



SUMMARY NOTE

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of the 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015. Application has been made for the admission to listing and trading of the Bonds on the Official List of the Malta Stock Exchange. This Summary Note should be read in conjunction with the Registration Document containing information about the Issuer and Securities Note containing information about the Bonds.

Dated 12 November 2018

In respect of an Issue of €9,250,000 4.85% Secured Bonds 2028
of a nominal value of €100 per bond issued at par
by

MELITE FINANCE PLC

(a public limited liability company registered under the laws of Malta
with company registration number C 88405)

ISIN:- MT0002031202

Sponsor & Co-Manager

Legal Counsel

Registrar & Co-Manager



CAMILLERI PREZIOSI
ADVOCATES



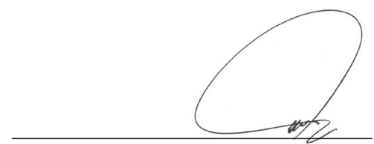
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Approved by the directors of Melite Finance p.l.c



Andrew Ganado

Paul Mercieca

*Signing in their capacity as directors of the company and on behalf each of Christian Ganado,
Jacqueline Briffa, Alan Frendo Jones and Dr Stanley Portelli.*

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION ON MELITE FINANCE P.L.C. IN ITS CAPACITY AS ISSUER. THIS SUMMARY NOTE INCLUDES INFORMATION GIVEN IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, 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 AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015.

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A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRY OF COMPANIES, IN ACCORDANCE WITH THE ACT. APPLICATION HAS BEEN MADE TO THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE. **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.**

THIS SUMMARY NOTE 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 BONDS 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 BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM OR FROM THE PROSPECTUS AS A WHOLE.

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

ALL THE ADVISERS TO THE ISSUER NAMED UNDER THE HEADING "ADVISERS TO THE ISSUER" IN SECTION 3.2 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS AND/OR IN RELATION TO THE COMPLETENESS OR ACCURACY OF THE CONTENTS OF OR INFORMATION CONTAINED IN THE PROSPECTUS.

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

This Summary Note is prepared in accordance with the requirements of the Regulation.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1– E.7). This summary contains all the Elements required to be included in a summary for this type of security and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Except where the context otherwise requires, the capitalised words and expressions used in this Summary Note shall bear the meanings assigned to them in the Registration Document and the Securities Note, as the case may be.

| SECTION A | INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

- i. this summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this Summary Note. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor;
- ii. where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- iii. civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus: is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries

Prospective investors are hereby informed that:

- i. for the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of the Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited only:
 - a. in respect of Bonds subscribed for by Authorised Financial Intermediaries either for their own account or for the account of underlying customers;
 - b. to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta; and
 - c. to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.
- ii. **in the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

| SECTION B | ISSUER

B.1 The legal and commercial name of the Issuer is Melite Finance p.l.c.

B.2 The Issuer was registered in Malta in terms of the Act on 27 September 2018 as a public limited liability company. The Issuer is domiciled in Malta.

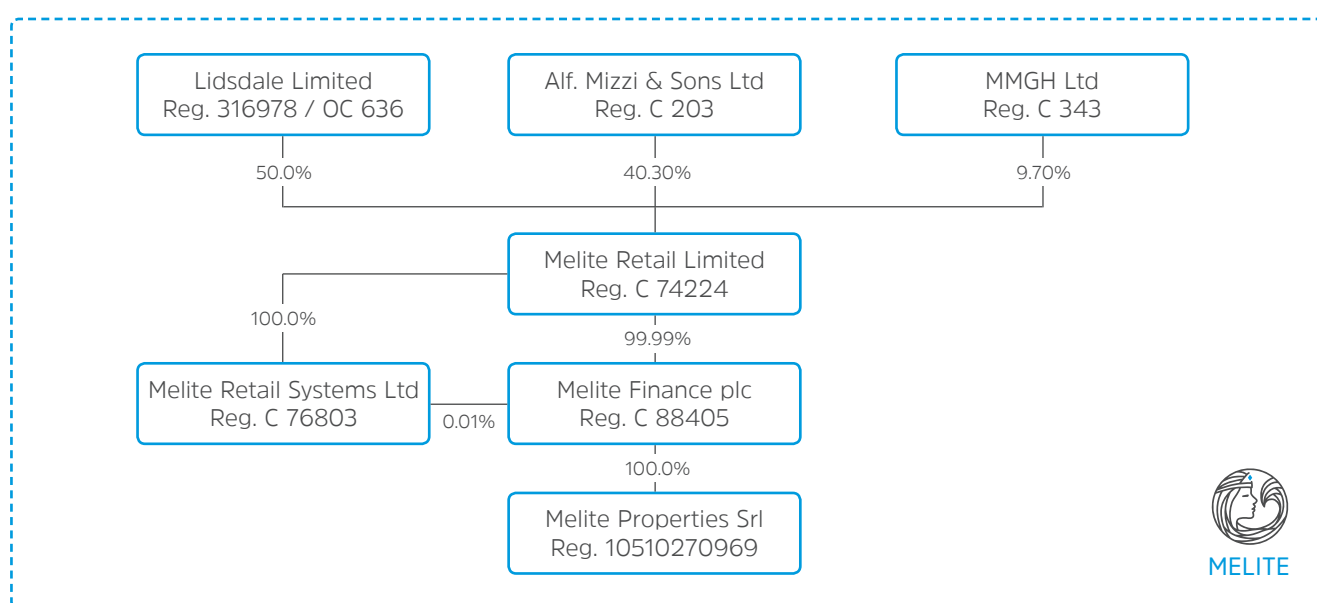
B.4b The Issuer's principal operation includes the leasing and sub-leasing of retail outlets located in Italy. Therefore, the longer-term prospects of the Melite Finance Group are intrinsically linked to the development in the retail real estate market in Italy, especially the market for prime locations on the primary high streets of the Italian peninsula and islands. This market has proven to be resilient to periodic and even cyclical downturn in retail and the overall economy in Italy.

