

This Summary Note 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 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

18 September 2015

SUMMARY NOTE

in respect of an Issue of:

€37,000,000 4.5% Unsecured Bonds 2025

of a nominal value of €100 per Bond issued at par by

HILI PROPERTIES P.L.C.

A public limited liability company registered in Malta with company registration number C 57954

ISIN:- MT0000941204

with the joint and several Guarantee* of

Harbour (APM) Investments Limited and Hili Estates Limited

Both private limited liability companies registered in Malta with company registration numbers C 58453 and C 20513 respectively

*Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note forming part of this Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Registration Document and the Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by Harbour (APM) Investments Limited and Hili Estates Limited (the "Guarantors").

Manager & Registrar

Legal Counsel

Sponsor



APPROVED BY THE DIRECTORS



Carmelo Hili



Margrith Lütischg-Emmenegger



Richard Abdilla Castillo



David Aquilina



Karl Naudi



Victor Tedesco



Martin Xuereb

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IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION ON HILI PROPERTIES P.L.C., THE GROUP AND THE GUARANTORS, AND INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) 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 AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

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

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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 ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE 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 THE SAID DIRECTIVE.

A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT. APPLICATION HAS ALSO BEEN MADE TO THE MSE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

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

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

IMPORTANT INFORMATION

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

ALL THE ADVISORS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY 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 DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

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

This Summary Note is prepared in accordance with the requirements of the Regulation, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1–E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

In this Summary Note the following words and expressions shall bear the following meaning except where the context otherwise requires:

Act	the Companies Act (Cap. 386 of the Laws of Malta);
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar or to any of the Authorised Financial Intermediaries;
Application Form	the form of application of subscription for Bonds, specimens of which are contained in Annex II of the Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of the Securities Note;
Bond(s)	the €37 million unsecured bonds due 2025 of a face value of €100 per bond redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 4.5% per annum, as detailed in the Securities Note, forming part of the Prospectus. The Bonds are guaranteed jointly and severally by HEL and HIL;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Bondholder	a holder of Bonds;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Company or Issuer	Hili Properties p.l.c., a company registered under the laws of Malta with company registration number C 57954 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;

CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345, Laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Cut-Off Date	close of business on 11 September 2015 (trading session of 9 September 2015);
Directors or Board	the board of directors of the Company is composed of: Margrith Lütschg-Emmenegger, Karl Naudi, Carmelo sive Melo Hili, Richard Abdilla Castillo, Victor Tedesco, David Aquilina and Martin Xuereb;
European Countries	countries located within the European Economic Area ('EEA') and the European Union ('EU');
Euro or €	the lawful currency of the Republic of Malta;
Exchange, 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), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
Financial Reporting Date	means 30 June and 31 December in each year as from 31 December 2015;
Group or HP Group	the Issuer, its subsidiaries and any affiliates;
Guarantee	the joint and several suretyship of the Guarantors undertaking to effect payment of interest and capital repayments of any amount due by the Issuer to any Bondholder and which remain unpaid by the Issuer after 60 days of the due date for payment thereof. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex III thereof;
Guarantors	HEL and HIL;
HEL	Hili Estates Limited, a company registered under the laws of Malta having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta and bearing company registration number C 20513;
HIL	Harbour (APM) Investments Limited, a company registered under the laws of Malta having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta and bearing company registration number C 58453;
Hili Ventures Group or HVL	Hili Ventures Limited, a company registered under the laws of Malta with company registration number C 57902 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta, its subsidiaries and any affiliates;
Hili Ventures Group Bondholders	the holders of 6.8% Premier Capital p.l.c. Bonds 2017-2020 (ISIN: MT0000511205) and 5.1% PTL Holdings p.l.c. Bonds 2024 (ISIN: MT0000841206) as at the Cut-Off Date;
Hili Ventures Group Preferred Applicants	shareholders, directors and employees of any company forming part of the Hili Ventures Group as at the Cut-Off Date;
Interest Payment Date	16 October of each year between and including each of the years 2016 and 2025, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Issue Date	expected on 23 October 2015;
Issue Period	the period between 24 September 2015 to 9 October 2015 (both days included) during which the Bonds are on offer;
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 Legal Notice 1 of 2003;
Listing Rules	the listing rules of the Listing Authority;
Memorandum and Articles of Association or M&As	the memorandum and articles of association of the Issuer and/or the Guarantors (as may be indicated) in force at the time of publication of the Prospectus;
MFSA	the Malta Financial Services Authority, incorporated 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 as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Prospectus	collectively the Registration Document, Securities Note and this Summary Note;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
Redemption Date	16 October 2025;
Redemption Value	the nominal value of each Bond (€100 per Bond);

