REGISTRATION DOCUMENT

DATED 11 AUGUST 2016

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements 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.

By

PLAZA CENTRES P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA
WITH COMPANY REGISTRATION NUMBER C 564

SPONSOR, MANAGER & REGISTRAR

RIZZO FARRUGIA
YOUR INVESTMENT CONSULTANTS

LEGAL COUNSEL

CAMILLERI PREZIOSI
ADVOCATES

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

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

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

Approved by the Directors

Mr Charles J. Farrugia Chairman	Mr Gerald J. Zammit Director

Signing in their own capacity as directors of the board of Plaza Centres plc, and jointly on behalf of the board of directors of Plaza Centres plc.

IMPORANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON PLAZA CENTRES P.L.C. IN ITS CAPACITY AS ISSUER IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND 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.

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

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.

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

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

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

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

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

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

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

ALL THE ADVISORS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING *"ADVISORS"* IN SECTION 3.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER, AS THE CASE MAY BE, IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

CONTENTS

1.DEFINITIONS

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

Act	the Companies Act (Cap. 386 of the laws of Malta);
Bonds	the €8,500,000 3.9% bonds to be issued by the Issuer pursuant to the Prospectus;
Directors or **Board**	the directors of the Issuer whose names are set out under the heading *"Identity of Directors, Senior Management, Advisors and Auditors";*
Euro or **€**	the lawful currency of the Republic of Malta;
Group	the Issuer (as parent company) and its Subsidiary;
Issuer or **Company**	Plaza Centres p.l.c., a company registered under the laws of Malta with company registration number C-564 and having its registered office at The Plaza Commercial Centre, Bisazza Street, Sliema, SLM1640, Malta;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta) by virtue of L.N. 1 of 2003;
Malta Stock Exchange or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Official List	the list prepared and published by the Malta Stock Exchange, containing information of all listed securities, together with such other information as the Malta Stock Exchange may consider appropriate to include therein.
Plaza Commercial Centre	the Plaza shopping and commercial centre located between Tower Road and Bisazza Street, Sliema, Malta;
Properties	collectively, the Plaza Commercial Centre and the Target Property;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary Note;
Registration Document	this document in its entirety;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30

March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, he base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;

Securities Note the securities note issued by the Issuer dated 11 August 2016, forming part of the Prospectus;

Subsidiary Tigne Place Limited, a limited liability company registered under the laws of Malta with company registration number C-76364 and having its registered office at The Plaza Commercial Centre, Level 6, Bisazza Street, Sliema SLM1640, Malta;

Summary Note the summary note issued by the Issuer dated 11 August 2016, forming part of the Prospectus; and

Target Property the property named ‘Tigne Place’, situated at number twelve (12), Triq Tigne, Sliema, Malta, consisting of office and commercial space, along with related car parking facilities, described in detail in section 4.2.1 of this Registration Document.

2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

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

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

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances. Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Issuer's directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus.

Important factors that could cause actual results to differ materially from the expectations of the Issuer's directors include those risks identified under this section 2 and elsewhere in the Prospectus. If any of the risks described were to materialise, they could have a material effect on the Issuer's financial results and trading prospects and the ability of the Issuer to fulfil its obligations under the securities to be issued in terms of the Prospectus.

Accordingly, the Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved. All forward-looking statements contained in the Prospectus are made only as at the date hereof. The Issuer and its respective directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change

in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled *"Risk Factors"*, for an assessment of the factors that could affect the Issuer's future performance.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity, unless the Bonds are previously re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

2.2 Risks relating to the Group and its Business

The Issuer is subject to market and economic conditions generally

Since the Issuer's inception in 1993, new shopping and office leasing centres have been introduced to the local market. Should such new shopping and office leasing centres introduced on the local market have larger customer bases and greater financial and other resources than the Issuer, the business of the Issuer may be adversely affected. Severe competition in the local market and changes in economic and market conditions could adversely affect the Issuer's business and operating results and may have a significant impact on the lease of office and retail space forming part of the Properties. These include factors such as the state of the local property market, general market conditions, inflation and fluctuations in interest rates, exchange rates, property prices and other economic and social factors affecting demand for real estate generally. In the event that general economic conditions and property market conditions experience a downturn which is not contemplated in the Issuer's planning, as the case may be, this may have an adverse impact on the financial condition of the Issuer and its ability to meet its obligations under the Bonds.

The property market is a very competitive market that can influence the lease of office and/or retail spaces

The real estate market in Malta is very competitive in nature. An increase in supply and/or a reduction in demand in the property segments in which the Issuer operates and targets to lease the office and/or retail spaces in the Properties, may cause the lease of the office and/or retail spaces forming part of the Properties to be leased at lower lease considerations than is being anticipated by the Issuer or may cause the lease of such office and/or retail spaces to take place at a slower pace than that anticipated by the Issuer. If these risks were to materialise, they could have an adverse impact on the Issuer and its ability to repay the Bonds and interest thereon.

Risks relating to reliance on the lease of office and/or retail spaces forming part of the Properties

The Issuer relies on the revenues it expects to generate from the lease of office and/or retail spaces forming part of the Properties. There can be no guarantee that the Issuer will continue to find suitable tenants for these Properties on the terms it seeks from time to time. In addition, the financial stability of the Issuer's tenants may change over time. Defaults by tenants could result in a reduction in rental revenues, which could require the Issuer to contribute additional capital or obtain alternative financing. In addition, the Issuer may incur costs in enforcing rights under the lease of a defaulting tenant, including eviction and re-leasing costs. Any adverse changes in tenants' financial condition may negatively affect cash flows generated by the tenants. Further, if the Issuer's tenants decide not to renew their leases upon expiration, particularly in the case of tenants currently having an operation in Malta which may in future no longer be considered necessary, the Issuer may not be able to re-let their space on terms not less favourable than those it currently applies or expects to apply, if at all. If tenants were to default on or fail to renew their leases, the Issuer may need to expend significant time and money in attracting replacement tenants. In addition, in connection with any renewal or re-letting, the Issuer may incur costs to renovate

or remodel the space. Any of the foregoing factors may adversely affect the business, financial condition and results of operations of the Issuer.

Material risks relating to real estate development may affect the economic performance and value of the property under development

The Group may from time to time engage in the development of the Properties or of other properties it may acquire. There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Issuer's control, and which could adversely affect the economic performance and value of the Issuer's real estate property and any developments that the Issuer may seek to implement. Such factors include:

- **changes in general economic conditions in Malta;**
- **general industry trends, including the cyclical nature of the real estate market;**
- **changes in local market conditions, such as an oversupply of similar properties, a reduction in demand for real estate or change of local preferences and tastes;**
- **possible structural and environmental problems;**
- **acts of nature, such as earthquakes and floods, that may damage the property or delay its development;**
- **increased competition in the market segment in which the Issuer is undertaking the real estate development may lead to an over supply of commercial properties in such markets, which could lead to a lowering of lease payments and a corresponding reduction in revenue of the Issuer from the Properties;**
- **the incurrence of cost overruns; and**
- **delays in the processing of permits for the development and construction of real estate property.**

In the event of real estate developments being carried out by the Group during the term of the Bonds, any of the factors described above could have a material adverse effect on the Issuer's business, its respective financial condition and prospects and accordingly on the repayment of the Bond and interest thereon.

The Issuer may be exposed to environmental liabilities attaching to real estate property

The Issuer 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. The Issuer may also be required to remove or remediate any hazardous substances that it causes or knowingly permits at any property that it owns or may in future own. 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 real estate investment, and such presence, release or migration could form the basis for liability to third parties for personal injury or other damages. These environmental liabilities, if realised, could have a material adverse effect on its business, financial condition and results of operations.

Risks relative to changes in laws

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

Health and Safety

The nature of the Issuer's business necessitates that adequate importance is given to maintaining compliance with international health and safety standards. Failure to comply with such standards could expose the Issuer to third party claims which could in turn have a material adverse effect on its business and profitability.

The Group's key senior personnel and management have been and remain material to its growth

The 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. If one or more of the members of this team were unable or unwilling to continue in their present position, the Group might not be able to replace them within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Litigation risk

Particularly in respect of the use of the Properties by third parties, the Group may be subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Group's future cash flow, results of operations or financial condition.

The Group's insurance policies

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

Liquidity Risk

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

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

Acquisition of Target Property subject to conclusion of final deed of sale

At the date of this Prospectus, the terms of the purchase and acquisition of the Target Property are set out in a promise of sale agreement between Winex Holdings Limited and the Issuer (which shall on the final deed of sale be assigning its rights under the promise of sale agreement in favour of the Subsidiary). The acquisition is subject to the successful conclusion of the final deed of sale. Should the seller of the Target Property or the Subsidiary fail to appear on the final deed of sale for whatever reason including but not limited to the fulfilment of the conditions to which completion is subject, the Issuer will not be in a position to manage and operate the Target Property and benefit from the revenue generated from the lease of the office and/or retail spaces forming part of the Target Property.

2.3 Risks emanating from the Issuer's Financing Strategy

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

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

Indebtedness of the Group

Following the acquisition of the Target Property, the Group will have an increased amount of debt. Furthermore, the Issuer may incur additional debt in line with its strategic growth plans.

The Subsidiary's generated cash flows will be required to make principal and interest payments on the Subsidiary's bank debt relative to the acquisition of the Target Property, and accordingly the repayment of interest and principal on the Bonds will be dependent entirely on the business of the Issuer. A material reduction in operating cashflow in the business of the Issuer may have an adverse impact on the financial condition of the Issuer and its ability to meet its obligations on the Bonds.

The agreements regulating the Issuer's bank debt may impose significant financial covenants on the Issuer

These covenants could limit the Issuer's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities.

A substantial portion of the cash flow generated from the Subsidiary's operations will be utilized to repay its debt obligations pursuant to the terms of the facilities provided. The financial covenants to which such facilities are subject may give rise to a reduction in the amount of cash available for distribution to the Issuer which would otherwise be available for funding of the Issuer's working capital, capital expenditure, any development costs and other general corporate costs, or for the distribution of dividends. The Issuer may in certain cases also be required to provide guarantees for debts contracted by its Subsidiary. Defaults under financing agreements could lead to the enforcement of security over property, where applicable, and/or cross-defaults under other financing agreements.

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

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

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows if any future borrowings are made under bank credit facilities set at variable interest rates. Although in such a case the Group may seek to hedge against interest rate fluctuations, this may not always be economically practicable.

Furthermore, the possibility of hedging may become more difficult in the future due to the unavailability or limited availability of hedging counter-parties. An increase in interest rates which is not hedged may have a material adverse effect on the Group's business, financial condition and results of operations.

2.4 Risks inherent in property valuations

In providing a market value of the Properties in question, the independent architects engaged by the Issuer for this purpose have 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 the Properties will reflect actual market values.

3. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS OF THE ISSUER

3.1 Directors of the Issuer

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

Carmel (k/a Charles) J Farrugia	Chairman and Executive Director
David G. Curmi	Non-Executive Director
Prof. Emanuel P. Delia	Non-Executive Director
Alan Mizzi	Non-Executive Director
Brian R. Mizzi	Non-Executive Director
Etienne Sciberras	Non-Executive Director
Gerald J. Zammit	Executive Director

Lionel A. Lapira is the company secretary of the Issuer.

THE DIRECTORS OF THE ISSUER ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (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.

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

3.2 Senior Management of the Issuer

The Issuer's senior management is responsible for all aspects of Issuer's operations. Senior management's responsibilities include, leasing, marketing, finance, operations, property development and management, health and safety, public relations and human resource management and development.

The Issuer's senior management structure is as follows:

Lionel A. Lapira holds the post of Chief Executive Officer. Charles J Farrugia and Gerald J. Zammit (the Issuer's two executive directors) and Lionel A. Lapira (CEO) are responsible for the Issuer's day to day management.

Charmaine Xuereb Vella (finance and administration executive) and David Soler (Head of Operations), assist the senior management of the Issuer in the performance of its functions.

3.3 Advisors to the Issuer

Legal Counsel to the Issuer
Name: Camilleri Preziosi
Address: Level 3, Valletta Buildings, South Street, Valletta VLT 1103 - MALTA

Sponsor, Manager and Registrar
Name: Rizzo, Farrugia & Co. (Stockbrokers) Limited
Address: Airways House, Third Floor, High Street, Sliema SLM 1549 - MALTA

Financial Advisors
Name: PricewaterhouseCoopers
Address: 78, Mill Street, Qormi QRM 3101 - MALTA

3.4 Auditors

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Qormi QRM 3101 - MALTA

The annual statutory financial statements of the Issuer for the financial years ended 31 December 2013, 2014 and 2015 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta).

4. INFORMATION ABOUT THE ISSUER

4.1 Introduction

4.1.1 The Issuer

Full Legal and Commercial Name of the Issuer:	Plaza Centres p.l.c.
Registered Address:	The Plaza Commercial Centre, Bisazza Street, Sliema, SLM1640 Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 564
Date of Registration:	30 June 1966 (date of commencement in terms of Commercial Partnerships Ordinance : 30 August 1957

Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone Numbers:	+356 21343832/3/4
Fax:	+356 21343830
Email:	info@plazamalta.com
Website:	www.plaza-shopping.com

The principal objects of the Issuer are:

- to invest in, acquire, hold on and/or manage any land, buildings or other property for the purpose of deriving income therefrom;
- to finance building operations of every description;
- to construct, reconstruct, renovate, alter, improve, enlarge, pull down and remove or replace, furnish, maintain buildings of every description including houses, flats, apartments, service suites, hotels, restaurants, club premises, shops, offices, factories, warehouses, bungalows, villas, chalets, roads swimming pools, and beaches; and
- to own, manage and operate shopping malls, commercial centres, restaurants, bars, entertainment centres, health centres and retail outlets.

At present, the Issuer's principal activity is the management and operation of the Plaza Commercial Centre.

In the year 2000, the entire issued share capital of the Issuer was listed on the Official List of the Malta Stock Exchange.

4.2 Business Overview

4.2.1 Business Overview of the Issuer

The Plaza Commercial Centre

The origins of the Plaza Commercial Centre date back to 1957 when the site located between Tower Road and Bisazza Street in Sliema, Malta, on which the Plaza Commercial Centre currently stands, was developed into the Plaza Cinema. During the late 1980s, the Issuer (at the time known as Plaza Enterprises Ltd) closed down its cinema operations and developed the site into the country's first managed shopping and office leasing centre. The Plaza Commercial Centre first opened its doors in December 1993 and has since earned a reputation as a convenient one-stop shop for quality goods and services, featuring a mix of local and international brand names and promoting a safe and clean environment. The building currently comprises a mix of retail, catering and office suites spread over nine floors built around a central atrium.

The shopping and commercial centre comprises circa 4,500 sq.m of retail area on four floors, and circa 6,000 sq.m of office space over five floors. Of this total of circa 10,500 sq.m of lettable area:

- circa 6,500 sq.m of retail, catering and office facilities were developed between 1989 and 1993 and have been in operation since 1994;
- circa 1,100 sq.m of retail and office facilities were developed on land acquired in 1996, with such development completed in 1999 and in operation since 2000;
- circa 1,200 sq.m of retail and office facilities, partly located at the junction of Tower Road and Guze' Fava Lane, were developed on land acquired between 2001 and 2004, and in operation since 2005; and
- circa 1,700 sq.m of retail and office facilities, forming an extension against the north-east perimeter of the complex, developed on land acquired between 2002 and 2009, and in operation since 2011.

From the onset, the Company's focus was on attaining the best retail and office tenants. In this respect, changing consumer lifestyles had a direct influence on the shopping-centre experience as consumers search for quality, international brand names and value for money. Creating an enjoyable shopping environment has been one of the Issuer's key objectives and this approach has been enhanced through the company's business relationships with tenants, customers, suppliers, investors and the general public along the system value chain.

For the past 20 years the Plaza Commercial Centre averaged between 1.8 million and 2 million visitors per year with August and December being peak months. The Issuer has significant experience in the property leasing industry and has adapted its strategy in line with the changing market dynamics of the industry.

The Target Property

The Target Property, situated at twelve (12), Tigne Place, Sliema, Malta, consists of an area of 3,279 sq.m, comprising:

1. a block of offices on the first and second floors with its own independent entrance, designated as "Block A";
2. a complex of shops and commercial establishments on the ground floor and intermediate level; and
3. a garage complex on five levels underlying the complex and consisting of 193 car spaces (of which 93 are excluded from the scope of the acquisition of the Target Property) and ancillary plant, stores and equipment rooms, roadways, ramps lifts, stairs and water reservoir.

The property also consists of residential units overlying the commercial areas, which however, are excluded from the scope of the acquisition of the Target Property.

As at the date of this Prospectus, Winex Holdings Limited, a limited liability company registered under the laws of Malta with company registration number C 21511 and having its registered office at 44a, Regent House, Bisazza Street, Sliema, is the owner of the Target Property. On the 5 May 2016, the Issuer entered into a promise of sale agreement with Winex Holdings Limited pursuant to which Winex Holdings Limited undertook to sell and transfer, and the Issuer undertook to purchase and acquire the Target Property for the price of €9,000,000 (the "**Preliminary Agreement**"). Pursuant to clause 10 of the Preliminary Agreement, the Issuer reserved the right to substitute third parties in its stead on the final deed of sale as subject to the same conditions stipulated in the Preliminary Agreement. The Issuer intends to exercise its rights under Clause 10 of the Preliminary Agreement and assign its rights under the agreement in favour of the Subsidiary for the purpose of it purchasing and acquiring the Target Property. The Target Property will be transferred together with existing leases. The assignment of the Preliminary Agreement shall take place on the final deed of sale.