The Melite Finance Group's commercial lease agreements typically relate to retail outlets located in the prime positions in high streets of cities such as Milan or Turin or in the main retail area of towns such as Pavia, Como and Treviso. Retail units held under a *contratto d'affitto di ramo d'azienda* are typically located within shopping centres or other buildings such as train stations. Market data extracted from a report entitled "Italy, Retail Market Snapshot Q2 2018" issued by Cushman & Wakefield highlights that the market for high street shops in prime locations such as Milan and Rome appears to have stabilised after a period of significant growth. Prime retail rents for high street shops in Milan have increased at a compound annual growth rate of 12.5% in the last five years.

The rate of growth in rents for shopping centres has accelerated from an average of 2.4% in the last five years. After a record low number of new shopping centre openings in 2015, the last two years marked a reversal in this trend. Completions in 2017 exceeded 330,000 sqm, including new schemes and extensions.

As at the time of the publication of this Prospectus, the Issuer considers that generally it shall be subject to the normal business risks associated with the retail real estate market in Italy and, barring unforeseen circumstances, does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Issuer and its business, at least with respect to the current financial year. However, investors are strongly advised to read carefully the risk factors included within the Prospectus.

B.5 The organisational structure of the Melite Finance Group is illustrated in the diagram below:



B.9 In the absence of any adverse changes in Italy's economic environment, the Melite Finance Group anticipates growth in revenue, which is expected to be translated into additional profits during the financial year ending 31 December 2019, the first year during which the Melite Finance Group's current businesses will have been in operation for a full year.

The financial projections included in this Summary Note include the forecast for the current financial year ending 31 December 2018 (covering the period from October to December 2018) and projections for the financial years ending 31 December 2019 and 2020. The Melite Finance Group's projected income statement is summarised below:

Melite Finance Group Summary Consolidated Projected Income Statement €'000s	Year ending Dec '18	Year ending Dec '19	Year ending Dec '20
Revenue	888	3,945	4,589
Gross Profit	287	1,305	1,451
Administrative expenses	(136)	(543)	(512)
Operating Profit	151	762	939
Finance income	13	43	26
Finance costs	(85)	(495)	(495)
Profit before tax	79	310	470
Taxation	(52)	(213)	(249)
Profit after tax	27	97	221

The Melite Finance Group's principal operation includes the leasing and sub-leasing of retail outlets located in Italy. The Melite Finance Group's business will initially be based on 25 retail outlets that are currently held by Melite Properties under either a *contratto di locazione* or a *contratto d'affitto di ramo d'azienda*. The majority of these outlets are presently being leased to Melite Italia, a related company to the Melite Finance Group, which uses the outlets to operate stores under the Accessorize and Calvin Klein Underwear franchises. The remaining four outlets are leased to third party retail operators.

Going forward, the Melite Finance Group will be deploying *circa* €2.5 million of the Bond proceeds to acquire property rights for retail outlets in new locations across Italy. The projections are based on the assumption that the Melite Finance Group will invest *circa* €1.0 million of the Bond proceeds in the financial year ending 31 December 2019 with a further investment of *circa* €1.5 million in the financial year ending 31 December 2020.

The principal factors and assumptions underlying the projections consist of:

Revenue from rental income: The Melite Finance Group will generate rental income from the entry into sub-lease agreements with Melite Italia and with third parties. The projections include a provision for annual inflation adjustments that are assumed at 1.5% per annum in 2019 and 2020.

Revenue from property fee charge: A property fee is charged by Melite Properties to Melite Italia for improvements made to the retail outlets operated by the latter.

Gross profit: Gross profit mainly represents the margin generated between the rental income received from the sub-leases and the rent paid to landlords. This margin is projected at €1.5 million in the financial year ending 31 December 2020, equivalent to 32% of total revenue.

