the projections; and
- the rate of inflation will remain in line with that experienced in the last few years.

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

3.1 Revenues

The Company's projected revenue for the years up to 31 December 2016 is based on the ground rents and rental income that the Company expects to receive from investment property. This comprises:

- ground rents derived from the ownership of the *dominium directum* of the Transfer Sites, taking into account the revision clauses set out in each of the respective deeds of emphyteusis; and
- rent accruing to the Company from the lease of the Rented Properties following the issuance of the completion certificates for the properties on 31 December 2012. The rent will be increased in line with the revision clauses set out in the lease agreements for these two properties.

3.2 Direct costs

Direct costs comprise the ground rent payable by the Company in terms of the deed of emphyteusis for the Rented Properties and the revisions thereof.

3.3 Movement in fair value of investment property

The movement in the fair value of investment property comprises the projected movement in the fair value of the *dominium directum* of the Transfer Sites, and the emphyteutical grant of the Rented Properties. The projected fair value of investment property in the projections is estimated with reference to the cash flows receivable by the Company in terms of its contractual agreements, discounted to present value at each respective balance sheet date. For the purpose of the projected financial information, it is assumed that in the projected period, there would be no significant changes in the external environment and/or the risk profile associated with the collection of the ground rents and rents, which would change the discount rate underlying the fair value calculation of these properties.

3.4 Administrative expenses

Administrative expenses consist of the cost of general management and administration of the Company's activities. These include primarily payroll costs, directors' fees, listing fees, bank facility renewal fees, professional fees and other corporate and general overheads.

3.5 Finance Income

Finance income consists of interest receivable by the Company on its cash balances.

3.6 Finance Costs

Interest costs and similar finance charges relate to the Company's bank borrowings. The finance charges have been projected on the basis of the forecast level of borrowings outstanding during the period covered by the projections at the contracted interest rates for the term of the loans. The Company's principal facility carries interest at a fixed rate for the duration of the term.

3.7 Taxation

Current taxation is provided at 35% of the Company's chargeable income for the period taking into account maintenance allowance on rents receivable.

Deferred tax is provided using the liability method for all temporary differences arising between the tax basis of assets and liabilities and their carrying value for financial reporting purposes. The principal temporary difference arises from the projected movement in the fair value of investment property, the provision on which takes into account the Company's option, in the initial seven years from acquisition, to select the tax regime under which fair value gain would be brought to tax.

3.8 Earnings per share

Earnings per share is based on the projected profit after taxation attributable to the equity holders of the Company, divided by the weighted average number of ordinary shares of Malita Investments p.l.c. projected to be in issue during the year.

	Projections for the year ending 31 December					
	Period from 3 June 2011 to 31 December					
	2011	2012	2013	2014	2015	2016
Net profit attributable to equity holders of the company (€'000)	85	1,414	4,429	4,813	5,120	5,364
Ordinary shares of €0.50 in issue assuming the over-allotment option is not taken up (in thousands)	30,000	138,108	138,108	138,108	143,482	147,396
Earnings per share (in cents)	0.28	1.02	3.21	3.48	3.57	3.64

It is assumed that the Company will be issuing 5,373,917 additional ordinary shares of €0.50 in 2015 and a further 3,914,049 ordinary shares of €0.50 in 2016 by way of a scrip dividend.

3.9. Working capital

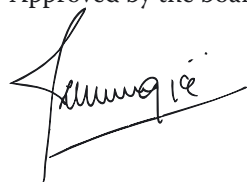
Working capital comprises of trade and other creditors, which include ground rent received in advance and accrued expenses.

The Directors, having made due and careful enquiry, are of the opinion that in the absence of unforeseen circumstances outside their control, the working capital available to the Issuer will be sufficient for its requirements at least for the next twelve months.

4. Conclusion

The directors of Malita Investments p.l.c. believe that the assumptions on which the projected financial information is based are reasonable.

Approved by the board of directors on 27 June 2012 and signed on their behalf by:



Chairman
Kenneth Farrugia



Director
Frederick Mifsud Bonnici

Projected statement of financial position

	Projections as at 31 December					
	As at 31					
	December	2012	2013	2014	2015	2016
	2011	2012	2013	2014	2015	2016
	€'000	€'000	€'000	€'000	€'000	€'000
ASSETS						
Non-current assets						
Property, plant and equipment	4	2	1	-	-	-
Investment property	-	117,577	119,114	121,287	123,631	125,877
Total non-current assets	4	117,579	119,115	121,287	123,631	125,877
Current assets						
Premium on acquisition of property	82,000	-	-	-	-	-
Accounts receivable	128	45	45	45	45	45
Cash and cash equivalents	15,036	4,376	3,058	5,997	6,645	6,431
Total current assets	97,164	4,421	3,103	6,042	6,690	6,476
Total assets	97,168	122,000	122,218	127,329	130,321	132,353
EQUITY AND LIABILITIES						
Capital and reserves						
Share capital	15,000	68,367	68,367	68,367	71,054	73,011
Other reserves	-	141	584	1,065	1,577	2,114
Retained earnings	85	1,357	4,887	8,761	10,228	11,792
Total equity	15,085	69,865	73,838	78,193	82,859	86,917
Non-current liabilities						
Borrowings	-	44,644	44,644	42,786	39,516	37,128
Deferred tax	-	604	1,380	2,450	3,593	4,722
Total non-current liabilities	-	45,248	46,024	45,236	43,109	41,850
Current liabilities						
Borrowings	-	-	-	1,858	3,270	2,388
Capital creditor for acquisition of property	82,000	5,899	-	-	-	-
Trade and other payables	43	638	908	908	984	978
Current taxation	40	350	1,448	1,134	99	220
Total current liabilities	82,083	6,887	2,356	3,900	4,353	3,586
Total liabilities	82,083	52,135	48,380	49,136	47,462	45,436
Total equity and liabilities	97,168	122,000	122,218	127,329	130,321	132,353

Projected statement of comprehensive income

	Projections for the year ending 31 December					
	Period					
	from 3 June 2011 to 31 December 2011 €'000	2012 €'000	2013 €'000	2014 €'000	2015 €'000	2016 €'000
Revenue	115	1,458	6,784	6,785	6,907	7,250
Direct costs	-	(55)	(100)	(100)	(105)	(105)
Gross profit	115	1,403	6,684	6,685	6,802	7,145
Administrative expenses	(42)	(270)	(259)	(265)	(270)	(275)
Change in fair value of investment property	-	1,171	1,536	2,172	2,344	2,247
Operating profit	73	2,304	7,961	8,592	8,876	9,117
Finance income	61	104	254	307	422	464
Finance costs	-	(40)	(1,561)	(1,534)	(1,489)	(1,386)
Profit before tax	134	2,368	6,654	7,365	7,809	8,195
Tax expense	(49)	(954)	(2,225)	(2,552)	(2,689)	(2,831)
Profit for the period/year	85	1,414	4,429	4,813	5,120	5,364
Earnings per share (euro cents)	0.28	1.02	3.21	3.48	3.57	3.64



The Directors
Malita Investments p.l.c.
Clock Tower,
Level 1,
Tigne Point,
Sliema, Malta

27 June 2012

Dear Sirs

Independent Accountants' Report on the Projected financial information of Malita Investments p.l.c.

We report on the projected financial information of Malita Investments p.l.c. for the five years ending 31 December 2016. The forecast statement of financial position, the forecast income statement, the basis of preparation and the material assumptions upon which the forecast is based, are set out on pages 68 to 72 of the Prospectus issued by Malita Investments p.l.c. dated 2 July 2012.

This report is required in terms of rule 5.40 of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the projected financial information

It is the responsibility of the directors of Malita Investments p.l.c. to prepare the projected financial information and the assumptions upon which it is based, as set out on pages 68 to 72, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and EU Regulation EC 809/2004.

Accountants' responsibility

It is our responsibility to form an opinion as required by Listing Rule 5.40 issued by the Listing Authority of the Malta Financial Services Authority and Annex I item 13.2 of EU Regulation EC 809/2004 as to the proper compilation of the projected financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

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

Basis of preparation of the projected financial information

The projected financial information has been prepared on the basis stated in note 3 on pages 68 and 69 of the Prospectus and is based on the audited financial statements for the period

*PricewaterhouseCoopers,
PO Box 61 VLT1000
167, Merchants Street, Valletta, VLT1174 Malta
T: +(356) 2124 7000, F: +(356) 2124 4768, www.pwc.com/mt*

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



ended 31 December 2011 and the forecast for the five years to 31 December 2016. The projected financial information is required to be presented on a basis consistent with the accounting policies of the Company.

Basis of opinion

We have examined the basis of compilation and the accounting policies of the accompanying projected financial information of Malita Investments p.l.c. for the five years ending 31 December 2016 in accordance with ISAE 3000, 'Assurance Engagements Other than Audits and Reviews of Historical Financial Information'. Our work included evaluating the basis on which the historical financial information included in the projected financial information has been prepared and considering whether the projected financial information has been accurately computed based upon the disclosed assumptions and the accounting policies of the Company. The assumptions upon which the projected financial information is based are solely the responsibility of the directors of Malita Investments p.l.c. and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the directors which, in our opinion, are necessary for a proper understanding of the projected financial information have not been disclosed and whether any material assumption made by the directors appears to us to be unrealistic.

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

The projected financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Company in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs). Accordingly, we do not give an opinion as to whether the projected financial information has been properly prepared in accordance with IFRSs.

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

Opinion

In our opinion, the projected financial information has been properly compiled on the basis stated in note 3 and the basis of accounting used is consistent with the accounting policies of the Company.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Simon Flynn'.

Simon Flynn
Partner

Annex 3 – Property Valuation Reports



127, Archbishop Street,
Valletta – VLT 1444, Malta
Tel: (00356) 21224889
21238876
21226840
Fax: (00356) 21238732
email: perit@paulcamilleri.eu
www.paulcamilleri.eu

14th. May 2012

Malita Investments p.l.c.
Clock Tower, Level 1,
Tigne' Point,
Sliema TP01

Attention: **Mr. Kenneth Farrugia**
Chairperson, Malita Investments p.l.c.

Dear Mr. Farrugia,

Temporary Dominium Directum and the absolute freehold ownership of the properties underlying the original emphyteutical grant to Malta International Airport p.l.c. as at 1st. December 2011

Temporary Dominium Directum and the absolute freehold ownership of the properties underlying the original emphyteutical grant to Valletta Cruise Passenger p.l.c. as at 1st. December 2011

Parliament Building/ Opera House site – City gate Entrance/ Triq ir-Repubblika, Valletta

In accordance with your instructions, we have inspected the afore-captioned three Properties in order to provide you with our opinion of their respective open market value for existing/ envisaged use and/ or the values of their temporary Dominium Directum as at 1st. December 2011. We have pleasure in presenting our valuation reports for these three properties.

It is pertinent to point out that the valuation as at 1st. December 2011 for the Parliament Building/ Opera House site would remain unchanged, both at the date of presentation of this valuation, as well as until such time that the agreement between the Government of Malta and Malita Investments P.l.c. would be signed; while for the valuations of the former two properties, and namely the valuations of the Temporary Dominium Directum and the absolute freehold ownership of the properties underlying the original emphyteutical grant to Malta International Airport p.l.c. and Valletta Cruise Passenger p.l.c., the increase in value between that reported as at 1st. December 2011 and the value that would have been reported in these two valuations issued on the basis of the same terms and assumptions save for being effective as of the Sign-Off Date (as opposed to the Effective Date) is estimated at circa 1%, a variation which is not considered material.

Status of valuer and compliance

This valuation has been prepared in accordance with the RICS Valuation Standards (the 'Red Book'). The valuation has been undertaken by the undersigned, who falls within the requirements as to competence set out in the RICS standards and guidelines.

I confirm that the undersigned complies with the requirements of independence and objectivity set out in the RICS standards and guidelines and that the undersigned has no conflict of interest in valuing these Properties. This valuation has been taken by the undersigned in the capacity of External Valuer. The Properties were inspected by the undersigned in the course of compiling these valuation reports.

Paul Camilleri B.E. & A (Hons.), A & C.E., Dip.R.C.Const. (Milan), Eur. Ing.
Kenneth Camilleri B.E. & A (Hons.), A & C.E.
Charlene Vella B.E. & A (Hons.), A & C.E., Dip.R.C.Const. (Milan), Eur. Ing.
Francois Mangion B.E. & A (Hons.)
Carlo Muscat B.E. & A (Hons.)

Patrick Spiteri Fiteni B.E. & A (Hons.), A & C.E.
Alexei Pace B.E. & A (Hons.), A & C.E.
Zdenka Jaksevic-Lang B.A. (Hons.), M.Sc. (Urban Planning)
Matthew Cachia Zammit B.E. & A (Hons.)

Basis of valuation

The basis of the valuation of each of the three properties has been described in each of the properties' valuation reports, respectively. Generally each property has been valued on the basis of Market Value as set out in VS 3.2 of the Red Book which is defined as:

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

Assumptions and sources of information

An Assumption is stated in the glossary to the Red Book to be a 'supposition taken to be true' ('Assumption'). Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that, by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuations, we have made a number of Assumptions and have relied on certain sources of information; and namely (a) information derived from various contracts related to the three properties in question as provided by Notary Pierre Attard and (b) cash flow, ground rent quantum, and other information of a similar nature as set out in the report prepared by PricewaterhouseCoopers, Malta dated 31 January 2012. In the event that any these Assumptions prove to be inaccurate or incorrect then our valuation should be reviewed.

The Assumptions we have made for the purposes of our valuations are referred to below:

Areas

We have not measured the Properties and neither have we undertaken the measurement of any land sites. As instructed we have relied solely upon the information provided, which we have assumed to be full and correct.

Condition

We have not carried out building surveys of the existing structures located on the Properties and neither have we tested the drainage or service installations in the buildings as this was outside the scope of our instructions.

We have not been provided with any building survey or environmental reports and therefore, where we have assumed the continuing use of an existing building, we have made an assumption that the building is structurally sound, free from any defects, free from any rot, infestation, adverse toxic chemical treatments or other design defects that may adversely impact on their future use.

Due regard has been paid to the apparent state of repair and condition for each of the existing buildings, but condition surveys have not been undertaken, nor have woodwork or other parts of the structures which are covered, unexposed or inaccessible, been inspected.

As seen, we have made an Assumption that the existing buildings are free from any rot, infestation, adverse toxic chemical treatments, and structural or design defects.

We have not arranged for investigations to be made to determine whether high alumina cement concrete, calcium chloride additive or any other deleterious materials have been used in the construction or any alterations, and therefore we cannot confirm that the existing buildings are free from risk in this regard. For the purpose of this valuation, we have made an Assumption that any such investigation would not reveal the presence of such materials in any adverse condition.

Legal and planning

We have not been provided with any formal reports on title or legal due diligence in respect of the Properties prepared by lawyers. We have however, been provided with copies of the temporary emphyteusis granted regarding the first two properties.

We do not normally read leases or title documents. The interpretation of the legal documents/disputes is a matter for lawyers and as such we accept no responsibility or liability for the true interpretations of the legal position.

Building permits

Information regarding building permits for the existing/ proposed buildings and structures that exist within the demised Properties have been included as appendices with each of the three valuation reports.

Environmental matters

We have not been instructed to carry out site surveys or environmental assessments nor have we investigated any historical records, to establish whether any land or premises are or have been, contaminated.

Should it be established that contamination does exist, this might reduce the value now reported. We have no basis to assess the reasonableness of this Assumption. If it were to prove invalid then the value would fall by an unspecified amount. We have therefore made no allowance in our valuation for any effect in respect of actual or potential contamination in the lands or buildings.

Lettings

We have not been provided with copies of all the individual sub-lease contracts and we have therefore relied upon the tenancy schedule provided to us in respect of all tenancy information, rents, lease terms etc.

We have assumed that this information is up to date and correct, and should this Assumption prove invalid then our opinion of value may fall by an unspecified amount.

Taxation and costs

We have not made any adjustments to reflect any liability to taxation that may arise on disposals, nor for any costs associated with disposals incurred by the owner. No allowance has been made to reflect any liability to repay any government or other grants, or taxation allowance that may arise on disposals.

Information

We have made an Assumption that the information provided to us is both full and correct, and have relied on the following sources of information:

- Government of Malta
- Notary Pierre Attard
- PricewaterhouseCoopers, Malta
- Architecture Project
- Grand Harbour Regeneration Corporation

It follows that we have made an Assumption that details of all matters likely to affect value within their collective knowledge have been made available to us and that the information is up to date.

Valuation

Our General Assumptions and Definitions for each of the three properties are included as an intrinsic part of the respective valuation reports.

The present capital value in existing state of the properties is reflected in the open market value referred to in the respective valuations.

Any reference to market value referred to in the respective valuations indicates that these valuations are based on market value for existing/ envisaged use, where applicable.

I hereby confirm that, in addition to what is already contained in the respective valuation reports, no further information is required to be included there-in; in fulfilment of Listing Rules 7.4.1.14 and 7.4.9.

Guidance note 1 of the red book

Where uncertainty could have a material effect on an opinion of value, the Red Book requires a valuer to draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the valuation reported.

In accordance with Guidance note 1 of the red book, where uncertainty could have a material effect on an opinion of value, the Red Book requires a valuer to draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the valuation reported. We would therefore bring the reader's attention to fact that the assessment of a fair value of the Parliament Building/ Opera House site, concerns a site/ building with a specific use. As a consequence there is paucity of reliable comparable evidence available which precludes the direct relation and assimilation of market values with similar properties. On the other hand, on an assessment of the plans provided, the conversion there-of to alternative use/s, and namely commercial use, is possible without any undue difficulty. This valuation, therefore, takes this fact into consideration.

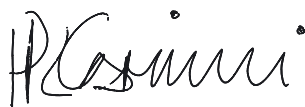
The undersigned has, therefore, on this particular property valuation, had to exercise a greater degree of judgment than is usual in a more active and transparent market.

Liability and publication

This report is issued for your own use, for the specific purpose to which it refers. We do not accept responsibility to any third party for the whole or any part of its contents.

Neither the whole nor any part of this valuation or any reference thereto, may be included in any published document, circular or statement or disclosed in any way without our previous written consent to the form and context in which it may appear.

Yours faithfully,



Perit Paul Camilleri

(encl: 3 Valuation Reports)

**VALUATION REPORT OF THE EMPHYTHEUTICAL GRANT OF
SIXTY FIVE YEARS OF THE PARLIAMENT BUILDING / OPERA HOUSE SITE
AND BUILDINGS – CITY GATE ENTRANCE / TRIQ IR-REPUBBLIKA, VALLETTA**

14th. May 2012

Paul Camilleri B.E. & A (Hons.), A & C.E., Dip.R.C.Const. (Milan), Eur. Ing.
Kenneth Camilleri B.E. & A (Hons.), A & C.E.
Charlene Vella B.E. & A (Hons.), A & C.E., Dip.R.C.Const. (Milan), Eur. Ing.
Francois Mangion B.E. & A (Hons.)
Carlo Muscat B.E. & A (Hons.)