Registrar and Manager	Bank of Valletta p.l.c. of BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta;
Registration Document	the registration document issued by the Issuer dated 18 September 2015, forming part of the Prospectus;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014;
Securities Note	the securities note issued by the Issuer dated 18 September 2015, forming part of the Prospectus;
Sponsor	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
Summary Note	this document in its entirety;
Terms and Conditions	the terms and conditions of the Bond Issue, a summary of which is included in Element E.3.

SECTION A: INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

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

A.2 Consent required for use of the Prospectus

Prospective investors are hereby informed that:

- i. For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries during the Issue Period and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:
 - (a) in respect of Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex I of the Securities Note during the Issue Period;
 - (b) to any resale or placement of Bonds subscribed for as aforesaid taking place in Malta;
 - (c) to any resale or placement of Bonds subscribed for as aforesaid taking place within the period of 60 days from the date of the Prospectus.
- ii. **In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**
- iii. Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of this Prospectus will be made available through a company announcement which will also be made available on the Issuer's website: www.hiliproperties.com

SECTION B: ISSUER AND GUARANTORS

- B.1 {B.19} The legal and commercial name of the Issuer is Hili Properties p.l.c. (registration number C 57954). The legal and commercial names of the Guarantors are Harbour (APM) Investments Limited (registration number C 58453) and Hili Estates Limited (registration number C 20513).
- B.2 {B.19} The Issuer was registered in Malta in terms of the Act on 23 October 2012 as a private limited liability company and changed its status to a public limited liability company on 22 June 2015. HEL and HIL were registered in Malta in terms of the Act on 30 August 1996 and 4 December 2012 respectively as private limited liability companies. The Issuer and the Guarantors are domiciled in Malta.
- B.4b {B.19} The Issuer is a wholly owned subsidiary of Hili Ventures Limited and is the parent company of the property division of the Hili Ventures Group. The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, both locally and overseas.

The following is an overview of the most significant recent trends affecting the Issuer and the markets in which it operates:

• European commercial property

Investors continue to display an increased willingness to explore opportunities across a wide range of geographies and sectors, and investment volumes have remained on an upward trend in many secondary cities and peripheral markets. Given the healthy start to the year, 2015 is set to be another strong year for the investment market, and transaction volumes may approach the levels seen during the 2006/07 market peak. The ECB's QE programme should help to preserve favourable conditions for property investment throughout the year, and the weak Euro will boost the attractiveness of European property prices to many overseas buyers, particularly US Dollar denominated investors.

• Latvian real estate investment market

An improving investment climate and positive market expectations contributed to slight yield compression in 2014. The prime yield to industrial properties remained on the 2013 level of 9%, while prime retail and office yields experienced a decline to 7.5% and 7.75% respectively. In 2015, the investment market is expected to remain active with investment volumes remaining on the 2014 level. Office and retail commercial properties will become the main investment focus of 2015, while activity in the mixed-use and residential segment is expected to decrease. Prime yields are expected to remain stable in 2015.

• Lithuanian real estate investment market

Market stabilisation during 2013 – 2014, with a decrease of uncertainty and a positive performance by the Lithuanian economy, gradually compressed investment yields. In 2014, prime investment yields in Vilnius ranged between 7.5% (for prime retail and office properties) and 9% (in the industrial segment). Other Lithuanian cities remained quite inactive in terms of investment in real estate due to weak regional economies and lower levels of business concentration. A possible exception is the industrial segment in Kaunas and Klaipeda where several deals were concluded.

After integration with the Euro zone, Lithuania is expected to become even more attractive to investors not only from the usual regions, but also from Western countries. Main investment targets are expected to remain office and retail properties located in Vilnius with strong cash flow and core locations.

• Estonian real estate investment market

Notable yield compression by 50 bps was recorded in Estonia in 2014. Low-cost financing, shortage of investment grade properties, positive performance by corresponding sectors, and strengthening demand from both highly capitalised and smaller investors resulted in tougher competition and thus lower prime yield levels.