Administrative expenses: Administrative expenses are projected at €0.5 million per annum in 2019 and 2020, of which €0.3 million relate to amortisation charges and the remaining €0.2 million per annum relate to administrative expenses. The amortisation charges reflect the write-down of the value attributed to the property rights relating to outlets held on a *contratto d'affitto di ramo d'azienda*. These amounts are amortised over the remaining term of the agreements pertaining to the respective outlets. Administrative expenses include directors' fees, payroll costs, professional fees, listing fees together with other corporate and general expenses.

Finance income: Finance income includes the interest generated on the Melite Finance Group's surplus cash balances and investment portfolio, which is being projected at the rate of 1.5% per annum.

Finance costs: Finance costs mainly reflect the provision for the interest payable under the Bonds, which are assumed at a coupon of 5.0% per annum.

Taxation: Provision for taxation has been made in the main at the rate of 35% in the case of profits arising in the Issuer and 27.9% in the case of profits arising in Melite Properties. The computation includes provision for an additional deferred tax charge arising due to a temporary difference in connection with the amortisation of intangible assets.

- B.10** *Not Applicable:* As at the date hereof, the recently incorporated Issuer has no financial information to report.
- B.12** The Issuer was registered and incorporated on 27 September 2018. The principal transaction carried out by the Issuer since its incorporation involved the acquisition of the shares in Melite Properties on 31 October 2018. Melite Properties was incorporated on 18 October 2018. Accordingly, there is no historical financial information available for the Melite Finance Group and it is not in a position to assert whether there has been a material adverse change since the date of publication of its latest financial statements. Nor is it in a position to assert whether there have been any significant changes in the financial or trading position subsequent to the period covered by the historical financial information.
- B.13** *Not Applicable:* The Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of its solvency.
- B.14** The Issuer does not itself carry on any trading activities apart from the raising of capital and advancing thereof to the Melite Finance Group, as and when the demands of its business so requires. It is the board of Melite Properties, a direct subsidiary of the Issuer, which is responsible for the strategic direction and development of Melite Finance Group, together with setting and achieving its operational objectives. Accordingly, the Issuer is economically dependent on Melite Properties.
- B.15** As at the date of the Prospectus, the Issuer, which was set up in September 2018 as a special purpose vehicle to act as the financing arm of the Melite Finance Group, does not itself carry on any trading activities apart from the raising of capital and advancing thereof to members of the Melite Finance Group as and when the demands of their business so require. In terms of its Memorandum and Articles of Association, the principal objects of the Issuer include, but are not limited to, the carrying on the business of a finance company and in particular the financing or re-financing of the funding requirements of the business of the group of companies of which the Issuer forms part.

- B.16** The entire issued share capital of the Issuer is subscribed for, allotted and taken up as fully paid up shares by Melite Retail, save for one share which is held by Melite Retail Systems Limited.
- B.17** *Not Applicable:* The Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds.

| SECTION C | SECURITIES

- C.1** The Issuer shall issue an aggregate of €9,250,000 in secured Bonds having a nominal value of €100 per Bond, subject to a minimum application of €50,000 in Bonds per individual Bondholder and a subsequent minimum holding of €50,000 per individual Bondholder maintained throughout his/her/its investment. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading, the Bonds will have the following ISIN: MT0002031202. The Bonds shall bear interest at the rate of 4.85% per annum.
- C.2** The Bonds are denominated in Euro (€).
- C.5** The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- C.8** A Bondholder shall have such rights as are, pursuant to the Securities Note, attached to the Bonds, including:
- i. the repayment of capital;
 - ii. the payment of interest;
 - iii. the benefit of the Collateral through the Security Trustee, as explained in Element E.3(3) below;
 - iv. the right to attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond Issue; and
 - v. the enjoyment of all such other rights attached to the Bonds emanating from the Prospectus.

Following the issue of the Bonds and application of the proceeds, the Security Trustee will, for the benefit of Bondholders, enjoy a first-ranking general hypothec over all the present and future, movable and immovable assets of the Issuer, together with a first ranking pledge over the shares held by the Issuer in Melite Properties, for the full amount of €9,250,000 and interest thereon.

The Bonds constitute the general, direct, unconditional and secured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves. Third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.

- C.9** The issue and allotment of the Bonds is conditional upon: (i) the Bonds being admitted to the Official List; and (ii) the Collateral being constituted in favour of the Security Trustee. Subject to the Bond Issue becoming unconditional, the Bonds shall bear interest from and including 23 November 2018 at the rate of 4.85% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, provided that if any such day falls on a day other than a Business Day, such Interest Payment Date will be carried over to the next following day that is a Business Day. The nominal value of the Bonds will be repayable in full upon maturity on 23 November 2028 unless the Bonds are previously re-purchased and cancelled. The first interest payment will be effected on 25 November 2019 (being the first Business Day following 23 November 2019, which does not fall on a Business Day). The gross yield calculated on the basis of the Interest, the Bond Issue Price (that is the price of €100 per Bond) and the Redemption Value of the Bonds (that is the nominal value of each Bond, being €100 per Bond) is 4.85% per annum.