Lease Agreements of the Target Property

The entire commercial areas being acquired, that is, the total lettable area of 3,279 sq.m, are covered by rental agreements. The current rental agreements expire between 2016 and 2020 and therefore have a remaining term of between one to four years. Approximately 72% of current income relates to contracts that will expire by the end of 2017 with the percentage increasing to 92% by the end of 2018.

From the car spaces which shall be aquired by the Issuer (100 of 193 car spaces), at present a total of 68 car park spaces are being leased, whilst the remaining 32 units remain unoccupied. The latter includes an area currently being utilised for storage purposes that may be vacated and used for car parking as from 31 October 2016.

The terms of the lease agreements in place between Winex Holdings Limited and the lessees of the various components of the Target Property vary in respect of the following:

- rights of termination of the lease;
- the duration of the lease;
- payment obligations under the lease; and
- the obligations of the lessor and the obligations of the lessee under the lease.

Funding of the proposed acquisition of the Target Property

The purchase price payable by the Subsidiary on the final deed of sale, which amounts to €9,000,000 (plus circa €500,000 in acquisition costs), shall be funded by the Issuer as to €5,000,000 by virtue of a shareholder loan in favour of the Subsidiary and as to the remaining €4,500,000 through a term loan from a local commercial bank. For this purpose, the Issuer entered into a conditional shareholder loan agreement dated 20 July 2016 pursuant to which the Issuer undertook, subject to the listing of the Bonds, to grant a loan in the said amount of €5,000,000 to the Subsidiary for the purpose of acquiring the Target Property (the "**Shareholder Loan Agreement**"), such loan to be funded through the proceeds raised by the Bond Issue as indicated in section 4.1 of the Securities Note entitled "*Reasons for the Issue and Use of Proceeds*". The Shareholder Loan Agreement provides for a loan with interest payable at the rate of 4%, repayable within 25 years from the execution of the deed of sale of the Target Property. Pursuant to the terms of the Shareholder Loan Agreement, the Subsidiary retains the right to effect early repayment of the loan. The Issuer's obligations under the Shareholder Loan Agreement are conditional on the Bonds being listed on the Official List of the Malta Stock Exchange.

Following the purchase of the Target Property, the Subsidiary will lease, manage, maintain and market the Target Property by implementing strategies similar to those adopted for the operation of the Plaza Commercial Centre, and for this purpose, on the 20 July 2016, the Issuer entered into a management agreement with the Subsidiary pursuant to which the Issuer will manage the operation relative to the Target Property subject to payment of a management fee.

4.3 Organisational Structure of the Group

The Issuer was incorporated under the Commercial Partnerships Ordinance on 30 August 1957, and subsequently registered under the Companies Act in June 1966, as Cinema Enterprises Limited (subsequently renamed Plaza Enterprises Ltd). It has since been converted into a public limited liability company and renamed Plaza Centres p.l.c. As at the date of this Prospectus, the Issuer's principal asset remains the Plaza Commercial Centre. On 24 May 2012, by virtue of an extraordinary resolution approved at an Annual General Meeting of the Issuer, its share capital was re-denominated and a share split of 1:3 put into effect. As a result, the authorised share capital of the Company of €15,000,000 is divided into 75,000,000 (2011: 25,000,000) ordinary shares of €0.20 each (2011: €0.465874 each), and the issued and fully paid up share capital of €5,648,400 is divided into 28,242,000 (2011: 9,414,000) ordinary shares of €0.20 each (2011: €0.465874 each). The Issuer's shares are listed on the Official List of the Malta Stock Exchange.

In July 2016, the Issuer incorporated the Subsidiary with the principal purpose of acquiring and thereafter operating the Target Property. The Board of Directors of the Issuer elected to adopt an autonomous organizational structure in respect of each of the Plaza Commercial Centre and Target Property.

The Issuer, by virtue of a management agreement dated 20 July 2016, undertakes to provide the necessary support, expertise and guidance to the Subsidiary with respect to the operation and management of the Target Property.

The Issuer will not ultimately be dependent upon the operations and performance of its Subsidiary and its respective operations for the purpose of servicing its obligations under the Bonds.

The following diagram represents the structure of the Group and the position within the said group of the Issuer.

Plaza Centres p.l.c
(C564)
"Issuer"

Tigne place limited
(C76364)
"Subsidiary"

4.4 Investments

The following table provides a list of the principal assets and operations of the Issuer as at the date of the Prospectus:

Name	Location	Description	% Ownership
Plaza Commercial Centre	Malta	Property Owner	100
Tigne Place Limited (C-76364)	Malta	Shareholder	100

The most recent principal investment of the Issuer is represented by the incorporation of the Subsidiary and the payment of a deposit amounting to €450,000 upon execution of the Preliminary Agreement referred to in section 4.2.1 above, currently held in escrow pending completion of the final deed of sale.

Save for the above, the Group has not entered into or committed for any principal investments subsequent to 31 December 2015, being the date of the latest audited financial statements of the Issuer, other than ordinary capital expenditure required for the upkeep of the Properties.

5. TREND INFORMATION AND FINANCIAL PERFORMANCE

5.1 Key Financial Review

5.1.1 Historic Financial Information

The financial information for the three financial years ended 31 December 2013, 2014 and 2015 are included in the financial statements of the Issuer. Copies of the aforementioned financial statements are available on the Issuer's website (www.plaza-shopping.com).

The interim financial statements for the six month periods 1 January – 30 June 2015 and 2016 are available on the Issuer's web site www.plaza-shopping.com.

The key highlights taken from the audited financial statements of the Issuer for the years ended 31 December 2013, 2014 and 2015 are set out below:

Plaza Centres p.l.c. **Income Statement for the year ended 31 December**	**2015**	**2014**	**2013**
	€'000	**€'000**	**€'000**
Revenue	**2,441**	**2.393**	**2,167**
Marketing costs	(45)	(36)	(45)
Maintenance costs	(5)	-	(23)
Administrative expenses	(306)	(386)	(290)
Operating Profit before depreciation	**2,085**	**1,971**	**1,808**
Depreciation	(364)	(330)	(370)
Operating profit	**1,721**	**1,641**	**1,438**
Finance income	12	11	12
Finance costs	(141)	(149)	(188)
Profit before tax	**1,592**	**1,503**	**1,262**
Tax expenses	(581)	(556)	(469)
Profit for the year	**1,011**	**947**	**792**

Plaza Centres p.l.c. **Statement of Financial Position as at 31 December**	**2015**	**2014**	**2013**
	€'000	**€'000**	**€'000**
Assets			
Non-current assets	31,953	32,000	27,843
Current assets	318	358	317
Total assets	**32,271**	**32,358**	**28,160**
Equity and liabilities			
Equity	**24,667**	**23,793**	**20,569**
Liabilities			
Non-current liabilities	5,383	6,301	5,771
Current liabilities	2,221	2,264	1,820
Total liabilities	**7,604**	**8,565**	**7,591**
Total Equity and liabilites	**32,271**	**32,358**	**28,160**

Plaza Centres p.l.c. **Cash Flow Statement for the years ended 31 December**	**2015**	**2014**	**2013**
	€'000	**€'000**	**€'000**
Net cash from operating activities	1,484	1,302	1,100
Net cash used in investing activities	(342)	(530)	(300)
Net cash used in financing activities	(1,039)	(955)	(880)
Net movement in cash and cash equivalents	**103**	**(183)**	**(80)**
Cash and cash equivalents at beginning of year	(1,236)	(1,053)	(973)
Cash and cash equivalents at end of year	**(1,133)**	**(1,236)**	**(1,053)**

The Issuer's revenue has stepped up by 13% from €2.2 million in 2013 to €2.4 million in 2015. The increase in revenue reflects the effect of higher occupancy levels, with average occupancy increasing from 81% in 2013 to 96% in 2015, as well as revisions in rental rates charged to tenants.

The Issuer's operating profit margin increased from 66% in 2013 to 71% in 2015, which means that a substantial portion of the additional revenue has been translated into additional profit. The Issuer's operating profit increased from €1.4 million in 2013 to €1.7 million in 2015. Profit for the year increased from €0.8 million in 2013 to €1.0 million in 2015. Apart from the increase in operating profit, the principal movement relates to lower finance costs in line with a reduction in the level of indebtedness.

Total assets as at 31 December 2015 amounted to circa €32.2 million and primarily include the Plaza Commercial Centre in Sliema, which is carried at a value of €32 million. The carrying amount is based on a valuation carried out by an independent qualified architect. The latest valuation was carried out in 2014 and had resulted in the recognition of a revaluation gain of €4.0 million in the financial statements for the year ended 31 December 2014. In connection with its submissions in relation to the Bond Issue, the Issuer has obtained a valuation of the property in terms of Chapter 7 of the Listing Rules and this is included in Annex 3 of this Registration Document. The valuation indicates a valuation range of €31.2 million to €38.2 million capturing the current carrying amount of the property in the Issuer's financial statements which falls within the lower end of the indicated range of values.

Total liabilities as at 31 December 2015 amounted to circa €7.6 million, with the principal liabilities relating to borrowings and deferred tax liabilities.

Borrowings, which amounted to €3.2 million as at 31 December 2015, include bank loans of €2.0 million and a bank overdraft balance of €1.2 million. The level of debt as at this date results in a financial gearing ratio of 11.5%, with a debt service cover ratio of 3.1x and an interest cover ratio of 12.2x. The borrowings are secured by a special and general hypothec over the Issuer's assets and a pledge over the insurance policies of the Issuer.

Deferred tax liabilities, which amounted to €3.3 million as at 31 December 2015, include primarily an amount of €3.0 million arising due to temporary differences on the revaluation of property. The changes to the taxation rules on capital gains arising on the transfer of immovable property, introduced during 2015, resulted in a reduction of €0.6 million in the provision for temporary differences on revaluation of property. This reduction was recognised in other comprehensive income in the financial statements for the financial year ended 31 December 2015.

5.1.2 Interim Financial Information

The interim unaudited financial results of the Issuer for the six months ended 30 June 2015 and 2016 are set out below:

Plaza Centres p.l.c.

Condensed Income Statement for the six months ended	**30-Jun-16**	**30-Jun-15**
	€'000	**€'000**
Revenue	**1,267**	**1,226**
Marketing, Maintenance and Administrative costs	(221)	(209)
EBITDA	**1,046**	**1,017**
Depreciation	(171)	(177)
Operating Profit	**875**	**840**
Net finance cost	(56)	(63)
Profit before tax	**819**	**777**
Tax expenses	(299)	(289)
Profit for the period	**520**	**488**

Plaza Centres p.l.c

Condensed Cash Flow Statement for the six months ended	**30-Jun-16**	**30-Jun-15**
	€'000	**€'000**
Net cash flows generated from operating activities	1,127	965
Net cash flows used in investing activities	(694)	(146)
Net cash flows used in financing activities	(949)	(898)
Net movement in cash and cash equivalents	**(516)**	**(79)**
Cash and cash equivalents at beginning of interim period	(1,133)	(1,236)
Cash and cash equivalents at the end of interim period	**(1,649)**	**(1,315)**

Plaza centres p.l.c.

Condensed Statement of Financial Position as at	**30-Jun-16**	**31-Dec-15**
Assets	**€'000**	**€'000**
Non-Current Assets - Property, plant and equipment	31,929	31,953
Current Assets	241	318
Other Current Assets	546	-
Total assets	**32,716**	**32,271**
Equity and Liabilities		
Capital and Reserves	**24,402**	**24,667**
Non-current Liabilities	5,190	5,383
Current Liabilities	3,124	2,221
Total Liabilities	**8,314**	**7,604**
Total Equity and Liabilities	**32,716**	**32,271**

During the first six months of 2016, occupancy levels at The Plaza Commercial Centre increased by three percentage points from that of 96% as at the end of December 2015 to 99% by the end of June 2016, and management expect that this level of occupancy will be sustained through the third and fourth quarter of the year.

Revenue during the first six months of 2016 was €1.27 million, an increase of 3.3% over the comparable period in 2015. Costs incurred in the first six-months of the year stood at €0.2 million, and the cost-to-income ratio of the Issuer improved, albeit marginally so, to 31.0% (comparative 2015: 31.5%). This translated in a profit after tax of €0.52 million (2015: €0.49 million). Meanwhile, in May 2016, Plaza Centres p.l.c. signed the Preliminary Agreement for the acquisition of the Target Property. The initial deposit paid in connection with this transaction is included within "Other current assets" in the Condensed Statement of Financial Position and in the net cash flows used for investing activities within the Condensed Statement of Cash Flows.

Save for the above, there were no further material changes to the financial position of the Issuer from the position as at 31 December 2015.

5.1.3 Alternative Performance Measures

This section sets out a number of Alternative Performance Measures ("**APM**") produced by the Issuer which are aimed to assist investors in gaining a better understanding of the Company's financial performance.

The three categories of APM included below relate to the Issuer's profitability, cash generation and indebtedness, which are produced for the three financial years ending 31 December 2013, 2014 and 2015.

- Profitability APM:
    - o Revenue growth produces the annual percentage change in revenue experienced by the Issuer compared to the respective previous period;
    - o Margins – these measures show the rate at which revenues are converted to profits at the different levels of profitability; and
    - o Rate of return – these measures show the annual revenue that the Issuer generates in comparison to the level of total assets (ROA) and equity (ROE);
- Free Cash Flow APM: This APM shows the free cash generated by the business and the rate at which revenue is converted into cash; and
- Indebtedness and Debt Service APM:
    - o Net debt sets out the level of debt of the Issuer after deducting available cash balances;
    - o The debt service commitments ratio sets out the annual interest and principal payments that the Issuer has had during the three years under comparison;
    - o Financial gearing sets out the level of net debt when compared to the aggregate net debt and equity;
    - o Interest cover is a ratio that shows how many times the level of operating profits covers interest obligations of the Issuer; and
    - o The debt service cover ratio sets out the number of times that the Issuer's free cash flows can cover debt service commitments.

Plaza Centres p.l.c **Alternative Performance Measures**	**2015**	**2014**	**2013**
Profitability			
Revenue growth (change in relation to previous financial year)	+2.0%	+10.5%	-3.7%
EBITDA margin (EBITDA: Revenue)	85%	82%	83%
Operating profit margin (Operating profit: Revenue)	71%	69%	66%
Net profit margin (Profit for the year: Revenue)	41%	40%	37%
Return on Assets (Operating Profit: Total assets)	5.3%	5.1%	5.1%
Return on Equity (Profit before tax: Total equity)	6.5%	6.3%	6.1%

Free Cash Flow from Operations	**2015** **€'000**	**2014** **€'000**	**2013** **€'000**
Cash generated from operations	2,141	1,935	1,788
Income tax paid	(526)	(493)	(503)
Purchase of property, plant & equipment	(342)	(530)	(300)
Free Cash Flow from Operations	**1,273**	**912**	**985**
Free cash flow margin (Free cash flow: Revenue)	52%	38%	45%

Indebtedness & Debt Service	**2015** **€'000**	**2014** **€'000**	**2013** **€'000**
Borrowings (included in non-current liabilities)	1,788	2,069	2,430
Borrowings (included in current liabilities)	1,429	1,538	1,271
Cash and cash equivalents (included in current assets)	(15)	(20)	(17)
Net Debt	**3,202**	**3,587**	**3,684**
Net interest paid (interest paid net of interest received)	131	140	185
Repayments of bank borrowings	281	281	182
Debt Service Commitments	**412**	**421**	**367**
Financial Gearing (Net Debt:Net Debt + Total Equity)	11.5%	13.1%	15.2%
Interest Cover (Operating profit : Finance costs)	12.2x	11.0x	7.6x
Debt Service Cover (Free cash flow from operations : Debt service commitments)	3.1x	2.2x	2.7x

5.1.4 Pro Forma Financial Information

This section sets out an illustration of the key financial implications of the acquisition of the Target Property and the related financing on the consolidated results and financial position of the Issuer. The illustration is based on the pro forma consolidated income statement and consolidated financial position of the Issuer. The consolidation includes the financial results and position of the Issuer and its wholly owned subsidiary Tigne Place Limited. The pro forma financial information has been prepared for illustrative purposes only. It addresses a hypothetical situation and, therefore, does not represent the Issuer's actual financial position or results.

An Accountant's Report on the pro forma financial information included in this document has been prepared by PricewaterhouseCoopers in compliance with the requirements of the Listing Rules. The Accountant's Report is attached to this Registration Document as Annex 2.

5.1.4.1 Basis for pro forma financial information

The pro forma financial information has been prepared using the actual results for Plaza Centres p.l.c. for the financial year ended 31 December 2015 and superimposing the following transactions (the "**Hypothetical Transactions**") or that are all hypothetically assumed to have been carried out as at 1 January 2015:

1. Acquisition of the Target Property at a total cost of €9.5 million, inclusive of stamp duty and other transaction costs;
2. Drawdown of bond of €8.5 million with a repayment term of 10 years;
3. Drawdown of bank finance of €4.5 million to part finance the acquisition of the Target Property, assumed in the form of a bank loan with a repayment term of 12 years; and
4. Settlement of all bank borrowings outstanding as at 1 January 2015 (balance of €3.6 million).

