REGISTRATION DOCUMENT

DATED 4 MARCH 2019

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.

Issue up to €40,000,000 3.65% Secured Bonds 2022

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

(the "**Secured Bonds**")

through the combination of the following two fungible tranches

A maximum of €40,000,000 3.65% Secured Bonds 2022 available only to Eligible Applicants during the Offer Period (the "**First Tranche Bonds**")

A maximum of €20,000,000 3.65% Secured Bonds 2022 available to Eligible Applicants and the public in Malta during the Offer Period (the " **Second Tranche Bonds**")

by

gap

GAP GROUP P.L.C.

A PUBLIC LIMITED LIABILITY COMPANY REGISTERED IN MALTA

WITH COMPANY REGISTRATION NUMBER C 75875

with the joint and several Guarantee* of

GAP LUQA LIMITED AND GAP MELLIEHA (I) LIMITED

EACH A PRIVATE LIMITED LIABILITY COMPANY REGISTERED IN MALTA

*Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note and section 4.5 of this Registration Document for a description of the Guarantee and the Collateral. Reference should also be made to the sections entitled "Risk Factors" contained in this Registration Document and the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Secured Bonds and the Guarantee provided by the Guarantors.

Legal Counsel to the Sponsor, Manager & Registrar	Legal Counsel to the Issuer	Trustee	Sponsor, Manager & Registrar
CAMILLERI PREZIOSI ADVOCATES	**Dr Chris Cilia**	EQUINOX INTERNATIONAL LIMITED	CHARTS WEALTH MANAGEMENT • CORPORATE BROKING A division of MeDirect Bank (Malta) plc

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

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 HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES.

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

APPROVED BY THE DIRECTORS

George Muscat | Paul Attard | Adrian Muscat | Francis X. Gouder | Mark Castillo | Chris Cilia

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON GAP GROUP P.L.C. (IN ITS CAPACITY AS ISSUER) AND THE GUARANTORS 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.

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 ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

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. ACCORDINGLY, NO BONDS MAY BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS PROSPECTUS NOR ANY ADVERTISEMENT OR OTHER OFFERING MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION, EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS. PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS OR ANY BONDS MAY COME MUST INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS ON THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND SALE OF THE BONDS.

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 AND THE GUARANTORS 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 AND THE GUARANTORS 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.

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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);
Bond Issue or **Offer**	the issue of the Secured Bonds;
Bond Obligations	the punctual performance by the Company of all its obligations under the Bonds upon issuance including the repayment of principal and payment of interest thereon;
Bondholder/s	a holder of Secured Bonds;
Collateral or **Security Interests**	(a) in the event of the issue of up to €20 million in nominal value of Secured Bonds: (i) the second ranking general hypothec for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer[1]; (ii) the first ranking general hypothec for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of GLL; (iii) the first ranking special hypothec granted by GLL for the full nominal value of the Secured Bonds and interest thereon over the land on which the Luqa Development is to be developed together with all and any constructions and other erections to be developed thereon; (b) in the event of the issue of any amount over and above €20 million in nominal value of Secured Bonds up to a maximum amount of €40 million in nominal value of Secured Bonds: (i) the security mentioned in paragraph (a) above; and (ii) the first ranking special hypothec granted by GML equal to the amount of Secured Bonds issued over and above €20 million, which is not otherwise covered by the Collateral mentioned in paragraph (a) above, and interest thereon over the site owned by GML and forming part of the Mellieħa Development on which Block A to Block E and underlying garages are presently being constructed and developed, as better described in section 4.3.2 of the Registration Document[2]; (c) in any event: (i) the pledge over the proceeds from any insurance policy required under clause 6(1)(k) of the Trust Deed; and (ii) the Guarantee;
Directors or **Board**	the directors of the Issuer whose names are set out under the heading "Identity of Directors, Senior Management, Advisors and Auditors";
Eligible Applicants	the holders of the Original Bonds as at 4 March 2019 (the "**Cut-Off Date**");
Euro or **€**	the lawful currency of the Republic of Malta;
First Tranche Bonds	a maximum of €40,000,000 3.65% Secured Bonds of a nominal value of €100 redeemable at the Redemption Value on the Redemption Date, bearing interest at the rate of 3.65% per annum on the nominal value of the Bond, as detailed in this Securities Note, available only to Eligible Applicants during the Offer Period through Exchangeable Bond Transfers;
GDL	Geom Developments Limited (C 50805);
GHL	Geom Holdings Limited (C 64409);
GGCL	Gap Group Contracting Limited (C 75879);
GGF	Gap Group Finance Limited (C 54352);
GGL	Gap Għargħur Limited (C 72015);
GLL	Gap Luqa Limited (formerly Qawra Investments Limited) (C 32225);
GML	Gap Mellieħa (I) Limited (C 72013);
GPL	Gap Properties Limited (C 47928);

[1] The Issuer has constituted a first ranking general hypothec over all its assets, present and future, as security for all its obligations under the Original Bonds enrolled in the Public Registry of Malta with inscription number I 8717/2016. In the event that sufficient Original Bondholders surrender their Original Bonds in favour of the Issuer in exchange for Secured Bonds, so that the remaining outstanding Original Bonds can be secured by cash standing to the credit of the Original Reserve Account, the first ranking general hypothec will be cancelled by the Original Security Trustee. Should the said general hypothec be cancelled by the Original Security Trustee, the Bondholders will benefit from a first ranking general hypothec over all the assets of the Issuer, both present and future, as security for the Issuer's obligations under the Bond Issue.