The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.

- C.10** *Not Applicable:* There is no derivative component in the interest payments on the Bonds.
- C.11** The Listing Authority has authorised the Bonds as admissible to listing pursuant to the Listing Rules by virtue of a letter dated 12 November 2018. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Bonds are expected to be admitted to the Official List on 28 November 2018 and trading may commence thereafter.

| SECTION D | RISKS

D.2 Key information on the key risks specific to the Issuer:

Holding of a Bond involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations, as well as all the other information contained in the Prospectus, before deciding to acquire Bonds. Prospective Investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may result in them losing a substantial part of all of their investment.

This document contains statements that are, or may be deemed to be, “forward-looking statements”, which relate to matters that are not historical facts and which may involve projections of future circumstances. 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 its Directors. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled “*Risk Factors*” in the Registration Document and Securities Note, for an assessment of the factors that could affect the Issuer’s future performance.

The risk factors set out below are a summary of the principal risks associated with an investment in the Issuer and the Bonds – there may be other risks which are not mentioned in this summary.

i. Risks relating to the Issuer

Issuer’s dependence on the Melite Finance Group and its business

The Issuer is a finance company and the holding company of the Melite Finance Group, its main purpose presently being that of financing or re-financing the funding requirements of the Melite Finance Group. In this respect, in so far as the Bonds are concerned, the Issuer is mainly dependent on the business prospects of the Melite Finance Group (particularly Melite Properties, its principal debtor), and consequently the risks intrinsic to the business and operations of the Melite Finance Group shall have a direct effect on the ability of the Issuer to meet its obligations in respect of principal and interest under the Bonds when due.

The ability of Melite Properties to effect loan repayments to the Issuer in terms of present and future borrowing agreements will depend on its respective cash flows and earnings, which may be affected by the risks indicated hereunder. The occurrence of any such factors could in turn negatively affect the ability of the Issuer to meet its obligations in respect of the payment of interest on the Bonds and repayment of principal when due.

Limited operating history

The Issuer was established on 27 September 2018 and has a limited operating history. The risks attendant with a newly incorporated company may have a direct effect on the Issuer’s ability to meet its obligations in respect of the repayment of principal and interest under the Bonds.

Funding risk

There can be no guarantee that cash generated by operations or additional debt or equity financing will be available or sufficient to meet the Issuer’s funding requirements to pursue its future strategic decisions or that if additional debt or equity financing is available, that it will be on terms acceptable to the Issuer. The Issuer’s inability to access sufficient capital for its operations may have a material adverse effect on its financial condition, results of operations and prospects.

Certain financial markets risks

The Issuer may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk, credit risk, currency risk and interest rate risk, all of which could have adverse effects on the financial performance and profitability of the Melite Finance Group.

Enforcement of security over the assets of the Melite Finance Group

Future borrowings may be secured over part of the assets of the Melite Finance Group. In the event that any company forming part of the Melite Finance Group defaults under the terms of any borrowing agreements it may enter into, the lender concerned may seize title to such assets by enforcing its security, where applicable. Any amounts owing under borrowing agreements may rank ahead of Bondholder entitlements. If such circumstances were to arise or subsist at the time that the Collateral is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Bonds.

Risks inherent in projected financial information

The projected revenues of the Melite Finance Group described in the Registration Document are dependent on a number of assumptions and future expectations, the non-occurrence of which could have serious and material effects on the financial position and results of the Issuer and/or the Melite Finance Group. Although the Directors believe that the projected financial information included therein has been prepared on a fair and reasonable basis, the Issuer, its Directors, officers and advisers make no representation as to their accuracy or likelihood of occurrence. Projections are inherently subject to the risks of adverse unexpected events which may affect the revenue streams and profitability of the Issuer and / or the Melite Finance Group.

- ii. Risks relating to the Melite Finance Group and its business:

Dependence on the Italian market and exposure to general market and economic conditions

The Melite Finance Group's business activities are concentrated in, and aimed at, the Italian market. Accordingly, the Melite Finance Group is highly susceptible to the economic trends that may be felt from time to time in Italy. Negative economic factors and trends in Italy, particularly those having an effect on consumer demand, may have a negative impact on the business of the Melite Finance Group.

The Melite Finance Group's business activities are subject to general market and economic conditions, especially those in Italy. These conditions include financial market volatility, inflation, fluctuation in interest rates, exchange rates, direct and indirect taxation, the health of the local retail markets, property prices, energy and fuel costs, unemployment, wage rates, tightening of credit markets, government spending and budget priorities and other general market and economic conditions. In the event that such conditions were to experience a downturn, this may have an adverse impact on the financial position and operational performance of the Melite Finance Group's business activity, potentially having a serious effect on the Issuer's financial position, cash flows, operational performance and its ability to fulfil its obligations under the Bonds.