Patrick Spiteri Fiteni B.E. & A (Hons.), A & C.E.
Alexei Pace B.E. & A (Hons.), A & C.E.
Zdenka Jakesevic-Lang B.A. (Hons.), M.Sc. (Urban Planning)
Matthew Cachia Zammit B.E. & A (Hons.)

(A) Scope of Valuation

A.1 The undersigned has been requested to proffer an open market value of envisaged use of the emphytheutical grant of 65 years, commencing this year, of the property, land and buildings which are being constructed/ built/ developed on the afore-captioned site.

A.2 I understand that this valuation is required for the purpose of inclusion in the Prospectus in connection with the proposed initial public offering by Malita Investments p.l.c.. and has been drawn up in accordance with the requirements of Chapter 7 of the 'Listing Rules' published by the 'Listing Authority'

A.3 This valuation is to be read in conjunction with the covering letter with which this valuation, together with two other valuations, was presented.

(B) Definitions

"First Property Site" means the site on various levels in Triq ir-Repubblika in Valletta and also accessible at the lowest level from the Great Ditch, consisting of:

- a) the divided portion of land which used to form part of Misrah Il-Helsien in Valletta, which at road level measures approximately two thousand one hundred and sixty one square metres (2161sq.m.), bounded on the North West by the remainder of Misrah Il-Helsien which shall be incorporated into Triq ir-Repubblika, on the North East by Triq L-Ordinanza, on the South West by the remainder of Misrah Il-Helsien which shall be formed into a passage between the Parliament Building and a public stairway and on the South East by the remainder of Misrah Il-Helsien which shall be formed into a passage between the Parliament Building and Saint James Cavalier, as shown outlined in red on the plan marked P.D. No: 2011_937_2 attached to this valuation report (which plan includes a survey sheet), with all its rights and appurtenances including it overlying airspace and its sub-terrain which in part includes part of the site described in paragraph (b) below but does not include any underlying existing tunnels not expressly mentioned;
- b) the divided portion of land which in part directly underlies the site described in paragraph (a) above and forms part of the sub-terrain of Misrah Il-Helsien in Valletta, which at level forty two point seven three metres (42.73m) above Datum measures approximately one thousand seven hundred and sixty three square metres (1763sq.m.) and which extends upwards to the level of approximately forty seven point one five metres (47.15m) above Datum but not above the surface of the existing roads, bounded on the North West by the remainder of the sub-terrain of Misrah Il-Helsien, on the North East by the sub-terrain of Triq L-Ordinanza, on the South West by the sub-terrain of Misrah Il-Helsien and on the South East by Saint James Cavalier, as shown outlined in red on the plan marked P.D. No: 2011_937_1 attached to this valuation report (which plan includes a survey sheet), with all its rights and appurtenances including its sub-terrain which in part includes part of the tunnel described in paragraph (c) below but does not include any underlying existing tunnels which are not expressly mentioned;
- c) a divided part of what used to be the old railway station and more recently part of the garage known as the "Yellow Garage", accessible from an unnumbered entrance in the Great Ditch in Valletta and extends under part of Triq il-Papa Piju V, part of Misrah il-Helsien, part of Triq L-Ordinanza and part of the Second Property Site, which divided part measures approximately one thousand one hundred and sixty six square metres (1166sq.m.) and is bounded on the South West by the remainder of the aforesaid tunnel which abuts onto the Great Ditch and on all other compass points by rock property of the Government save to the extent that this rock forms part of the sub-terrain of the sites described in paragraphs (a) and (b) above or of the Second Property Site, as shown outlined in red on the plan marked P.D. No: 2011_937 attached to this valuation report (which plan includes a survey sheet), with all its rights and appurtenances including its sub-terrain but does not include any underlying existing tunnels which are not expressly mentioned;
- d) the divided portion of land forming part of the arcades adjacent to Misrah Il-Helsien in Valletta which used to underlie Triq il-Papa Piju V, bounded on the East and North West by the remainder of Misrah Il-Helsien, on the South West by the bastions, as shown outlined in red on the plan marked P.D. No: 2011_937_2 attached to this valuation report (which plan includes a survey sheet), which divided portion of land at road level measures approximately two hundred and seventy five square metres (275sq.m.) and extends upwards from the point marked (i) to the point marked (ii) on the aforesaid plan, up to forty nine point eight metres above Datum at the point marked (i) and up to fifty five point five metres above Datum at the point marked (ii), with all its rights and appurtenances including its sub-terrain which in part includes part of the tunnel described in paragraph (c) below but does not include any underlying existing tunnels which are not expressly mentioned.

“Open Air Theatre” means the building without name or number in Triq ir-Repubblika in Valletta, as shown on the applicable Approved Plans and completed in accordance with the applicable Approved Plans and the applicable Specifications, which is in the course of construction and is being developed on the Second Property Site and has the same boundaries given below for the Second Property Site; the location of the Open Air Theatre is shown marked in green on the plan attached to this valuation report.

“Parliament Building” means the building without name or number in Triq ir-Repubblika in Valletta, as shown on the applicable Approved Plans and completed in accordance with the applicable Approved Plans and the applicable Specifications, which building is in the course of construction and is being developed on the First Property Site and has the same boundaries given above for the First Property Site; the location of the Parliament Building is shown marked in blue on the plan attached to this valuation report.

“Public Areas” means the part of the road level of the First Property Site, shown shaded in yellow on the plan attached to this valuation report, measuring approximately one thousand and fifty square metres (1050sq.m.) and bounded on the North West by the remainder of Misrah Il-Helsien which shall be incorporated into Triq ir-Repubblika, on the North East by Triq L-Ordinanza, on the South West by the remainder of Misrah Il-Helsien which shall be formed into a passage between the Parliament Building and a public stairway and on the East by the remainder of Misrah Il-Helsien which shall be formed into a passage between the Parliament Building and Saint James Cavalier and on all other sites by the remainder of the First Property Site at road level.

“Second Property Site” means the site situated in Valletta, which at basement level, namely at level forty three metres (43m) above Datum has an area of approximately three thousand two hundred and eighty nine square metres (3,289sq.m.), as shown outlined in red on the plan marked P.D. No: 2011_937_3 attached to this valuation report (which plan includes a survey sheet), bounded on the North West by Triq ir-Repubblika, on the North East in part by Triq Nofs-in-Nhar and in part by property of the Government or of its successors in title and on the South West by Triq L-Ordinanza; this site extends downwards *ad infinitum* from the level starting at forty three metres (43m) above Datum, but does not include the underlying tunnel which formed part of the old railway station and in more recent times of the garage known as the “Yellow Garage” (which tunnel is described as part of the First Property) or any other underlying existing tunnels not expressly mentioned in this deed; this site extends upwards from the level starting at forty three metres (43m) above Datum to the level of the property described in paragraph (b) below and up to the level of the roads surrounding the site and above these level extends upwards only to the extent mentioned hereunder for the respective parts described hereunder and consists of:

- a) the existing ruins of the Royal Opera House, without number, situated in Triq ir-Repubblika in Valletta corner with Triq Nofs-in-Nhar and Triq L-Ordinanza, bounded on the North West by Triq ir-Repubblika, on the North East by Triq Nofs-in-Nhar, on the South West by Triq L-Ordinanza and on the South East by Triq il-Vittorja, having an area at ground-floor level of approximately one thousand nine hundred and ninety four square metres (1994sq.m.), as shown marked with the letter “A” and outlined in red on the plan marked P.D. No: 2011_937_4_A attached to this valuation report (which plan includes a survey sheet), with all its rights and appurtenances including its overlying airspace from ground-floor level upwards *ad infinitum* and its sub-terrain but does not include the underlying tunnel which formed part of the old railway station and in more recent times of the garage known as the “Yellow Garage” which forms part of the First Property Site or any other underlying existing tunnels not expressly mentioned;
- b) the divided portion of land in Valletta which underlies part of Triq il-Vittorja, part of the open space situated on the South East of Triq il-Vittorja, the site formerly occupied by the Bank of Valletta building and by the Valletta Police Station and part of Triq Nofs-in-Nhar, which divided portion of land is bounded on the North West by the Royal Opera House, on the South West by the property described in paragraph (c) below and on the South East by the sub-terrain underlying the open space known as Il-Foss Tas-Sur, measuring approximately eight hundred and seventy three square metres (873 sq.m.), as shown outlined in red and marked with red transversal lines on the plan marked P.D. No: 2011_937_4_A attached to this valuation report (which plan includes a survey sheet), which site extends upwards to immediately below the existing overlying roads and open space and includes its sub-terrain but does not include the underlying tunnel which formed part of the old railway station and in more recent times of the garage known as the “Yellow Garage” which forms part of the First Property Site or any other underlying existing tunnels not expressly mentioned, with all its rights and appurtenances;
- c) the ground-floor tenement without official number in Triq il-Vittorja, Valletta, with all its rights and appurtenances including its sub-terrain, bounded on the North West by Triq il-Vittorja, on the North East by Il-Foss Tas-Sur and on the South East by the remainder of Casa Lanfreducci also known as Casa Gerolamo Cassar; which ground-floor tenement forms part of Casa Lanfreducci and underlies the other part of Casa Lanfreducci which is situated at first floor level and has its independent access from Il-Foss Tas-Sur, which ground-floor tenement is shown

marked with the letter “B” and outlined in red on the plan marked P.D. No: 2011_937_4_A) attached to this valuation report (which plan includes a survey sheet);

- d) the site in Triq San Zakkarija in Valletta measuring approximately one hundred and sixty four square metres (164sq.m.), bounded on the North West by Triq San Zakkarija and on all other compass points by property of the Government or its successors in title, as shown marked with the letter “C” and outlined in red on the plan marked P.D. No: 2011_937_4_A attached to this valuation report (which plan includes a survey sheet), with all its rights and appurtenances including its overlying airspace and its sub-terrain as subject to the easement of overlooking windows appertaining to the adjacent properties; which sites and properties are interconnected to each other at basement level as shown outlined in red on the above mentioned plan marked P.D. No: 2011_937_3 attached to this valuation report.

(C) Project description

The redevelopment of the entrance into Valletta, designed by Renzo Piano Building Workshop, forms part of the regeneration of the area and entails a number of interventions of a different nature and scale. These include excavation and demolition works, the construction of new buildings, the restoration of old structures and their rehabilitation to accommodate new uses, landscaping works including the paving of streets and piazzas and planting of vegetation, the renewal of existing service networks including drainage, telephony, communications, water and electricity and the introduction of new services, the provision of underground installations for heat exchange and passive climate control of the buildings and urban lighting for the public areas.

The Project can be divided into five main areas, each with its specific character and function, and namely (a) The Great Ditch and Bridge (b) City Gate (c) Parliament Building (d) Opera House Site and (e) Streetscape; the general descriptions of which being:

The Great Ditch and the Bridge

This area is the interface between the development taking place inside the city walls and the area outside the walls, the Bus Terminus in particular. It is the intermediary space that marks the threshold to the city and includes the ditch stretching between St. James Counterguard and St. James Counterguard, which is to be landscaped, planted and rehabilitated for recreational and cultural activities. It also includes the City Gate Bridge which is to have its accretions removed and the profile and structure of the original seventeenth century bridge restored. The original masonry fabric is to be cleaned and restored. The ditch includes the Railway Bridge which is to have its accretions removed and the original late nineteenth century bridge restored.

City Gate

The gate to the City of Valletta has undergone a number of transformations during its history, from a small breach in the defensive fortifications which amounted to little more than a ‘sally port’, a ceremonial seventeenth century entrance, to the recently demolished structure which was built in the nineteen-sixties. Each successive transformation, regardless of its visual aspect, was a clear interpretation of the needs, aspirations and mentality prevalent at the time and the new proposals continue in this approach.

The City Gate works involves the demolition of the existing Sixties structure and the re-building of a new gate using a reinterpretation of traditional masonry construction with the introduction of new steel elements. The new gate is a breach, eight metres wide. The fundamental element is that the gate has become open to the sky. The Queensway vehicular crossing above will be eliminated and two large and gently sloped stairs, will lead from both St. James and St. John’s Cavaliers down to Republic Street. The void under the St James Stairs will house a series of plant rooms required by the Parliament Building.

The curtain wall adjacent to the City Gate Bridge will include the installation of a panoramic lift that shall provide a vertical link between ditch level and Republic Street. The ramp at ditch level leading to the current staircase which gives access to Republic Street will be demolished, together with the staircase. A new staircase leading to the small tunnel exit is also to be constructed, as well as a staircase in the new Gate to Republic Street.

Parliament Building

The new Parliament Building will be sited on the area currently known as Freedom Square, thus respecting the historic street alignment of the City. The construction will distance itself from St. James Cavalier and the existing Arcade and shops will be demolished.

The New Parliament building itself is made up of two massive volumes clad in stone, supported on *pilotis* that recede from the façade so as to create an impression of suspension in air. The East block, closest to the Royal Opera House site, will house mainly the Debating Chamber and the West block shall house all administrative and support offices, offices for Members of Parliament, the Speaker of the House, the Prime Minister, the Ministers, and the Leader of the Opposition. The two volumes are separated by a central courtyard, which leads to the main entrance of the building. This court is shaped in such a way as to allow progressive views through it from the street towards St. James Cavalier.

Some activities related to the business of Parliament, are housed in the basement level, open to a planted sunken court located at this lower level that is well protected from the direct impact of the sun. The Old Railway tunnel itself will be connected to the sunken garden in such a way as to make this otherwise unusable but historic subterranean structure amenable for public use whilst preserving the authenticity and legibility of the original structure. The tunnel will be restored, rehabilitated and connected with the new building, housing a plant room at the inner end and the Parliament archives and Café at the ditch end.

One of the most important concepts from which the building derives its functionality is that regarding energy. It is assumed that through the stable temperature of the immense mass of rock below, enough energy can be recovered to heat and cool the building. The introduction of a system of heat pumps should avoid the necessity of external cooling towers or additional boilers. It is intended that this building will be a zero carbon (CO₂) emission building whose energy will be recovered by heat exchange with the underlying rock.

The Opera House Site

This part of the project includes the re-use of the existing ruins of the Royal Opera House and the building of an open-air theatre seating up to 1000 persons inside the ruins. The project envisages the preservation of all the existing masonry and the re-use of some of the still existing fragments and remains that are scattered in various locations around Malta. A new very light skin or façade will define the space, supported by a surrounding alignment of steel masts and columns. These will carry moveable walls, lighting systems, acoustic and sound equipment, and shall give the space its specific identity during performances. On the other hand, when the Theatre is not in use, the site works as an open piazza with a shallow stepped seating deck, totally accessible and offering views towards Auberge de Castille, the Churches of Santa Caterina d'Italia and Our Lady of Victories together with St. James Cavalier.

This open-air performance space will be equipped with adequate systems of modern communication, light projection and controlled, directive electro-acoustic sound systems, with a view to offering to many art groups a place to perform. This concept, which distances itself from the traditional opera circuit, is envisaged with much smaller backstage areas. It will therefore house the backstage facilities, including dressing rooms, green rooms and similar spaces, in newly constructed underground spaces within in the site currently occupied by Victory Street, the Valletta Police Station and the ex BOV offices. The demolition of these post-war buildings will form part of this phase of the project, as well as the restoration of the newly exposed façade of the Auberge d'Italie and the reinstatement of the sixteenth century *piazzetta*. The main entrance to the backstage facilities is via the Ground floor of the Case Lanfreducci on Victory Street where the Ground floor of this historic property houses the VIP changing rooms and other facilities.

Streetscape

The remaining project site includes the front portion of Republic Street, part of South Street, part of Ordinance Street and Victory Street. These areas are to be pedestrianised and repaved with local hardstone paving, in line with ongoing Government pedestrianisation schemes in the vicinity.

(D) Basis of Valuation

This Valuation has been prepared in accordance with the valuation Standards published by the Royal Institution of Chartered Surveyors (RICS). These are compliant with the Standards published by the International Valuation Standards Committee (IVSC). In the absence of comparable market transactions, the Valuation is based on the estimated fair value of the properties. The IVSC defines fair value as 'the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction'.

In accordance with Guidance note 1 of the red book, where uncertainty could have a material effect on an opinion of value, the Red Book requires a valuer to draw attention to this, indicating the cause of the uncertainty and the degree to which this is reflected in the valuation reported. We would therefore bring the reader's attention to fact that the assessment of an open market value for the envisaged use of the Parliament Building/ Opera House site, concerns a site/ building with a very specific use. As a consequence there is paucity of reliable comparable evidence available

which precludes the direct relation and assimilation of market values with similar properties. On the other hand, on an assessment of the plans provided, the conversion thereof to alternative use/s, and namely commercial use, is possible without any undue difficulty. This valuation, therefore, takes this fact into consideration.

The undersigned arrived at a considered opinion of an open market value for envisaged use of the project based on three lines of assessment and namely:

- An assimilation of values of commercial properties in the immediate vicinity of the Parliament Building / Opera House site, in Republic Street, and which have been sold recently; also taking into account the respective different building areas and volumes.
- An assessment of the project costs, both those expended up to the date when the valuation thereof had to be assessed, as well as the projected costs to complete the project.

The reported value of work on the Project as at the 1st. of December 2011 was twenty seven million, two hundred and fifty thousand, and eighty nine Euros, sixty-nine cents (€ 27,250,089.69). The said reported value of work on the Project represents the open market value of the Property in its existing state as at the 1st. December 2011.

The reported projected final cost of the project as at the first of December 2011 was eighty two million Euros (€82,000,000.00).

- An assessment of the terms and conditions to be included in the DEED to be entered into between the Government of Malta and Malita Investments p.l.c. for the granting by title of temporary emphyteusis, the Properties in a complete state on the following assumptions:
 - a) that the Emphyteutical Grant is made and accepted for a period of sixty five (65) years commencing from the date of publication of the deed.
 - b) That the Emphyteutical Grant is made and accepted in consideration of the total annual temporary ground-rent of EUR100,000, which ground-rent is apportioned between the Properties in the following manner as to EUR70,000 on the First Property; and EUR30,000 on the Second Property.
 - c) That the Ground-rent is payable in two equal instalments half-yearly in advance as from the date of publication of the deed until the expiry or earlier termination of the Emphyteutical Grant.
 - d) That the Ground-rent shall be revised upwards at the end of every third year of the Emphyteutical Grant by either:
 - o five per cent (5%) of the pro tempore ground-rent payable annually immediately preceding the relative revision; or
 - o by increasing the pro tempore ground-rent payable annually during the three year term immediately preceding the relative revision (the "Relative Term") by the proportionate increase in the Index of Inflation; which proportionate increase shall be calculated by taking as a basis the Index of Inflation published for the year immediately preceding the start of the Relative Term and the Index of Inflation published for the third year of the Relative Term;
 - o whichever shall be the higher.
 - e) That the Emphyteutical Grant is made and accepted also in consideration of a total premium of EUR82,000,000.
 - f) That save as may otherwise be allowed in writing by the Government, the Properties may be used solely and exclusively as provided for herein:
 - o The First Property Site shall be used exclusively for the construction of the Parliament Building and the Parliament Building shall be used exclusively for the purposes of: (a) housing the House of Representatives' debating chamber, its administrative and support offices, offices of the Speaker and the members of the House of Representatives and; (b) any other use which is necessary for the purpose of the proper functioning of the House of Representatives and; (c) any other commercial use allowed by MEPA if the Parliament Building is no longer required by the Government for the aforesaid uses.