In addition to the above transactions, the pro forma financial information also assumes that:

1. Rental income of €0.54 million will be generated from the Target Property. This is based on the projected revenue streams receivable in 2016;
2. Incremental annual operating costs of €30,000 will be incurred, on account of additional operating costs expected to be incurred further to the acquisition of the Target Property;
3. Interest costs will be incurred at the following rates: 3.9% per annum for the Bond and 3.85% per annum for the bank borrowings. It is also assumed that the related interest costs will be settled in full in the year in which they are incurred; and
4. Additional tax at the corporate tax rate of 35%, will be incurred on additional profit generated as a result of the above transactions.

5.1.4.2 Illustrating the effect of the Hypothetical Transactions on the Issuer's operating results

The table below sets out a comparison between the Issuer's results for the year ended 31 December 2015 and the pro forma consolidated results that would have resulted assuming the Hypothetical Transactions were implemented on 1 January 2015.

Plaza Centres p.l.c.

Statement illustrating the effect of the Hypothetical Transactions on the Consolidated Income Statement	**31-Dec-15 Actual**	**31-Dec-15 Pro Forma**	**Change (+/-)**
	€'000	€'000	€'000
Revenue	**2,441**	**2,980**	**539**
Marketing costs	(45)	(45)	-
Maintenance costs	(5)	(5)	-
Administrative expenses	(306)	(336)	(30)
Operating profit before depreciation	**2,085**	**2,594**	**509**
Depreciation	(364)	(364)	-
Operating Profit	**1,721**	**2,230**	**509**
Finance income	12	12	-
Finance Costs	(141)	(496)	(355)
Profit before tax	**1,592**	**1,746**	**154**
Tax expenses	(581)	(635)	(54)
Profit for the year	**1,011**	**1,111**	**100**

The pro forma financial information indicates that the acquisition of the Target Property would increase the Issuer's operating profit by €0.5 million (+30%) to €2.2 million and net profit for the year by €0.1 million (+10%) to €1.1 million.

The illustration also indicates that the proposed financing for the acquisition of the Target Property would increase the Issuer's finance costs by €0.4 million to €0.5 million. The level of interest cover (computed as operating profit: net finance costs) would decrease from 12.2x to 4.5x.

5.1.4.3 Illustrating the effect of the Hypothetical Transactions on the Issuer's financial position

The table below sets out a comparison between the Issuer's statement of financial position as at 31 December 2015 and the pro forma consolidated position that would have resulted assuming the Hypothetical Transactions had been implemented on 1 January 2015.

Plaza Centres p.l.c.

Statement Illustrating the Effect of the Hypothetical Transactions on the Consolidated Statement of Financial Position

	31-Dec-15 Actual	31-Dec-15 Pro Forma	Change (+/-)
	€'000	€'000	€'000
Assets			
Property, plant and equipment	31,953	31,953	-
Investment property	-	9,500	9,500
Trade and other receivables	304	304	-
Cash and cash equivalents	15	150	135
Total assets	**32,271**	**41,907**	**9,635**
Equity and liabilities			
Equity			
Share capital	5,648	5,648	-
Share premium	3,095	3,095	-
Revaluation reserve	14,0.13	14,013	-
Retained earnings	1,911	2,011	100
Total Equity	**24,667**	**24,767**	**100**
Liabilities			
Bond	-	8,500	8,500
Borrowings	3,217	4,198	981
Trade and other payables	1,043	1,043	-
Deferred tax liabilities	3,249	3,249	-
Current tax liabilities	96	150	54
Total Liabilities	**7,604**	**17,140**	**9,535**
Total Equity and Liabilities	**32,271**	**41,907**	**9,635**

The pro forma financial information indicates that the Hypothetical Transactions would increase the Issuer's total assets by €9.6 million (+30%) to €41.9 million. This reflects the cost of acquisition of the Target Property that amounts to €9.5 million.

The illustration also indicates that the proposed financing for the acquisition of the Target Property would increase the Issuer's total borrowings by €9.5million to €12.7 million. This will in turn result in an increase in the Issuer's financial gearing ratio (computed as borrowings: equity + borrowings) from 11.5% to 33.9%.

5.2 Trend Information

As at 31 December 2015, the Issuer has reported an occupancy level of 99%. Occupancy in the first half of 2016 has remained at this level, which represents an increase of 3 percentage points in relation to the corresponding period in 2015. Revenue and EBITDA also increased compared to the first half of 2015 and the overall performance is in line with budget. The Issuer's financial position remains encouraging and in line with its expectations.

In line with its strategic growth plans, the Issuer continues to explore the feasibility and attractiveness of various opportunities on the local market. The Issuer has, in the past weeks, announced the signing of a preliminary agreement for the acquisition of the Target Property.

This acquisition is expected to create operating synergies with the Plaza Commercial Centre and contribute to further growth in profits and cash generation in the next few years.

No other material events or transactions have taken place and there have not been any material adverse changes in the prospects of the Issuer since the date of its last published audited financial statements for the year ended 31 December 2015.

6. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

6.1 The Board of Directors of the Issuer

The Issuer is currently managed by a board consisting of seven Directors entrusted with its overall direction and management, including the establishment of strategies for future development. Its responsibilities include the oversight of the Issuer's internal control procedures and financial performance, and the review of the Issuer's business risks, thus ensuring such risks are adequately identified, evaluated, managed and minimized. All the Directors have access to independent professional advice at the expense of the Issuer, should they so require.

The Chief Executive Officer and executive directors forming the Issuer's Executive Committee are entrusted with the Issuer's day-to-day management. The business address of each Director is the registered office of the Issuer.

6.1.1 Executive Committee

The Executive Committee is responsible for all aspects of Issuer's operations. Responsibilities include, leasing, marketing, finance, operations, property development and management, health and safety public relations and human resource management and development. The Executive Directors and Chief Executive Officer of the Issuer are also directors of the Subsidiary, bringing with them the necessary proficiency and experience in this industry sector, and providing their expertise throughout the entire Group. They are supported in this role by third party consultants and other officers of the Issuer as and to the extent necessary.

6.1.2 Non-Executive Directors

All the non-executive directors (as well as the Chairman of the Board of Directors) of the Issuer are independent directors. The non-executive Directors' main function is to monitor the operations and performance of, and review any investment opportunities that are proposed by, the Executive Committee. All investment proposals of the Issuer are brought to the Board for approval.

6.1.3 Curriculum Vitae of Directors

Below are brief curriculum vitae of each of the Directors:

Carmel (k/a Charles) J Farrugia

Mr Charles J. Farrugia was appointed Chairman of Plaza Centres p.l.c. in October 2015. He was appointed as a non-Executive Director of the company in 25 April 2008, and has sat on the Executive Committee of the Board since 21 October 2015. Mr Farrugia worked in the banking sector for 35 years and sat on a number of boards and committees within the HSBC Malta Group. Before retirement, in December 2009, he held the post of Head Global Banking & Markets and was a senior executive director of HSBC Malta p.l.c. for a number of years. Mr Farrugia holds the position of non-executive director within several Maltese companies.

David G. Curmi

Mr David G. Curmi is Chief Executive Officer of MSV Life p.l.c., Malta's leading provider of life insurance protection, long term savings and retirement planning. MSV Life p.l.c. is jointly owned between MAPFRE Middlesea p.l.c. (a MAPFRE company) and Bank of Valletta p.l.c. Mr Curmi is also Chief Executive Officer and director of Growth Investments Ltd. a wholly owned subsidiary of MSV Life p.l.c., director of MAPFRE Middlesea p.l.c. (a MAPFRE company), director of Middlesea Assist (a MAPFRE company), director of Midi p.l.c., Chairman of the National Development and Social Fund, Chairman of Trade Malta Ltd. and Chairman of L.B. Factors Ltd. Formerly, Mr Curmi served as President of the Malta Chamber of Commerce, Enterprise and Industry, member of the Council of Presidents of Business Europe and President of the Malta Insurance Association. Mr Curmi started his career in the insurance industry over thirty years ago. He is an Associate of the Chartered Insurance Institute of the United Kingdom and a Chartered Insurer.

Prof. Emanuel P. Delia

Prof. Emanuel P. Delia held posts in academia, public sector institutions and private organisations. He was a director of the Central Bank of Malta, MAPFRE Middlesea p.l.c. and Aon Malta Limited, Chairman of Mid-Med Bank Limited and is currently Chairman of APS Bank Limited, Amalgamated Investments SICAV p.l.c. and Mercury p.l.c.

Alan Mizzi

Mr Alan Mizzi was appointed as a Non-Executive Director of Plaza Centres p.l.c. with effect from 23 September 2015. He is currently the managing director of Homemate and The Atrium, Chief Financial Officer of the Alf Mizzi Group and director of Midi p.l.c. During the past 5 years, Mr Mizzi held directorships of various companies including Alf Mizzi & Sons, Alf Mizzi & Sons Marketing, Homemate Co. Ltd, Inspirations Ltd, Mizzi Associated Enterprises Ltd, Mellieha Bay Hotel, Systec Ltd and Strand Electronics Ltd.

Brian R. Mizzi

Mr Brian R. Mizzi sits on the board of directors of Mizzi Organisation and has over forty years of active service working within the organisation. He serves as managing director for The General Soft Drinks Co. Ltd., bottlers and distributors of Coca-Cola products in Malta, and has been actively involved since it was acquired by Mizzi Organisation. Mr. Mizzi is also managing director for Arkadia Marketing Ltd., one of Malta's leading shopping centres and a retail company. Mr. Mizzi is also heavily involved in the tourism industry; he is the managing director for The Waterfront Hotel, as well as being a director representing Mizzi Organisation's interests, on the board for Mellieha Bay Hotel and Kemmuna Ltd., owner of the Comino Hotel. Also in Mr Mizzi's directorship portfolio is The Institute of English Language Studies Ltd. of which Mizzi Organisation is a substantial shareholder. One of the companies Mr Mizzi is managing director of, namely Arkadia Marketing Ltd., has recently won the government tender for the restoration and operation of the Valletta Market.

Etienne Sciberras

Mr Etienne Sciberras is the Chief Risk Officer of MSV Life p.l.c. In February 2016, he has also been appointed Risk Officer for MAPFRE Middlesea pl.c. Mr Sciberras is a Fellow of the Chartered Certified Accountants and a Certified Public Accountant. He obtained an Honours Degree in Management from the University of Malta and is also a holder of the right to use the Chartered Financial Analyst® designation.

Gerald J. Zammit

Mr Gerald J. Zammit has been a Board member since 2005 and an executive Director and a member of Issuer's Audit Committee since June 2013. Mr Zammit has been an active member of the Issuer's Executive Management Team and its marketing committee since the Plaza Commercial Centre's inception in 1993. Mr Zammit also serves as CEO of Link Petroleum Services Ltd, Link Mineral Services Ltd and Agopay Ltd. He is the managing director of Creative Marketing Ltd, managing partner at Delta Tech Ltd and board member of Sliema's Business Community Association.

6.1.4 Curriculum Vitae of the Chief Executive Officer

Lionel A. Lapira

Mr Lionel A. Lapira joined the Company on 1 July 1994 and occupied various positions over the years including Commercial Manager, Company Secretary, Compliance Officer and General Manager in 2000. He has served as a member of the Company's Executive Management Committee since 1994 and was appointed Chief Executive Officer on 1 January 2005, and Chairman of the Plaza Marketing Committee since this date. He has been a member of the International Council of Shopping Centres (ICSC) and British Council of Shopping Centres since 1995 and was awarded accreditation by the ICSC as a Certified Marketing Director in 1999. His responsibilities include business development, finance, health and safety, human resource management and training, leasing, marketing, project management, operations management and security. With qualifications and experience in finance, diplomatic studies, management and marketing, Mr Lapira obtained his Masters in Business Administration at Henley-Brunel University in 2005. Prior to joining the Company, he occupied a number of senior management positions in the local hospitality, entertainment and leisure industry.

6.2 Directors' Service Contracts

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

All Directors may be removed from their posts of Director by ordinary resolution of the shareholders in general meeting.

6.3 Aggregate Emoluments of Directors

For the financial year ended 31 December 2015, the Group paid an aggregate of €50,000 to its Directors.

6.4 Loans to Directors

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

6.5 Removal of Directors

A Director may unless he resigns, be removed by ordinary resolution of the shareholders as provided in sections 139 and 140 of the Act.

6.6 Powers of Directors

By virtue of the Articles of Association of the Issuer the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting.

7. MANAGEMENT STRUCTURE

7.1 General

The Board of Directors appointed Lionel A. Lapira as Chief Executive Officer of the Issuer and, together with the Chairman of the Board of Directors of the Issuer and Gerald J. Zammit, they are the only executive officers of the Issuer.

As at the date of this Prospectus, the Issuer employed 11 members of staff, 7 of which work in operations and 4 in management and administration.

7.2 Potential Conflict of Interest

Charles J. Farrugia and Gerald J. Zammit, in addition to sitting on the board of directors of the Issuer, also act as directors of the Subsidiary. Lionel A. Lapira, in addition to occupying the post of CEO of the Issuer, sits on the board of directors of the Subsidiary. Accordingly, conflicts of interest could potentially arise in relation to transactions involving both the Issuer and the Subsidiary.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these common directorships, are handled in the best interest of the Issuer and according to law. The majority held by the independent Non-Executive Directors on the audit committee provides an effective measure to ensure that such transactions vetted by the Audit Committee are determined on an arms-length basis. To the extent known or potentially known to the Issuer as at the date of this Registration Document, there are no potential conflicts of interest between any duties of the Directors towards the Issuer and their private interests and/or their other duties (including their duties towards the Subsidiary) which require disclosure in terms of the Regulation.

7.3 Interests of Directors

The number of shares held in the Issuer by Directors directly or indirectly as at 30 June 2016 is as follows:

Charles J Farrugia	Nil
Gerald J Zammit	2,588 (direct holding)
David Curmi	Nil
Emanuel Paul Delia	Nil
Alan A Mizzi	358,925 (indirect holding)
Brian R Mizzi	192,406 (indirect holding)
Etienne Sciberras	Nil

7.3.1 Managing Conflicts of Interests

Situations of potential conflicts of interest with Board members are in the first instance specifically regulated by clauses 68.1 and 68.2 of the Issuer's Articles of Association. In terms of the Articles of Association, a director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Issuer must declare the nature of his interest. Furthermore, a director is not permitted to vote at a meeting of Directors in respect of any contract or arrangement in which he has a personal material interest, either directly or indirectly. The minutes of Board meetings would contain a suitable record of such declaration and of the action taken by the individual Director concerned.

In addition to the foregoing, the Audit Committee's terms of reference provide for the oversight of related party transactions by the Audit Committee. The Audit Committee has the task of ensuring that any such potential conflicts of interest are handled in the best interests of the Issuer. To the extent known or potentially known to the Issuer as at the date of this Prospectus, there are no other potential conflicts of interest between any duties of the Directors and of executive officers of the Issuer and their private interests and/or their other duties, which require disclosure in terms of the Regulation.

8. BOARD PRACTICES

8.1 Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structures. The committee maintains communications on such matters between the board, management, the independent auditors and the internal auditors, and preserving the Issuer's assets by understanding the Issuer's risk environment and how to deal with those risks.

The terms of reference of the Audit Committee include support to the Board of Directors of the Issuer in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee which set out 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.

Briefly, the Committee is expected to:

a. review the significant financial reporting issues and judgements made in connection with the preparation of the Issuer's financial statements, interim reports, preliminary announcements and related formal statements. The audit committee should also review the clarity and completeness of disclosures in the financial statements;
b. review the Issuer's internal financial controls and the Issuer's internal control and risk management systems and the effectiveness of the Issuer's internal audit function
c. monitor and review the internal audit activities; and
d. make recommendations to the Board, for it to put to the shareholders for their approval in general meeting, in relation to the appointment of the external auditors and to approve the remuneration and terms of engagement of the external auditors.

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

The committee is made up of a majority of Non-Executive Directors who are appointed for a period of three years, unless earlier terminated by the Board. The Audit Committee is composed of Prof. Emanuel P. Delia and Etienne Sciberras (non-executive directors) and Gerald J. Zammit (executive director). The Chairman of the Audit Committee is appointed by the Board from amongst the non-executive directors appointed to the Committee, and is entrusted with reporting to the Board on the workings and findings of the Committee. Etienne Sciberras is the independent non-executive director of the Company, competent in accounting and/or auditing in terms of Listing Rule 5.117, occupying the post of chairman of the Audit Committee.

8.2 Internal Audit

The Issuer does not provide for the role of an internal auditor, however, through the Audit Committee, the Board reviews the effectiveness of the Company's system of internal controls.

9. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Issuer is subject to, and supports, the Code of Principles of Good Corporate Governance (the "**Code**") forming part of the Listing Rules. The Issuer is confident that the adoption of the Code has resulted in positive effects accruing to the Issuer.