Additionally, in relation to the continued and uninterrupted leasing of its properties to third party tenants, the success of the Melite Finance Group's business operations is dependent upon the priority and preference of prospective tenants, and its ability to swiftly anticipate, identify and capitalise upon these priorities and preferences. If the Melite Finance Group were to be unable to do so, it could experience a reduction in its revenue, which could in turn have a material adverse effect on the Issuer's financial condition and ability to fulfil its obligations in terms of the Bonds.

Fixed operating expenses

Most of the Melite Finance Group's costs are fixed and its operating results are vulnerable to short-term changes in its revenues. The Melite Finance Group's inability to react swiftly to changes in its revenue by reducing its operating expenses could have a material adverse effect on its business, financial position and results of operations.

Increases in operating and other expenses

The Melite Finance Group'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: increases in the rate of inflation; increases in payroll expenses; increases in property taxes and other statutory charges; changes in laws, regulations or government policies; increases in insurance premia; unforeseen increases in the costs of maintaining properties; unforeseen capital expenditure; reputational risks and strategic and business risks materialising; and unanticipated expenses as a result of acts of nature and their consequences. Such increases could have a material adverse effect on the Melite Finance Group's financial position and operational performance.

The Melite Finance Group's indebtedness and leveraged capital

The Melite Finance Group has a material amount of debt and may incur additional debt in connection with its future growth in terms of acquisitions and developments. Borrowings under bank credit facilities, if taken, may be at variable interest rates, which would expose the Melite Finance Group to increases in interest rates. The agreements regulating the Melite Finance Group's bank debt are likely to impose significant operating restrictions and financial covenants on the Melite Finance Group, which could in turn limit its ability to obtain future financing; incur capital expenditure; withstand a future downturn in business or economic conditions generally or otherwise inhibit the Melite Finance Group's ability to conduct the necessary corporate activities. In the event that the Melite Finance Group's generated cash flows were to be required to make principal and interest payments on any existing or prospective debt, this could give rise to a reduction in cash available for distribution by the Melite Finance Group.

The Issuer may in certain cases also be required to provide guarantees for debts contracted by its subsidiary, Melite Properties. Defaults under financing agreements could lead to the enforcement of security over property, where applicable, and/or cross-defaults under other financing agreements.

Key senior personnel and management

The Melite Finance Group's key senior personnel and management have been and remain material to its growth. The Melite Finance Group believes that its growth is partially attributable to the efforts and abilities of the members of its executive management team and other key personnel, specifically Andrew Ganado. If key personnel were unable or unwilling to continue in their present position, the Melite Finance Group might not be able to replace them within the short term, which could have a material adverse effect on its business and results of operations.

Additionally, the Melite Finance Group's operations and profitability is dependent upon the management services provided by Melite Italia and the Issuer respectively, in terms of two management agreements entered into between Melite Properties and the Issuer and between Melite Italia and the Issuer respectively. Should any party terminate the management agreements prior to the expiry of its term or should any party elect not to renew the respective agreements following the lapse of the terms thereof, the recipients of the respective management services would need to seek new individuals to occupy the executive management roles of the Melite Finance Group. The recipients of the respective management services may be unable to replace the services provided by Melite Italia and the Issuer respectively within the short term. This could have a material adverse effect on the Melite Finance Group's business and results of its operations.

The Melite Finance Group's insurance cover

Historically, in view of the fact that Melite Properties is not the occupier of the immovable properties over which it enjoys certain rights, Melite Properties has not been required to maintain insurance cover for such premises. Such an obligation must be satisfied by the occupier of the premises in question. There remains the risk, therefore, that an occupier of any one premises leased by Melite Properties may default in taking out such insurance cover, with recourse being had by the lessor against Melite Properties.

With respect to losses for which the Melite Finance Group may be covered by its insurance policies in the future, recovery of losses from insurers may be difficult and time-consuming and the Melite Finance Group may be unable to recover the full loss incurred. No assurance can be given that the Melite Finance Group's future insurance coverage will be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

Risks of integration and operation of additional assets

The integration and operation of additional assets may disrupt the Melite Finance Group's business and create additional expenses, and the Melite Finance Group may not achieve the anticipated benefits of its acquisitions and expansion. Additionally, there remains the risk that the Melite Finance Group may not identify and acquire the assets which it requires, and if it does identify and acquire such assets, there is no guarantee that these will be successfully integrated and yield positive results. The success of integration of additional assets typically assumes certain synergies and other benefits. There is no assurance that these risks or other unforeseen factors will not offset the intended benefits of the acquisitions or expansion, in whole or in part.

Level of interest rates

The Melite Finance Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows.

Exchange rate risk

The Melite Finance Group may, in the future, be impacted by transaction risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the Euro, the Melite Finance Group's reporting currency, which fluctuation may adversely affect its operating performance. Unfavourable exchange rates may lead to higher costs or lower sales than expected at the time of entering into any contractual arrangement and may reduce margins.