- o The Second Property Site shall be used exclusively for the development of the Open Air Theatre and the Open Air Theatre shall be used (a) as a piazza and performing space with supporting facilities; except when it is being used as a performing space and except during such periods when it is organised for the hosting of performances, it shall be made accessible free of charge to the general public subject to any limitations which the Emphyteuta may be imposed from time to time in order to ensure the safety, security and proper maintenance, cleanliness and functioning of the Open Air Theatre and; (b) any other commercial use allowed by MEPA, if for any reason the aforesaid use as a piazza and performing space with supporting facilities shall not remain commercially viable.

Based on the afore-mentioned commentary, Government is constructing, developing and completing the Parliament Building and the Open Air Theatre on the First Property Site and on the Second Property Site respectively and has entered into the Contracting Agreement to *inter alia* construct, develop and complete the above mentioned buildings.

It is assumed that:

- a) That until such time when the Parliament Building and the Open Air Theatre are in a Complete State, the Emphyteutical Grant will have full force and effect in respect of the Property Sites and all parts thereof and developments made thereon with immediate effect.
- b) That the Properties will be granted with all their respective rights and appurtenances including (save as otherwise stated in the definition of the Property Sites) the spaces above the Properties and the spaces underlying the Properties and as enjoying all rights on properties of the Government or of any of its entities or authorities situated in the vicinity of the Properties which shall be required for the use of the Properties in accordance with their Permitted Use.
- c) That the Properties will include all the Immovable Things, which now or in the future shall appertain to the Properties.
- d) That the Properties will be granted as enjoying the easements and/or similar rights which now exist or which may become necessary for the proper use of the Properties in accordance with the Permitted Use, on properties of the Government or of any of its entities or authorities (including public roads and spaces) which are adjacent to or overlie or underlie the Properties (*as servient tenements*) for the advantage of the Properties (*as dominant tenements*), as a result of their position in relation to the servient tenements or as a result of the design and implementation of services and distribution systems, including (but not limited to, the right of access, the easement of windows, balconies and other apertures and the passage or use of the distribution systems (namely common or separate cables, wires, flues, pipes and drains together with the relative connections, fittings, accessories, installations and equipment and other media and infrastructure for the supply or discharge including appropriate channels, conduits and spaces) relating to services and utilities including, without limitation, water (potable and chilled), drainage, sewerage, electricity and electronic transmissions, communication and reception systems (whether public or private), security systems and air-conditioning systems and to the receiving, passage and collection of rain water in reservoirs, and in all cases whether installed or which remain to be installed by the Government up to the outer boundary of the Properties, and which although not within the Properties appertain to the Properties or are necessary for the Properties to be used in accordance with their Permitted Use, provided that all services are installed in the areas and in the manner specifically designated for this purpose and as required by standard practice in the relevant industry; which easement includes the right to replace, repair, modify or improve the aforesaid services from time to time, and the right of access for purposes of installation, maintenance, repairs and inspection of the aforesaid services, which right of access shall be exercised after reasonable prior notice except in an emergency when the obligation to give notice is hereby waived.
- e) That the Properties (*as servient tenements*) will be granted as subject to the existing easements which arise from the position of the Properties in relation to other properties which are adjacent to or overlie or underlie the Properties (*as dominant tenements*), including the easement of windows which overlook the part of the Open Air Theatre.
- f) That the Properties (*as servient tenements*) shall also be subject to easements and similar rights which may become necessary in favour of other properties of the Government or of any of its entities or authorities (including public roads and spaces) which are adjacent to or overlie or underlie the Properties and in particular to the other properties constituting what is commonly known as the City Gate Project (*as dominant tenements*) as a result of the position of the dominant tenements in relation to the Properties or as a result of the design and implementation of services and distribution systems, including (but not limited to) the passage or use of the distribution systems (namely common or separate cables, wires, flues, pipes and drains together with the relative connections, fittings,

accessories, installations and equipment and other media and infrastructure for the supply or discharge including appropriate channels, conduits and spaces) relating to services and utilities including, without limitation, water (potable and chilled), drainage, sewerage, electricity and electronic transmissions, communication and reception systems (whether public or private), security systems and air-conditioning systems and to the receiving, passage and collection of rain water in reservoirs, and in all cases whether included in the Specifications or otherwise, and which although within the Properties are required by the Government or of any of its entities or authorities for the proper use of the dominant tenements in accordance with their designated use; which easement includes the right to replace, repair, modify or improve the aforesaid services from time to time, and the right of access for purposes of installation, maintenance, repairs and inspection of the aforesaid services, which right of access shall be exercised after reasonable prior notice except in an emergency when the obligation to give notice is hereby waived.

Provided:

- i. the easements described above may only be exercised if the required services cannot be lawfully and conveniently passed outside the Properties;
 - ii. any services shall be passed through such parts of the Properties designated for such purpose and may not be passed through the Properties in a place or in the manner which shall materially impede the use of any part of the Properties or affect in any way the decor and aesthetics of the Properties;
 - iii. any services shall be installed, maintained and repaired as required by standard practice in the relevant industry, under the supervision and direction of the Emphyteuta and in a way that causes the least possible damage, inconvenience and burden to the Properties;
 - iv. any costs to install, maintain and repair the services shall be borne by the Government.
- g) That the Public Areas constitute part of the Parliament Building and shall be retained by Malita Investments p.l.c. until the expiry or earlier termination of this Emphyteutical Grant, but shall be made accessible free of charge to the general public subject to any reasonable limitations which Malita Investments p.l.c. may impose from time to time in order to ensure the safety, security and proper functioning of the Parliament Building and of the House of Representatives.
 - h) The Public Areas shall also be subject to the easement of *altius non tollendi* in favour of the properties of the Government situated in the vicinity of the Properties in the sense that no permanent or temporary constructions (except for landscaping) may be made thereon in addition to those already constructed or placed thereon (including the Parliament Building and the bridge interconnecting the two parts of the Parliament Building) at the time of delivery of the Parliament Building by the Government to the Malita Investments p.l.c. in a Complete State in terms of this deed.
 - i) That the easements constituted or promised on the deed to be entered into between the Government of Malta and Malita Investments p.l.c. have been constituted or promised as an integral part of the Emphyteutical Grant and for no additional consideration. Furthermore, it is assumed that, as soon as possible after the Parliament Building and the Open Air Theatre and the development surrounding the Properties commonly known as the City Gate Project have been completed and the easements referred to above have been determined, the Government of Malta and Malita Investments p.l.c. shall enter into a public deed to describe and formally constitute the aforesaid easements and this for no additional consideration.
 - j) That the Government or other public utility operators owned by the Government shall have the right to create in, on or under any part of the Properties, any kind of easement which may be necessary for the provision of public services and utilities. This right shall also apply to other public utility operators not owned by the Government, provided that they shall enjoy such right only to the extent that such rights are granted to them by applicable law. It is also assumed that Malita Investments p.l.c. shall not object to, prevent or hinder the creation of these easements and / or the passage of public services and utilities by the Government or the said public utility operators through the Properties, provided that this does not materially adversely affect the business of the thereof; and that the Government or the public utility operator shall have a duty to create the aforesaid easements and / or pass such services and utilities in the manner which is least injurious to the Malita Investments p.l.c. and as expeditiously as possible in order to cause the least disruption to the operations from the Properties; and that these rights shall be exercised without any obligation to pay any compensation, save in respect of public utility operators not owned by the Government who shall be obliged to pay such fees or other compensation in accordance with applicable law.

- k) That save as otherwise stated on the deed to be entered into between the Government of Malta and Malita Investments p.l.c. and subject to the terms and conditions of the Emphyteutical Grant, the Properties will be granted and acquired as free and unencumbered and as such also as free from any other burdens, ground-rents (save for the Ground-rent), other easements, hypothecs, privileges (save for the privilege reserved by the Government in its favour on the deed, charges, cautions, any third party rights whether real or personal and of whatever type or nature and as free from any litigation, threatened or otherwise with immediate vacant possession in favour of the Malita Investments p.l.c..

Upon completion of the Property as described and in accordance with the terms described above, and following the entering into of the agreement between the Government of Malta and Malita Investments p.l.c., the former will lease the property for the annual sum of five million, two hundred and thirty thousand euros (5,230,000.00 euros); as to three million, six hundred and eighty thousand euros (3,680,000.00 euros) for the Parliament Building and one million, five hundred and fifty thousand euros (1,550,000.00 euros) for the Opera House facility. The payments there-of are due half yearly in advance, on the first of January and first of July every year; the rent being reviewable every three years and increased by the index of inflation during the three year period.

(E) Date of Completion

The envisaged date of completion of all the buildings and areas forming part of the project site is December 2012. The failure of the Government to complete and deliver the Parliament Building, the Open Air Theatre and the Public Areas to Malta Investments p.l.c. in a complete state by the completion date shall constitute a default by the Government; which default would trigger off a penalty regime as described in the deed of transfer to be entered into between the parties.

(F) Age of Buildings

Most of the buildings which form part of this valuation are still under construction and/ or restoration and/ or refurbishment. On the other hand, Casa Lanfreducci was constructed in the 1700's and renovated around 1990 under the responsibility of Perit Roger Degiorgio. The Opera House site is being developed on the ruins of the original Opera House, which had been constructed in the 19th. century and bombed during the Second World War.

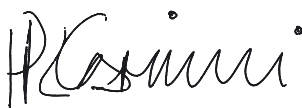
(G) Valuation

Based on the afore-mentioned three lines of assessment, it is my considered opinion that a fair estimate of the open market value of envisaged use of the Parliament Building/ Opera House site, when fully completed and serviced would be eighty two million Euros (€82,000,000.00).

Furthermore, I confirm that the value indicated above applies to the disclosures required in terms of both LR 7.5.5.1 and LR 7.5.5.2, and that there is no distinction between the estimated capital value at current prices and on the basis of current market conditions: (i) post-completion of the Project; and (ii) once the Property has been let upon completion of the Project.

(H) Confidentiality and disclosure and publication

The contents of this report may be used only for the specific purpose to which they refer. Before this report, or any part thereof, is reproduced or referred to in any document and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained, but may not be unreasonably withheld or delayed in so far as it relates to the inclusion of the valuation in the Prospectus.



Perit Paul Camilleri
(encl: List of MEPA Permits)

APPLICATIONS APPROVED

Type	Ref.	Year	Description	Submission Date	Approval Date
FDA	PA 03521	2009	Construction of a new City Gate for Valletta; Parliament Building; New theatre at the Royal Opera House site; Ditch Landscaping	3rd Aug 2009	Granted 2nd Sept 2010 - reserved matters pending
			Submission of revised City Entrance Gate Design	21st Aug 2010	approved 25th March 11
			Ditch Landscaping	2nd Aug 2010	approved 25th March 11
			Method Statement - City Gate Foundations		Method Statement approved
			Reserved Matter - Street Lighting/ Ditch Lighting	02nd Aug 2011	Granted 5th Dec 11
			Reserved Matter - External Finishes	25th Aug 11 & 5th Sept 11	Submitted 25th Aug 11 & resubmitted with additional Information 5th Sept 11. Mepa Processing
FDA	PA 4101	2010	Amendments external envelope (building heights) of Parliament Building	18th Aug 2010	Granted 14th Jan 2011
FDA	PA 4670	2010	Demolition of BOV building (Now including redesign / amendments to Back Stage, proposal for Cassa Cassar and restoration of Auberge D D Italie).	8th Oct 2010	granted 18th July 2011
FDA	PA 4773	2010	Relocation of Wignacourt Fountain (Fountain at Porta San Giorgio)	8th Oct 2010	granted 7th Apr 2011
FDA	PA 5322	2010	Relocation of newspaper kiosk, Republic Street.	3rd Dec 10	granted 6th Oct 2011
Minor	submitted		Alterations to Streetscape paving.	02nd Aug 11	granted 30th Sept 2011
Minor	PA 2815	2010	Reorganisation of Archives & Plant at Level -2, together with Minor Internal Alterations to the Upper Levels of the Parliament Building	21st June 2010	Granted 2nd Feb 2011
Minor	PA 2815	2010	Revisions to Storm water connection to Ditch	20th July 11	Granted 17th Aug 2011
DNO	DN 00951	2010	Trenching Works within CityGate site at Freedom Square Level	23rd Aug 2010	Granted 2nd Sept 2010
Minor	submitted		Piazza Basa Tunnel, Terrace over and rock outcrop.	29th June 11	Granted 14th Oct 2011
FDA	00621	2011	Temporary dismantling of Banquette.	26th May 11	Approved at the 15th Sept 11 MEPA Hearing. Awaiting formal issue of Permit.
Dang Structure	no ref	2011	Structural support to Auberg D Italie.	submitted 14th Oct 11	Granted 18th Oct 11
FDA	PA 5137	2010	Removal from site Telephone Box.	23rd Dec 10	Granted 22nd Dec 11

Type	Ref.	Year	Description	Submission Date	Approval Date
Minor	PA 3521/09		Wall Treatment to scarp wall below Housing, wall facing to rear of Fortifications, Stitching-in of St James Fortification.	19th Oct 11	granted 14th November 2011
Minor	PA 3521/09		Proposed Excavation in fill for Reservoirs, Infrastructure in Ditch including the relocation of the tree pits.	5th Oct 11	Granted 7th Dec 11
FDA	PA 0988	2011	New rooms under St. James Staircase, inclusion of Lifts to Pope Pius Level.	13th June 11	Granted 21st Dec 11, awaiting Permit Conditions

APPLICATIONS IN PROGRESS

Type	Ref.	Year	Description	Submission Date	Approval Date
FDA	PA 01325	2011	Proposed Reservoir under Ticket Office.	27th June 11	
Minor	PA 3521/09		Anchor Bolting below St James Cavalier	14th Oct 11	
Minor	PA 3521/09		Redesign of the Opera House site.	01st Aug 11 & rejected & then 11 Oct 11	
Minor	PA 3521/09		Amendments to Entrance Blocks & Blades.	21st Oct 11	
FDA	track No. 146317		Housing Block lift and alterations to Loggia and façade of Social Housing Block.	submitted 11Nov 11	
FDA	not submitted		Excavation for Lift Pit & Machine Room in Ditch	6th Feb 12	

**Valuation of the Temporary Dominium Directum and the Absolute Freehold
Ownership of the Properties underlying the Original Emphyteutical Grant to
Valletta Cruise Passenger p.l.c. as at 1st. December 2011**

14th. May 2012

Paul Camilleri B.E. & A (Hons.), A & C.E., Dip.R.C.Const. (Milan), Eur. Ing.
Kenneth Camilleri B.E. & A (Hons.), A & C.E.
Charlene Vella B.E. & A (Hons.), A & C.E., Dip.R.C.Const. (Milan), Eur. Ing.
Francois Mangion B.E. & A (Hons.)
Carlo Muscat B.E. & A (Hons.)

Patrick Spiteri Fiteni B.E. & A (Hons.), A & C.E.
Alexei Pace B.E. & A (Hons.), A & C.E.
Zdenka Jakesevic-Lang B.A. (Hons.), M.Sc. (Urban Planning)
Matthew Cachia Zammit B.E. & A (Hons.)

(A) Scope of Valuation

The scope of this valuation is that of assessing the open market value of the temporary dominium directum of the Property described here-under for the period which remains from the term of sixty five (65) years commencing from the twenty second day of November of the year two thousand and one (22/11/2001), the right to receive the Ground-rent, and the absolute freehold ownership of the Properties underlying the Original Emphyteutical Grant to Valletta Cruise Passenger P.l.c. after the expiry or earlier termination of the Emphyteutical Grant, as at 1 December 2011.

I understand that this valuation is required for the purpose of inclusion in the Prospectus in connection with the proposed initial public offering by Malita Investments p.l.c.. and has been drawn up in accordance with the requirements of Chapter 7 of the 'Listing Rules' published by the 'Listing Authority'

This valuation is to be read in conjunction with the covering letter with which this valuation, together with two other valuations, was presented.

(B) Ground-rent

B.1 The Emphyteutical Grant was made in consideration of the payment by the Emphyteuta of annual temporary revisable ground-rent of five hundred and fifty nine thousand, and fifty euro (559,050 euro).

B. 2 The Ground-rent is payable in two equal instalments, each instalment being payable six months in advance.

B.3 In accordance with the terms of sub-clause 2.02 of clause 2 (Groundrent and other Payments) of the Deed of Grant, the Ground-rent shall be revised at the beginning of the 14th year of the Emphyteutical Grant whereby the ground rent of five hundred and fifty nine thousand, and fifty euro (559,050 euro) shall be increased by 20% or by such amount as will represent the rate of inflation, as per the Index of Inflation (as the term is defined in the Deed of Grant) during that period taking as a base the last published Index of Inflation for the year immediately preceding the end of the first twelve month period of the Emphyteutical Grant and that published for the year immediately preceding the beginning of the fourteenth twelve month period of the Emphyteutical Grant, whichever is the higher amount.

B.4 In accordance with the terms of sub-clause 2.03 of clause 2 (Groundrent and other Payments) of the Deed of Grant, after the fourteenth year of the Emphyteutical Grant, the ground rent shall be revised at the beginning of every subsequent five twelve-month period of the Emphyteutical Grant, that is at the beginning of the nineteenth, twenty fourth, twenty ninth, thirty fourth twelve-month periods and so on until the beginning of the sixty fourth twelve-month period, whereby the amount of the last established ground rent shall each time be increased by 10% over the ground-rent as last established or by such amount as will represent the increase in the Index of Inflation (as the term is defined in the Deed of Grant) during the relative five twelve-month period taking as a basis the Index of Inflation for the year immediately preceding the beginning of the period before the last revision of ground rent was effected and the Index of Inflation for the year immediately preceding the beginning of the five twelve month period for which the ground rent is to be increased, whichever is the higher.