The Board considers that during the financial year ended 31 December 2015, the Company was in compliance with the Code save as set out hereunder :

Code Provision	Explanation
2.1	Although the posts of the Chairman and Chief Executive Officer are occupied by different individuals in line with Code provision 2.1, the division of their responsibilities has not been set out in writing. Nevertheless, the Board feels that there is significant experience and practice that determines the two roles.
2.3	With respect to Code provision 2.3, the Board notes that the Chairman is also a member of the Executive Committee. However, the Board is of the view that this function of the Chairman does not impinge on his ability to bring to bear independent judgement to the Board.
4.3	For the purposes of Code provision 4.3, the Board reports that although information sessions were not organised for Directors within the period under review, during its meetings the Board regularly discusses the Company's operations and prospects, the skills and competence of senior management, the general business environment and the Board's expectations.
6.4	With respect to Code provision 6.4, the Board notes that professional development sessions were not organised for the period under review.
7.1	The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code provision 7.1. The Board believes that the size of the Company and the Board itself does not warrant the proliferation of several committees. Whilst the requirement under Code provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Company's Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad-hoc committee for this purpose. The Board shall retain this matter under review over the coming year.
8B	The Board has not appointed a Nominations Committee in line with Code provision 8B, particularly in the light of the specific manner in which the Articles of Association require that Directors be appointed by a shareholding qualification to the Board. The Board believes that the current Articles of Association do not allow the Board itself to make any recommendations to the shareholders for appointments of Directors and that if this function were to be undertaken by the Board itself or a Nominations Committee, they would only be able to make a non-binding recommendation to the shareholders having the necessary qualification to appoint Directors pursuant to the Articles of Association. The Board, however, intends to keep under review the utility and possible advantages of having a Nominations Committee and following an evaluation may, if the need arises, make recommendations to the shareholders for a change to the Articles of Association.

9.3 There are no procedures in place within the Company for the resolution of conflicts between minority and controlling shareholders, nor does the Memorandum and Articles of Association contemplate any mechanism for arbitration in these instances.

10. HISTORICAL FINANCIAL INFORMATION

The historical financial information for the three financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 as audited by PricewaterhouseCoopers are set out in the financial statements of the Issuer. Such audited financial statements are available on the Issuer's website www.plaza-shopping.com.

The interim financial statements for the six month periods 1 January – 30 June 2015 and 2016 are available on the Issuer's website www.plaza-shopping.com.

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

11. LITIGATION

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering twelve (12) months prior to the date of this Registration Document which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.

12. ADDITIONAL INFORMATION

12.1 Share Capital of the Issuer

The authorised share capital of the Issuer is €15,000,000 divided into 75,000,000 ordinary shares of €0.20 each share. The issued share capital is €5,648,400 divided into 28,242,000 ordinary shares of a nominal value of €0.20 each, fully paid up.

The Issuer's ordinary shares were first admitted to the Official List of the MSE on 6 June 2000, and trading commenced on 8 June 2000.

More than 10% of the Issuer's authorised share capital remains unissued. However, in terms of the Issuer's Memorandum and Articles of Association, none of such capital shall be issued in such a way as would have the effect of transferring a controlling interest in the Company, unless the members in general meeting approve otherwise.

The entire issued share capital of the Issuer is listed on the Official List of the Malta Stock Exchange. MSV Life p.l.c. (C 15722) holds 8,009,172 ordinary shares in the Issuer representing 28.4% of the issued ordinary share capital with voting rights attached. Mizzi Holdings Limited (C 813) holds 2,309,797 ordinary shares in the Issuer representing 8.18% of the Issuer's issued ordinary share capital with voting rights attached. As at 3 August 2016, Rizzo Farrugia & Co (Stockbrokers) Ltd (C 13102), as nominee for its underlying clients, held 2,581,495 ordinary shares in the Issuer representing 9.1% of the Issuer's issued ordinary share capital with voting rights attached. Alf Mizzi & Sons Ltd (C 203) holds 2,218,328 shares representing 7.85% of the Issuer's issued ordinary share capital with voting rights attached. Lombard Bank Malta plc (C 1607) holds 1,430,808 ordinary shares in the Issuer representing 5.1% of the Issuer's issued ordinary share capital with voting rights attached. The remaining shares in the Issuer are held by the general investing public.

12.2 Memorandum and Articles of Association of the Issuer

12.2.1 Objects

The Memorandum and Articles of Association of the Issuer are registered with the Register of Companies. The main object of the Issuer is to invest in, acquire, hold and/or manage any land, building or other property for the purpose of deriving income therefrom. Clause 3 of the Memorandum of Association contains the full list of objects of the Issuer. A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Registry of Companies.

12.2.2 Appointment of Directors

At present, in terms of the Memorandum and Articles of Association, the Board shall consist of not less than five and not more than seven directors.

12.2.3 Powers of Directors

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

The maximum limit of aggregate emoluments of the Directors is, in terms of the Memorandum and Articles of Association, to be established by the shareholders in general meeting. Within that limit the Directors shall have the power to vote remuneration to themselves or any number of their body. Any increases in the maximum limit of Directors' aggregate emoluments have to be approved by the Company in the general meeting.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and give security therefor, subject to the limit established in the Memorandum and Articles of Association. That limit is currently four times the Issuer's capital and reserves. The shareholders in general meeting have the overriding authority to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

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

13. MATERIAL CONTRACTS

The Issuer has entered into the Preliminary Agreement pursuant to which it agreed to purchase and acquire, and Winex Holdings Limited (C-21511) (the "**Vendor**") agreed to sell and transfer, the Target Property together with its relative footprint of underlying sub soil. The internal roadways, ramps, stairs, elevators, and certain other specified parts of the Target Property, are subject to the right of use, enjoyment, access and passage by third parties as emanating from deeds previously signed. The Target Property shall be transferred freehold but subject to a number of leases (as listed in the Preliminary Agreement).

In the Preliminary Agreement, the Vendor warranted and guaranteed in favour of the Issuer that:

i. the Target Property was built according to building permits as per MEPA permits numbered PA 6838/1998 and PA 2907/2014 and relative compliance certificate, and that the Vendor is not aware that there are any infringement proceedings or enforcement notices served on the Target Property;
ii. the Target Property is not subject to any requisition order/expropriation order or to an order for acquisition by the Government or any rights whatsoever in favour of Government; and

iii. there are no proceedings pending or threatened in connection and/or relating to the Target Property, and there are no circumstances which are likely to give rise to any litigation or arbitration.

In terms of the Preliminary Agreement, the following conditions were due to be satisfied before the 31st July 2016:

i. the Issuer obtaining bank financing of five million Euro (€ 5 million) from a banking institution in Malta for the relative purchase (such condition would lapse if not invoked by the 31 July 2016. By the 31 July 2016, the Issuer was due to inform the Vendor in writing of the bank's decision with a copy thereof, and that it intends to proceed with the sale/purchase - if the facility were to be refused by the relative Bank, the Subsidiary would have had the right to withdraw from the sale/purchase, in which case the promise of sale would fall through and the deposit made on the Preliminary Agreement would be returned to the Issuer); and
ii. a bond issue approval for four million Euro (€ 4 million), or, should bank financing not be obtained, a bond issue for the whole amount.

Since the date of the Preliminary Agreement, the Issuer has reconsidered the funding sources for the sale/purchase indicated above, electing to seek bank financing of € 4.5 million (rather than € 5 million) and to allocate € 5 million (rather than € 4 million) of bond proceeds to the sale/purchase. The excess of €0.5 million relates to stamp duty and transaction costs to be incurred by the Issuer in connection with the same/purchase of the Target Property. As at the date of the Prospectus, the Issuer has obtained approval by a local credit institution for a banking facility in the principal amount of €4.5 million to be made available to the Subsidiary as the purchaser of the Target Property. Accordingly, the condition precedent included in the Preliminary Agreement providing that bank financing is to be made available to the Issuer (or its assignee) by the 31 July 2016, has been duly satisfied. On 22 July 2016 the Issuer informed the Vendor that it intends to proceed with the sale/purchase of the Target Property. On such date, the parties to the Preliminary Agreement also agreed to waive the requirement that the second condition specified above be met before 31 July 2016.

Other conditions included in the Preliminary Agreement are as follows:

i. the Preliminary Agreement is subject to notary searches being finalised and found to be in good order and to the cancellation/reduction of any hypothecs and privileges which may encumber the Target Property; and
ii. any rents prepaid for periods after the date of the final deed of sale shall be proportionately paid to the Issuer in such a way that all rental payments for period up to date of deed are receivable by the Vendor, and all rents for periods after the date of the final deed, are receivable by the Issuer.

The promise of sale of the Target Property was made and accepted for the global price of nine million Euro (€ 9 million) of which the sum of four hundred and fifty thousand euro (€ 450,000) was paid as a deposit on account of the purchase price to be released together with the balance of the price to the Vendor on the final deed of sale. Should the Issuer fail to appear on the publication of the deed of sale for no reason, or for a reason that is not valid in terms of the Preliminary Agreement, or at law, the Vendor is entitled to proceed against the purchaser and sue for specific performance. The validity of the Preliminary Agreement is up to 31 October 2016, by which date the final deed is to be published.

The Issuer intends to assign its rights under the Preliminary Agreement to the Subsidiary to enable the Subsidiary to purchase and acquire the Target Property on the final deed of sale. The assignment of the Preliminary Agreement shall take place on the final deed of sale.

Other than the Preliminary Agreement, the Issuer has not entered into any material contracts which are not in the ordinary course of its business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

14. PROPERTY VALUATION REPORT

14.1 The Plaza Commercial Centre

The Issuer commissioned TBA Periti, a firm of architects based in Malta, to issue a property valuation report in relation to the Plaza Commercial Centre. The following are the details of the valuer:

Name: Prof. Alex Torpiano
Business address: TBA Periti, No. 43, Main Street, Balzan, BZN 1259, Malta
Qualifications: B.E.&A. (Hons), M.Sc.(Lond.), Ph.D. (Bath), MIStructE, C.Eng, Eur.Ing, perit

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 valuation report is dated 19 June 2016.

A copy of the report compiled by Prof. Alex Torpiano in respect of the Plaza Commercial Centre is annexed to this Registration Document as Annex 3.

14.2 The Target Property

The Issuer also commissioned dhi PERITI, a firm of architects based in Malta, to issue a property valuation report in relation to the Target Property. The following are the details of the valuer:

Name: Arch. Denis H. Camilleri
Business address: dhi PERITI, 2nd Floor, Europa Centre, Triq Sant Anna, Floriana, FRN 1400, Malta
Qualifications: Eur.Ing, A&CE, B.Sc. (Eng)., B.A. (Arch.)., C.Eng., A.C.I. Arb., F.I.Struct. E., F.I.C.E

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 valuation report is dated 22 July 2016.

A copy of the report compiled by Arch. Denis H. Camilleri in respect of the Target Property is annexed to this Registration Document as Annex 4.

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

Save for the valuation reports prepared in relation to the Properties and contained in Annexes 3 and 4 to the Registration Document, and the auditor's report contained in Annex 2 to this Registration Document, the Prospectus does not contain any statement or report attributed to any person as an expert.

The valuation reports have been included in the form and context in which they appear with the authorisation of Prof. Alex Torpiano and Arch. Dennis H. Camilleri respectively, who have given and have not withdrawn their respective consent to the inclusion of their respective reports herein. Prof. Alex Torpiano and Arch. Dennis H. Camilleri do not have any material interest in the Issuer. The Issuer confirms that the valuation reports have been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The accountant's report contained in Annex 2 to this Registration Document has been included in the form and context in which it appears with the authorisation of PricewaterhouseCoopers, who has given and has not withdrawn its consent to the inclusion of its reports herein. PricewaterhouseCoopers does not have any material interest in the Issuer. The Issuer confirms that the auditor's report has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

16. DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document the following documents (or copies thereof) shall be available for inspection at the registered address of the Issuer:

a. Memorandum and Articles of Association of the Issuer;
b. Memorandum and Articles of Association of the Subsidiary;
c. Audited financial statements of the Issuer for the years ended 31 December 2013, 2014 and 2015;
d. Interim financial statements of the Issuer for the six-month period ended 30 June 2015 and 2016;
e. The Accountant's Report drawn up by PricewaterhouseCoopers dated 5 August 2016 on the pro forma information contained in this Prospectus;
f. Pro Forma accounting statements of the Group for the years ended 31 December 2013, 2014 and 2015;
g. Independent Expert's property valuation report prepared at the Issuer's request in respect of the Plaza Commercial Centre;
h. ndependent Expert's property valuation report prepared at the Issuer's request in respect of the Target Property.

The Issuer's financial statements are available on the Issuer's website: www.plaza-shopping.com.

ANNEX 1 – PRO FORMA FINANCIAL STATEMENTS

1. Basis of Preparation

Plaza Centres p.l.c. has concluded a preliminary agreement to acquire office and commercial space, along with related car parking facilities, situated within the Tigne Place Complex at Triq Tigne, Sliema (the "**Target Property**"). This acquisition will be carried out through Tigne Place Limited, a wholly owned subsidiary of the Issuer. This pro forma financial information has been prepared for illustrative purposes only, to provide information about the key financial implications of the acquisition of the Target Property and the related financing on the results and financial position of the Issuer.

The pro forma financial information comprises a pro forma consolidated income statement for the financial year ended 31 December 2015 and a pro forma consolidated statement of financial position as at 31 December 2015. The consolidation includes the financial results and position of the Issuer and its wholly owned subsidiary Tigne Place Limited.

The pro forma financial information has been prepared using the actual results for Plaza Centres p.l.c. for the financial year ended 31 December 2015 and superimposing the following transactions (the "**Hypothetical Transactions**") that are all hypothetically assumed to have been carried out as at 1 January 2015:

- Acquisition of Target Property at a total cost of €9.5 million, inclusive of stamp duty and other transaction costs;
- Drawdown of bond of €8.5 million;
- Drawdown of bank finance of €4.5 million to part finance the acquisition of the Target Property;
- Settlement of all bank borrowings outstanding as at 1 January 2015 (balance of €3.6 million).

Because of its nature, the pro forma financial information addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results. The pro forma 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).

The pro forma financial information has been compiled on the basis of the accounting policies adopted by the Issuer taking into account the requirements of Building Block 20.2 of Annex I and Annex II of EC Regulation 809/2004.

2. Pro Forma Adjustments

The following is a description of the pro forma adjustments made to the actual results and financial position of Plaza Centres p.l.c. for the financial year ended 31 December 2015:

<u>Acquisition of Target Property</u>

1. Being the acquisition of the Target Property at a total cost of €9.5 million. The pro forma financials assume that the property will be classified as Investment Property in terms of the requirements of International Financial Reporting Standards.
2. Being the assumed annual rental income from the operation of the Target Property in 2015. The rental income stream of €0.54 million is based on the projected revenue streams receivable in 2016 based on existing rental contracts;
3. Being the provision for the incremental annual operating costs expected to be incurred further to the acquisition of the Target Property;

Drawdown of related financing

4. Being the drawdown of the €8.5million bond and the provision for the related annual interest cost based on an assumed bond coupon of 3.9% p.a. It is also assumed that interest costs will be settled in full in the year in which they are incurred.
5. Being the drawdown of the bank financing of €4.5million in the form of a term loan with a repayment term of 12 years. It is further assumed that the term loan facility will carry an interest cost of 3.85% and will include an annual repayment (capital plus interest) of €466,344.

Settlement of existing borrowings

6. Being the assumed settlement of all existing borrowing facilities as at 1 January 2015 and the reversal of the related interest costs incurred in 2015.

Adjustment to provision for taxation

7. Being the provision for additional tax that would be incurred on the additional profit generated as a result of the Hypothetical Transactions set out in pro forma adjustments (1) to (6). The provision is computed using the corporate tax rate of 35%.