Corporate social responsibility

Given consumers' growing concerns about responsible trade and the nature and reality of commitments, corporate social responsibility policies and actions, or the limitations or absence thereof, may impact the Melite Finance Group's reputation and standing.

Risk of complaints and litigation

Since the Melite Finance Group operates in an industry which involves the continuous provision of services to customers and consumers and such operation necessarily requires continuous interaction with suppliers, employees and regulatory authorities, the Melite Finance Group is exposed to the risk of litigation claims. All litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, the Melite Finance Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims. Although in so far as its Directors are aware, the Issuer is not involved in any governmental, legal or arbitration proceedings which may have, or have had since its inception, a significant effect on the Issuer's financial condition or operational performance, no assurance can be given that disputes which could have such effect would not arise in the future. Exposure to litigation or fines imposed by regulatory authorities may affect the Issuer's reputation even though the monetary consequences may not be significant.

Risks relating to changes in legislation

The Melite Finance Group is subject to a variety of laws and regulations, both in terms of Maltese and Italian law. As with any business, the Melite Finance Group is at risk in relation to changes in legislation and regulations and the time and effects of changes in the laws and regulations to which it is subject. In particular, there is the risk that the rate of VAT payable in terms of Italian law may increase in the near future. No assurance can be given as to the impact of any potential judicial decision, change in law or administrative practice, both in Malta and in Italy, after the date of the Prospectus, upon the business and operations of the companies forming part of the Melite Finance Group.

iii. Risks relating to the Melite Finance Group: Property Market

General property market conditions

The health of the property market may be affected by a number of factors such as national economy, political developments, introduction of or changes to government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, and the availability of financing and yields of alternative investments. Such factors may be expected to cause property prices to fluctuate and an increase in the supply thereof could impact negatively upon capital values and income streams of the property.

Valuations of and fluctuations in rights over immovable property

The value of immovable property and the rights thereto are affected by and may fluctuate, *inter alia*, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The valuation of the rights over immovable property comprising the Melite Finance Group's portfolio of intangible assets, is itself an inherently riskier exercise than that of the valuation of immovable property per se, and the value thereof may also fluctuate as a result of other factors outside of the control of the Melite Finance Group. These include changes in regulatory requirements and applicable laws; political conditions; the condition of financial markets; potentially adverse tax consequences and interest and inflation rate fluctuations.

The operational performance of the Melite Finance Group could be negatively affected by a downturn in the property market in terms of capital and rental values. The valuation of property, property-related assets and rights attaching to immovable property is inherently subjective. This is due to, *inter alia*, the individual nature of each property and the assumptions on which valuations, including valuations relating to rights over immovable property, are carried out. In providing a market value of the rights over immovable property in question, the independent real estate advisory firm 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 rights over immovable property and property-related assets will reflect actual market values.

Leases and lease renewal

Melite Properties is party to a number of rental contracts *qua* lessee. Continued use and enjoyment of the properties in question is therefore susceptible to a number of risks typically associated with leases, including: exercise of early termination rights by the lessor; default of obligations under the lease agreement(s); changes in the general economic conditions of the property market; the ability of Melite Properties to maintain its commercial relationship with the existing lessor on existing or more favourable terms, and its ability to enter into new commercial relationships with a new lessor on existing or more favourable terms; and changes in laws, regulations, taxes or government policies relating to leases. No assurance can be given as to the occurrence or non-occurrence of any of these risks, and if any of these risks were to materialise, the Melite Finance Group's business may be adversely affected.

Dependency on sub-tenants fulfilling their obligations

The revenue generated from the Melite Finance Group's property leasing activities is dependent in the main part on sub-tenants, these being Melite Italia, a key sub-tenant of Melite Properties, and other third party sub-tenants, fulfilling their obligations under their lease agreements with Melite Properties. There can be no assurance that the sub-tenants will not fail to perform their obligations, for reasons which are beyond Melite Properties' control, which failure may have a material adverse effect on the financial condition of Melite Properties, and in turn of the Issuer, the results of their operations and their prospects. This risk is further amplified due to the fact that Melite Italia is the sub-tenant of the majority of the leaseholds held by Melite Properties. In addition, Melite Properties is susceptible to the risk that sub-tenants may terminate, or elect not to renew, their respective lease agreements. Failure to maintain a good relationship with existing sub-tenants, or to renew lease agreements, or enter into new lease agreements, on similar or more favourable terms, could have a material adverse effect on Melite Properties' business, the results of its operations and its prospects, and in turn those of the Issuer.

Single sector and client concentration risk

The majority of the Melite Finance Group's property leasing revenue stream is generated through the leasing of units by Melite Properties to Melite Italia or, to a lesser extent, to third party sub-tenants, for the purpose of using such units principally for the retailing of clothes and fashion accessories as specified

in terms of the relevant lease agreements. Consequently, the Melite Finance Group's dynamics of revenue generation are dependent, to some degree, on the continued success of the clothing and fashion accessories industry, thereby exposing the Melite Finance Group to single sector concentration risk. The risk inherent in concentrating substantial investments in a single industry is that a decline in said industry would likely have a greater adverse effect on the financial condition of the Melite Finance Group than if the Melite Finance Group maintained a more diverse array of sub-tenants. A significant downturn in this particular sector and/or reduction in the influx of additional market players could lead to a reduced need for the Melite Finance Group's product, which in turn could have a material adverse effect on its results of operations and prospects.