B.5 For the purpose of this valuation it is assumed that all the VSC Properties will be transferred by the Emphyteuta to the Government without any reduction in the Ground-rent.

(C) Definitions

"Deed of Grant" means the public deed in the Records of Notary Vincent Miceli of the twenty second day of November of the year two thousand and one (22/11/2001) together with all the schedules, plans and other documents annexed thereto, by virtue of which public deed inter alia the Government granted to VCP the Emphyteutical Site on temporary emphyteusis for a period of sixty five (65) years commencing from the twenty second day of November of the year two thousand and one (22/11/2001).

"Dominus" means the pro tempore directus dominus of the Property or any part thereof and includes the Transferee qua Dominus pursuant to this deed.

"Discount rate" means the pre-tax rate reflecting the market assessments at the date of the Valuation, of the time value of money; and the risks specific to the cash flows emanating from the temporary dominium directum of the Property.

"Emphyteuta" means the pro tempore utilista of the Property or any part thereof and includes VCP qua Emphyteuta

pursuant to the Deed of Grant.

“Emphyteutical Grant” means the temporary emphyteutical grant of the Emphyteutical Site made by virtue of the Deed of Grant.

“Emphyteutical Site” means the buildings and lands situated in Floriana having an area of circa forty six thousand one hundred ninety seven (46,197) square metres and bounded all together Northeast, Southwest and Northwest by property of the Government or its successors in title without official number as shown edged in yellow on plan 145A_2000; but excluding the following properties:

- i) the substation without official number indicated with number two (2) and hatched blue on plan 145A_2000 having an area of forty three (43) square metres and up to a height of six point nine (6.9) metres from the level of the existing ground floor and bounded on all sides by Government property, accessible from Triq Pinto situated in the limits of Floriana;
- ii) the buildings without official number, abutting on Pinto Road Floriana, shown hatched in blue and marked number one on plan 145A_2000 consisting of a chapel and ancillary buildings having a superficial area of circa one hundred ninety eight (198) square metres and bounded on all sides by Government property, which building is also shown on the plan 145D_2000 annexed to the Deed of Grant showing the extent of the chapel marked Document M and also showing the apertures washed yellow which had to be blocked within three months from the date of the Deed of Grant;
- iii) the airspace of the rock hewn building/space without official number, accessible from an open public space in the limits of Floriana and marked with letter A and washed orange on plan 145A_2000, situated within the bastions, having an area of one thousand one hundred and ninety (1190) square metres from a height of six point seven (6.7) metres from the level of the present entrance upwards and bounded on all sides by property of the Government or its successors in title;
- iv) the airspace of the rock hewn building/space without official number, accessible from an open public space in the limits of Floriana and marked with letter B and washed in orange on plan 145A_2000, situated within the Bastions, having an area of five hundred (500) square metres from a height of six point seven (6.7) metres from the level of the present entrance upwards and bounded on all sides by Government property;
- v) the airspace of the rock hewn building/space without official number accessible from an open public space in the limits of Floriana and marked with letter ‘C’ and washed in orange on plan 145A_2000 situated within the Bastions, having an area of circa eight hundred and one (801) square metres from a height of six point seven (6.7) metres from the level of the present entrance upwards, and bounded on all sides by Government property;
- vi) the airspace of the rock hewn building/space without official number accessible from a building forming part of the emphyteutical concession in the limits of Floriana and marked with letter ‘D’ and washed in orange on plan 145A_2000 situated under Crucifix Hill, having an area of circa one hundred and twenty eight (128) square metres from a level of three metres under the road level of Crucifix Hill upwards and bounded on all sides by Government property.

For the avoidance of doubt it is declared that the location plan P.D.145_2000 (Document “N”) annexed to the Deed of Grant includes the Emphyteutical Site and also the site granted under management in terms of the Deed of Grant.

“Ground-rent” means the annual temporary revisable ground-rent due in terms of the Deed of Grant described in clause 3 (three) (Ground-rent) of this deed.

“Immovable Things” means all buildings, structures, developments, infrastructure, facilities, installations, equipment, plant and machinery and other improvements, now existing, or which in the future may exist (as the context requires), within the boundaries of the Property, whether installed, constructed or erected on, in or under the Property or which otherwise appertain to the Property but to the extent only that they are considered immovable things in terms of the Civil Code, Chapter sixteen (16) of the Laws of Malta and whether such buildings, structures, developments, infrastructure, facilities, installations, equipment, plant and machinery and other improvements are mentioned or otherwise in the description or reference to the Property in this deed.

“Land Registry” means the office in Malta constituted by virtue of the Land Registration Act, Chapter two hundred and ninety six (296) of the Laws of Malta, for the purposes of registration of title to land.

Plan “PD 145A_2000” means the plan annexed as schedule two (2) to the Deed of Grant;

“Property” means the Emphyteutical Site less the VSC Properties.

“Receivables” means the annual payments due in terms of the Deed of Grant described in clause 4 (four) (Receivables) of this deed.

“VSC Properties” means the areas described in paragraphs (a), (b), (c) and (d) below forming part of the new road linking Valletta to Marsa and passing behind Pinto Stores as shown on the plans forming part of Schedule eight (8) annexed to the Deed of Grant, namely

- (a) the area hatched in green and marked with letter “E” on plan PD 145A_2000 having an area of one thousand three hundred and seventy nine (1,379) square metres;
- (b) the area hatched in green and marked with letter “F” on plan PD 145A_2000) having an area of eight hundred sixty eight (868) square metres;
- (c) the area hatched in violet marked with letter “G” on plan PD 145A_2000 having an area of three hundred and sixty (360) square metres;
- (d) the area hatched in violet marked letter “H” on plan PD 145A_2000 having an area of four thousand eight hundred and sixty two (4,862) square metres;
- (e) including the areas above and below the road.

“Malita” means Malita Investments p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 53047 and with registered office at Clock Tower, Level 1, Tigne Point, Sliema, Malta;

(D) Basis of Valuation

The valuation of the Temporary and Perpetual Emphyteutical Properties has been prepared in accordance with the valuation Standards published by the Royal Institution of Chartered Surveyors (RICS). These are compliant with the Standards published by the International Valuation Standards Committee (IVSC). In the absence of comparable market transactions, the valuation is based on the estimated fair value of the properties. The IVSC defines fair value as ‘the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm’s length transaction’.

The fair value of the properties has been estimated based on the discounted cash flow arising from the temporary dominium directum of the Property described above, the right to receive the Ground-rent, and the absolute freehold ownership of the Property after the expiry or earlier termination of the Emphyteutical Grant. In the valuation, it is assumed that the Dominus and Emphyteuta are separate and distinct parties and therefore no premium, which may arise from marrying the dominium directum and the freehold of the properties during the term of the Emphyteutical Grant has been considered.

The fair value of the properties has been calculated on the basis of the aggregate of:

D1) the nominal value of the remaining Ground rent receivable in respect of the site/s as at 1 December 2011, taking into account the revision terms set out in the Deed of Grant, discounted to present value at the ‘Discount Rate’. For the purpose of the Valuation, it is assumed that the conditions set out in the Deed of Grant, which oblige the Emphyteuta to make annual payments in terms of the Receivables, in addition to the Ground-rent, will not be triggered; and

D2) the freehold value attributable to the site/s upon the expiry of the term of the dominium directum. The freehold value has been determined by compounding the aggregate of the estimated value of the original consideration originally received by Government on the Deed of Grant, consisting of the premium, works, preference shares and the Ground-rents; and the capitalisation of the projected ground rent receivable subsequent to the expiry of the Deed of Grant, by:

- a) the rate of inflation, as determined by the movement in the 'Retail Price Index' in the period between the date of the original emphyteutical grant of the site/s and 1 December 2011; and
- b) the projected inflation in respect of the period commencing from 1 December 2011 and ending on the date of expiry of the emphyteutical grant of the site/s, which projected inflation rate is assumed at 2% per annum.

The Valuation also provides for a deduction to reflect an apportionment of the projected annual administrative costs to be expensed by the Company in the administration and collection of the gross amounts receivable from the site/s, discounted to present value as at 1 December 2011 at the Discount Rate.

In the Valuation, no adjustment has been made to reflect any liability to taxation that may arise on the Ground-rents, and other income receivable from the Transferred Property, gains that may be realized in a disposal, nor for any costs associated with such a disposal.

For the purpose of the Valuation, it is being assumed that the Emphyteuta are and will remain financially in a position to meet their obligations and honour the payment of Ground-rents and the other terms of the Deed of Grant until the end of the term.

Furthermore, in the Valuation, no account has been taken of the value of the buildings and improvements carried out on the Emphyteutical Land given that it is assumed that on expiry of the Deed of Grant, these will be beyond their economic useful life.

For the purpose of the Valuation, it is assumed that any information Malita has supplied to me in respect of the Transferred Property is both full and correct. Where I deemed necessary, I have obtained written representations from Malita and/or from other parties in order to support the assumptions on which the Valuation is based.

(E) Valuation

After having taken into consideration all the afore-mentioned facts and considerations, it is my considered opinion that the open market value value of the temporary dominium directum of the Property described above, the right to receive the Ground-rent, and the absolute freehold ownership of the Property after the expiry or earlier termination of the Emphyteutical Grant would be twelve million, five hundred and twenty four, three hundred and ninety five euro (12,524,395.00 euro).

(F) Confidentiality and disclosure and publication

The contents of this report may be used only for the specific purpose to which they refer. Before this report, or any part thereof, is reproduced or referred to in any document and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained, but may not be unreasonably withheld or delayed in so far as it relates to the inclusion of the valuation in the Prospectus.



Perit Paul Camilleri
(encl: List of MEPA Permits)

VISET MEPA APPLICATIONS

Ref.	Year	Description	Location	Applicant	Status
2099	1999	Outline application for the development of a cruise passenger and ferry terminal. Application includes:- a) Related leisure and commercial facilities. b) Construction of a tunnel and access road in Magazine Bastion and Crucifix Bastion. c) Construction of a car park and leisure facilities in Crucifix Bastion.	Site @ Triq Pinto, Floriana.	Ben Muscat	Granted
3002	2000	Excavation of exploratory trenches to expose and locate Historical Quay wall.	Site @ Triq Pinto, Floriana.	Ben Muscat	Granted
170	2001	Amended application for the development permission for the construction of a cruise passenger ferry passenger terminal and related commercial facilities. Application includes construction of a marina, re-location of access road to behind stores, and construction of a third party accommodation building.	Pinto & Stores, Pinto Wharf & Power Station, Triq Pinto, Floriana.	J. M. Demajo	Granted
2814	2001	Full development application for construction of three storey warehousing mixed use building to accommodate third party owners/tenants on sea passenger terminal site (demolishing of existing structures)	Site @ Triq Pinto, Floriana.	J. M. Demajo	Granted
686	2002	Restoration of Pinto stores including reconstruction of missing facade, trimming of vaults 14-15, re-location of existing public road to behind Pinto stores including junctions.	Valletta Cruise Passenger Terminal, Triq Pinto, Floriana.	Chris Falzon	Granted
1266	2002	Amended development application for minor alterations to facade, extension on internal street	Site @ Triq Pinto, Floriana.	Chris Falzon	Granted
774	2003	Amended application for minor modifications to permit no 686/02, namely re alignment of proposed trimming of back of building, removal of balusters from facade and construction of staircase and lift at back of building.	Pinto Stores 14, Triq Pinto, Floriana.	Chris Falzon	Granted
2608	2003	Construction of cruise passenger terminal and related activities.	Forni Stores, Triq Pinto, Floriana.	Chris Falzon	Granted
4710	2003	Excavation of water feature and restoration of historical quay wall.	Valletta Cruise Passenger Terminal, Triq Pinto, Floriana.	Chris Falzon	Granted
45	2004	Restoration and minor alterations to ex-Power Station Complex.	Ex-Power Station, Triq Pinto, Floriana.	Chris Falzon	Pending DPAR
2252	2004	Embellishment works for Valletta waterfront including paving works, landscaping and lighting.	Pinto Wharf, Triq Pinto, Floriana.	Chris Falzon	Granted
333	2005	Change of use from existing warehouses to retail / restaurant outlets.	Pinto & Forni Stores, Triq Pinto, Floriana.	Chris Falzon	Granted
2354	2005	Excavation and installation of LPG Gas Tank below road level and covered by soft landscaping.	Valletta Cruise Passenger Terminal, Triq Pinto, Floriana.	Chris Falzon	Granted

Ref.	Year	Description	Location	Applicant	Status
2355	2005	Reversible internal interventions within Pinto and Forni stores.	Valletta Cruise Passenger Terminal, Triq Pinto, Floriana.	Chris Falzon	Granted
4884	2005	Construction of retail mall and overlying car park	Pinto Stores 7-12, Triq Pinto, Floriana.	Chris Falzon	Granted
6073	2005	Change of use of emergency check in lounge to class 4 retail and class 5 financial institution.	Forni Complex Cruise Terminal, Triq Pinto, Floriana.	Chris Falzon	Granted
6758	2005	Creation of a pedestrian underpass from Cruise Terminal to old power station area.	Forni Complex Cruise Terminal, Triq Pinto, Floriana.	Chris Falzon	Granted
7725	2005	Amended development permit for gatehouse at the Cruise Passenger Terminal.	Forni Complex Cruise Terminal, Triq Pinto, Floriana.	Chris Falzon	Granted
8153	2005	Alteration works and extensions to existing sea passenger building/terminal.	Valletta Cruise Passenger Terminal, Pinto Wharf, Floriana	Chris Falzon	Granted
8154	2005	Alteration works to existing quay at pinto wharf.	Valletta Cruise Passenger Terminal, Pinto Wharf, Belt Valletta.	Chris Falzon	Granted
8155	2005	To remove existing fence and develop a gate house next to an existing gate.	Valletta Cruise Passenger Terminal, Triq l-Ghassara ta' L-Gheneb, off Triq Pinto, Floriana.	Chris Falzon	Granted
2358	2006	Renewal of development permission PA 0170/2001	Pinto Wharf, Triq Pinto, Floriana	Chris Falzon	Pending DPAR
7913	2006	To place sculpture in aluminium as a Childs Immigrants Memorial.	Viset Marina, Pinto Wharf, Floriana.	Chris Paris	Granted
8066	2006	Removals and alteration works to quays to accommodate large ships with deep drafts.	Cruise Passenger Terminal, Pinto Wharf, Floriana.	Chris Paris	Granted
6754	2007	To sanction changes of use of the existing unused buildings into Pilot Office of the Cruise & Ferry Pax Terminal Restoration of the building and internal reversible additions using lightweight partitions and removable temporary lightweight timber and steel structure.	Pilot's Quarters - Valletta Waterfront, Triq Pinto, Floriana	Chris Paris	Granted
5098	2008	Proposed amendments to sanction the changes to the roadway under approved permit PA 0686/02 and PA 0774/03.	Cruise Passenger Terminal, Pinto Wharf, Floriana.	Chris Paris	Granted

Ref.	Year	Description	Location	Applicant	Status
1915	2009	Change of Use of Retail & Multi-Purpose Space (class 4) into Offices (class 5)	Forni Complex, Cruise Passenger Terminal, Triq Pinto Floriana	Chris Paris	Granted
1916	2009	Change of Use of from Stores, inc One residence to Food & Drink, Offices & a Multi-Purpose Space.	Pinto Stores & Forni Stores, Triq Pinto Floriana	Chris Paris	Granted
1937	2009	Change of Use of from Stores to Carnival Museum inc. A snack Bar.	Carnival Museum within Rock Cut Vault, Rear of Pinto Stores, Triq Pinto, Floriana	Chris Paris	Granted
3666	2009	Installation of service provider booths (8no. 2.2m cubes on wheels) and awnings	Valletta Waterfront Promenade, Pinto Stores, (in front of Forni), Triq Pinto, Floriana	John Portelli	Pending DPAR

**Valuation of the Temporary Dominium Directum and the Absolute Freehold
Ownership of the Properties underlying the Original Emphyteutical Grant to
Malta International Airport p.l.c. as at 1st. December 2011**

14th. May 2012

(A) Scope of Valuation

The scope of this valuation is that of assessing the open market value of the following:

A.1 The temporary *dominium directum* of the First Property for the period which remains from the term of sixty five (65) years which commenced on the twenty sixth day of July of the year two thousand and two (26/7/2002), the right to receive the First Ground-rent burdening the First Property, and the absolute freehold ownership of the First Property after the expiry or earlier termination of the First Emphyteutical Grant.

A.2 The temporary *dominium directum* of the Second Property for the period which remains from the term which commenced on the first day of July of the year two thousand and ten (1/7/2010) and ends on the twenty fifth day of July of the year two thousand and sixty seven (25/7/2067), the right to receive the Second Ground-rent burdening the Second Property and the absolute freehold ownership of the Second Property after the expiry or earlier termination of the Second Emphyteutical Grant.

I understand that this valuation is required for the purpose of inclusion in the Prospectus in connection with the proposed initial public offering by Malita Investments p.l.c.. and has been drawn up in accordance with the requirements of Chapter 7 of the 'Listing Rules' published by the 'Listing Authority'.

This valuation is to be read in conjunction with the covering letter with which this valuation, together with two other valuations, was presented.

(B) The Ground-rents

B.1 The annual and temporary ground-rent which had been imposed on the First Property on the Deed of First Grant was six hundred and ninety eight thousand eight hundred and twelve euro and two cent (EUR698,812.02) (formerly three hundred thousand Maltese Liri (Lm300,000)) per annum, which annual ground-rent shall be revised upwards every fifth (5th) year of the First Emphyteutical Grant by fifteen per cent (15%) on the ground-rent payable annually in terms of the Deed of First Grant in each year in the immediately preceding five (5) year term (in this deed referred to as the "**First Ground-rent**"). The first such revision took place on the fifth (5th) anniversary of the Deed of First Grant in the year two thousand and seven (2007) and pursuant to this revision the First Ground-rent was increased to eight hundred and three thousand six hundred and thirty three euro and eighty two cent (EUR803,633.82).

B.2 The annual and temporary ground-rent which had been imposed on the Second Property on the Deed of Second Grant was seventy one thousand three hundred and eight euro (EUR71,308) per annum, which annual ground rent shall be revised upwards every fifth (5th) year of the Second Emphyteutical Grant by fifteen per cent (15%) on the ground-rent payable annually in terms of the Deed of Second Grant in each year in the immediately preceding five (5) year term (referred to as the "**Second Ground-rent**"). The first such revision shall take place on the fifth anniversary of the Deed of Second Grant in the year two thousand and fifteen (2015).

B.3 The Ground-rents are payable in advance in two (2) equal six monthly instalments, one instalment falling due on the first (1st) day of January of each year and the other instalment falling due on the first (1st) day of July of each year, for the duration of the Emphyteutical Grants. The last instalment due prior to the expiration of the term of the Emphyteutical Grants shall be adjusted to reflect a *pro rata* payment of the annual ground-rent then payable for the period remaining from the due date of the last instalment up to the expiration date of the Emphyteutical Grants.