3. Pro Forma Financial Information

Plaza Centres p.l.c.
Pro Forma Income Statement for the year ended 31 December 2015

		Pro Forma Adjustments							
	As Reported	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**Pro forma**
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Revenue	**2,441**		**539**						**2,980**
Marketing costs	(45)								(45)
Maintenace costs	(5)								(5)
Administrative expenses	(306)			(30)					(336)
Operating profit before depreciation	**2,085**	**-**	**539**	**(30)**	**-**		**-**		**2,594**
Depreciation	(364)								(364)
Operating Profit	**1,712**	**-**	**539**	**(30)**	**-**		**-**		**2,230**
Finance income	12								12
Finance costs	(141)				(332)	(164)	141		(496)
Profit before Tax	**1,592**	**-**	**539**	**(30)**	**(332)**	**(164)**	**141**	**-**	**1,746**
Tax expenses	(581)							(54)	(635)
Profit for the year	**1,011**	**-**	**539**	**(30)**	**(332)**	**(164)**	**141**	**(54)**	**1,111**

Plaza Centres p.l.c.
Pro Forma Statements of Financial Position as at 31 December 2015

	As Reported	Pro Forma Adjustments 1	2	3	4	5	6	7	Pro Forma
	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000	€'000
Assets									
Non-current assets									
Property, plant and equipment	31,953	-	-	-	-	-	-	-	31,953
Investment Property	-	9,500	-	-	-	-	-	-	9,500
Total non-current assets	**31,953**	**9,500**	**-**	**-**	**-**	**-**	**-**	**-**	**41,453**
Current assets									
Trade and other receivables	304	-	-	-	-	-	-	-	304
Current tax assets	-	-	-	-	-	-	-	-	-
Cash and cash equivalents	15	(9,500)	539	(30)	8,169	4,034	(3,076)	-	150
Total current assets	**318**	**(9,500)**	**539**	**(30)**	**8,169**	**4,034**	**(3,076)**	**-**	**454**
Total assets	**32,271**	**-**	**539**	**(30)**	**8,169**	**4,034**	**(3,076)**	**-**	**41,907**
EQUITY AND LIABILITIES									
Capital and reserves									
Share capital	5,648	-	-	-	-	-	-	-	5,648
Share premium	3,095	-	-	-	-	-	-	-	3,095
Revaluation reserve	14,013	-	-	-	-	-	-	-	14,013
Retained earnings	1,911	-	539	(30)	(332)	(164)	141	(54)	24,767
Total equity	**24,667**	**-**	**539**	**(30)**	**(332)**	**(164)**	**141**	**(54)**	**24,767**
Non-current liabilities									
Bond	-	-	-	-	8,500	-	-	-	8,500
Trade and other payables	346	-	-	-	-	-	-	-	346
Borrowings	1,788	-	-	-	-	3,884	(1,788)	-	3,884
Deferred tax liabilities	3,249	-	-	-	-	-	-	-	3,249
Total non-current liabilities	**5,383**	**-**	**-**	**-**	**8,500**	**3,844**	**(1,788)**	**-**	**15,979**
Current libilties									
Trade and other payables	697	-	-	-	-	-	-	-	697
Current tax liabilities	96	-	-	-	-	-	-	54	150
Borrowings	1,429	-	-	-	-	314	(1,429)	-	314
Total non-current liabilities	**2,221**	**-**	**-**	**-**	**-**	**314**	**(1,429)**	**54**	**1,160**
Total liabilities	**7,604**	**-**	**-**	**-**	**8,500**	**4,198**	**(3,217)**	**54**	**17,140**
Total equity and liabilities	**32,271**	**-**	**539**	**(30)**	**8,169**	**4,034**	**(3,076)**	**-**	**41,907**

ANNEX 2 - ACCOUNTANT'S REPORT

pwc

The Directors
Plaza Centres p.l.c.
The Plaza Commercial Centre,
Level 6 Suite 2, Bisazza Street,
Sliema. SLM 1640.
Malta

5 August 2016

Independent accountant's assurance report on the compilation of pro forma financial information

To the board of directors of Plaza Centres p.l.c.

Report on the compilation of pro forma financial information included in a prospectus

We have completed our assurance engagement to report on the compilation of pro forma financial information of Plaza Centres p.l.c. ('Plaza Centres' or 'the Company') as prepared by the directors of Plaza Centres (the 'Directors'). The pro forma financial information consists of the Company's pro forma consolidated Income Statement for the year ended 31 December 2015 and the pro forma consolidated Statement of Financial Position as at 31 December 2015 as set out in Annex I of the Company's Registration Document. The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are specified in Annex II to Commission Regulation (EC) 809/2004 ('the Regulation') and described in the 'Basis of Preparation' section included in Annex I of the Company's Registration Document (the 'Applicable Criteria').

The Company has concluded a preliminary agreement to acquire office and commercial space, along with related car parking facilities, situated within the Tigne' Place Complex at Triq Tigne', Sliema ('the Target Property'). The pro forma financial information has been compiled by the Directors to illustrate the impact of the acquisition of the Target Property and the related financing on the results and financial position of the Company. The pro forma financial information comprises a pro forma consolidated Income Statement for the financial year ended 31 December 2015 and a pro forma consolidated Statement of Financial Position as at 31 December 2015.

The pro forma financial information has been prepared by the Directors on the assumption that the acquisition of the Target Property and the drawdown of the related financing had taken place on 1 January 2015. As part of this process, information about the Company's financial position and financial performance has been extracted by the Directors from the Company's financial statements for the year ended 31 December 2015, on which an audit report has been published.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

PricewaterhouseCoopers,
78 Mill Street, Qormi, QRM3101. Malta
T: +(356) 2124 7000, F: +(356) 2124 4768, www.pwc.com/mt

Directors' responsibility for the pro forma financial information

The Directors are responsible for compiling the pro forma financial information on the basis of the Applicable Criteria.

Our responsibilities

Our responsibility is to express an opinion, as required by item 7 of Annex II to the Regulation, about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis of the Company's accounting policies as described in the financial statements for the year ended 31 December 2015 and the basis of preparation set out in Annex I of the Company's Registration Document, and accordingly on the basis of the Applicable Criteria.

Basis of opinion

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance engagements to report on the compilation of pro forma financial information included in a prospectus, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled, in all material respects, the pro forma financial information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction as at and for the year ended 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the Directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the accountant's judgment, having regard to the accountant's understanding of the nature of the Company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

pwc

Opinion

In our opinion:

a. the pro forma financial information has been properly compiled on the basis stated; and

b. such basis is consistent with the accounting policies of the Company.

L Pace Ross

Lucienne Pace Ross
Partner

Pricewaterhouse Coopers
78 Mill Street
Qormi
Malta

ANNEX 3 - PLAZA COMMERCIAL CENTRE VALUATION REPORT

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Job No. PLA 4211/16
Your Ref.

19th June 2016

The Directors,
Plaza Centres plc,
Plaza Commercial Centre,
Bisazza Street,
Sliema

Dear Sirs,

VALUATION REPORT - PLAZA COMMERCIAL CENTRE, SLIEMA

In accordance with your instructions, the undersigned has carried out a valuation of the Plaza Commercial Complex in Sliema, bounded by Bisazza Street to the south-east, Tower Road to the north-west, partly by Triq Gużi Fava and partly by third party property to the south-west, and partly by Bisazza Lane and partly by third party property to the north-east, and which detailed valuation report, including the undersigned's opinion of the value of the property, is herewith submitted. The effective date of this valuation is the 19th June 2016.

It is understood that the purpose of the valuation is for inclusion with the Prospectus, to be published in connection with the intention of Plaza Centres plc to issue debt securities to acquire another property for the further expansion of the business, in accordance with the Listing Rules of the Listing Authority. The Valuation has been prepared in accordance with Chapter 7 of the Listing Rules published by the Malta Financial Services Authority.

The Property included in this valuation is referred to as the Plaza Commercial Centre, located between Tower Road and Bisazza Street Sliema. The original Plaza Commercial Centre was constructed on land that is either held under the title of freehold, or under that of perpetual emphyteusis, with a non-revisable ground rent amounting to €1765 per annum, as indicated below. The area of the original premises has been increased in three stages. On the other hand, the retail area that was located on the other side of Ġużi Fava Lane, previously the site of the Majestic Cinema, and that formed part of the original acquisition, has been sold, with a consequent reduction of retail area. The lettable commercial property currently held by the company measures circa 4500 sq.m. of retail area over four floors, and ca. 6000 sq.m of office space, over ca. five floors, that is, circa 10,500sq.m. of lettable area. This represents net rentable area, and is in addition to public areas such as circulation and vertical access areas. Approximately 264 sq.m. of the office areas are held by the management of the complex, and is not rented out.

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The current property was broadly developed in four stages, with the details of the dates of acquisition, relative area, age of structure, and tenure details as indicated below:

Section	Date of Acquisition	Area (in sq.m.)	Age of Structure	Freehold / Lease	Lease Payable	Ground Rent payable
Plaza retail, catering and offices, in operation since 1994	**1989**	**6,493 sq.m**	**23 years**			**€1,765 pa.**
Extension 1 retail and offices, in operation since 2000	**1996**	**1,100 sq.m**	**16 years**	**Freehold**	**n/a**	**n/a**
Extension II retail and offices, in operation since 2005	**2001 - 2004**	**1,200 sq.m**	**8 years**	**F/H**	**n/a**	**n/a**
Extension III retail and offices, in operation since 2011	**2002 - 2009**	**1,700 sq.m**	**5 years**	**F/H**	**n/a**	**n/a**
Total		**10,493 sq.m**				

The whole of the property is covered by a number of valid development planning permits, including for the construction of the original parts of the complex, as well as for the various extensions, including PB2414/89/5080/87, PA4336/97, PA02981/04, PA03890/04, PA03017/05, PA04088/05, PA02545/08, PA03475/09 and PA05377/09. The undersigned is not aware of any contravention of any statutory requirements. The larger portion of the lettable area is built around a central atrium, which is accessible from Tower Road, from Bisazza Street and from Ġużi Fava (previously Fawwara) Lane. The central atrium serves as focus for the whole complex, and accommodates the main systems of mechanized vertical transport. The first four floors comprise mainly retail area, served by escalators and a panoramic lift. Other lifts serve the upper five floors that comprise primarily office area, and a restaurant. This degree of accessibility, at three different locations, and at different retail levels, has effectively contributed to the commercial success of the Centre.

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The whole complex is centrally air-conditioned. The interior finishes of the public areas have been recently refurbished and are in a very good condition, confirming the reputation of the Plaza Commercial Centre as a high-quality shopping destination. The refurbishment programme has been extended upwards into the office floors. A refurbishment of the elevations of the Centre has also been completed. Although The Point, in Pjazza Tigne' located in Tigne' Point, has established itself as an important retail/catering/leisure focus, the area of Sliema, characterized by Bisazza Street, the "Ferries", St.Anne Square, and Tower Road, still retains its role as a Town Centre; and the Plaza Commercial Centre has retained its position as the iconic shopping centre in the town centre. This continues to give confidence that the current income streams, that underpin this valuation, will be maintained into the future.

The retail areas have maintained an excellent occupancy ratio, currently at approximately 99.2% for the retail areas, (down from 100% in 2014), and approximately 94.9% for the office areas, (up from 87.46% in 2014). This occupancy figure excludes the ca. 4.3% of the area which is used by the management and security requirements.

The average term for the current leases of the retail areas is about 15.75 years, (down from 16.16 years in 2014), and of the office areas about 2.39 years, (down from 3.43 years in 2014). The total net current annual revenue from the rental agreements is €2,504,463.00. The rental agreements are subject to annual increments of 4%, which is significantly higher than the current rate of inflation. In 2021, for example, it is envisaged that the total net annual rental income would be €3,068,357.00. The current valuation has been based on the assumption that the current occupancy, and the current level of annual increases, would be maintained, with some losses allowed at the termination of the current respective leases, up to 2036.

The Centre's rental agreements envisage that there are no repairing obligations on the tenants, but most of the operating costs (water and electricity) and of the common area maintenance costs (including lifts, escalators, air conditioners, repairs, renewals and decorations, security, cleaning, consumables and insurance) are recovered from the tenants. Nevertheless, maintenance and security costs, as advised by the management, and incurred by the Plaza Commercial Centre, have been taken into account in the current valuation.

For this purpose, it has been assumed that recurrent maintenance costs that are incurred for on-going repairs and general maintenance, vary between 3 and 3.5% of the annual turnover, as confirmed by historical data. The level of provision made is deemed by the undersigned to be reasonable. The other costs taken into account include staff and management costs, in accordance with the levels declared in the company's financial statements. On the basis of the performance of previous years, it has been assumed that gross operating profit, before tax, will be maintained at ca. 77% of the revenue.

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The listing rules require that the valuation be made on the basis of an open market value for existing use. An open market value represents an opinion of the best price for which the sale of an interest in a property would have been completed unconditionally for a cash consideration on the date of the valuation. An open market valuation assumes (i) that there is a willing seller; (ii) that the interest being valued would have been, prior to the transaction, properly marketed; (iii) that the state of the market, level of values and other circumstances are consistent over the period of the valuation; (iv) that no account is taken of any additional bid by a prospective purchaser with a special interest; (v) and that both parties to the transaction act knowledgeably, prudently and without compulsion. An existing use value follows on the definition of the open market value, with the added assumptions that (a) the property can be used, for the foreseeable future, only for the existing use, and (b) that vacant possession is provided on completion of the sale of all parts occupied by the business.

The existing use value of an asset is effectively its Market Value, based on the continuation of its existing use on a vacant possession basis, and the assumption that the asset could be sold in the open market for its existing use. The term value in use has a very similar meaning – it is obtained by estimating the future cash inflows and outflows to be derived from continuing use of the asset, and its ultimate disposal, and the application of an appropriate discount rate to these future cash flows. This value corresponds to the capitalized sum of the fair business earnings potential; and this value could, depending on the commercial success of an enterprise, and particularly in a prime site such as is the case in this valuation, differ from the mere replacement costs of the finished building itself. The replacement cost of the finished building is not, in itself, part of the present value, since it represents the asset providing the cash income. In the long term, if the earnings potential declines, a redevelopment of the site would be appropriate in order to maximize its potential; the NPV of the residual value of the building, appropriately depreciated, is therefore added to the value in use. Similarly, since the primary value of the asset is its business earnings potential, any consideration of alternative use, at this stage, would require the demolition of the current property and the redevelopment of the site. In view of the current contractual obligations, and recent investments in upgrading, no alternative use is deemed to be appropriate at this stage. On the other hand, since the long-term value of the land on which the complex is built will continue to appreciate strongly, the NPV of the land, at the presumed end of life of the building, is added to the value in use, to obtain a fair representation of the Market Value.

Previous valuations have been based on this approach, and not least for the sake of consistency, the same methodology has been applied to the current valuation. This Valuation was therefore based on a determination of likely future operational cash-flows, together with the estimated residual value of the building and land assets, at the

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end of the period covered by operational projections, discounted to net present value at an appropriate rate of return. The valuation calculations were based on information made available by the Directors, and reviewed by the company's auditors with regards to income and operational costs, and by the undersigned in respect of the special maintenance and replacements outlays that will be necessary to maintain the current quality of environment.

The replacement value of the property can be estimated by the likely cost of construction, finishing and servicing, of a building with approximately 10,500 sq.m net useable area, at current rates, which, however, can vary considerably. The current value has been, consistent with previous valuations, estimated at €12.5 million. This value does not have a significant impact, however, on the NPV. In fact, the NPV of the residual value at the end of the life of the current built-up property, assumed to be in 20 years' time, was calculated, assuming a 10% annual depreciation for the building and discounted at 7.5%, at approximately €278,600.

The valuation of the current land footprint of the development, measured at ca. 1905sq.m, is more sensitive to the NPV, because, effectively, there are rarely any comparable sites, of similar size and location, available on the market, and therefore comparisons are difficult. The price of land continues to increase, since land in Malta is a diminishing resource, particularly in the more desirable areas, and annual increases of 12-15% have been recorded. The upward trend remains strong; the value of the land footprint of the development has been estimated at a conservative €25 million, with a long-term annual increase in land value estimated, conservatively, at 6%. This was discounted at 7.5% to obtain the NPV of residual value of the land, at the end of the life of the current development, at €17,313,200.

The selection of the discount rate to be applied to the net cash inflows is based on (i) the long term pre-tax risk-free rate of return, (ii) inflation, and (iii) on a specific risk premium for the individual property being valued, taking into account factors such as property illiquidity, management limitations, type, size and location of property, competition, future uncertainty, counter-party risks, and resource risks. The pre-tax risk free rate of return is the theoretical rate of return where there is no risk of financial loss; this is generally equated to the yield from a bond issued by a sovereign state. Secondary market yields of Malta Government Bonds, with remaining maturity close to 10 years, are recorded at an average of 1.37% for 2015/2016. The average rate of inflation for the period 2005-2016 was recorded at 2.06%. The Inflation Index in 2015 was recorded as 1.1% and the trend in 2016 and 2017 is in the direction of a lower inflation rate. In current terms, therefore, the real pre-tax risk free rate of return would be taken as 2.47%.

In order to calculate the risk-adjusted yield, it is necessary to assess the risk premium that should be added to the real pre-tax risk free rate of return. In view of the marked difference between the rental agreements for the retail areas and for the office areas, it is the opinion of the undersigned that different risk premiums should be applied to the

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income streams deriving from the two. In terms of retail activity, the Plaza

Commercial Centre can be considered as an A Grade property: it has high quality spaces, with top quality fixtures and amenities, well maintained; it is aesthetically pleasing, and a high visibility location; the current rental agreements have relatively long terms, and therefore the assumed rental streams appear to be sustainable. The market is, however, increasingly volatile, as can be seen by the slight reduction in occupancy over the last two years. A slightly higher risk premium of 5% would appear to be legitimate. In terms of office activity, the occupancy has improved, but the terms of the current rental agreements are even shorter, barely 2.4 years, reflecting both the apparently higher volatility of the office market, but also the less than ideal location of the Plaza for office users, particularly lack of car-parking facilities and the difficult vehicular access to the whole area. In terms of office space, therefore, the Plaza Commercial Centre is considered as a B Grade property. A risk premium of ca. 6.8% appears to be more appropriate, in this case.

Consequently, the discount rate applicable to the relative income streams was selected at 7.47% for the retail activities, and 9.27% for the office activities. 35% tax was applied to the gross operating profit. On the basis of the above, the current capitalized value of the income streams deriving from the retail activities of the Plaza are estimated at approximately €10,995,100, and the capitalized value of the income streams derived from the office activities at approximately €6,110,900, so that the value in use would amount to approximately €17,106,000.

For the purposes of this Valuation, the present capital value of the property in its existing state and the open market value are considered to be the same; and the present capital value of the property in its existing state and the value determined on a depreciated replacement cost basis are considered equivalent, as applicable.