In 2015, the investment market will continue to be active as investors are well capitalised and are constantly looking for good quality cash flow properties. Willingness to take increased risks can be observed among some investors due to the scarcity of investment grade properties. The office and retail sectors will remain the more favoured by investors, international and local alike. Prime yields are expected to remain stable in 2015.

• **Maltese real estate investment market**

National statistics relating to commercial property in Malta is currently not captured and therefore is more difficult to gauge the health of this sector. Notwithstanding the lack of such data, general business sentiment and the continued drive to promote Malta as a regional hub for the provision of business related services, notably in the financial, i-gaming, back-office services, information technology, aircraft registration and maritime has continued to generate a positive trend in the commercial property sector, in particular office space. In addition, Malta's highly skilled and competitive labour costs have also been vital in sustaining this success. This view is substantiated when assessing the lack of availability of large office and commercial space, as well as, the number of projects earmarked for development and set to commence in the near future.

With regards to the Guarantors, the principal income stream of Hili Estates Limited is derived from contractual agreements with companies forming part of the Hili Ventures Group and other related parties. In view of the long term nature of such leases, Hili Estates Limited is not considered to be unduly exposed to operating uncertainties relating to the commercial real estate sector and/or to other external events related to the economy, which could be deemed likely to have a material impact on its business, at least for the foreseeable future.

As to Harbour (APM) Investments Limited, the company considers that its future performance will depend on the sale of the Benghajsa site in the medium to long term as a commercial area and the cash flows likely to be generated when disposal thereof is initiated.

B.5 The Issuer is the holding company of the HP Group. Through the parent company and various subsidiary companies (B.19) (including HEL), the HP Group owns and manages a real estate portfolio consisting of 24 properties (46,900m² of rentable space), valued at €64.9 million. Occupancy was 93% as at 31 August 2015, with a weighted average unexpired lease term (WALT) of 8.0 years and a current gross rental yield of 7.3%.

HIL is a wholly-owned subsidiary of APM Holdings Limited. It owns land at Benghajsa, Malta, valued at *circa* €25 million. The sites mainly consist of undeveloped agricultural fields having a cumulative total area of approximately 92,000m². No income is currently generated from the aforementioned land and as such HIL is ultimately dependent on the support provided by its shareholder.

B.9 The financial information relating to 2015 is extracted from the unaudited forecast consolidated financial statements of the Issuer for the year ending 31 December 2015, which is available for inspection at the registered office of the Issuer. Extracts of the aforesaid forecast financial information are set out in Element B.12 of this Summary Note.

B.10 Not Applicable: The audit reports on the audited historical financial statements of each of the Issuer and Guarantors, (B.19) described in Element B.12 below, do not contain qualifications.

B.12 The historical financial information for the two financial periods ended 31 December 2013 and 31 December 2014 as (B.19) audited by Deloitte Audit Limited is set out in the annual statutory financial statements of each of the Issuer and the Guarantors. Such audited financial statements are available at the Issuer's registered office.

There has been no material adverse change in the prospects of the Issuer and Guarantors since the date of their latest published financial statements. There were no significant changes to the financial or trading position of each of the Issuer and Guarantors since 31 December 2014, being the end of the financial period to which the last audited financial statements of each of the Issuer and Guarantors relate.

Extracts of the above-mentioned historical financial information and of the forecast financial information referred to in Element B.9 are set out below:

Hili Properties p.l.c

Consolidated Income Statement for the year ended 31 December Amounts in €'000s	2015	2014	2013
	(12 months)	(12 months)	(14 months)
	Forecast	Actual	Actual
Revenue	4,293	1,678	1,717
EBITDA	2,979	918	1,430
Net investment income/(losses)	1,741	(149)	(1,801)
Finance costs	(1,875)	(687)	(743)
Profit/(loss) after tax	1,896	189	(1,456)

Statement of Financial Position Amounts in €'000s	31 Dec'15 Forecast	31 Dec'14 Actual	31 Dec'13 Actual
Total assets	91,930	36,747	38,145
Equity	25,983	13,733	13,544
Liabilities	65,947	23,014	24,601
Total equity and liabilities	91,930	36,747	38,145

Consolidated Statements of Cash Flows For the year ended 31 December Amounts in €'000s	2015 (12 months) Forecast	2014 (12 months) Actual	2013 (14 months) Actual
Net movement in cash and cash equivalents	10,865	(850)	895
Opening cash balance	45	895	-
Closing cash balance	10,910	45	895