B.4 Without prejudice to sub-paragraph (i) of paragraph (a) of sub-clause 1 of clause 18 of the Deed of First Grant (which provision also applies to the Deed of Second Grant) interest for late payment of ground-rent shall accrue at two per cent (2%) per annum over and above the minimum discount rate established by the Central Bank of Malta from time to time. No interest shall accrue for the first seven (7) days from the due date of ground-rent, provided that if payment is received after the lapse of the seventh day as afore-mentioned, interest shall be charged as from the first day immediately following the due date for payment of ground-rent.

B.5 It is being assumed that only the Ground-rents due for the period after the first day of December of the year two thousand and eleven (01/12/2011) will be taken into account in establishing this valuation.

(C) Definitions

“**Aerodrome Sites**” has the meaning given to it in the definition of the First Property made below.

“**Airfield**” means:

- i) the site having an area of two million six hundred and seventy seven thousand eight hundred and ninety six square metres (2,677,896sq.m.), excluding the runway approach lights, bounded on the North East in part by the Terminal Building, on the North West in part by a public road leading to Hal-Farrug and on the South-East by a road within the Airport Complex and shown cross hatched in light blue on the plan PD259_2001 annexed to the Deed of First Grant as Exhibit J; excluded from the above is the underlying tunnel and underlying subsoil shown edged in yellow on the above mentioned plan marked Exhibit J annexed to the Deed of First Grant and having an area of approximately seventeen thousand two hundred and twenty seven square metres (17,227 sq. m.) bounded on all sides by Government property, which tunnel leads from Luqa to Zurrieq and Qrendi, of a height of approximately five point nine eight metres (5.98m) from the existing road surface level;
- ii) the approach lights’ area shown cross hatched in light blue and marked number one (1) on the plan PD259_2001 annexed to the Deed of First Grant as Exhibit J, having an area of approximately two thousand four hundred and ninety two square metres (2,492 sq. m.) and bounded on the South West by a public road and all remaining sides by third party property;
- iii) the approach lights’ area shown cross hatched in light blue and marked number two (2) on the plan PD259_2001 annexed to the Deed of First Grant as Exhibit J and having an area of approximately sixteen thousand seven hundred and seventy two square metres (16,772 sq. m.) and bounded on the South West and North East by third party property and on the North West by a public road leading to Birzebbugia; and
- iv) the approach lights’ area shown cross hatched in light blue and marked number three (3) on the plan PD259_2001 annexed to the Deed of First Grant as Exhibit J, having an area of approximately two thousand three hundred and ninety eight square metres (2,398 sq. m.) and bounded on the North East by a public road and on all remaining compass points by third party property.

“**Airport Complex**” means the area comprising the Airfield and the First Property and the Second Property.

“**Deed of First Grant**” means the public deed in the Records of Notary Vincent Miceli of the twenty sixth day of July of the year two thousand and two (26/7/2002) together with all the schedules, plans and other documents annexed thereto, by virtue of which *inter alia* the Government granted to MIA the First Property on temporary emphyteusis for a period of sixty five (65) years commencing from the twenty sixth day of July of the year two thousand and two (26/7/2002).

“**Deeds of Grant**” means the Deed of First Grant and the Deed of Second Grant.

“**Deed of Second Grant**” means the public deed in the Records of Notary Diana Charles of the first day of July of the year two thousand and ten (1/7/2010) together with all the schedules, plans and other documents annexed thereto, by virtue of which *inter alia* the Government granted to MIA the Second Property on temporary emphyteusis for a period which commenced on the first day of July of the year two thousand and ten (1/7/2010) and ends on the twenty fifth day of July of the year two thousand and sixty seven (25/7/2067).

“**Discount rate**” means the pre-tax rate reflecting the market assessments at the date of the Valuation, of the time value of money; and the risks specific to the cash flows emanating from the temporary dominium directum of the First and Second Property.

“**Emphyteuta**” means the pro tempore *utilista* of the Properties or of a Property in respect of that property and includes MIA qua Emphyteuta pursuant to the Deeds of Grant.

“**First Emphyteutical Grant**” means the temporary emphyteutical grant of the First Property made by the Government to MIA by virtue of the Deed of First Grant.

“**First Ground-rent**” means the annual temporary revisable ground-rent due in terms of the Deed of First Grant.

“**First Property**” means the immovable property granted on temporary emphyteusis by the Government to MIA

by virtue of the Deed of First Grant, namely: the buildings, improvements and lands situated in the limits of Luqa, hereunder described and shown hatched or washed in blue on the plan PD259_2001, annexed to the Deed of First Grant as Exhibit J, namely:

- a) the building known as the Malta International Airport, which building is without number and is accessible from various entrances which abut onto the parking area and private access roads mentioned in paragraph (b) hereunder and is also accessible from other entrances which abut directly onto the Airfield, bounded on the South West by the Airfield property of the Government or its successors in title, and on all other compass points by the parking area and private access roads mentioned in paragraph (b) hereunder, with all its rights and appurtenances, including the space above it, and everything on or over or under the surface, as shown washed in blue on an area marked twelve (12) on the above mentioned plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail on the plan PD 259_2001_3 annexed to the Deed of First Grant as Exhibit J1 (in the Deed of First Grant, referred to as the “**Terminal Building**”); and
- b) the private car park, private access roads, gardens and open spaces, adjacent and contiguous to the Terminal Building, accessible from an unnumbered entrance which abuts onto Vjal l-Avjazzjoni, and all buildings and structures, all unnumbered and unnamed, situated therein, measuring altogether approximately one hundred seventy six thousand six hundred and seventy nine square metres (176,679sq.m.) and together bounded as one whole on the north east by Vjal l-Avjazzjoni, on the North West by a public road which connects Luqa to Kirkop and on the South East by a public road which connects Luqa to Birzebbugia and on the south west in part by the Terminal Building and in part by the Airfield property of the Government of Malta, with all their rights and appurtenances, including the space above them, and everything on or over or under the surface, as shown hatched in blue on an area marked twelve (12) on the above mentioned plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail on the plan PD 259_2001_3 annexed to the Deed of First Grant as Exhibit J1 (in the Deed of First Grant, referred to as the “**Terminal Land**”); and
- c) the hereunder described portions of land all situated on the perimeter of the Airfield with all their rights and appurtenances, including the space above them, and everything on or over or under the surface, namely:
 - i) a divided portion of land in Luqa having an area of approximately eighteen thousand three hundred and eighty nine square metres (18,389sq.m.) and bounded on the North by property of the Government, on the South by a passage and on the South West by a road within the Airport Complex; which is shown marked as area one (1) on the plan PD259_2001_1 to the Deed of First Grant as Exhibit J2;
 - ii) a divided portion of land in Luqa having an area of approximately one hundred **and ten square** metres (110sq.m.) and bounded on the North, South and West by property of the Government; which is shown marked as area five (5) on the plan PD259_2001_1 annexed to the Deed of First Grant as Exhibit J2;
 - iii) a divided portion of land in Luqa having an area of approximately thirteen thousand nine hundred square metres (13,900sq.m.) and bounded on the North by property of the Government, on the East by an unnamed road within the Airport Complex, on the West by another unnamed road within the Airport Complex; which is shown marked as Area Six (6) on the plan 259_2001 annexed to the Deed of First Grant as Exhibit J and on the plan 259_2001_1 annexed to the Deed of First Grant as Exhibit J2;
 - iv) a divided portion of land in Luqa having an area of approximately twelve thousand and thirty two square metres (12,032sq.m.) and bounded on the North by property of the Government, on the West by an unnamed road within the Airport Complex and on the South by a passage road; which is shown marked as area seven (7) on the plan PD259_2001 annexed to the Deed of First Grant as Exhibit J and on the plan PD259_2001_1 annexed to the Deed of First Grant as Exhibit J2;
 - v) a divided portion of land in Luqa having an area of approximately twelve thousand and forty four square metres (12,044sq.m.) and bounded on the North by an open public space, on the West by a passage road within the Airport Complex and on the South East by property of the Government; which is shown marked as Area Eight (8) on the plan PD259_2001 annexed to the Deed of First Grant as Exhibit J and on the plan 259_2001_2 annexed to the Deed of First Grant as Exhibit J3;
 - vi) a divided portion of land in Luqa having an area of approximately thirty two thousand six hundred and eleven square metres (32,611sq.m.) and bounded on the North by an open space within the Airport Complex, on the South and the South West by property of the Government; which is shown marked as Area fourteen (14) on the plan PD259_2001 annexed to the Deed of First Grant as Exhibit J and on plan PD259-2001-4 annexed to the Deed of First Grant as Exhibit J4;

- vii) a divided portion of land in Luqa having an area of approximately fifty thousand three hundred and twelve square metres (50,312sq.m.) and bounded on the North by a passage road within the Airport Complex, on the East by a passage road within the Airport Complex and on the North West by property of the Government; which is shown marked as area seventeen (17) on the plan 259_2001 annexed to the Deed of First Grant as Exhibit J and on the plan 259_2001_4 annexed to the Deed of First Grant as Exhibit J4;
- viii) a divided portion of land in Luqa having an area of approximately one hundred and thirty six thousand and six square metres (136,006sq.m.) and bounded on the North West by a public road, on the North East by an open space within the Airport Complex and on the South East by an open space within the Airport Complex; which is shown marked as area twenty (20) on the plan PD259_2001 annexed to the Deed of First Grant as Exhibit J and on plan 259_2001_5 annexed to the Deed of First Grant as Exhibit J5;

(in the Deed of First Grant, the sites described in the sub-paragraphs (i) to (viii), both sub-paragraphs included, of paragraph (c) of this definition of the First Property are collectively referred to as the “**Aerodrome Sites**”). The Aerodrome Sites are all accessible from the Airfield and on the Deed of First Grant the Government warranted and guaranteed access, both vehicular and pedestrian, for the duration of the emphyteutical grant, to and over the Airfield.

(d) the hereunder described portions of land and the improvements thereon with all their rights and appurtenances, including the space above them, and everything on or over or under the surface and all (except for the items described in paragraphs (i) and (ii) below) shown coloured in brown on the plan annexed to the Deed of First Grant as Exhibit J and as better described and defined in the plans hereunder mentioned, namely:

- i) an underground Airfield Standby Generator Station situated in Qormi limits of Tal-Handaq hewn in the rock face, without number including the relative airspace, accessible from a public road without a name, bounded on the North, South and West by property of the Government and measuring approximately one thousand seven hundred and seventy six square metres (1,776sq.m.); which is shown edged in red on the plan PD259_2001_6 annexed to the Deed of First Grant as Exhibit K1;
- ii) an Electrical Supply Intake Station, without number, accessible from property belonging to the Government which abuts onto Triq Hal-Farrug in Luqa, without its relative airspace but having a ventilation shaft, having an area of approximately one hundred and twenty square metres (120sq.m.) and bounded on the North-East by Triq id-Daqquqa Kahla, on the North-West and South-West by property of the Government; which is shown on the plan PD259_2001_7 annexed to the Deed of First Grant as Exhibit K2;
- iii) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately forty seven point seven square metres (47.7sq.m.) and bounded on the East, South and West by another area granted to MIA under the Deed of First Grant (namely the above described Area Seventeen (17)); which is shown marked in brown and as HVDC “B-B” on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letters “B-B” on the plan PD259-2001-8 annexed to the Deed of First Grant as Exhibit K3;
- iv) a High Voltage Distribution Centre at Luqa without number having an area of approximately one hundred and nineteen point zero four square metres (119.04sq.m.) and bounded on the North, the East and the West by another area granted to MIA under the Deed of First Grant (namely the above described Area One); which is shown marked in brown and as HVDC “H-H” on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letters “H-H” on the plan PD259_2001_9 annexed to the Deed of First Grant as Exhibit K4;
- v) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately ninety eight point six square metres (98.6sq.m.) and bounded on the North, on the East and on the West by property of the Government; which is shown marked in brown and as HVDC “K” on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letter “K” on the plan PD259_2001_10 annexed to the Deed of First Grant as Exhibit K5;
- vi) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately ninety three point four eight square metres (93.48sq.m.), accessible from the Airport Complex and bounded on the South, the East and the West by other property granted to MIA by virtue of the Deed of First Grant (namely the above described Area twenty (20)); which is shown marked in brown and as HVDC “U” on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letter “U” on the plan PD259_2001_11 annexed

to the Deed of First Grant as Exhibit K6;

- vii) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately eighty eight point eight square metres (88.8sq.m.) and bounded on the North, the East and West by property of the Government; which is shown marked in brown and as HVDC "C" on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letters "C" on the plan PD259_2001_12 annexed to the Deed of First Grant as Exhibit K7;
- viii) a High Voltage Distribution Centre at Luqa without number having an area of approximately eighty four point three six square metres (84.36sq.m.) and bounded on the North, the East and the South by other property granted to MIA by virtue of the Deed of First Grant (namely the above described Area twenty (20)); which is shown marked in brown and as HVDC "V" on the plan annexed to the Deed of First Grant as Exhibit J and shown in more detail marked with the letter "V" on the plan PD259_2001_13 annexed to the Deed of First Grant as Exhibit K8;
- ix) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately seventy five point six five square metres (75.65sq.m.), accessible from the Airport Complex and bounded on the North, South and East by property of the Government; which is shown marked in brown as HVDC "Y" on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letter "Y" on the plan PD259-2001-14 annexed to the Deed of First Grant and marked Exhibit K9;
- x) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately one hundred and thirty three point nine seven square metres (133.97sq.m.) and bounded on the North, West and East by property of the Government: which is shown marked in brown as HVDC "W" on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letter "W" on plan PD259_2001_15 annexed to the Deed of First Grant as Exhibit K10;
- xi) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately two hundred and thirty five point two square metres (235.2sq.m.) and bounded on the North East, South East and South West by another property granted to MIA by virtue of the Deed of First Grant (namely the above described Area twenty (20)); which is shown marked in brown as HVDC "J" on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letter "J" on plan PD259_2001_16 annexed to the Deed of First Grant and marked Exhibit K11;
- xii) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately ninety four point eight eight square metres (94.88sq.m.) and bounded on the North East, South East and South West by property of the Government; which is shown marked in brown as HVDC "X" on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letter "X" on plan PD259_2001_17 annexed to the Deed of First Grant as Exhibit K12;
- xiii) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately ninety point two three square metres (90.23sq.m.) and bounded on the North, West and East by property of the Government; which is shown marked in brown as HVDC "K-K" on the plan annexed to the Deed of First Grant as Exhibit J and also shown in more detail marked with the letters "K-K" on plan PD259_2001_18 annexed to the Deed of First Grant as Exhibit K13;
- xiv) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately seventy five point two seven square metres (75.27sq.m.) and bounded on the North East, South East and South West by property of the Government; which is shown marked in brown as HVDC "G" on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter "G" on the plan PD259_2001_19 annexed to the Deed of First Grant as Exhibit K14;
- xv) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately sixty four point seven five square metres (64.75sq.m.) and bounded on the South, the West and the East by another property granted to MIA by virtue of the Deed of First Grant (namely the above described Area seventeen (17)); which is shown marked in brown as HVDC "E-E" on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letters "E-E" on the plan PD259_2001_20 annexed to the Deed of First Grant as Exhibit K15;
- xvi) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately eighty four point

three six square metres (84.36sq.m.) and bounded on the North West, South East and North East by property of the Government; which is shown marked in brown as HVDC “R” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter “R” on plan PD259-2001-21 annexed to the Deed of First Grant as Exhibit K16;

- xvii) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately seventy eight point eight two square metres (78.82sq.m.) and bounded on the North, the South and West by another property granted to MIA by virtue of the Deed of First Grant (namely the above described Area seventeen (17)); which is shown marked in brown as HVDC “F” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter “F” on plan PD259_2001_22 annexed to the Deed of First Grant as Exhibit K17;
- xviii) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately one hundred and sixty four point seven seven square metres (164.77sq.m.) and bounded on the North West, South East and South West by property of the Government; which is shown marked in brown as HVDC “H” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter “H” on plan PD259_2001_23 annexed to the Deed of First Grant as Exhibit (K18);
- xix) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately ninety six point five square metres (96.5sq. m.) and bounded on the North, the South and the West by another property granted to MIA by virtue of the Deed of First Grant (namely the above described Area seven (7)); which is shown marked in brown as HVDC “A” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter “A” on plan PD259_2001_24 annexed to the Deed of First Grant as Exhibit K19;
- xx) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately one hundred and seven point five four square metres (107.54sq.m.) and bounded on the North, the South and the West by property of the Government; which is shown marked in brown as HVDC “S” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter “S” on plan PD259_2001_25 annexed to the Deed of First Grant as Exhibit K20;
- xxi) a High Voltage Distribution Centre at Luqa (situated outside the Airport Complex), accessible from property in the possession of the Armed Forces of Malta, without number, having an area of approximately two hundred and twenty point five two square metres (220.52sq.m.) and bounded on the North East, the South West and the North West by property of the Government; which is shown marked in brown as HVDC “D” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter “D” on the plan PD259_2001_26 annexed to the Deed of First Grant as Exhibit K21;
- xxii) a High Voltage Distribution Centre at Luqa (situated outside the Airport Complex), accessible from a road leading to Triq San Tumas, without number, having an area of approximately fifty six point three square metres (56.3sq.m.) and bounded on the South, the East and West by property of the Government; which is shown marked in brown as HVDC “B” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter “B” on the plan PD259_2001_27 annexed to the Deed of First Grant as Exhibit K22;
- xxiii) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately twelve point five square metres (12.5sq.m.) and bounded on the South East, the North West and the North East by other property granted to MIA by virtue of the Deed of First Grant (namely the above described Area twelve (12)); which is shown marked in brown as HVDC “C” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter “C” on the plan PD259_2001_28 annexed to the Deed of First Grant as Exhibit K23;
- xxiv) a High Voltage Distribution Centre at Luqa, without number, having an area of approximately sixty four point seven five square metres (64.75sq.m.) and bounded on the North, the South and on the East by another property granted to MIA by virtue of the Deed of First Grant (namely the above described Area sixteen (16)); which is shown marked in brown as HVDC “G-G” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letters “G-G” on the plan PD259_2001_29 annexed to the Deed of First Grant as Exhibit K24;
- xxv) a High Voltage Distribution Centre at Luqa, without number, located outside the Airport Complex, accessible from Hal-Farrug Road, having an area of approximately one hundred and ninety one point six square metres (191.6sq.

m.) and bounded on the North West by Triq Hal-Farrug, on the North East by property of the Government and on the South West by property of the Government; which is shown marked in brown as HVDC “L” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letter “L” on the plan PD259_2001_30 annexed to the Deed of First Grant as Exhibit K25;

- xxvi) a High Voltage Distribution Centre at Luqa, without number, located outside the Airport Complex, accessible from an unnamed road within the industrial area, having an area of approximately eighty four point one nine square metres (84.19sq.m.) and bounded on the North West, the South East and on the North East by property of the Government; which is shown marked in brown as HVDC “J-J” on the plan annexed to the Deed of First Grant as Exhibit J and is also shown in more detail marked with the letters “J-J” on the plan PD259_2001_31 annexed to the Deed of First Grant as Exhibit K26;
- xxvii) the Feeder Pillar at Luqa marked as ‘Feeder Pillar’, without number, having an area of approximately two point five square metres (2.5sq.m.) and bounded on the North, East and West by property of the Government; which is shown hatched in blue on the plan PD259_2001_1 as annexed to the Deed of First Grant as Exhibit J2; and
- xxviii) the Malta International Airport Common Engineering Test Point at Luqa, marked as ‘MIA common engineering test point’, without number, having an area of approximately sixteen square metres (16 sq.m.) and bounded on the North, East and West by property of the Government; which is shown hatched in blue on the plan PD259_2001_1 annexed to the Deed of First Grant as Exhibit J2;

(in the Deed of First Grant, the sites described in the sub-paragraphs (i) to (xxviii) both sub-paragraphs included, of paragraph (d) of this definition of the First Property are collectively referred to as the **“Other Sites”**).