In summary, on the basis of the above, the present capital value of the Property, comprising the Plaza Commercial Centre, in its existing state, taking into account the existing use value and the present value of the residual value of the asset at the end of the assumed life of commercial operation, is estimated to be approximately €34,697,800 (thirty four million six hundred ninety-seven thousand eight hundred euros). In view of a degree of subjectivity in the underlying assumptions, the undersigned recommends that the present capital value of the Property be considered within a range of ± 10% of this estimate, that is between €31,228,000 (thirty one million, two hundred and twenty-eight thousand euros), and €38,170,000 (thirty eight million, one hundred and seventy thousand euros).

The valuation has been carried out by the undersigned, as an independent valuer, in terms of, and with regard given to, the UK Royal Institution of Chartered Surveyors Appraisal .and Valuation Manual. The undersigned confirms that there is no conflict of interest in advising you of the opinion of the value of the property, since the undersigned or his associates will not benefit from the valuation instruction, other

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than the valuation fee.

The opinion of the undersigned of the value of the Property is based upon the facts and evidence available at the date of the valuation, part of which information was made available by the Directors and their advisors; this includes information about the boundaries of the immoveable property in question, the burdens imposed on the property, the dates of construction of the various buildings erected thereupon, and maintenance and other costs, as well as updated details of the rental agreements for all the tenancies currently in place. From the information made available by the Directors, it is stated that Listing Rules LR 7.4.7 and LR 7.4.8 are not applicable to this valuation. A list (prepared by Notary Pierre Attard LL.D.) of the general hypothecs registered against Plaza Centres p.l.c. and of the special hypothecs and privileges registered on the property is attached to this report.

No detailed area measurements have been undertaken, although our knowledge of the project allows us to confirm that the areas quoted in this valuation report are broadly correct. The nature of the properties is such that the value lies primarily in the income streams and not in the floor area of the accommodation; for this reason the undersigned has relied on the floor areas provided by the Directors. All measurements and areas quoted are thus to be taken as approximate. Details of tenure are as supplied to the undersigned, and no assessment of deeds or other documents relating thereto, has been made.

The undersigned declares that he has not carried out a general inspection of the premises, in view of detailed inspection held just over two years ago. The undersigned declares however that he has previously undertaken valuations of the premises in 2000, 2003, 2005, 2009, 2011 and 2014, and that he is therefore familiar with the both the general condition of the structure and its finishes and fixtures, as well as of the upgrading works that have been completed over this period. Consequently, the undersigned has not carried out detailed structural surveys, tested services nor exposed parts of the structure which were covered, unexposed or inaccessible. The undersigned is therefore unable to give any assurance that the property is free from defect. Nevertheless, the undersigned has had regard to the age and apparent general condition of the property, with which he is familiar, having been involved, on various occasions in the past, in the review of the structural design and building performance. No geological investigations have been carried out in order to verify the ground conditions and services, nor were environmental, archaeological or geo-technical surveys undertaken. It has also been assumed that all development has taken place in strict conformity with the relative planning permits, and other statutory obligations, and constructed by reputable contracting firms, to good quality standards and workmanship.

Valuations are not a prediction of price, nor a guarantee of value, and whilst this valuation is one which the undersigned considers both reasonable and defensible, different valuers may properly arrive at different opinions of value. Moreover, the

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value of property development is susceptible to changes in economy conditions, and may therefore change over relatively short periods. This valuation and report is submitted without prejudice to the party to whom they are addressed. The undersigned advises that no responsibility is accepted or implied to third parties to whom this report may be disclosed, with or without our consent. In particular, the undersigned advises that no liability is accepted in contract, tort (including negligence, or breach of statutory duty), restitution or otherwise, in respect of any direct loss of profit, any indirect, special or consequential loss whatsoever howsoever caused including, without limitation, loss of profit, loss of business, loss of goodwill, loss of use of money, and loss of opportunity.

In accordance with standard practice, save for the inclusion of the said report in the Prospectus, this Valuation report cannot be published in any other document without the prior written consent of the undersigned for the context in which it may appear.

Prof. Alex Torpiano
B.E.&A. (Hons), M.Sc.(Lond.), Ph.D. (Bath), MIStructE, C.Eng, Eur.Ing, perit

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43,Main Street, Balzan BZN 1259

List of Effective Hypothecs and Privileges

Hyp9525/1999	
Creditor	~~Mid Med Bank Limited~~ Bank of Valletta p.l.c. by subrogation (see Ref 5089/2013)
Debtor	Plaza Enterprises Ltd
Credit	Loan Lm340,000
Cause of Preference	
	GENERAL HYPOTHEC
	SPECIAL HYPOTHEC on
	1. The Plaza Commercial Centre
	2. 22 & 24, Tower Road, Sliema
	3. 3, Triq Guze Fava, Sliema
	4. 2A, Triq Guze Fava, Sliema
	5. airspace of Angela Flats, 2, Guze Fava, Sliema
	SPECIAL PRIVILEGE on
	22 & 24, Tower Road, Sliema
Date	15/6/1999
Notary	Tonio Spiteri
Ref 5089/2013	**Subrogated in favour of BANK OF VALLETTA P.L.C. – See Hyp 11702/2013**
Hyp17082/2004	
Creditor	~~HSBC BANK MALTA P.L.C.~~ BANK OF VALLETTA P.L.C. by subrogation (see Ref 5089/2013)
Debtor	Plaza Centres p.l.c.
Credit	Loan Lm259,500
Cause of Preference	
	GENERAL HYPOTHEC
	SPECIAL HYPOTHEC on
	1. The Plaza Commercial Centre (Excluding four flats St Anne's Square, Sliema).
	2. 22 & 24, Tower Road, Sliema
Date	30/8/2004
Notary	Tonio Spiteri
Ref 5089/2013	**Subrogated in favour of BANK OF VALLETTA p.l.c. – See Hyp 11702/2013**
Hyp11790/2005	
Creditor	~~HSBC BANK MALTA P.L.C.~~ BANK OF VALLETTA p.l.c.. by subrogation (see Ref 5089/2013)
Debtor	Plaza Centres p.l.c.
Credit	Loan Lm286,000
Cause of Preference	
	GENERAL HYPOTHEC
	SPECIAL HYPOTHEC on
	1. The Plaza Commercial Centre (Excluding four flats St Anne's Square, Sliema and Two floors of the Plaza Commercial Centre)
	2. 22 & 24, Tower Road, Sliema
Date	4/7/2005

Notary	Pierre Attard
Ref 5089/2013	**Subrogated in favour of BANK OF VALLETTA p.l.c. – See Hyp 11702/2013**
Hyp12078/2009	
Creditor	~~HSBC BANK MALTA P.L.C.~~ BANK OF VALLETTA p.l.c. by subrogation (see Ref 5089/2013)
Debtor	Plaza Centres plc
Credit	Loan EUR640,000
Cause of Preference	
	GENERAL HYPOTHEC
	SPECIAL HYPOTHEC on
	1. The Plaza Commercial Centre (Excluding four flats St Anne's Square, Sliema and Two floors of the Plaza Commercial Centre)
	2. 22 & 24, Tower Road, Sliema
	3. 20, Tower Road, Sliema
	SPECIAL PRIVILEGE ON
	20, Tower Road, Sliema
Date	4/8/2009
Notary	Pierre Attard
Ref 5089/2013	**Subrogated in favour of BANK OF VALLETTA P.L.C. – See Hyp 11702/2013**
Hyp16215/2009	
Creditor	~~HSBC BANK MALTA P.L.C.~~ BANK OF VALLETTA p.l.c. by subrogation (see Ref 5090/2013)
Debtor	Plaza Centres plc
Credit	Loan EUR1,600,000
Cause of Preference	
	GENERAL HYPOTHEC,
	SPECIAL HYPOTHEC on
	1. The Plaza Commercial Centre (Excluding four flats St Anne's Square, Sliema and Two floors of the Plaza Commercial Centre)
	2. 20, Tower Road, Sliema.
	3. 2 & 2A, 3, 4, 5 and 6, Sqaq Bisazza, Sliema
Date	23/10/2009
Notary	Michela Sammut
Ref 5089/2013	**Subrogated in favour of BANK OF VALLETTA p.l.c. – See Hyp 11701/2013**
Hyp11701/2013	
Creditor	BANK OF VALLETTA p.l.c.
Debtor	Plaza Centres plc
Credit	Loan EUR1,538,462
Utilisation	Form which loan EUR1,415,386 were utilised to settle liabilities with HSBC BANK MALTA P.L.C. secured by H.16215/2009 with subrogation of rights in favour of BANK OF VALLETTA p.l.c.
Cause of Preference	
	GENERAL HYPOTHEC,
	SPECIAL HYPOTHEC on
	The Complex and the Other Properties BUT not on the Transferred

Page 2

	Properties.
	The Transferred Properties do not form part of the Complex owned by Plaza Centres p.l.c.
	The Other Properties, have been demolished and are entirely integrated in the Complex with access through the Complex as an integral part of the Complex.
Date	06/08/2013
Notary	Pierre Attard
Deed	116/2013
Hyp11702/2013	
	BANK OF VALLETTA p.l.c.
	Plaza Centres plc
	Loan EUR1,411,375
	Form which loan EUR1,256,239.35 were utilised to settle liabilities with HSBC BANK MALTA P.L.C. secured by H.9525/1999, H.17082/2004, H.11790/2005, H.12078/2009 with subrogation of rights in favour of BANK OF VALLETTA p.l.c
Cause of Preference	
	GENERAL HYPOTHEC,
	SPECIAL HYPOTHEC on
	The Complex and the Other Properties BUT not on the Transferred Properties.
	The Transferred Properties do not form part of the Complex owned by Plaza Centres p.l.c.
	The Other Properties, have been demolished and are entirely integrated in the Complex with access through the Complex as an integral part of the Complex.
Date	06/08/2013
Notary	Pierre Attard
Deed	115/2013
Hyp11703/2013	
	BANK OF VALLETTA p.l.c.
	Plaza Centres plc
	Overdraft EUR1,500,000
Cause of Preference	
	GENERAL HYPOTHEC,
	SPECIAL HYPOTHEC on
	The Complex and the Other Properties BUT not on the Transferred Properties.
	The Transferred Properties do not form part of the Complex owned by Plaza Centres p.l.c.
	The Other Properties, have been demolished and are entirely integrated in the Complex with access through the Complex as an integral part of the Complex.
Date	06/08/2013
Notary	Pierre Attard
Deed	114/2013

For the purposes only of Hypothecs 11701/2013, 11702/2013 and 11703/2013:

"Complex" means the complex without official number known as "The Plaza Commercial Centre" in Sliema, with a principal entrance in Triq Bisazza and other entrances in Triq It-Torri, Pjazza Sant' Anna and Triq Guzi Fava (formerly known as Sqaq Fawwara or Fawwara Lane or Trejqa Tal-Fawwara and at times also referred to as Triq Guze Fava), with all its rights and appurtenances, subject to the annual and perpetual ground rent of EUR910.64 payable to Olga Mifsud and others, and to the payment of the annual sum of EUR850.22 payable to the Government of Malta in respect of encroachment on Government property, and including any and all improvements erected thereon and/or in lieu thereof.

The Complex consists of the block known as "The Plaza Block" and of two floors and sub-basement of the block known as "The Majestic Block", which two blocks are interconnected at Level two (2) and Level three (3) by a bridge which extends over Triq Guzi Fava and at basement level by a tunnel passing under Triq Guzi Fava.

The Plaza Block has its principal unnumbered entrance in Triq Bisazza, Sliema and two other unnumbered entrances in Triq it-Torri and Triq Guzi Fava and is bounded on the south east by Triq Bisazza, on the south west in part by Triq Guzi Fava and in part by property of third parties whose names are not known and on the north west in part by Triq it-Torri in part by property of third parties whose names are not known.

The Plaza Block consists of two basement levels and eight overlying floors; the lowest level consists of stores, the next four overlying levels comprise the shopping area, the next four overlying levels comprise the offices area and the top floor level comprises catering establishments and offices and includes its roof and overlying airspace and in part overlies third party property.

The Plaza Block also enjoys the easements constituted for its advantage by virtue of a deed in the records of Notary Tonio Spiteri of the fourth day of March of the year two thousand and two (04/03/2002), by virtue of a deed in the records of Notary Pierre Attard of the thirty first day of January of the year two thousand and six (31/01/2006) and by virtue of a deed in the records of Notary Pierre Attard of the nineteenth day of November of the year two thousand and nine (19/11/2009).

The Plaza Block partly overlies property belonging to third parties including the shop units named "Gala", "Carpisa", "Sasch", "Champ" and "Agius Watch and Jewellery" in Triq it-Torri and "Carpisa" and "Agius Watch and Jewellery" in Triq Guzi Fava.

The Majestic Block has its principal unnumbered entrance in Pjazza Sant' Anna and another unnumbered entrance in Triq Guzi Fava and is bounded on the south west by Pjazza Sant' Anna, on the north by Triq Guzi Fava and on the east and north east in part by property of Plaza Centres p.l.c. and in part by property of third parties whose names are not known.

Excluding the Transferred Properties (as this term is defined hereunder), the Majestic Block consists of a basement and four overlying levels, namely: level zero (0) which is at street level on Pjazza Sant' Anna, level one (1) which is at street level on Triq Guzi Fava and level (2) and level (3); Level zero (0) and Level one (1) constitute the properties described in paragraph (a) of the definition of Transferred Properties made hereunder and are accessible from the unnumbered entrance in Pjazza Sant' Anna and the unnumbered entrance in Triq Guzi Fava; the basement underlying level zero (0) is accessible from the Plaza Block through the tunnel which underlies Triq Guzi Fava and Level two (2) and Level three (3) are accessible from the Plaza Block through the bridge which crosses Triq Guzi Fava.

The Majestic Block also enjoys a servitude of passage and access thereto through the properties described in paragraph (a) of the definition of Transferred Properties made hereunder, at reasonable times, circumstances taken into account, as described in a deed in the records of Notary Carmel Mangion of the third day of July of the year two thousand and three (03/07/2003) (hereinafter referred to as "**the Mangion Deed**") and is subject to and enjoys all other easements and rights stated in the Mangion Deed.

The Majestic Block underlies the block of apartments described in paragraph (b) of the definition of Transferred Properties made hereunder. Level zero (0) and level (1) of the Majestic Block (namely properties described in paragraph (a) of the definition of Transferred Properties made hereunder) are the property of Camilleri Holdings Limited or its successors in title. The remainder of the Majestic Block is owned by Plaza Centres p.l.c.

"**Other Properties**" means:

(a) the tenements respectively officially numbered two (2) and two letter 'A' (2A) which overlie and underlie each other, the tenement numbered three (3), the tenements officially numbered four (4) and five (5) and the tenement officially numbered six (6) partly situated at ground floor level and partly at first floor level, all in Sqaq Bisazza, Sliema with all their rights and appurtenances including their overlying airspace and underlying land and free and unencumbered from any ground-rents, including any and all improvements erected thereon and/or in lieu thereof; and

(b) the shop at number twenty (20) in Triq it-Torri, Sliema as shown delineated in the layout plan and site plan attached to the deed of loan and sale in the records of Notary Pierre Attard of the fourth day of August of the year two thousand and nine (04/08/2009) as Documents P1 and P2 respectively, as underlying third party property, with all its rights and appurtenances, and free and unencumbered from any ground-rents, including any and all improvements erected thereon and/or in lieu thereof.

"**Transferred Properties**" means:

(a) the divided portion of the Majestic Block sold to Camilleri Holdings Limited by virtue of the deed in the Records of Notary Carmel Mangion of the third day of July of the year two thousand and three (03/07/2003) ("**the Mangion Deed**"), namely the premises situated on Level zero (0) and on Level one (1) of the Majestic Block accessible from Pjazza Sant' Anna and from Triq Guzi Fava, shown delineated in orange on the two plans annexed as documents letter A one (A1) and A two (A2) respectively to the Mangion Deed, bounded on the south by Triq Sant' Anna, on the north, at Level one (1) by property of Plaza Centres p.l.c. and at Level zero (0) by Guze Fava Street and on the west by property of the Balzan family and others, or their successors in title, with all its rights and appurtenances as better described in the Mangion Deed; and

(b) the block of flats with an independent and exclusive entrance without official number in Triq Guzi Fava, bounded on the south by Pjazza Sant' Anna, on the north by Triq Guzi Fava and on the east by property of the Micallef Trigona family, which block comprises four flats together with the overlying airspace and washrooms situate at fourth, fifth, sixth and seventh floor levels when calculated from Pjazza Sant' Anna and which overlie the Majestic Block.

ANNEX 4 - TIGNE PLACE VALUATION REPORT

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architects | civil engineers | valuers | sustainability consultants

Date: 22/07/2016

Client: PLAZA CENTRES plc

"TIGNE PALACE", TRIQ TIGNE, SLIEMA, MALTA.

MAIN REPORT

A: dhi Periti, no.56, 2nd Floor, Europa Centre, St.Anne Street, Floriana, FRN9011, Malta
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The Board of Directors
Plaza Centres p.l.c.
The Plaza Commercial Centre
Bisazza Street
Sliema

Dear Sirs,

"TIGNE PLACE", TRIQ TIGNE, SLIEMA, MALTA.