Additionally, the Melite Finance Group's revenue stream is largely dependent upon the receipt of rental income from its sub-tenants, the key sub-tenant being Melite Italia. Any downturn in the financial stability and profitability of Melite Italia or other sub-tenants may have a negative effect on the financial stability and outlook of the Melite Finance Group.

Refurbishment and re-development

Refurbishment and re-development projects are subject to a number of specific risks inherent in this field, including in particular: the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of rental/sale transactions not being effected at the prices and within the timeframe envisaged; higher interest costs; and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance. Furthermore, for the completion of certain projects a degree of reliance is placed on counterparties engaged in the demolition, excavation, construction and finishing of developments. Such parties may fail to perform or default on their obligations to the Issuer due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Melite Finance Group's control. If any of the above-mentioned risks were to materialise, they could have an adverse impact on the Melite Finance Group's financial position, operational performance and the Issuer's ability to fulfil its obligations under the Bonds.

The Melite Finance Group may be exposed to environmental liabilities attached to property

The Melite Finance Group may become liable for the costs of removal, investigation or remediation of any hazardous or toxic substances that may be located on or in, or which may have migrated from, a property owned or occupied by it, which costs may be substantial.

Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a property development, including asbestos. These environmental liabilities, if realised, could have a material adverse effect on its business, financial condition and results of operations.

Governing law and jurisdiction

The lease agreements to which Melite Properties is a party are governed by the laws of Italy and any disputes arising under such agreements are subject to the jurisdiction of the courts or arbitral tribunals in Italy. These factors increase the complexity involved in any dispute or legal proceeding arising on the basis of these agreements, as a foreign legal element is involved.

D.3 Key information on the key risks specific to the Bonds:

An investment in the Bonds involves certain risks, including those set out below in this section. In deciding whether to make an investment in the Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, accounting, credit, legal and regulatory) professional advisers, the following risk factors (not listed in order of priority) and other investment considerations, together with all the other information contained in the Prospectus:

- Due to the absence of any prior market for the Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Bonds will trade in the market subsequent to the Bond Issue.
- There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.
- An investment in the Issuer may not be suitable for all recipients of this Prospectus and investors are urged to consult a licensed stockbroker or investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in any of the Bonds before making an investment decision. An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds and the inherent risks associated with the Issuer's business. In the event that an investor in

the Bonds does not seek professional advice and/or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her profile.

- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds moves adversely to changes in interest rates. When prevailing market interest rates are rising, the price of fixed rate bonds declines. Conversely, if market interest rates are declining, the price of fixed rate bonds rises.
- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.
- No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.
- The Issuer may incur further borrowing or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets, or revenues (including uncalled capital).
- The Bonds constitute the general, direct, unconditional and secured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves, but they shall rank with priority or preference over all unsecured indebtedness of the Issuer, if any. Notwithstanding this, there can be no guarantee that privileges or security accorded by law in specific situations will not arise during the course of the Issuer's business which may rank with priority or preference to the Collateral.
- The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List and the Collateral being properly constituted in favour of the Security Trustee, and in the event that either of the aforesaid conditions is not satisfied, the Security Trustee shall return the Bond Issue proceeds to Bondholders via the Registrar and the Authorised Financial Intermediaries.
- In providing a market value for the rights over immovable property held with respect to each respective property, the independent real estate advisory firm engaged for such purpose, Rustioni & Partners Srl, has made certain assumptions which ultimately may result in the actual values being 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 rights over immovable property and property related assets reflect, now or in the future, actual market values.
- In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of the Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.
- The terms and conditions of this Bond Issue are based on the requirements of the Listing Rules, the Act and the Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact on the Bonds of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.
- Even after the Bonds are admitted to the Official List, the Issuer is required to remain in compliance with certain requirements relating to, *inter alia*, the free transferability, clearance, and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the power to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations or discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.
- The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.
- The minimum investment amount for the subscription of the Bonds is €50,000 per Applicant. Furthermore, each investor is required to maintain a minimum holding of €50,000 throughout the lifetime of his/her/its investment. This could affect the ability of Bondholders to trade in the Bonds on the secondary market.