“Government” means the Government of Malta.

“Ground-rents” means the First Ground-rent and the Second Ground-rent collectively.

“Malita” means Malita Investments p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 53047 and with registered office at Clock Tower, Level 1, Tigne Point, Sliema, Malta;

“MIA” means Malta International Airport p.l.c., a public limited liability company with company registration number (C12663) and registered address at Malta International Airport, Luqa, Malta.

“Other Sites” has the meaning given to it in the definition of First Property made above.

“Properties” means the First Property and the Second Property.

“Property” means any one of the Properties or any part thereof.

“Second Emphyteutical Grant” means the temporary emphyteutical grant of the Second Property made by the Government to MIA by virtue of the Deed of Second Grant.

“Second Property” means the immovable property granted on temporary emphyteusis by the Government to MIA by virtue of the Deed of Second Grant, namely: the divided portion of land in the limits of Luqa having an area of around forty six thousand five hundred and seventy eight square metres (46,578sq.m.), bounded on all sides by property of the Government; which divided portion of land is shown hatched in blue and marked as Park Four (4) on the plan P.D.259_2001_5_A annexed to the Deed of Second Grant as a document marked with the letter X and is also shown on the Survey Sheet annexed to the Deed of Second Grant as a document marked with the letter Y, which land is subject to all existing servitudes and utility services and is accessible from the Airfield.

“Second Ground-rent” means the annual temporary revisable ground-rent due in terms of the Deed of Second Grant.

“Terminal Building” has the meaning given to it in the definition of First Property made above.

“Terminal Land” has the meaning given to it in the definition of First Property made above.

“Terminal Site” means the Terminal Building and the Terminal Land collectively.

(D) Basis of Valuation

The valuation of the Temporary and Perpetual Emphyteutical Properties has been prepared in accordance with the valuation Standards published by the Royal Institution of Chartered Surveyors (RICS). These are compliant with the Standards published by the International Valuation Standards Committee (IVSC). In the absence of comparable market transactions, the valuation is based on the estimated fair value of the properties. The IVSC defines fair value as 'the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction'.

The fair value of the properties has been estimated based on the discounted cash flows arising from the temporary *dominium directum* of the First Property, the right to receive the First Ground-rent burdening the First Property, and the absolute freehold ownership of the First Property after the expiry or earlier termination of the First Emphyteutical Grant; and the temporary *dominium directum* of the Second Property, the right to receive the Second Ground-rent burdening the Second Property and the absolute freehold ownership of the Second Property after the expiry or earlier termination of the Second Emphyteutical Grant. In the valuation, it is assumed that the Dominus and Emphyteuta are separate and distinct parties and therefore no premium, which may arise from marrying the *dominium directum* and the freehold of the properties during the term of the Emphyteutical Grant has been considered.

The fair value of the properties has been calculated on the basis of the aggregate of:

D1) the nominal value of the remaining Ground rent receivable in respect of the site/s as at 1 December 2011, discounted to present value at the 'Discount Rate'; and

D2) the freehold value attributable to the site/s upon the expiry of the term of the *dominium directum*. The freehold value has been determined by compounding the aggregate of the estimated value of the original consideration originally received by Government on the Deed of Grant; and the capitalisation of the projected ground rent receivable subsequent to the expiry of the Deed of Grant, by:

a) the rate of inflation, as determined by the movement in the 'Retail Price Index' in the period between the date of the original emphyteutical grant of the site/s and 1 December 2011; and

b) the projected inflation in respect of the period commencing from 1 December 2011 and ending on the date of expiry of the emphyteutical grant of the site/s, which projected inflation rate is assumed at 2% per annum.

The Valuation also provides for a deduction to reflect an apportionment of the projected annual administrative costs to be expensed by the Company in the administration and collection of the gross amounts receivable from the site/s, discounted to present value as at 1 December 2011 at the Discount Rate.

In the Valuation, no adjustment has been made to reflect any liability to taxation that may arise on the Ground-rents, and other income receivable from the Transferred Property, gains that may be realized in a disposal, nor for any costs associated with such a disposal.

For the purpose of this Valuation, it is being assumed that the Emphyteuta are and will remain financially in a position to meet their obligations and honour the payments of Ground-rents and the other terms of the Deed of Grant until the end of the term.

Furthermore, in the Valuation, no account has been taken of the value of the buildings and improvements carried out on the Emphyteutical Land given that it is assumed that on expiry of the Deed of Grant, these will be beyond their economic useful life.

For the purpose of the Valuation, it is assumed that any information Malita has supplied to me in respect of the Transferred Property is both full and correct. Where I deemed necessary, I have obtained written representations from Malita and/or from other parties in order to support the assumptions on which the Valuation is based.

(E) Valuation

After having taken into consideration all the afore-mentioned facts and considerations, it is my considered opinion that the open market value of the temporary *dominium directum* of the First Property, the right to receive the First Ground-rent burdening the First Property, and the absolute freehold ownership of the First Property after the expiry or earlier termination of the First Emphyteutical Grant; and the temporary *dominium directum* of the Second Property, the right to receive the Second Ground-rent burdening the Second Property and the absolute freehold ownership of

the Second Property after the expiry or earlier termination of the Second Emphyteutical Grant would be twenty one million, five hundred and twenty nine thousand, six hundred and thirty seven euro (21,529,637 euro).

(F) Confidentiality and disclosure and publication

The contents of this report may be used only for the specific purpose to which they refer. Before this report, or any part thereof, is reproduced or referred to in any document and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, the valuer's written approval as to the form and context of such publication or disclosure must first be obtained, but may not be unreasonably withheld or delayed in so far as it relates to the inclusion of the valuation in the Prospectus.



Perit Paul Camilleri
(encl: List of MEPA Permits)

DEVELOPMENT NOTIFICATIONS

CASE NUMBER	LOCATION OF DEVELOPMENT	DESCRIPTION OF WORKS	STATUS	DATE
DN/00898/04	Park No. 8 (Outside), Malta International Airport, Luqa	Trench from indicated sub-station to building as per permit PA 2680/02.	Approved (DNO)	01 December 2004
DN/00644/04	Malta International Airport, Luqa	Extension to terminal	Notification Accepted	27 August 2004
DN/00814/05	Malta International Airport, Luqa	Proposed airfield improvements	Approved (DNO)	24 November 2005
DN/00689/07	Malta International Airport, Luqa	Construction of extension to operational area at passenger terminal	Approved (DNO)	26 October 2007
DN/00104/09	Malta International Airport, Luqa	Proposed extension to approved car park	Approved (DNO)	23 February 2009
DN/01271/11	Old Terminal Building, Triq il-Mitjar, Luqa, Malta	Addition of office areas over ground floor and construction of other areas adjacent to existing building.	Approved (DNO & Sanita')	25 November 2011
DN/01063/11	Malta International Airport, Vjal L-Avjazzjoni, Gudja, Vjal L-Avjazzjoni, Luqa, Malta	Extension of VVIP Ltd at Malta International Airport	Approved (DNO & Sanita')	20 October 2011

PLANNING APPLICATIONS

CASE NUMBER	LOCATION OF DEVELOPMENT	DESCRIPTION OF WORKS	STATUS	DATE
PA/02979/93	Second Floor (West Side) - Third Floor Ground Level Malta International Airport	Installation of a parabolic antenna.	Permission Granted	13 October 1993
PA/03188/93		To erect AFM quarters and apron movement control tower	Permission Granted	29 May 1995
PA/05026/93	Site at Air Malta Cargo Terminal Luqa	Air Malta Cargo Terminal	Permission Granted	20 June 1994
PA/06349/95	Malta International Airport, Luqa	Illuminated signs/ billboards	Permission Granted	26 February 1996
PA/05681/96	Garden Centre Building, Air Malta Premises, Luqa	Master Plan for Malta International Airport.	Permission Granted	10 July 1997
PA/01050/97	Luqa Airfield, Luqa Barracks, Luqa	To erect apron movement control tower.	Application Withdrawn	
PA/02778/97	Malta International Airport, Luqa	To install one 300mm diameter antenna and two panel antennas.	Permission Granted	27 June 1997

CASE NUMBER	LOCATION OF DEVELOPMENT	DESCRIPTION OF WORKS	STATUS	DATE
PA/03102/97	Malta International Airport, Police Station, Air Malta Premises, Luqa	Addition of first floor over existing ground floor (police station) to house the offices of the airport security management. Construction of four steel columns (to support proposed roof) along outside perimeter of existing building.	Permission Granted	17 September 1997
PA/02768/98	Malta International Airport, Luqa	To construct an underground sewage treatment plant.	Permission Granted	16 September 1998
PA/04394/98	Malta International Airport Air Malta Premises, Luqa	Amended Application:- Addition of a first floor over existing ground floor (Police Station) to house the offices of the airport security management.	Permission Granted	19 August 1998
PA/02160/99	Malta International Airport, Luqa	To build airport security offices next to guard room.	Permission Granted	10 September 1999
PA/03655/00	Malta International Airport, Luqa	Extension and alterations to Malta International Airport terminal to provide for new office space, for storage space and for a helicopter terminal.	Permission Granted	11 August 2000
PA/05429/00	Malta International Airport, Luqa	Amended application to include WC facilities.	Permission Granted	06 March 2002
PA/02550/00	Malta International Airport, Luqa	Installation of telecommunications equipment and antennae over roof.	Permission Granted	26 July 2000
PA/04170/00	Malta International Airport, Luqa	Telecommunication antennae (to sanction).	Permission Granted	04 September 2000
PA/00359/01	Malta International Airport, Triq San Tumas, Luqa	Full development application for demolition of existing structures and substitution with new flight catering unit.	Application Withdrawn	
PA/02680/02	Park No. 8, Malta International Airport, Luqa	To construct air border inspection post and basement (dismantling of existing sheds)	Permission Granted	30 June 2003
PA/04404/02	Inflight Stores (Apron Side), Malta International Airport, Luqa	To construct a cleaning room attached to inflight stores apron side.	Permission Granted	30 September 2002

CASE NUMBER	LOCATION OF DEVELOPMENT	DESCRIPTION OF WORKS	STATUS	DATE
PA/04951/02	Malta International Airport, Luqa	Proposed new vehicular entrance to service station and amendments to centre strip and pavement on Vjal l-Avjazzjoni adjacent to roundabout corner with road leading to workshop.	Application Withdrawn	
PA/05306/03	Malta International Airport, Luqa	Landside opportunity area development Master Plan for Malta International Airport.	Application Withdrawn	
PA/06385/06	Service Station, Malta International Airport, Luqa	Construction of new access to existing service centre and catering establishment and alterations to existing boundary wall.	Permission Granted	17 January 2007
PA/05548/10	Malta International Airport, Vjal L-Avjazzjoni, Luqa, Malta	Proposed Malta International Airport master plan.		
PA/00565/12	Malta International Airport, Vjal L-Avjazzjoni, Gudja, Vjal L-Avjazzjoni, Luqa, Malta	Upgrading of external advertising programme at MIA		

Malita Investments p.l.c.

Securities Note

This document is a Securities Note issued in accordance with the provisions of the Commission Regulation (EC) No. 809/2004 of the 29th April 2004 (the “**Regulation**”) implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

This Securities Note contains information about Malita Investments p.l.c. (the “**Issuer**”) as the issuer of the Shares. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

This document is dated 2 July 2012.

Important Information

THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH (A) THE COMPANIES ACT, (CAP. 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; AND (B) THE LISTING RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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

THIS PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR THE SHARES 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.

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

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

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

THE SHARES HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, 1933. FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MSE IN SATISFACTION OF THE MSE BY-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT. APPLICATION HAS ALSO BEEN MADE TO THE LISTING AUTHORITY AND THE MSE FOR THE SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE FOLLOWING CONDITIONAL ALLOCATION OF SHARES TAKING PLACE UPON RECEIPT

OF APPLICATIONS FROM INVESTORS. DEALINGS IN SHARES ARE EXPECTED TO COMMENCE ON THE OFFICIAL LIST OF THE MSE ON 17 AUGUST 2012.

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

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENSED UNDER THE INVESTMENT SERVICES ACT, CAP. 370 OF THE LAWS OF MALTA WITH RESPECT TO THE SHARE ISSUE.

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF SHARES OR AGREEMENT RESULTING HEREFROM OR THE PROSPECTUS AS A WHOLE IN ANY OTHER COMPETENT JURISDICTION.

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

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.

Table of Contents

Important Information.....	112
Table of Contents.....	114
Definitions.....	116
1 Persons Responsible	118
2 Risk Factors.....	118
3 Forward Looking Statements.....	120
4 Key Information.....	120
4.1 Working Capital Statement.....	120
4.2 Capitalisation and Indebtedness.....	120
4.3 Reasons for the Share Issue and use of proceeds.....	121
4.4 Interest of natural and legal persons involved in the Issue	121
5 Information about the Shares	122
5.1 General description of the Shares.....	122
5.2 Rights attached to the Shares	122
6 Taxation	124
6.1 Taxation Status of the Issuer.....	124
6.2 Taxation on Dividends Paid to the Issuer's Shareholders.....	124
6.3 Tax on Capital Gains.....	124
6.4 Duty on Documents and Transfers	124
7 Expected Timetable.....	125
8 Terms and Conditions of the Share Issue.....	125
8.1 Plan of Distribution and Allotment.....	125
8.2 Issue Period.....	125
8.3 Eligible Applicants	125
8.4 Application Form/Methods of Payment.....	126
8.5 Refunds.....	126
8.6 Minimum and Maximum Applications	126
8.7 Issue Price	126
8.8 Allocation Policy	126
8.9 Results of the Share Issue	126
8.10 Intention to Acquire	126
8.11 Selling Commission.....	126
8.12 Over-Allotment Option	127
8.13 Underwriting.....	127
9 Admission to Trading and Dealing Arrangements	127
10 Authorisations.....	127
11 Conditionality	127
12 Expenses of the Share Issue.....	127
13 Shareholding as a result of Share Issue	128

Annex 1 - Further Terms and Conditions of the Share Issue129

Annex 2 - Financial Intermediaries132

Annex 3 - Application Form..... 134

Definitions

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document issued by the Issuer on 2 July 2012, as the same may be amended, supplemented and updated from time to time.

Applicant	a person/s whose name/s, appear in the registration details of an Application Form;
Application	the application/s to purchase Shares made by an Applicant by completing an Application Form and delivering it to any Financial Intermediary, the Managers or the Registrar;
Application Form	the form of application for subscription of Shares pursuant to the Share Issue, a specimen of which is set out in Annex 3 of this Securities Note;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
CSD	the Central Securities Depository of the MSE established pursuant to article 24 of the Financial Markets Act (Cap. 345 of the laws of Malta), and situated at Garrison Chapel, Castille Place, Valletta VLT 1063;
Financial Intermediaries	the banks, financial institutions, stockbrokers and other persons set forth in Annex 2 of this Securities Note;
Government	the Government of Malta;
Issue Price	€0.50 per Share;
Listing Authority	the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta) by virtue of Legal Notice 1 of 2003;
Manager	jointly, Bank of Valletta p.l.c. and HSBC Bank Malta p.l.c.;
MSE or the Malta Stock Exchange	Malta Stock Exchange p.l.c. as originally constituted by the Financial Markets Act (Cap. 345 of the laws of Malta), bearing company registration number C-42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Over-Allotment Option	the option of the Issuer to increase the issue of the Shares by 10,000,000 additional Shares at the Issue Price in the event that during the Issue Period the Issuer receives applications for Shares in excess of 20,000,000 Shares subject to the terms and conditions contained in the Section of this Securities Note entitled "Over-Allotment Option";
Prospectus	the Registration Document, this Securities Note and the Summary Note;
Registrar	HSBC Bank Malta p.l.c.;
Registration Document	the registration document issued by the Issuer on 2 July 2012, as the same may be updated from time to time;
Securities Note	this document in its entirety, as the same may be updated from time to time;
Shares	the Ordinary B Shares in the share capital of the Issuer having a nominal value of €0.50 per share to be issued pursuant to the Share Issue at the Issue Price;
Share Issue or Issue	the issue by the Issuer to the public in Malta of 20,000,000 Shares (and if the context so requires shall include the Over-Allotment Option, if applicable) at the Issue Price;
Share Issue Period or Issue Period	the period between 23 July 2012 and 27 July 2012, inclusive, or such earlier date as may be determined by the Issuer in the event of over-subscription of the Share Issue;

Sponsors	collectively, Rizzo Farrugia & Co (Stockbrokers) Limited and Curmi & Partners Limited;
Summary Note	the summary note issued by the Issuer on 2 July 2012, as the same may be updated from time to time;
Terms and Conditions	the terms and conditions of Application relating to the Shares as the same are contained in this Securities Note.

1 Persons Responsible

The Directors of the Issuer, whose names appear in the Registration Document under the heading “Administrative, Management and Supervisory Bodies and Senior Management”, are the persons responsible for the information contained in this Securities Note. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

2 Risk Factors

Investment in the Shares is subject to certain risks and prospective investors should carefully consider the risks associated with the Issuer, its business and investments in equity securities generally. In particular, prospective investors should carefully consider the risk factors set out in the following section (which have not necessarily been listed in order of priority), together with the other information contained in the Registration Document, before making an investment decision with respect to the Issuer and the Shares. Prospective investors are also advised to consult their own independent financial, tax, accounting, legal and other professional advisers in regards to the merits of an investment in the Shares.