Date: 22 July 2016

We visited the above premises on the instructions of Plaza Centres plc. (the **"Company"**) on the 19th May, for a valuation appraisal required in connection with a prospective listing of bonds by the Company in terms of the Listing Rules of the Malta Financial Services Authority. Accordingly this valuation has been prepared in accordance with Chapter 7 of the Listing Rules published by the Malta Financial Services Authority and in particular, with the disclosure requirements relating to Property Companies seeking listing on the Malta Stock Exchange. Listing rules LR 7.4.7 & LR7.4.8 are not considered applicable to this present valuation.

A cursory, not a full building structural survey has been undertaken, with buildings elements that are covered, exposed or inaccessible not inspected and assumed in a good state of repair. A measured site survey was not undertaken, but areas are calculated by reference to identified boundaries of the property and the appropriate as-built drawings. All property measurements are carried out in accordance with the code of measuring practice as issued in the Kamra tal-Periti Valuation Standards 2012.

All information that was considered necessary for the purpose of drawing up the present report was obtained from the management of the Company. This included providing access to the Property, together with providing for data on the present rentals in place, which data has been incorporated in table No. 2 below.

This valuation is undertaken according to the *Kamra Tal-Periti Valuation Standards* as issued in 2012 for valuation of premises, which draws heavily on TEGOVA's European Valuation Standards (EVS) 2009 (refer to green book Valuation Standards for the Accredited Valuer 2012, being the valuation standards in place for architects affiliated with the Kamra tal-Periti). The undersigned considers such standards to be a suitable replacement for the standards issued by the Royal Institute of Chartered Surveyors (RICS), the standards applicable in the UK but referred to in the Listing Rules notwithstanding that TEGOVA standards apply at a European level.

The undersigned confirms that no conflict of interest arises in advising you of the opinion of the value of the property, since the undersigned or his associates will not benefit from the valuation instruction, other than the valuation fee.

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ASSUMPTIONS:

I have been instructed to assume for the purpose of this valuation that no contaminants exist. I have not been made aware of any survey or report indicating the presence of contaminants or hazardous materials. No responsibility is thus assumed for the existence of any contaminant. Any subsequent identification of such substances may reduce the reported value and would be updated accordingly in an addendum report.

For the purposes of this report I have also assumed that the report on title and charges provided by the notarial office engaged by client (next section refers) is correct. In light of the contents of the next section below, for the purposes of this valuation we are in a position to assume that the property has a good and marketable title. We further assume that all documentation is satisfactorily drawn and that unless disclosed to us, there are no unusual or onerous restrictions, easements, covenants or other outgoings, which would adversely affect the value of the relevant interest(s).

This report will be of use to Plaza Centres plc and its professional advisers and is for the sole purpose stated above. Liability cannot be accepted if it is relied upon by anyone else, whether for the stated purpose or any other.

TITLE:

Although title documentation and leases were not provided to us, on 22 July 2016 we received confirmation from the notarial office engaged by client that the property in question is being purchased as free from any liabilities and mortgages, and as freehold. Accordingly, title to the site is to be noted as freehold; and we understand that as at the date hereof there are no registered mortgages and privileges and other charges over the property under review, save for right of passage. It is pertinent to add that should bank financing for the acquisition of the property be obtained, it is expected that this would be subject to the creation of security over the property in favour of lenders, including through the registration of general and special hypothecs and a special privilege over the property.

DESCRIPTION OF PROPERTY

The property subject of this valuation is a commercial complex on a footprint area measuring circa 1,165m^2 which consists of 5,823m^2 of basement parking and 4,001m^2 of overlying commercial units, as noted below in table 1, with overlying residential units as noted in location plan Appendix A, facing onto Tigne str, Sliema, with a frontage of 29.50m for an average depth of 39m.The commercial complex was constructed and completed around of fifteen (15) years ago.

The commercial outlet has four (4) split level basement levels. The overlying construction consists of four (4) levels of retail outlets, a language school and office. The overlying residential floors on the other hand do not form part of this valuation. It is also to be noted that of the one hundred ninety three (193) car spaces which exist at basement level, ninety three (93) car spaces are owned by third parties.

Accordingly, only one hundred (100) of the car spaces form the subject of this valuation.

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Access to the parking levels are from a secured ramp way as accessed from the covered layby at street level. This covered layby further provides access to the three (3) retail outlets (3 in number). Further a separate entrance is provided for a language school. A dedicated lobby without another separate entrance is provided for the office floors (3 in number). Passenger lifts (2 in number) serve the commercial floors (3 in number), together with the underlying basement parking floors. Another additional lobby with again a separate entrance feeds the top third party apartment floors. 2 separate passenger lifts feed these residential floors, together with the basement parking floors.

Further to a site visit carried out on 19th May 2016, the good state of repair of the parking floors, together with the limited building services in place, were noted. Infiltrations over the years in these basement levels was also noted, which are presently in a dry condition.

Table No 1 notes the total floor areas for the various uses as obtained from the land survey as commissioned by the prospective buyer.

TABLE 1-TIGNE PALACE PARKING + COMMERCIAL FLOORS

Level	Gross area	Net area	Outside areas	Total car spaces	Owned car spaces
Level -5	1,164.60			41	19
Level -4	1,164.60			40	5
Level -3	1,164.60			39	11
Level -2	1,164.60			39	39
Level -1	1,164.60			34	26
Parking area	5,823.02			193	100
Grd Flr	1,078.45	767.36	127.50		
Mezzanine	1,037.39	821.98	-		
1st Flr	944.26	771.53	182.10		
2nd Flr	941.36	748.02	31.50		
Office area*	4,001.46	3,108.89	341.10		

* Gross total includes common areas (excluding outside areas) Net total is just office suite areas

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MEPA CONSIDERATIONS

The local plan according to map SJI defines this location as a Town Centre, following Policy NHRE01.

Sliema is defined as a primary centre, with the acceptable land uses as enclosed in policy NHRE01 Appendix B. Most uses as noted are acceptable except for small industrial use, which has a size restriction imposed.

The retail Strategy defines a primary town-centre as having a regional or sub-regional function for non-food shopping. This success of town centres as a commercial & social hub depends on a pleasant external environment, adequate public transport facilities and proper management of traffic.

The Local plan as attached in Appendix B zones this area as 7 floors & semi basement area as noted in Map SJ3.

According to the recent DC2015 MEPA document, the maximum height for the above is quoted at 32.00m. It appears that a total of 10 floors inclusive of penthouse level + 1m screening wall may be constructed. However the application of the rationale behind this Policy has yet to be tested. The airspace of this development belongs to third parties. If the development of additional floors were to be undertaken, the structural adequacy of the existing load bearing system, would have to be ascertained.

Planning history in relation to the commercial complex subject of this valuation is then noted as per planning applications submitted to MEPA over the years 1996 to 2015 as shown in Appendix C. The following applications over the years as accessed via the MEPA online portal refer to the present development:

- Planning Application Case Details PA/03847/96 *"To demolish existing building, excavate site for underground parking, erect five underground floors, ground floor for commercial/retail purposes, three floors for offices and other three floors for".* This application for development permission has been withdrawn by the Planning Directorate;

- Planning Application Case Details PA/05443/97 *"Demolition of existing building and excavation for underground parking. Application includes the erection of 5 underground floors which consist of parking and plant; double height ground floor; retail/commercial and residential; 6 residential floors; and 4 setback penthouses."* This application has been approved by the EPC/MEPA Board on 07 January 1998;

- Planning Application Case Details PA/06834/98 *"Additional parking spaces, extension of commercial area, minor internal changes to residential layouts and change of use of partly approved as residential to offices."* This application has been approved by the EPC/MEPA Board on 20 October 1999;

- Planning Application Case Details PA/02907/14 *"Sanctioning of part of property from that approved by way of PA 6834/98. Proposed use of part of commercial premises for educational* *use (class 2c) and alterations (partitions)."* This application has been approved by the EPC/MEPA Board on 01 June 2015

- Development Notification Order DN/01104/15 *"To sanction internal alterations."* Approved (DNO) on 31 July 2015

The approved drawings were viewed and noted to conform to the above issued permits and with works as undertaken on site. No material contravention of statutory requirements was identified.

PARKING & COMMERCIAL LEVELS LAYOUT

The basement parking floors on a height of 2.38m are laid out on a spilt level system via the ramp way orientation. The construction system adopted consists of precast predaelle slabs with a concrete topping supported on reinforced concrete downstand beams. The parking bays laid out on an efficient system depend on natural ventilation, for their change of air system. Some extractor fans are fitted directly to service shafts to improve on this system. A lack of barriers was noted between the parking split levels, which can create a safety hazard.

The lower basement floor is provided with a floor drain to take any runoff waters that can occur occasionally due to infiltrations. This runoff is initially fed into a reservoir and then into a pumped sump. A stand by generator exists in case of a power failure. The basement construction undertaken in excavated rock is based on a drained cavity construction. A single hollow concrete blockwork skin sits proud of the rock face, with an ensuing cavity. At founding level the rock level was noted as being too uncomfortably close to the finished floor level.

The upper commercial floors are all in a functioning state and tenanted. The 3 retail outlets, as fronting onto the covered layby are of a varying size, noted as small 30sqm onto a larger unit of 120sqm, together with a basement floor, utilised as storage. The language school of 350sqm as also accessed via the covered layby has been partitioned off, into the various uses as necessary.

The overlying 2 floors have been dedicated to 17 in number of office suites varying in size from 85 Sqm up to 300 sqm. Two of the suites at 1st flr level have large back terraces, suitable for chilling out/smoking characteristics of their staff.

Table No 2 notes floor areas as noted in contracts of lease, as noted in row A. Table No. 1 notes the floor areas as calculated following a land survey, as commissioned by prospective buyer. It is noted that agreement is not in totality between these two tables. It is further noted that 5.5 % discrepancy exists between the 2 values, with the contracted values being on the higher end.

TABLE 2- FLOOR AREAS & CONTRACTS OF LEASE

Winex Holdings Ltd. Supplied Office Rentals as at 2016 + rental contract details

Office Ref	Area sqm - as per contract	Porterage €pa.	Present Rental rate €/sqm = D / A	present rental pa - as per contracts	period of lease in years	% increace	Commencing date of original lease	New Agreement date
	A	B	C	D	E	F	G	H
G1	187	1122	135.00	25,245.00	4	10%	22.10.12	15.10.16
G2	354	NA	155.00	54,870.00		15%	01.11.14	01.09.17
G3	30	NA	170.00	5,100.00	3		01.02.12	01.02.16
G4/1 + B	120	NA	170.33	20,440.00	3	10%	01.02.14	01.02.17
G4/2	92	NA	150.00	13,800.00	3	12%	01.12.13	01.12.16
Ground Floor								
M1	220	1320	149.00	32,780.00	1		01.11.14	01.11.15
M2	328	1640	126.50	41,492.00	3	10%	01.06.11	01.06.17
M4 - G	157	942	149.04	23,400.00	3		01.01.15	01.01.18
M5 - G	72	432	142.06	10,228.00	1	3%	15.05.12	01.05.16
M6 - G	75	375	140.45	10,533.60	3	8%	01.09.07	01.09.16
Mezzaniine Floor								
1/1+1/2+T	186	866	147.68	27,469.00	12		01.10.13	01.04.17
1/3+T	259	1554	144.00	37,296.00	3	10%	01.03.14	01.03.20
1/4A	165	1044	163.45	26,970.00	3	10%	01.04.15	01.04.18
1/4B	105	525	155.00	16,275.00	2	10%	01.06.15	01.06.17
1/5 +T	105	630	149.50	15,697.50	3	15%	01.04.12	01.04.18
First Floor								
2/1	85	396	135.29	11,500.00	3	10%	01.01.08	01.01.17
2/2	103		149.00	15,347.00	3	10%	01.06.14	01.06.17
2/3	136	816	169.12	23,000.00	10	10%	16.04.13	01.04.16
2/4a	171	855	150.00	25,650.00	2		01.05.14	01.05.16
2/4B	143	715	126.50	18,089.50	3	10%	01.11.11	01.11.17
2/5	186	1116	132.25	24,598.50	3	15%	01.02.14	01.02.17
Second Floor								
Total Office Area	**3279**							
PRESENT RENTALS €pa				**479,781**	-			
	Average Present Rental Rate €/sqm		**148**					

FINISHING WORKS

As noted in Introduction the parking and commercial levels are served by 2 in No passenger lifts, whilst an additional 2 lifts serves the 3rd party residential overlying floors. A single fire escape staircase serves all the varying uses of the block.

The method of construction of the parking basement floors in power floated concrete services has been described in Parking & Commercial Levels Layout section.

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The commercial floors are all in a basic functional standard of finish, with some offices completed to a higher finish, supposedly according to tenants' request.

The A/C system in place is all by the separate units system, with all the outdoor units affixed to the back facade. The back facade was noted as being in need of the required cyclical maintenance, with some deterioration to exposed reinforced concrete elements occurring. The water supply to the commercial suites was said to be installed at roof level of the penthouses in place, but these were not viewed.

A generator is installed but caters for minimal power supply, such as the pumped system installed at basement level, together with keeping the IT system of the office suites in place, together with some communal lighting ongoing, if a power failure were to occur.

The rental contracts relating to outlets forming part of the Property forming the subject of this report provide for varied terms relative to the payment of rent (and revision thereof), defaults and remedies, insurance coverage, termination and renewal, amongst others. Differing terms may apply to particular tenants. For instance, porterage fees covering tenants' share of costs and expenses incurred by landlord in connection with maintenance in a good state of repair of the common areas forming part of the Property were noted to be collected from the office suites, with the retail outlets and Language School not subjected to this fee.

VALUATION METHODOLOGY

This valuation is undertaken according to the *Kamra Tal-Periti Valuation Standards* as issued in 2012 for valuation of premises based on an operating investment property, presently fully leased out.

Having taken the foregoing into account, particularly the contents of Table No. 2 above, present market value for existing use is adopted. *Market Value for existing use is the estimated amount for which a property should exchange on the date of valuation based on continuation of its existing use, 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*.

Table No. 2 above outlines the assumptions subject to which the valuation methodology explained herein has been applied. The existing leases are to expire between 2016 & 2020, with % increases stipulated in some instances. The average commercial lease is noted to stand at €146/sqm, which is presently below the rental rate for this prime locality just off Bisazza str, presently standing at €180/sqm. One of the leases has also presently been renegotiated at this rental rate. Although the commercial units consist also of retail units, due to the reduced footfall of Tigne str, these 3 retail outlets do not attract retail rate and all the units together with the Language School is being compared to office leases.

Rental value of office blocks is based on a rental rate of euro/m^2. The office rental market varies from €20/m^2 up to €475/m^2, with Malta's Central Business District average rate standing at €155/m^2. Although the average office rental market rate for Malta stands at €117.50/m^2, the €70 –

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€150/m^2 range attracts the highest proportion, which satisfies the local office sector. It is further noted that a substantial amount of rentals are in the €200/m^2 plus range, probably mostly as based in the i-gaming industry. In effect 83% of the available office spaces lie within the €35/m^2 – €150/m^2 range with 17% within the highest range of €151/m^2 to €475/m^2**.**

These are to be compared with the prime European office rents averaging out at €431/m^2within a range of€1,692/m^2 in London(West End), Moscow at €697/m^2,Paris at €750/m^2, Frankfurt at €456/m^2, Dublin at €398/m^2,Warsaw at €276/m^2, Brussels at €285/m^2, Prague at €234/m^2, and Barcelona €192/m^2. The provincial city rents vary from Aberdeen at €405/m^2, Cardiff €269/m^2 and Liverpool at €237/m^2.

Noting the above this modern office block is estimated to have open office rental rates in the range of €180/m^2 for all the commercial floors.

The present average car space presently works at €660pa. It is however noted that present rentals in the vicinity go for €1,000 pa.

Now noting that this block is presently under leased, the possibility exists of improving the rental income over the coming years.

With regards to the 100 car spaces available lease agreements are quoted by seller at €66,000pa, as these were not viewed by client.

Noting an average present risk free-rate (Government Bonds) over the past 5-year period trading at around 4% with a 2% premium on property as considered a lumpy investment, together with a 1% tenant risk and a 1% depreciation factor, an adequate property discount rate is given at:
4% +2% + 1% +1% = 8%

The market dictates that the estimated rental values are subjected to 7.5% increases every 3 years, mainly 2.5% pa.

Thus an initial yield is given at:
8% - 2.5% = **5.5%** (property capitalization rate)

On the other hand the present rental agreements average out at annual increases of 3% pa.
For the existing rental stream initial yield is given at:
8% - 3.0% = **5.0%** (property capitalization rate)

Prime European office yields vary from a low of 3.5% in Paris and Zurich to a high of10% in Moscow and 8.25% in Bucharest. Most European cities fall in the 4.5% to 6.25% averaging out at a yield of 5.25%.

The present capital value in existing state is based on capitalizing on the present rental amount due for 2016 namely:
€479,781pa (office Space) + €66,000pa (car spaces) = €545,781pa

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As these are considered safe rental agreements as noted as presently under leased, capitalization rate is to be reduced from 5.5% to 5%.

Present Capital Value in existing state
€545,781pa X 100/5 = **€10,915,620pa**

To arrive at the present Market Value for existing use, the above present capital value in existing state has to be deducted by 5% to account for management and maintenance costs together with purchase expenses taken at 10%.