The Issuer was incorporated on 23 October 2012 and therefore, the initial reportable financial period covered the 14 months from incorporation to 31 December 2013. During the financial period under review (23 October 2012 to 31 December 2014), the Group generated rental income from 11 investment properties located in Malta, Latvia, Lithuania and Estonia, the majority of which are leased to related parties. In 2015, the Issuer is expected to generate rental income of €4.3 million, an increase of €2.6 million when compared to 2014. During the said year (FY2015), the Issuer commenced earning income from the newly acquired properties – SIA Tukuma, SIA Apex and Swatar Business Centre. Overall, the Issuer is projecting to achieve a net profit of €1.9 million in 2015 (2014: €0.2 million).

On 19 May 2015, the share capital of the Company was increased through an issue of 100,000 shares of €1 each at a premium of €39 per share. The amount of €4 million was settled by way of capitalisation of shareholders' loans. Furthermore, on 27 August 2015, the issued share capital of the Company was increased by €6,500,000 to €21,600,000 by the capitalisation of shareholders' loans.

Harbour (APM) Investments Limited

Statement of Financial Position	31 Dec '14 €'000s	31 Dec '13 €'000s
Assets		
Non-current assets	19,174	18,483
Current assets	93	92
Total assets	19,267	18,575
Equity	(111)	(1)
Liabilities	19,378	18,576
Total equity and liabilities	19,267	18,575

The company is the owner of land at Benghajsa, Malta which does not generate an income stream. During the year ended 31 December 2014, the company incurred administrative expenses and finance costs of €110,000 (2013: loss of €2,000) and the loss after tax was of a similar amount.

As at 31 December 2014 the property was valued at *circa* €19 million. The said property was subject to a promise of share purchase agreement in 2015 whereby the Issuer undertook to acquire HIL for €25 million by 2018. In view of this transaction, the fair value of the property was increased to €25 million. Furthermore, the authorised and issued share capital of HIL was increased on 24 August 2015 to €22,331,200 through the capitalisation of shareholder's loans, revaluation reserves and retained earnings of €18,574,351, €3,753,441 and €2,208 respectively.

Hili Estates Limited

Statement of Financial Position	31 Dec '14	31 Dec '13
	€'000s	€'000s
Assets		
Non-current assets	13,351	13,531
Current assets	1,733	2,655
Total assets	15,084	16,186
Equity		
Equity	5,609	5,253
Liabilities		
Liabilities	9,475	10,933
Total equity and liabilities	15,084	16,186

During the period under review, the company was principally engaged in the management of one property – the Hili Building in Luqa, Malta – valued at *circa* €13.4 million. In 2014, the company generated rental income of €650,000 (2013: €695,000) and net profit for the year amounted to €356,000 (2013: €1,169,000). On 14 September 2015, HEL issued €8,051,340 4.5% redeemable preference shares through the capitalisation of related party loans. The said shares were fully allotted to the Company. As a consequence, the equity of HEL as at 16 September 2015 amounted to €14.0 million.

B.13 Not Applicable: the Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of the solvency of the Issuer and/or Guarantors.

B.14 (B.19) The Issuer is the parent company of the HP Group, and was set up to principally manage the property division of the Hili Ventures Group. As at the date of the Prospectus, the Issuer holds, directly and indirectly through its subsidiaries, *circa* 46,900m² of rentable real estate, approximately half of which consists of real estate area that is rented out to companies within the Hili Ventures Group. The Issuer's strategy is to create a property portfolio consisting primarily of commercial and retail property in Europe, to deliver income and capital growth through active asset management. The Issuer relies on active asset management to maximise operating efficiency and profitability at the property level. As the holding company of the HP Group, the Issuer is ultimately dependent upon the operations and performance of its subsidiaries and their respective operations.

HIL is the owner of *circa* 92,000m² of land at Benghajsa, Malta. The company does not generate any income and as such HIL is ultimately dependent on the support provided by its shareholder (APM Holdings Limited).

B.15 (B.19) The Issuer and Guarantors are principally property holding companies. In terms of their respective Memorandum and Articles of Association the principal object of each of the Issuer and Guarantors is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests.