The risks and uncertainties discussed below are those identified as such by the Directors, but these risks and uncertainties may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those which the Issuer’s Directors are not currently aware of, may well have a material impact on the financial condition and operational performance of the Issuer that could lead to a decline in value of the Shares.

Moreover, information contained in the Prospectus contains “forward-looking statements”, which are subject to the qualifications discussed below.

2.1.1 No prior market for the Shares

Prior to the Share Issue there has been no public market within or outside Malta for the Shares being issued pursuant to the Prospectus. Due to the absence of any prior market for the Shares, there can be no assurance that the price at which the Shares will trade in the market subsequent to the Issue will correspond to the Issue Price or that the Share Issue will be subscribed in full. The market price of the Shares could be subject to significant fluctuations in response to numerous factors, including the Issuer’s operating results and political and economic developments in Malta.

2.1.2 Limited Liquidity

Application has been made to seek a listing of the Shares on the Official List of the Malta Stock Exchange. This market is smaller and less liquid than certain more established stock markets in Europe and elsewhere. The liquidity of the market in Malta depends on factors beyond the Issuer’s control which could impact the trading value of the Shares such as the willingness or otherwise of potential buyers and sellers of the Shares. There are no market makers in Malta, a factor that may be considered to contribute to the limited trading activities on the MSE. Furthermore, market makers assist in adding depth and liquidity to a market by quoting prices on a daily basis at which they are prepared to buy and/or sell listed instruments.

2.1.3 Volatility in prices of equity securities

Following the completion of the Share Issue, the price at which the Shares will be traded, as well as the sales volume of the Shares traded, will be subject to fluctuations. These movements may not necessarily be caused by the Issuer’s business activity or its results of operations. It is also possible that the Issuer’s results of operations or its business outlook may fall short of expectations, in which case the price of the Shares could be negatively affected. In addition, limited trading in the Shares could increase the price volatility of the Shares and may limit the ability of investors to sell Shares in the amount and at the price and time desired. Market liquidity will depend on various factors, many of which are beyond the Issuer’s control such as the willingness (or otherwise) to trade of potential buyers and sellers of Shares. The effect of such investor decisions on the trading market would consequently affect the trading value of the Shares.

2.1.4 Prescribed Ceiling

In terms of the Articles and subject to limited exceptions, no person is permitted, directly or indirectly, from acquiring or holding a beneficial interest in the Ordinary A Shares and Ordinary B Shares of the Issuer in excess of 5% of the total issued share capital of the Issuer having voting rights (the “Prescribed Ceiling”). Investors ought to be aware that should a person hold, directly or indirectly, shares in the Issuer in excess of the Prescribed Ceiling, such person shall, by resolution of the Directors, after due verification, be disenfranchised and divested of any and all voting rights attached to the respective shares in excess of the Prescribed Ceiling held by such person.

2.1.5 Revocation / Discontinuation of listing

Even after the Shares are admitted to trade on the MSE, the Issuer must remain in compliance with certain requirements. The Listing Authority has the authority to suspend trading of the Shares if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the markets. The Listing Authority may discontinue the listing of the Shares on the MSE. Any such trading suspensions or listing revocations / discontinuations described above could have a material adverse effect on the liquidity and value of the Shares. Furthermore, the Listing Authority may discontinue the listing of the Shares if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Shares are no longer possible, or upon the request of the Issuer or the MSE.

2.1.6 Value

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

2.1.7 Secondary Market

There can be no assurance that an active secondary market for the Shares will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to re-sell his/her Shares below, at or above the Issue Price.

2.1.8 Suitability

An investment in the Issuer may not be suitable for all recipients of the Prospectus and investors are urged to consult their advisers as to the suitability or otherwise of an investment in the Shares described herein before making an investment decision.

2.1.9 Minority Shareholding

Even following the Share Issue, Government will be in a position to control the Issuer and to decisively influence all matters that require approval of the general body of shareholders of the Issuer. The interests of the Issuer may not necessarily coincide with the interests of other shareholders of the Issuer. In terms of the Articles, if Government transfers any of its Shares in the Issuer such that it reduces its shareholding below 70%, such transfer would be null and void unless such transfer is made with the consent of the House of Representatives.

2.1.10 Dividends

The extent of any dividend distribution by the Company will depend upon, amongst other factors, the profit for the year, the Directors’ view on the prevailing market outlook, any debt servicing requirements, the cash flows for the Issuer, working capital requirements, and the requirements of the Companies Act (Cap. 386 of the laws of Malta) especially with regard to distributable reserves. The prospective dividend policy set out in the section entitled “Dividend Policy” of the Registration Document should be read and construed accordingly.

2.1.11 Shareholder currency of reference

A shareholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Shares (€) and the shareholder’s currency of reference, if different.

AN INFORMED INVESTMENT DECISION CAN ONLY BE MADE BY INVESTORS AFTER THEY HAVE READ AND FULLY UNDERSTOOD THE RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE SHARES ISSUED BY THE ISSUER AND THE INHERENT RISKS ASSOCIATED WITH THE ISSUER'S BUSINESS.

3 Forward Looking Statements

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

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

Potential investors are advised to read the Prospectus in its entirety and, in particular, the “Risk Factors” section hereof. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

4 Key Information

4.1 Working Capital Statement

The Issuer, after reasonable inquiry, is of the opinion that the working capital available to the Issuer is sufficient for its present business requirements.

4.2 Capitalisation and Indebtedness

The table overleaf sets out the *pro forma* capitalisation and indebtedness of the Issuer as at 31 December 2011 and the estimate as at 31 December 2012, which reflects the acquisition of the Properties (as defined in the Registration Document), the drawdown of the credit facilities as described in the Registration Document and the proceeds from the issue of shares in favour of the Government for cash on 30 May 2012 and the Share Issue (assuming that the Over-Allotment Option is not exercised).

	Pro forma as at 31 December 2011 €	Forecast as at 31 December 2012 €
Shareholders' equity		
Share capital	68,367,177	68,367,177
Other reserves	-	141,305
Total shareholders' equity	68,367,177	68,508,482
Non-current debt		
Unsecured borrowings	44,643,983	44,643,983
Less cash and cash equivalents	(35,144)	(4,376,135)
Net non-current debt	44,608,839	40,267,848
Total capital employed	112,976,016	108,776,330
Gearing ratio*	39.5%	37.0%

* Gearing ratio is calculated as debt divided by the aggregate of debt and equity.

4.3 Reasons for the Share Issue and use of proceeds

The proceeds from the Share Issue, which net of commissions and expenses are expected to amount to €9,313,145, shall be used to contribute towards the payment of the premium due by the Issuer to the Government in terms of the Emphyteutical Grants. The remaining amount of €72,687,855 due by way of premium to the Government and including initial transaction costs shall be funded as follows:

- in an amount of €15,000,000, through the application of initial share capital subscribed by the Government on registration of the Issuer;
- in an amount of €10,000,000, through the application of additional share capital subscribed by the Government on 30 May 2012;
- in an amount of €44,643,983 through the application of the proceeds of bank facilities arranged for this purpose; and
- with respect to the balance of €3,043,872, by the application of the operating cash flow forecast to be generated in the years ending 31 December 2012 and 31 December 2013 (refer to Annex 2 of the Registration Document).

In the event that the Issuer exercises the Over-Allotment Option, the proceeds thereof will be applied by the Issuer to substitute, in part and up to the amount so received, bank borrowings sanctioned for the investment in the Parliament Building and Open-Air Theatre referred in paragraph (c) above.

4.4 Interest of natural and legal persons involved in the issue

Reference is made to the undertaking given by Government described in Section 8.13 of this Securities Note, that is, the undertaking to subscribe to such amount of Ordinary B Shares equivalent to the difference between the 20,000,000 Ordinary B Shares in issue, and the amount of Ordinary B Shares actually subscribed to pursuant to the Share Issue. In this respect, therefore, the Government has an interest in the Share Issue being subscribed to in full.

5 Information about the Shares

5.1 General description of the Shares

Description & Class of Shares	The Shares are Ordinary B Shares of the Issuer having a nominal value of €0.50 per share;
Legislation	The Shares were created in terms of the Companies Act (Cap. 386 of the laws of Malta);
Registered Form	The Shares are in registered form and, until they are admitted to the Official List of the MSE, they will be in fully certificated form. The share certificates are evidence issued by the Issuer to the shareholder of the relevant entry in the register of members of the Issuer of the Shares held by such member. Following their admission to the MSE, the Shares will, whilst retaining their registered form, no longer be in certificated form and will thereafter be held in book-entry form at the CSD in accordance with the requirements of the MSE, or in such other form as may be determined from time to time by applicable law, the requirements of the MSE or the Issuer;
Currency of Shares	€;
Expected Date of Issue of Shares	The Shares are expected to be issued on 16 August 2012.
ISIN	MT0000610106

5.2 Rights attached to the Shares

The Shares form part of the class of Ordinary B Shares in the Issuer. The following are highlights of the rights attaching to the Shares:

5.2.1 Classes of Shares & rights to participate in any distribution of dividends

The Issuer has authorised two classes of shares: the Ordinary A and the Ordinary B Shares. The two classes of shares, subject to the below, rank *pari passu* for all intents and purposes of law.

The holders of the Ordinary A Shares are not entitled to receive dividends declared during a period commencing on the date of incorporation of the Issuer and expiring on 31 December 2014. Such dividends distributed during that period shall be reserved for the holders of the Ordinary B Shares, that is, the shares forming part of the Share Issue. With respect to dividends declared thereafter, the Ordinary A Shares and the Ordinary B Shares shall rank *pari passu* in all respects.

5.2.2 Voting Rights

Each Share shall be entitled to one vote at meetings of shareholders.

5.2.3 Capital Distributions

The Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether in the context of a winding up or otherwise, *pari passu* with all other shares of the Issuer.

5.2.4 Transferability & Restrictions

Subject to the below, the Shares are freely transferable and once admitted to the Official List of the MSE shall be transferable in accordance with the applicable rules and regulations thereof.

In terms of the Articles, no person is permitted, directly or indirectly, from acquiring or holding a beneficial interest in the Ordinary A Shares and Ordinary B Shares of the Issuer in excess of 5% of the total issued share capital of the Issuer having voting rights (the “**Prescribed Ceiling**”).

Any person who holds, directly or indirectly, shares in the Issuer in excess of the Prescribed Ceiling, shall by resolution of the Directors, after due verification, be disenfranchised and divested of any and all voting rights attached to the respective shares in excess of the Prescribed Ceiling held by such person. The Directors are authorised, in terms of the Articles, to request any information from a shareholder which they deem reasonable to verify whether the Prescribed Ceiling has been exceeded or otherwise. These restrictions do not apply to the following persons: -

- a) the Government of Malta;
- b) an underwriter or sub-underwriter under the provisions of an underwriting or sub-underwriting agreement;
- c) custodians in their custodian capacity provided such custodians can only exercise the voting rights attached to such shares under instructions given in writing or by electronic means by the beneficial owner/s.

Furthermore, in the terms of the Articles of the Issuer, the Government of Malta, whether directly or indirectly, (through an entity or body corporate wholly owned and controlled by Government), is obliged to hold at least 70% of the issued share capital of the Issuer. Any transfer of shares by Government or any issuance of shares by the Issuer which has the effect of reducing the holding or otherwise diluting the holding of Government below the said 70% threshold is considered null and void.

5.2.5 Pre-Emption

In accordance with article 88 of the Act and the Issuer's Articles, should any shares in the Issuer be proposed for allotment for consideration in cash, such shares must be offered on a pre-emptive basis to holders of shares in that same class of shares in proportion to the respective share capital held by them. In the event that the Ordinary B Shares are proposed to be allotted for consideration in cash during the Prescribed Dividend Period, the right of pre-emption of the holders of the Ordinary A Shares may only be exercised after the exercise of the right of pre-emption by the holders of the Ordinary B Shares and *vice versa*. In the event that the Ordinary B Shares or Ordinary A Shares are proposed to be allotted for consideration in cash after the expiry of the said Prescribed Dividend Period, the holders of the Ordinary A Shares and the Ordinary B Shares shall equally enjoy a pre-emption right in proportion to the share capital held by them.

A copy of any offer of subscription on a pre-emptive basis indicating the period within which this right must be exercised must be delivered to the Registrar of Companies in Malta. This right of pre-emption must be exercised in accordance with the terms and conditions set out in the Articles of the Issuer and the said right may be assigned in favour of third parties. This right of pre-emption may be withdrawn by an extraordinary resolution of the general meeting of shareholders, in which case, the Directors will be required to present to that general meeting a written report indicating the reasons for restriction/withdrawal of the said right and justifying the issue price.

5.2.6 Mandatory Takeover Bids, Squeeze-Out and Sell-Out Rules

Chapter 11 of the Listing Rules, implementing the relevant provisions of *Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004* regulates the acquisition by a person or persons acting in concert of the control of a company and provides specific rules on takeover bids, squeeze-out rules and sell-out rules. The shareholders of the Issuer may be protected by the said Listing Rules in the event that the Issuer is subject to a Takeover Bid (as defined therein). The Listing Rules may be viewed on the official website of the Listing Authority – www.mfsa.com.mt.

5.2.7 Other

In terms of the Articles and in terms of the Companies Act (Cap. 386 of the laws of Malta), the Issuer may by extraordinary resolution convert any paid-up shares into stock, and re-convert any stock into paid-up shares of any denomination. Further details on the rights of conversion are included in the Articles 27 to 30 of the Articles. The Shares are not redeemable or convertible into any other form of security.

6 Taxation

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

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

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

6.1 Taxation Status of the Issuer

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

6.2 Taxation on Dividends Paid to the Issuer's Shareholders

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

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

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

6.3 Tax on Capital Gains

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

6.4 Duty on Documents and Transfers

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

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

7 Expected Timetable

EVENT	DATE
Availability of Application Forms	9 July 2012
Opening of Issue Period	23 July 2012
Closing of Issue Period	27 July 2012
Expected announcement of basis of acceptance and Over-Allotment Option (if applicable)	3 August 2012
Expected dispatch of allocation advices and refunds of unallocated monies	10 August 2012
Expected admission of the Shares on the MSE	16 August 2012
Expected commencement of trading on the MSE	17 August 2012

The Issuer reserves the right to close the Issue Period before the above described date in the case of over-subscription, in which the Issuer may, but shall not be bound to, anticipate in the same chronological order the remaining events in such a way as to retain the number of Business Days between the said events.

8 Terms and Conditions of the Share Issue

The following terms and conditions should be read and construed as one with the additional terms and conditions of Application for Shares contained in Annex 1 to this Securities Note.

8.1 Plan of Distribution and Allotment

The Share Issue shall be conducted through Financial Intermediaries during the Issue Period. Applications to purchase Shares may be made through any of the Sponsors, Managers or any Financial Intermediary. The Shares are open for application to all categories of investors in Malta.

It is expected that an allocation advice to Applicants will be dispatched within seven (7) days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

8.2 Issue Period

The Issuer is making an issue of the Shares for subscription by the general public in Malta pursuant to and in accordance with the provisions of this Securities Note. The Shares shall be available for subscription during the Issue Period that is, from 08.30 hours on 23 July 2012 up to 15.00 hours on 27 July 2012.

The Issuer reserves the right to close the Issue Period before the above described date in the case of over-subscription, in which the Issuer may, but shall not be bound to, anticipate in the same chronological order the remaining events described in the Section entitled “Expected Timetable” in such a way as to retain the number of Business Days between the said events.

8.3 Eligible Applicants

Any natural or legal person is eligible to submit an Application for Shares. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person or persons authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or the Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact so authorised.

Applications for Shares made in the name and for the benefit of minors shall be allowed provided that they are signed by both parents, or the legal guardian, and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted, provided that a birth certificate is not required if the minor already holds securities which are listed on the MSE. Any Shares transferred pursuant to such an Application shall be

registered in the name of the minor as shareholder, with dividends payable to the parents/legal guardian signing the Application Form until such time as the minor attains the age of eighteen (18) years, after which all dividends shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

8.4 Application Form/Methods of Payment

All Applications for the purchase of Shares during the Issue Period must be submitted on the Application Form contained in Annex 3. The completed Application Forms are to be lodged with any of the Financial Intermediaries. All Application Forms must be accompanied by the full price of the Shares applied for. Payment may be made either in cash or by cheque payable to *“The Registrar - Malita Investments p.l.c. Share Issue”*. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

8.5 Refunds

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

8.6 Minimum and Maximum Applications

Applications for less than 2,000 Shares will not be considered. All Applications in excess of 2,000 Shares must be in multiples of 100 Shares.

As a result of, and subject to the terms of, the Prescribed Ceiling contained in the Articles, the maximum number of Shares that can be allotted to any one person (whether natural or legal, directly or indirectly) is 5% of the total issued share capital of the Issuer. Any allocations made by the Issuer shall respect the said limitation, further details of which are described in the Section of this Securities Note entitled “Information about the Shares”.

8.7 Issue Price

The Issue Price for Shares has been fixed by the Issuer at €0.50 per Share.

8.8 Allocation Policy

The Issuer shall determine the allocation policy for the allotment of the Shares within five Business Days of the closing of subscriptions for Shares in respect of the Share Issue.

8.9 Results of the Share Issue

It is expected that the results of the Share Issue will be published by the Issuer by means of a press release within five Business Days following the closing of subscriptions for Shares in respect of the Share Issue. Each Applicant will be directly notified by the CSD of the amount of Shares allocated in his/her name once the Shares have been admitted to the Official List of the MSE. Trading may not commence before such a notification by the CSD has been dispatched to each person receiving Shares.

8.10 Intention to Acquire

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

8.11 Selling Commission

Selling commission is payable to the Financial Intermediaries. Each Financial Intermediary shall be entitled to a selling commission on the value of the Shares allocated to Applicants applying through such Financial Intermediaries at the rate of 1.5% on the value of Shares allocated as aforesaid.

8.12 Over-Allotment Option

In the event that the Issuer receives Applications for Shares in excess of 20,000,000 Shares, the Issuer may, but is not obliged to, issue an additional 10,000,000 Shares through the exercise of the Over-Allotment Option.

8.13 Underwriting

In the event that the Share Issue is not subscribed to in full, Government has, on 1 June 2012, undertaken to subscribe to, and Malita has agreed to issue, an amount of Ordinary B Shares equivalent to the difference between the 20,000,000 Ordinary B Shares in issue and the amount of Ordinary B Shares actually subscribed to pursuant to the Share Issue. Such balance of Shares will be acquired by Government in cash at the Issue Price.