Present Market Value for existing use – 0.95 X €10,915,620/1.1 = **€ 9,427,126**

CONCLUSIONS & RECOMMENDATIONS

The above notes the **present market value for existing use** of this functioning and fully let commercial complex (save part of underlying parking spaces not presently leased out) excluding the third party residential overlying units at **€9,425,000** on a freehold basis.

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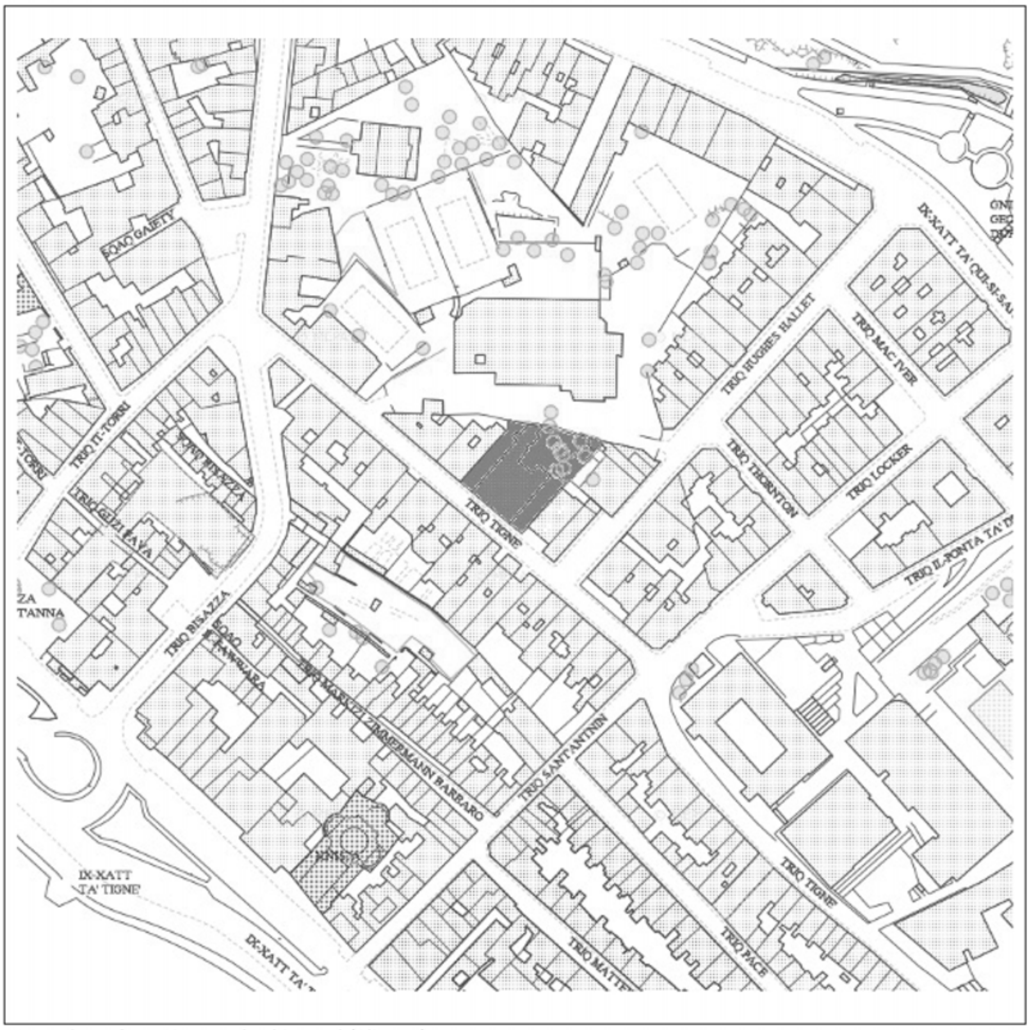
D.H. Camilleri –Eur. Ing, A & CE
B.Sc. (Eng)., B.A. (Arch.)., C.Eng., A.C.I.Arb.,F.I.Struct.E., F.I.C.E.
Managing Partner

APPENDICES

APPENDIX A STREET PLAN



Location Plan: Site marked in Red (Sliema)

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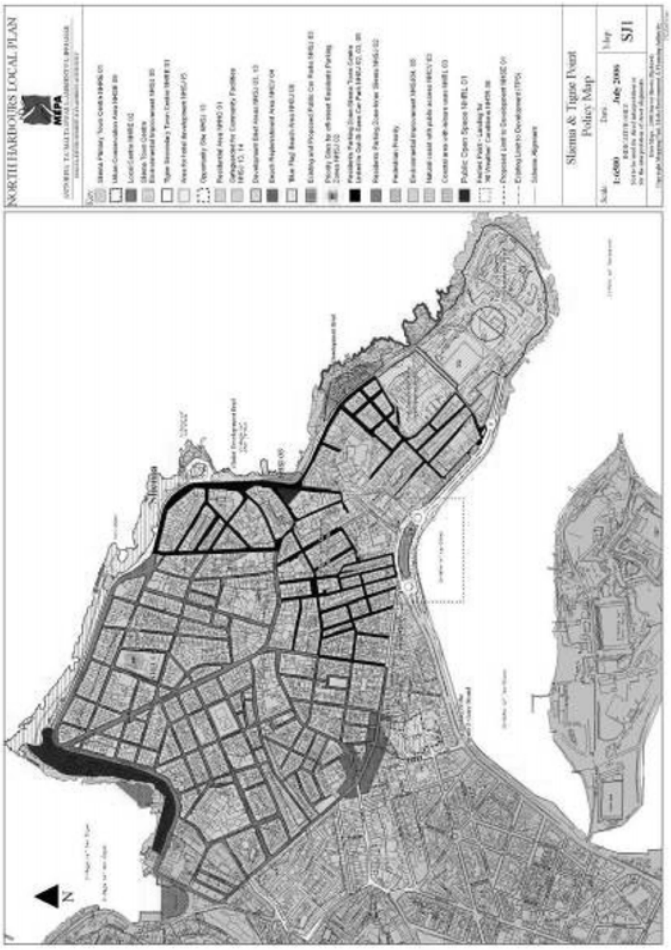
APPENDIX B — LOCAL PLAN

NHRE01 Town Centres



Map No: SJ1

APPENDIX B LOCAL PLAN

NHRE01 Town Centres

MEPA designates the following town centres within the local plan area:
Type of Centre Locality Area Policy Map
Primary Centres Sliema SJ1
St. Julian's/Paceville SJ2, PV1
San Gwann SG1, SG2
Secondary Centres
Tignè SJ1

The boundaries of the town centres are indicated in the relevant Area Policy Maps. The acceptable land uses (new uses, extensions to existing uses, and change of uses) within all frontages located within the town centres are as follows;

i. Class 1 (Use Classes Order, 1994) dwelling units on upper floors only. Proposals for residential development at ground level will only be considered by MEPA provided that the proposed development scheme includes one dwelling unit only. Conversions from existing commercial uses at ground floor level to new residential units will not be permitted by MEPA.

ii. Class 2 (Use Classes Order, 1994) residential institutions on upper floors only.

iii. Class 3 (Use Classes Order, 1994) hostels and hotels provided that these uses are in accordance with all other relevant Local Plan policies.

iv. Class 4, (Use Classes Order, 1994) retail uses including shopping malls and speciality shopping, but excluding showrooms, provided they comply with the provisions of MEPA's Interim Retail Planning Guidelines (2003).

v. Supermarkets provided that they comply with all the provisions of Policy NHRE04.

vi. Class 5 (Use Classes Order, 1994) offices.

vii. Class 6 (Use Classes Order, 1994) food and drink, including hot food take-away. However takeaways are not to be allowed above ground level.

viii. Class 7 (Use Classes Order, 1994) non-residential institutions including interpretation centres. However public halls are to have a floor area that does not exceed 150 sqm.

ix. Class 8 (Use Classes Order, 1994) educational facilities.

x. Class 9 (Use Classes Order, 1994) assembly and leisure.

xi. Class 11 (Use Classes Order, 1994) business and light industry provided that:
• The gross floor area of the premises does not exceed 50 sqm (including storage of materials and/or finished products);

• The activity conducted within the premises does not use heavy duty and/or noisy electrical/mechanical (including pneumatic) equipment, and equipment which requires a 3 phase electricity supply;
• The activity conducted within the premises does not entail extensive and/or prolonged use of percussion hand tools (eg. hammers, mallets etc);
• The activity employs less than 5 people; and
• The activity conducted within the premises does not inherently entail the generation of combustion, chemical or particulate by products.
Examples of acceptable uses considered by MEPA include tailor, cobbler and computer repair.
Moreover, examples of unacceptable uses include carpentry, panel beating, mechanic, mechanical plant servicing and spray painting.
Proposals to convert from existing Class 12 (Use Classes Order, 1994) general industry to Class 11 (Use Classes Order, 1994) business and light industry within designated Town Centres shall only be considered acceptable by MEPA if all the conditions listed above are adhered to, and provided that it can be proven that the Class 12 Use (general industry) operation is a permitted one and the Class 11 Use (business and light industry) operation is actually more neighbourhood compatible that the Class 12 Use operation it intends to replace.

xii. Class 17 (Use Classes Order, 1994) storage facilities only provided that the gross floor area does not exceed 75 sqm.
xiii. Taxi Business or for the hire of motor vehicles.
xiv. Band club and social club.
xv. Cleaning of clothes in venues where articles are brought by the public, provided that the gross floor area does not exceed 75 sqm.
xvi. Conference Centre.
xvii. Indoor shooting range provided that all the conditions of the Guidance on Shooting Ranges are fully adhered to.
xviii. Bakery and Confectionery with provision for outside catering.
MEPA will support initiatives from public agencies and the private sector that contribute to the enhancement of the external environment of town centres and add to their attraction as a community and retail hub. Proposals for appropriate pedestrianisation schemes, landscaping schemes and traffic management will also be considered favourably. MEPA will strongly encourage the establishment of town centre management initiatives in the primary town centre.

5.4.1
The town centre is the focus for a range of commercial and community activities, resulting in a mix of, often interdependent, land uses that provide a focus for identity, social interaction and business opportunities. It includes a combination of features; historic buildings, cultural, civic and governmental buildings, as well as public open spaces. This physical form and mix of functions, which have evolved over a considerable period of time, makes a town centre different from a shopping centre and provides much of its character which can be further enhanced by introducing appropriate new uses into historic buildings. It also has a high level of accessibility to employment, services, and facilities for all the community. Shopping provision is a key component of town centres, and makes a major contribution to their vitality and viability. It is important therefore that they retain retailing as a core function.

5.4.2
The term "town centre" is used generally to cover city and town centres which provide a broad range of facilities and services and act as a focus for both the community and for public transport. It excludes small clusters of shops of purely local significance. The size of the centre will influence the range of activities that it offers and its function. The scale of development possible and the opportunities available will differ from place to place.

5.4.3
The Retail Strategy defined a primary town centre as a town centre with a regional or sub-regional function for non-food shopping. A secondary centre is a town centre with a significant non-food shopping element but serving local residents or residents of closely neighbouring villages and used at least by 2,500 people for non-food shopping. Non-food shopping is to be considered as comparison goods, which include clothing, footwear, furniture, household textiles, electrical goods, hardware, chemist goods, jewellery, recreational and other miscellaneous goods. Convenience goods retail outlets are to be directed towards local centres that are the appropriate commercial areas for this type of shopping.

5.4.4
Although retailing is a dominant activity in a town centre, the attraction of each centre for the location of other businesses and social and community facilities were taken into account in identifying the acceptable range and mix of uses indicated in the policy. The vitality and viability of town centres depends on a varied mix of uses and activities that encourage people to visit the centre whilst ensuring that they remain an attractive place to live in.

5.4.5
Creating liveable communities requires integrated initiatives aimed at improving the quality of life of citizens. A quality physical external environment can act as the catalyst for investment, economic growth and social well-being.

APPENDIX B — LOCAL PLAN

7 Floors plus semi basement (32.00m DC2015)

Map No: SJ3

APPENDIX C PLANNING APPLICATIONS

Planning Application Case Details PA/03847/96
Result output on 24/03/2016 14:37:24

Current Application Status

Case Status:	This application for development permission has been withdrawn by the Planning Directorate.

Application Details

Location of development:	12, 13, 14, Triq Tigne', Sliema
Description of works:	To demolish existing building, excavate site for underground parking, erect five underground floors, ground floor for commercial/retail purposes, three floors for offices and other three floors for residential and penthouses.
Applicant:	Mrs Marguerite Gatt
Architect:	Exel Associates
Reception date:	18 June 1996

APPENDIX C PLANNING APPLICATIONS

Planning Application Case Details PA/05443/97
Result output on 24/03/2016 14:38:21

Current Application Status

Case Status:	This application has been approved by the EPC/MEPA Board.

Application Details

Location of development:	12,13, 14, Triq Tigne', Sliema
Description of works:	Demolition of existing building and excavation for underground parking. Application includes the erection of 5 underground floors which consist of parking and plant; double height ground floor; retail/commercial and residential; 6 residential floors; and 4 setback penthouses.
Applicant:	Mr Anthony Parlato Trigona
Architect:	Exel Associates
Reception date:	17 September 1997

Initial Processing

Validation Date:	22 September 1997
Target Date:	14 January 1998
Application Type:	Full development permission
Case Category:	Within Development Zone
Date Published in Newspapers:	05 October 1997
Representation Expiry Date:	20 October 1997

The period for Representations is 20 days. However the Authority reserves the right to reduce the representation period for special cases.

Recommendation

Case Officer:	Richard Lia BSc(Hons)
DPA Report Cleared date:	07 January 1998
Recommended Decision:	Grant Permission
Report Last Updated:	07 January 1998
Commission/Board Agenda Date:	07 January 1998

Decision

Decision:	Grant Permission
Decision Date:	07 January 1998
Decision Press date:	21 January 1998
Decision posted date:	15 January 1998

APPENDIX C PLANNING APPLICATIONS

Planning Application Case Details PA/06834/98
Result output on 24/03/2016 14:38:49

Current Application Status

Case Status:	This application has been approved by the EPC/MEPA Board.

Application Details

Location of development:	Site 12,13,14, Triq Tigne', Sliema
Description of works:	Additional parking spaces, extension of commercial area, minor internal changes to residential layouts and change of use of partly approved as residential to offices.
Applicant:	Mr Anthony Parlato Trigona
Architect:	Exel Associates
Reception date:	26 November 1998

Initial Processing

Validation Date:	09 December 1998
Target Date:	19 April 1999
Application Type:	Full development permission
Case Category:	Within Development Zone
Date Published in Newspapers:	19 December 1998
Representation Expiry Date:	03 January 1999

The period for Representations is 20 days. However the Authority reserves the right to reduce the representation period for special cases.

Recommendation

Case Officer:	Richard Lia BSc(Hons)
DPA Report Cleared date:	20 October 1999
Recommended Decision:	Refuse Permission
DPA Report sent date:	28 July 1999
DPA Submissions received date:	23 August 1999
Report Last Updated:	20 October 1999
Commission/Board Agenda Date:	20 October 1999

Decision

Decision:	Grant Permission
Decision Date:	20 October 1999
Decision Press date:	
Decision posted date:	14 December 1999

APPENDIX C — PLANNING APPLICATIONS

Planning Application Case Details PA/02907/14
Result output on 24/03/2016 14:39:23

Current Application Status

Case Status:	This application has been approved by the EPC/MEPA Board.

Application Details

Location of development:	2G Tigne Palace , Triq Tigne, Sliema, Malta
Description of works:	Sanctioning of part of property from that approved by way of PA 6834/98. Proposed use of part of commercial premises for educational use (class 2c) and alterations (partitions).
Applicant:	Mr. Arthur Tonna
Architect:	Daniel Grima
Reception date:	07 July 2014

Initial Processing

Validation Date:	15 September 2014
Target Date:	18 December 2014
Application Type:	Full development permission
Case Category:	Within Development Zone
Date Published in Newspapers:	27 September 2014
Representation Expiry Date:	17 October 2014

The period for Representations is 20 days. However the Authority reserves the right to reduce the representation period for special cases.

Recommendation

Case Officer:	Danny Debono
DPA Report Cleared date:	22 December 2014
DPA Report Endorsed By:	Bernard Ferry
Recommended Decision:	Grant permission - Proposal changed to comply with policy
DPA Report sent date:	26 May 2015
DPA Submissions received date:	17 May 2015
Report Last Updated:	26 May 2015
Commission/Board Agenda Date:	01 June 2015

Decision

Decision:	Grant Permission
Decision Date:	01 June 2015
Decision Press date:	10 June 2015
Decision posted date:	04 June 2015

APPENDIX C — PLANNING APPLICATIONS

Development Notification Order DN/01104/15
Result output on 24/03/2016 14:43:34

Application Details

Location of development:	No 14 , Apt 603 , Triq Tigne, Sliema, Malta
Description of works:	To sanction internal alterations.
Applicant:	Saleh Suliman
Architect:	Sapienza & Sullivan
Reception date:	18 June 2015

Initial Processing

Validation Date:	06 July 2015
Class:	
Decision:	Approved (DNO)
Decision Date:	31 July 2015