Sub-Clause 4(n) of the Issuer's Memorandum of Association specifically provides that the Issuer is authorised and empowered to issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and to sell or offer same to the public.

B.16 (B.19) The authorised share capital of the Issuer is €21,600,000. The issued share capital is €21,600,000 divided into 21,600,000 ordinary shares of €1 each, fully paid up. The share capital is subscribed to by Hili Ventures Limited except for one share which is held by APM Holdings Limited and another share which is held by La Toc Limited. The HP Group is wholly owned directly or indirectly through Hili Ventures Limited by Carmelo *sive* Melo Hili as to 50%, whilst the remaining 50% is held by Joseph *sive* Beppe Hili and other members of his family. HIL is wholly owned directly or indirectly through APM Holdings Limited by Carmelo *sive* Melo Hili.

B.17 Not Applicable: the Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.

B.18 For the purposes of the Guarantee, the Guarantors irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds as and when the same shall become due under any of the foregoing, the Guarantors will pay to such

Bondholder on demand the amount payable by the Issuer to such Bondholder. The obligations of the Guarantors under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

The Guarantors undertake that so long as any Bond remains outstanding, the Guarantors shall collectively ensure that their aggregate net asset value will amount to not less than €37 million on each Financial Reporting Date.

“**net asset value**” means the value of an entity’s assets minus the value of its liabilities.

SECTION C: SECURITIES

- C.1 The Issuer shall issue an aggregate of €37 million in Unsecured Bonds having a face value of €100 per bond, subject to a minimum subscription of €2,000 in Bonds. The Bonds are guaranteed jointly and severally by Hili Estates Limited and Harbour (APM) Investments Limited. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds will have the following ISIN number MT0000941204. The Bonds shall bear interest at the rate of 4.5% per annum and shall be repayable in full upon maturity unless they are previously re-purchased and cancelled.
- C.2 The Bonds are denominated in Euro (€).
- C.5 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- C.8 Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to:
- (i) the payment of capital;
 - (ii) the payment of interest;
 - (iii) ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows:
“The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantors.”;
 - (iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond; and
 - (v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

As at 10 September 2015 the Group’s indebtedness amounted to €38.94 million, comprising of bank loans. The Group’s bank borrowings are secured by general hypothecs, pledges and guarantees provided by Group companies, by companies forming part of the Hili Ventures Group and by the Company’s ultimate shareholders. An amount of €19.54 million of bank borrowings will be repaid through net proceeds of the Bond Issue, and therefore bank borrowings senior to the Bonds will be reduced to *circa* €19.40 million.

The outstanding bank borrowings as at 10 September 2015 in relation to HIL amounted to €1.73 million. The said bank loan is secured by the land at Benghajsa, Malta.

The indebtedness being created by the Bonds ranks after the aforesaid bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a pledge, mortgage, privilege and/or a hypothec.

- C.9 The Bonds shall bear interest from and including 16 October 2015 at the rate of 4.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 16 October 2016. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 16 October 2025.

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date, is four point five per cent (4.5%).

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

- C.10 Not Applicable: there is no derivative component in the interest payments on the Bonds.
- C.11 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 September 2015. Application has been made to the MSE for the Bonds being issued, pursuant to the Prospectus, to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 23 October 2015 and trading is expected to commence on 26 October 2015.

SECTION D: RISKS

Holding of a Bond involves certain risks. 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 deciding to acquire Bonds. Prospective Investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment.

The Prospectus contains statements that are, or may be deemed to be, “forward looking statements”, which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its’ Directors. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

Below is a summary of the principal risks associated with an investment in the Issuer and the Bonds – there may be other risks which are not mentioned in this Summary Note. Investors are therefore urged to consult their own financial or other professional advisors with respect to the suitability of investing in the Bonds. The following is a summary of the principal risk factors:

D.2 Essential information on the key risks specific to the business of the Issuer, the Group and the Guarantors:

- i. The Issuer is a holding company and, as such, its assets consist primarily of loans issued to and investments in Group companies. Consequently, the Issuer is largely dependent on income derived from dividends receivable from Group companies and the receipt of interest and loan repayments from Group companies.
- ii. The Issuer is vulnerable to general market conditions. An increase in the supply of commercial space could impact negatively upon capital values and income streams of the property portfolio.
- iii. The Group is dependent on tenants fulfilling their obligations under their lease agreements.
- iv. The Group is subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease.
- v. The Group’s operating and other expenses could increase without a corresponding increase in revenue.
- vi. 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.
- vii. The Group and Guarantors are involved in the acquisition and disposal of properties, and as such are susceptible to fluctuations in property values. The Group’s and Guarantors’ operating performance could be adversely affected by a downturn in the property market in terms of capital values.
- viii. Property is a relatively illiquid asset and such illiquidity may affect the Group’s and Guarantors’ ability to vary their respective portfolios or dispose of or liquidate part of their portfolios in a timely manner and at satisfactory prices.
- ix. The Group and Guarantors are susceptible to adverse economic developments and trends both locally and overseas.
- x. Changes in laws and regulations relevant to the Group’s and Guarantors’ business and operations could be enacted that may have an adverse impact on the Group’s and Guarantors’ business, results of operations, financial condition or prospects.

- xi. The Group's and Guarantors' ability to implement their respective business strategies is dependent upon, amongst other things, their ability to generate sufficient funds internally and to access continued financing at acceptable costs. The Group's current debt to equity ratios may hinder the Group's ability to procure additional financing for any new property acquisitions.

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

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

- i. the existence of an orderly and liquid market for the Bonds depends on a number of factors. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all;
- ii. investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds;
- iii. a Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different;
- iv. no prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time;
- v. the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantors. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and of the Guarantors, as the case may be, for so long as such security interests remain in effect;
- vi. repayment of interest and capital on the Bonds is being guaranteed jointly and severally by the Guarantors and therefore, Bondholders are entitled to request either or both Guarantors to pay the full amounts due under the Bonds if the Issuer fails to meet any amount. The Guarantee also entitles the Bondholders to take action against either or both Guarantors without having to first take action against the Issuer. The level of recoverability by the Bondholders from either or both Guarantors of any amounts due under any of the Bonds is dependent upon the financial strength of the Guarantors and in the case of insolvency of the Guarantors, such level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantors;
- vii. in the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Issue it shall call a meeting of Bondholders. The provisions relating to meetings of Bondholders permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority;
- viii. the Terms and Conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

SECTION E: OFFER

E.2b The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €36.2 million, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of €19.54 million of proceeds shall be used to repay short term bank facilities, which funds were applied for the purpose of part-financing the acquisition consideration and refurbishment cost of a number of properties of the Group;

- (ii) an amount of €6 million shall be applied to part-finance the deposit payable on the promise of share purchase agreement in relation to the acquisition of Harbour (APM) Investments Limited, the company that owns the Benghajsa site; and
- (iii) the remaining balance of €10.66 million of the net Issue proceeds will be used for the purpose of part-funding new property acquisitions and/or to further reduce the corporate indebtedness of the Group. For the purpose of identifying such properties, the Issuer shall fully adhere to the parameters established in terms of its business development strategy described in further detail in section 4.7 of the Registration Document. Saving the foregoing, with respect to the aforementioned €10.66 million, the Issuer's Board of Directors shall aim to acquire attractively priced commercial properties located in European Countries. Furthermore, in accordance with the principle of generating sustainable income for the Issuer, the Directors shall select commercial properties that have a high level of tenancy that is broadly similar to the Group's current average occupancy rate of 93%.

As at the date of the Prospectus, the Group was in discussions to acquire commercial properties estimated at *circa* €26.4 million which will contribute to an average portfolio yield of about 8%. Such acquisitions relate to a number of retail outlets in Romania and Greece and logistics distribution and office facilities in Lithuania. The said proposed acquisitions are presently governed by non-disclosure arrangements and are subject to final agreement with the respective counterparties.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for, and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

E.3 The Bonds are open for subscription to all categories of investors, which may be broadly split as follows:

- (i) The Issuer has reserved an aggregate amount of Bonds amounting to €1 million for subscription by Hili Ventures Group Preferred Applicants;
- (ii) The Issuer has reserved an aggregate amount of Bonds amounting to €16 million for subscription by Hili Ventures Group Bondholders;
- (iii) The remaining balance of €20 million in Bonds shall be made available for subscription by the general public. In the event that the aggregate amount of €17 million reserved for the Hili Ventures Group Preferred Applicants and Hili Ventures Group Bondholders (detailed in clauses (i) and (ii) above) is not fully taken up, such unutilised portion/s shall also become available for allocation to the general public.