9 Admission to Trading and Dealing Arrangements

Application has been made to the MSE and the Listing Authority for the admission of the Shares on the Official List of the MSE and for trading in the Shares to commence. Subject to what is stated under the Section entitled 'Conditionality', the Shares are expected to be admitted to the said Official List with effect from 16 August 2012 and trading is expected to commence on 17 August 2012.

For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2003, as subsequently amended, all Financial Intermediaries, acting as appointed selling agents, are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the Code of Conduct for Members of the Malta Stock Exchange, appended as appendix IV to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed selling agents are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 440 of the laws of Malta), for the purposes and within the terms of the MSE Data Protection Policy, as published from time to time.

10 Authorisations

The issuance of the Shares (including any Shares issued pursuant to the Over-Allotment Option) has been authorised by the shareholders of the Issuer on 29 May 2012 and by the Directors on 11 June 2012.

11 Conditionality

The Share Issue is conditional upon the admission of the Shares to the Official List of the MSE. In the event that such condition is not met, the Share Issue will be revoked unilaterally by the Issuer and, within five Business Days from the revocation taking effect, the Application monies will be returned by the Issuer, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. The Issuer has not established an aggregate minimum subscription level as a condition for the Share Issue and, subject to the listing thereof on the Official List of the MSE, the subscription portion of the Share Issue shall be allotted to the respective Applicants.

12 Expenses of the Share Issue

The selling commissions and professional, publicity, printing, listing, registration, Registrar, sponsorship, management and other miscellaneous fees and expenses borne by the Issuer in connection with the Share Issue are estimated not to exceed €686,855. In the event that the Over-Allotment Option is exercised, the expenses of the Share Issue shall increase to a maximum of €786,855.

13 Shareholding as a result of Share Issue

In the event of a full subscription of the Share Issue (excluding any potential allotments following the exercise of the Over-Allotment Option), it is envisaged that the shareholding of the Issuer shall be divided in the following manner:

SHAREHOLDER	NO. & TYPE OF SHARES	% OF CLASS OF SHARES	APPROX % OF TOTAL ISSUED SHARES
Government of Malta	118,108,062 Ordinary A Shares (€0.50 nominal value)	99.99%	85.51%
Malta Investment Management Co. Limited	2 Ordinary A Shares (€0.50 nominal value)	0.01%	0.01%
Shareholders acquiring pursuant to the Share Issue	20,000,000 Ordinary B Shares (€0.50 nominal value)	100%	14.48%

Annex 1 – Further Terms and Conditions of the Share Issue

THESE TERMS AND CONDITIONS OF APPLICATION APPLY TO ANY APPLICATION FOR SHARES.

1. The contract created by the acceptance of an Application shall be subject to the terms and conditions set out herein, in the Prospectus and in the respective Application Form. If any Application is not accepted, or if any Application is accepted for fewer Shares than those applied for, the Application monies or the balance of the amount paid on Application will be returned, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form, within five (5) Business Days from the date of the final allocation. No interest shall be due on refunds and any risk of loss or gain that may emerge on exchange of refunds from the currency of denomination of the Shares applied for into the base currency of the Applicant shall be at the charge or for the benefit of the Applicant.
2. Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject in whole or in part, or to scale down, any Application (including multiple or suspected multiple Applications) and any cheques and, or drafts for payment, upon receipt. The right is also reserved to refuse any Application which, in the opinion of the Registrar, is not properly completed in all respects in accordance with the instructions, or is not accompanied by the required documents. Furthermore, the Issuer shall reject Applications, in whole or in part, insofar as the amount of Shares applied for exceeds the Prescribed Ceiling. Only original Application forms will be accepted and photocopies/facsimile copies will not be accepted.
3. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefore is joint and several.
4. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.
5. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted, provided that a birth certificate is not required if the minor already holds securities which are listed on the MSE. Any Shares allocated pursuant to such an Application shall be registered in the name of the minor as the holder of the acquired Shares, with dividends payable to the parents/legal guardian signing the Application Form until such time as the minor attains the age of 18 years, following which all dividends shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.
6. All Applications for the purchase and acquisition of Shares must be submitted on the appropriate Application Form within the time limits established herein. The minimum application is for 2,000 Shares. Applications in excess of the said minimum threshold must be in multiples of 100 Shares. The maximum number of Shares that can be allotted to any one Applicant (whether natural or legal, directly or indirectly) is 5% of the total issued share capital of the Issuer, as prescribed by the Articles of Association of the Issuer, and the Issuer reserves the right to limit allocations to any one Applicant as may be necessary in order to ensure adherence to the said limitation. The completed Application Forms are to be lodged with any of the Financial Intermediaries mentioned in Annex 2 of this Securities Note. All Application Forms must be accompanied by the full price of the Shares applied for in Euro. Payment may be made either in cash or by cheque payable, to "*The Registrar-Malita Investments p.l.c. Share Issue*". In the event that a cheque accompanying an Application Form is not honoured on its first presentation, the Registrar reserves the right to invalidate the relative Application Form.
7. By completing and delivering an Application Form you (as the Applicant (s)):
 - a) **irrevocably** offer to purchase, and pay the consideration for, the number of Shares specified in your Application Form (or any smaller number for which the Application is accepted) at the Issue Price subject to the provisions of the Prospectus, these Terms and Conditions, the Application Form and the Memorandum and Articles of Association of the Issuer;
 - b) authorise the Registrar and the Directors to include your name or in the case of joint Applications, the first-named applicant, in the register of Members of the Issuer (in respect of the Shares allocated to you);
 - c) agree that you will receive a refund of unallocated Application monies, without interest, by direct credit, at your own risk, to your bank account (or that of the first-named Applicant) indicated by you in the Application Form;
 - d) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a registration advice or to be registered in the register of Members or to enjoy or receive any rights in respect of such Shares, unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Registrar (which acceptance shall be made in its absolute discretion and may be on the basis

- that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation at any time prior to unconditional acceptance by the Registrar of such late payment in respect of such Shares), the Issuer may, without prejudice to other rights, treat the agreement to allocate such Shares as void and may allocate such Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such Shares (other than return of such late payment);
- e) agree that the registration advice and other documents and any monies returnable to you may be retained pending clearance of your remittance and any verification of identity as required by the Prevention of Money Laundering Act 1994 (and regulations made thereunder) and that such monies will not bear interest;
 - f) agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that you submit to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
 - g) warrant that, if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have due authority to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions and undertake to submit your power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;
 - h) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Issuer and the Share Issue contained therein;
 - i) confirm that in making such Application you are not relying on any information or representation in relation to the Issuer or the Share Issue other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Application or any part thereof will have any liability for any such other information or representation;
 - j) confirm that you have reviewed and you will comply with the restriction contained in paragraph (q) and the warning in paragraph 8 below;
 - k) warrant that you are not under the age of 18 years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor;
 - l) agree that such Application Form is addressed to the Issuer and that in respect of those Shares for which your Application has been accepted, you shall receive a registration advice confirming such acceptance;
 - m) confirm that in the case of a joint Application the first-named Applicant shall be deemed the holder of the Shares;
 - n) agree to provide the Registrar as the case may be, with any information which it may request in connection with your Application(s);
 - o) agree that each of Rizzo, Farrugia & Co. (Stockbrokers) Ltd and Curmi & Partners Ltd (each a “**Sponsor**”) will not, in their capacity of Sponsor, treat you as their customer by virtue of your making an application for Shares or by virtue of your Application to purchase Shares being accepted and they will not owe you any duties or responsibilities concerning the price of the Shares or their suitability for you;
 - p) warrant that, in connection with your Application, you have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Share Issue or your Application;
 - q) represent that you are not a U.S. person as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the “Securities Act”) and that you are not accepting the invitation comprised in the Share Issue from within the United States of America, its territories or its possessions, any State of the United States of America or the District of Columbia (the “United States”) or on behalf or for the account of anyone within the United States or anyone who is a U.S. person, unless you indicate otherwise with your Application Form;
 - r) warrant that the Shares have not been and will not be registered under the Securities Act and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person; and
 - s) acknowledge that any Shares which may be allotted to you will be recorded by the CSD in the MSE

account number quoted on the Application Form even if the details of such account number, as held by the MSE, differ from any or all of the details appearing on the Application Form.

8. No person receiving a copy of the Prospectus or any part thereof or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issues, transfer or other taxes required to be paid in such territory.
9. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2003 as subsequently amended, all Financial Intermediaries are under a duty to communicate, upon request, all information they hold about clients, pursuant to Articles 1.2(d) and 2.4 of the “Code of Conduct for Members of the Malta Stock Exchange” appended as Appendix IV to Chapter 3 of the MSE Bye-Laws, irrespective of whether the Financial Intermediaries are MSE members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes, and within the terms, of the MSE’s Data Protection Policy as published from time to time.
10. Within five (5) Business Days of the closing of the subscription lists, the Issuer shall, either, directly or through the Registrar, determine and announce the basis of acceptance of Applications and the allocation policy to be adopted.
11. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions of Application for the Shares, in the Application Form and in any other document issued pursuant to the Prospectus.
12. The Share Issue will open at 08.30 hours on 23 July 2012 and will close as soon thereafter as may be determined by the Issuer, as the case may be, but not later than 15.00 hours on 27 July 2012.
13. Registration, Replacement, Transfer and Exchange:
 - a) One register for the Shares will be kept by the Issuer at the CSD, wherein there will be entered the names and addresses of the holders of Shares. A copy of such register will, at all reasonable times during business hours, be open for inspection at the registered office of the Issuer, after having given at least twenty four hours advance notice.
 - b) The Shares have been issued in certificated form but upon admission of the same to listing and trading on the MSE they shall be maintained in book-entry form at the CSD. The Shares shall accordingly be evidenced by a book-entry in the register of Shareholders held by the CSD. The CSD will, upon request, issue a statement of holdings to Shareholders evidencing their entitlement to Shares held in the register kept by the CSD.
 - c) Shares may be transferred only in whole in accordance with the rules and procedures applicable from time to time in respect of the Official List of the MSE.
 - d) Any person becoming entitled to the Shares in consequence of the death or bankruptcy of a holder of Shares may, upon such evidence being produced as may from time to time properly be required by the Issuer, elect either to be registered himself/herself as holder of the Security or to have some person nominated by him/her registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself/herself, he/she shall deliver or send to the Issuer a notice in writing signed by him/her stating that he/she so elects. If he/she shall elect to have another person registered he/she shall testify his/her election by executing to that person a transfer of that/those Shares.
 - e) All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Shares and to any applicable laws and regulations.
 - f) The cost and expenses of effecting any exchange or registration of transfer or transmission except for the expenses of delivery other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the holder of the Shares.

Annex 2 – Financial Intermediaries

Members of the MSE

Atlas JMFS Investment Services Ltd
67, Level 3, South Street,
Valletta VLT1105
Tel: 2326 5681
Fax: 2326 5691

Bank of Valletta p.l.c.
Financial Markets & Investments
BOV Centre, Cannon Road, Santa Venera SVR 9030
Tel: 2275 1732
Fax: 2275 1733

Calamatta Cuschieri & Co. Ltd
Level 5, Valletta Buildings,
South Street, Valletta VLT 1103
Tel: 2568 8688
Fax: 2568 8256

Charts Investment Management Services Ltd
Valletta Waterfront, Vault 17, Pinto Wharf
Floriana FRN 1913
Tel: 2124 1121
Fax: 2124 1101

Curmi & Partners Ltd
Finance House, Princess Elizabeth Street,
Ta' Xbiex XBX 1102
Tel: 2134 7331
Fax: 2134 7333

Financial Planning Services Ltd
Flat 4, Marina Court, G. Cali Street,
Ta' Xbiex XBX 1421
Tel: 2134 4244
Fax: 2134 1202

FINCO Treasury Management Ltd
Level 5, The Mall Complex, The Mall,
Floriana FRN 1470
Tel: 2122 0002
Fax: 2124 3280

GlobalCapital Financial Management Ltd
Testaferrata Street,
Ta' Xbiex XBX 1403
Tel: 2134 2342
Fax: 2133 3100

Hogg Capital Investments Ltd
33, Regent House,
Bisazza Street, Sliema SLM 1641
Tel: 2132 2872
Fax: 2134 2760

HSBC Stockbrokers (Malta) Ltd
1st Floor, Banking Centre,
Mill Street, Qormi QRM 3101
Tel: 2380 2211
Fax: 2380 2495

Lombard Bank Malta p.l.c.
59, Republic Street,
Valletta, VLT 1117
Tel: 2558 1806
Fax: 2558 1815

Rizzo, Farrugia & Co. (Stockbrokers) Ltd
Airways House, Third Floor,
High Street, Sliema SLM 1549
Tel: 2258 3000
Fax: 2258 3001

Investment Service Licence Holders

APS Bank Ltd APS Centre Tower Street, B'Kara BKR 4012	Tel: 2560 3365 Fax: 2560 3001
Crystal Finance Investments Ltd Allcare Buildings, University Roundabout, Msida MSD 1751	Tel: 2347 9404 Fax: 2134 5959
Fexserv Investment Services Ltd Alpine House, Naxxar Road, San Gwann SGN 9032	Tel: 2576 2576 Fax: 2137 8869
Growth Investments Ltd Pjazza Papa Giovanni XXIII Floriana FRN 1420	Tel: 2580 8356 Fax: 2122 6429
HSBC Bank Malta p.l.c. Shareshop, High Street, Sliema SLM 1549	Tel: 2380 2381 Fax: 2324 6046
Island Financial Services Ltd 239, Insurance House, Psaila Street, Birkirkara, BKR 9078	Tel: 2385 5701 Fax: 2385 5238
Joseph Scicluna Investment Services Ltd Level 3, Bellavista Court, Gorg Borg Olivier Street, Victoria, Gozo VCT 2517	Tel: 2156 5707 Fax: 2156 5706
Mercieca Financial Investment Services Ltd 'Mercieca', John F. Kennedy Square, Victoria, Gozo VCT 2580	Tel: 2155 3892 Fax: 2155 3892
MFSP Financial Management Ltd 220, Immaculate Conception Str., Msida MSD 1838	Tel: 2133 2200 Fax: 2133 2190
Michael Grech Financial Investment Services Ltd The Brokerage, Level 0 'A', St. Marta Street, Victoria, Gozo VCT 2550	Tel: 2155 4492 Fax: 2155 9199
MZ Investment Services Ltd 55, MZ House, St Rita Street Rabat RBT 1523	Tel: 2145 3739 Fax: 2145 3407
W & J Coppini Investment Services Ltd 144, Tower Road, Sliema SLM 1604	Tel: 2134 5412 Fax: 2134 4972

Annex 3 – Application Form



MALITA
INVESTMENTS

20,000,000 Ordinary 'B' Shares at €0.50 per Ordinary Share
Share Issue APPLICATION FORM

Application
Number

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

APPLICANT (see notes 3 to 7)

A ☐ Non-Resident ☐ Minor (under 18) ☐ Body Corporate/
Body of Persons ☐ CIS - Prescribed Fund

B TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME / REGISTERED NAME

ADDRESS

POSTCODE

MSE A/C NO. (if applicable) I.D. CARD / PASSPORT / CO. REG. NO. TEL. NO. MOBILE . NO.

C ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use additional forms if space is not sufficient)

TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

D MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5) (to be completed ONLY if the Applicant is a minor)

I TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

II TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

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

NUMBER OF ORDINARY 'B' SHARES IN FIGURES

NUMBER OF ORDINARY 'B' SHARES IN WORDS

Ordinary 'B' Shares in Malita Investments p.l.c. (minimum 2,000 Ordinary 'B' Shares and in multiples of 100 Ordinary 'B' Shares thereafter) or any smaller number of Ordinary 'B' Shares for which this Application may be accepted at the Issue Price as defined in the Prospectus dated 2 July 2012 (the "Prospectus") payable in full upon application under the Terms and Conditions as defined in the said Prospectus and subject to the Memorandum and Articles of Association of Malita Investments p.l.c.

AMOUNT PAYABLE

€

F DIVIDEND & REFUND MANDATE (see note 3 & 11) (completion of this field is mandatory)

BANK BRANCH ACCOUNT NUMBER

G I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus and subject to its Terms and Conditions which I/we fully accept.

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

Date

FINANCIAL INTERMEDIARY'S STAMP

FINANCIAL INTERMEDIARY'S CODE

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus

1. This application is governed by the Terms and Conditions of Application contained in the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK CHARACTERS.
3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Ordinary 'B' Shares. Dividends, if any, will be issued in the name of the person who appears in Panel B to the account number, held with a local bank in Euro, indicated by the Applicant in Panel F.** In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
4. Applicants who are Non-Resident in Malta for tax purposes, must indicate their passport number in Panel B and the relative box in Panel A must also be marked appropriately. Applications must be accompanied by the corresponding amount in euro of the Ordinary 'B' Shares applied for.
5. In the case of an Applicant who is a minor, the word 'minor' must be indicated in Panel B next to the Applicant's name and the relative box in Panel A must also be marked. A Public Registry birth certificate must be attached to the Application Form. (The birth certificate is not required if the minor already holds securities which are listed on the Malta Stock Exchange (MSE)). The Application Form must be signed by both parents or by the legal guardian/s. Any refund or dividend will be payable to the parents / legal guardian signing the Application Form until such time as the minor named in Panel B attains the age of 18 years, following which all dividends shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years. The address to be inserted in Panel B is to be that of the parents / legal guardian/s.
6. **APPLICANT/S WHO ALREADY HOLD SECURITIES ON THE MALTA STOCK EXCHANGE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
7. Applications must be for a minimum of 2,000 Ordinary 'B' Shares and thereafter in multiples of 100 Ordinary 'B' Shares.
8. Payment in Euro may be made by cheque payable to 'The Registrar - Malita Investments p.l.c. Share Issue'. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
9. Subscription lists will open at 0830 hours on Monday 23 July 2012 and will close at 1500 hours on Friday 27 July 2012. The Issuer reserves the right, however, to close the Issue before Friday 27 July 2012 in the event of over-subscription. Any Applications received by the Registrar after the subscription lists close will be rejected.
10. This Application Form duly completed is to be delivered to the offices of the Registrar or any Financial Intermediary listed in Annex 2 of the Securities Note, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing of the subscription lists.
11. If an application is not accepted or is accepted for fewer Ordinary 'B' Shares, than those applied for, the monies or the balance of the amount paid but not allocated will be returned by direct credit into the bank account as indicated in Panel F.
12. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Ordinary 'B' Share Issue as contained in the Prospectus.
13. By completing and delivering an Application Form you (as the Applicant(s)):
 - a) acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
 - b) acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Ordinary 'B' Shares applied for; and
 - c) acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The request must be signed by yourself, as the Applicant to whom the personal data relates.

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



Malita Investments p.l.c.
Clock Tower, Level 1, Tigné Point,
Sliema TP 01, Malta
T: 2132 3503

www.malitainvestments.com

Registration No C 53047