| SECTION E | OFFER

E.2b The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €8.9 million, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- i. the amount of €3.0 million shall be paid to Melite Retail in part settlement of the *circa* €8.6 million consideration due for the transfer of the entire issued share capital of Melite Properties to the Issuer, following its earlier acquisition by Melite Retail from Melite Italia, the remaining *circa* €5.6 million of the said consideration due by the Issuer in respect of such share transfer having been capitalised by Melite Retail on 5 November 2018;
- ii. the amount of *circa* €5.9 million will be lent to Melite Properties for the following purposes:
 - a. an amount of €3.0 million will be utilised by Melite Properties for settlement of a debt owed to Melite Retail, which debt was originally due by Melite Italia but, as a result of the restructuring, was assumed by Melite Properties. The debt being refinanced relates to bank financing that had been drawn down to finance, *inter alia*, the acquisition of property rights by Melite Italia;
 - b. an amount of *circa* €2.5 million will be utilised by Melite Properties for the purpose of refurbishing and embellishing retail outlets located in leading locations in Italy over which, from time to time, it enjoys the rights attached to the lease of such immovable property, and/or for acquiring such rights over additional retail outlets, for sub-leasing, over the next one to two years; and
 - c. the remaining balance of *circa* €0.4 million will be retained by Melite Properties for general corporate funding purposes.

For such time as the proceeds from the Bond Issue outlined for utilisation for the purpose set out in subparagraph (ii)(b) above have not been utilised as set out therein, the Security Trustee shall, with the prior approval of the Issuer, be empowered to invest such funds in such securities and/or in such manner as permitted in terms of the Security Trust Deed.

E.3 The Bonds are being made available for subscription to Authorised Financial Intermediaries, either for their own account or for the account of their underlying customers pursuant to placement agreements, which are conditional upon the Perfection of the Collateral and the Bonds being admitted to the Official List.

The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the annexes thereto:

I. Form, Denomination and Title

The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription, the Bonds will be issued for a minimum of €50,000 per individual Bondholder and subject to a subsequent minimum holding of €50,000 per individual Bondholder being maintained throughout his/her/its investment.

Authorised Financial Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €50,000 to each underlying client and subject to the minimum holding referred to above. The minimum holding requirement of €50,000 per Bondholder (and per underlying client, in the case of Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients as aforesaid) will also apply during secondary market trading.

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

II. Interest

Details of interest payable on the Bonds are provided in Element C.9 of this Summary Note.

III. Status of the Bonds and Security

The Bonds constitute the general, direct, unconditional and secured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference, among themselves and, save for such exceptions as may be provided by applicable law, with priority or preference to all present and future unsecured obligations of the Issuer and with first ranking and priority over the Collateral.

IV. Payments

Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within

seven days of the Redemption Date. Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of 15 Business Days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be effected within seven days of the Interest Payment Date.

V. Redemption

Unless previously re-purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date.

VI. Events of Default

Pursuant to the Security Trust Deed, the Security Trustee may in its absolute and uncontrolled discretion, and shall upon the request in writing of not less than 75% in value of the Bondholders, declare the Bonds to have become immediately due and repayable at their principal amount together with accrued interest, upon the happening of any of the following events: (a) the Issuer fails to effect the payment of interest or the principal amount when due and such failure continues for a period of 30 days after written notice thereof by the Security Trustee to the Issuer; (b) the Issuer fails duly to perform or shall otherwise be in breach of any other material obligation contained in the Prospectus and such failure shall continue for 60 days after written notice thereof shall have been given to the Issuer by a Bondholder; (c) an order is made or resolution is passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer (or Melite Properties, save in the case of a reorganisation or restructuring of the Melite Finance Group, or the merger, amalgamation or division of Melite Properties); (d) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; (e) the Issuer or Melite Properties is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; (f) there shall have been entered against the Issuer and/or Melite Properties a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of €2 million or its equivalent and 90 days shall have passed since the date of entry of such judgment without it having been satisfied or stayed, or confirmation received to the effect that such claim shall be covered by existing insurance cover; or (g) any default occurs and continues for 90 days under any contract or document relating to any Financial Indebtedness of the Issuer and/or Melite Properties in excess of €2 million or its equivalent at any time.

VII. Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Official List shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Bonds for a period of 15 days preceding the due date for any payment of interest on the Bonds.

VIII. Register of Bondholders

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

IX. Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds), and so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank senior to the Bonds in respect of the Collateral.

X. Meetings of Bondholders

The Terms and Conditions of the Bond Issue may be amended or waived with the approval of the Bondholders at a meeting called for that purpose by the Issuer through the Security Trustee.

XI. Governing Law and Jurisdiction

The Bonds shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

E.4 Save for the subscription for Bonds by Rizzo, Farrugia & Co. (Stockbrokers) Ltd. and Lombard Bank Malta p.l.c., and any fees payable in connection with the Bond Issue, so far as the Issuer is aware, no person involved in the Bond Issue has an interest material to the Issue.

E.7 *Not applicable.* No expenses shall be charged to Bondholders by the Issuer.

EXPECTED TIME TABLE OF THE BOND ISSUE

1. Placement date	22 November 2018
2. Commencement of interest on the Bonds	23 November 2018
3. Expected date of Perfection of the Collateral	27 November 2018
4. Expected date of admission of the Bonds to listing	28 November 2018
5. Expected date of commencement of trading in the Bonds	29 November 2018