In the event that subscriptions exceed the reserved portions referred to in clauses (i) and (ii) above of €1 million and €16 million respectively, the unsatisfied excess amounts of such Applications will automatically participate in the amount of Bonds available to the general public.

The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000 and subscription amounts shall be in multiples of €100. Subscriptions may be made through any of the Authorised Financial Intermediaries.

Within 5 business days from closing of the subscription lists, the Issuer shall announce the result of the Issue and shall determine, and issue a company announcement setting out, the basis of acceptance of applications and allocation policy to be adopted.

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

1. General

Each Bond forms part of a duly authorised issue of 4.5% Unsecured Bonds 2025 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €37 million.

2. Form, Denomination and Title

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

Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client. Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided in clause 8 of this Element E.3.

3. Redemption and Purchase

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date. Subject to the provisions of this paragraph, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

4. Interest and Yield

The Bonds shall bear interest at the rate of 4.5% per annum payable annually on 16 October of each year. Interest shall accrue as from 16 October 2015. The first Interest Payment Date following the issuance of this Prospectus shall be 16 October 2016. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

The gross yield calculated on the basis of the interest, the Bond Issue Price and the redemption value of the Bonds at Redemption Date, is four point five per cent (4.5%).

5. Status of the Bonds and Negative Pledge

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

6. Payments

Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date.

Payment of interest on a Bond will be made in Euro to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven (7) days of the Interest Payment Date.

7. Events of Default

The Bonds shall become immediately due and repayable, at their principal amount together with accrued interest, in an event of default. Subject to agreed exceptions, materiality qualifications, reservations of law and grace periods, an acceleration event shall occur if: (i) the Issuer or, in the event of default by the Issuer, the Guarantors, shall fail to pay any interest on any Bond when due; or (ii) the Issuer or, in the event of default by the Issuer, the Guarantors, shall be in breach of any material obligation contained in the terms and conditions of the Bonds; or (iii) the aggregate net asset value of the Guarantors shall diminish to less than €37 million on any Financial Reporting Date; or (iv) the Issuer and/or any Guarantor are *inter alia* dissolved, liquidated or bankrupt; or (v) the Issuer or, in the event of default by the Issuer, the Guarantors, stops or suspends payments, or announces to do so, to all or any class of its debts or ceases or threatens to cease to carry on its business or a substantial part thereof; or (vi) the Issuer or, in the event of default by the Issuer, the Guarantors, is unable to pay its debts; or (vii) a judgment by a court is made against the Issuer and/or any Guarantor for the payment in excess of €5 million; or (viii) any default occurs relating to any financial indebtedness of the Issuer and/or any Guarantor in excess of €5 million.

8. Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require for the payment of a sum sufficient to cover any tax, duty or other governmental charge or

insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

9. Further Issues

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

10. Meetings of Bondholders

The provisions of the Prospectus may be amended with the approval of the Bondholders at a meeting called for that purpose by the Issuer.

11. Governing Law and Jurisdiction

The Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. From their inception the Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit, action or proceeding against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

- E.4 Save for the possible subscription for Bonds by Charts Investment Management Service Limited and Bank of Valletta p.l.c., and any fees payable in connection with the Issue to Charts Investment Management Service Limited as Sponsor and Bank of Valletta p.l.c. as Manager & Registrar, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.
- E.7 Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated to be in the region of €800,000.

TIME-TABLE

1. Applications Forms mailed to Hili Ventures Group Bondholders as at the Cut-Off Date	22 September 2015
2. Application Forms available	24 September 2015
3. Closing date for Applications to be received from Hili Ventures Group Preferred Applicants and Hili Ventures Group Bondholders	5 October 2015
4. Opening and closing of subscription lists, respectively	7 October 2015 to 9 October 2015, both days included
5. Commencement of interest on the Bonds	16 October 2015
6. Announcement of basis of acceptance	16 October 2015
7. Refunds of unallocated monies	23 October 2015
8. Expected dispatch of allotment advices	23 October 2015
9. Expected date of admission of the securities to listing	23 October 2015
10. Expected date of commencement of trading in the securities	26 October 2015

The Issuer reserves the right to close the Issue of Bonds before 9 October 2015 in the event of over-subscription, in which case the events set out in steps 6 to 10 above shall be brought forward, although the number of workings days between the respective events shall not also be altered.