[2] The Original Security Trustee has already undertaken to release from the general hypothec registered against GML, Block A to Block E of the Mellieħa Development, which property will be subject to the special hypothec in favour of the Security Trustee. However, in the event that, following the close of the Offer Period, there remain outstanding in nominal value Original Bonds in excess of the amount standing to the credit of the Reserve Account, the Original Security Trustee shall retain additional security over immovable property over such parts of Blocks A to E of the Mellieħa Development, as would on the basis of independent valuations obtained by the Original Security Trustee, together with the cash collateral in the Original Reserve Account, provide sufficient collateral to cover the outstanding nominal value of the Original Bond still in issue. In such case, the value of the special hypothec which will be registered over this immovable property will be reduced to the value of the immovable property actually secured by virtue of the special hypothec in favour of the Security Trustee.

Group or **Gap Group**	the Issuer and its direct or indirect Subsidiaries;
Guarantee	the joint and several guarantee dated 4 March 2019 granted by the Guarantors as security for the punctual performance of the Issuer's payment obligations under the Bond Issue, subject to the terms and conditions contained in the Security Trust Deed and as the same is held on trust for the benefit of the Bondholders by the Security Trustee. A copy of the Guarantee is appended to the Securities Note as Annex III thereto;
Guarantor	each of GML and GLL and the term "Guarantors" shall collectively refer to the said companies;
Għargħur Development	the 34 luxury apartments (6 of which are at penthouse level) and 41 garages/car spaces, spread over 4 blocks with a variety of one, two and three bedroom units, all in a completely finished state, forming part of the development on the site in Triq Caravaggio, Għargħur, Malta measuring approximately 2,585m^2;
Hypothecated Property	the immovable property described hereunder, namely: (i) the site under construction (and all constructions to be developed thereon) forming part of the Mellieħa Development, measuring approximately 5,100m^2 which site overlies garages within the Mellieħa Development and when finished will consist of 72 residential units forming part of Block A to Block E which are presently being constructed and developed, as better described in section 4.3.2 of this Registration Document, which site is owned by GML; (ii) the building site which includes its sub-terrain and airspace, in the area known as 'Ta Blejkiet' in Luqa, with developable land measuring approximately 8,500m^2 and which is accessible from eight streets, namely Triq Ġorġ Zahra, Triq Tumas Galea, Triq l-Iskola, Triq Ġeraldu Spiteri, Triq W. Briffa, Triq Indri Micallef, Triq l-Aħwa Vassallo and Triq Ġużeppi Callus, over which there shall be developed five zones of residential apartments (Zone A to Zone E) which will comprise 21 blocks with a total of 237 apartments and 219 garages, as better described in section 4.3.1 of this Registration Document, which site is owned by GLL;
Issuer or **Company**	Gap Group p.l.c., a public limited liability company duly registered and validly existing under the laws of Malta with company registration number C 75875 and having its registered office at Gap Group Head Office, Ċensu Scerri Street, Sliema SLM 3060, Malta;
Listing Authority	the Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
Luqa Development	the construction, development and finishing of a total of 237 apartments and 219 garages spread over 5 zones with a mix of one, two and three bedroom units over the site having a developable area of approximately 8,500m^2 known as Ta' Blejkiet in Luqa, as better described in section 4.3.1 of this Registration Document;
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;
MeDirect Facility	the facility granted by MeDirect Bank Malta plc (C 34125) to GLL on 25 January 2017 which was granted for the purpose of financing the acquisition of the site over which the Luqa Development shall be constructed and the development and completion of a mix of maisonettes, apartments, penthouses and garages over the said site and of which the amount of *circa* €5.2 million (comprising €5.1 million in principal and €0.1 million in interest) is outstanding as at the date of this Registration Document;
Mellieħa Development	the construction, development and finishing of a total of 152 residential units and 174 lock-up garages, spread over 10 blocks with a variety of one, two and three bedroom units over the site known as Ta' Masrija in Mellieħa measuring approximately 5,100m^2, as better described in section 4.3.2 of this Registration Document;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
MHL	Manikata Holdings Limited (C 53818);
Offer Period	the period between 6 March 2019 and 26 March 2019 during which the Secured Bonds are on offer;
Original Bonds	the €40,000,000 4.25% Secured Bonds 2023 issued by the Issuer pursuant to a prospectus dated 16 September 2016 and carrying ISIN MT0001231209;
Original Bondholders	the holders of Original Bonds;

Original Guarantee	the joint and several guarantee dated 9 September 2016 granted by the Original Guarantors as security for the punctual performance of the Issuer's payment obligations under the Original Bonds, subject to the terms and conditions contained in the Original Trust Deed and as the same is held on trust for the benefit of the Original Bondholders by the Original Security Trustee;
Original Guarantors	each of GDL, GGL, GML and GPL;
Original Reserve Account	the reserve account maintained by the Original Security Trustee for the benefit of Original Bondholders in accordance with the Original Trust Deed;
Original Trust Deed	the trust deed dated 9 September 2016 entered into by and between, *inter alia*, the Original Guarantors, the Original Security Trustee and the Issuer;
Original Security Interests	i. the first ranking general hypothec for the full nominal value of the Secured Bonds and interests thereon over all the present and future property of the Issuer and each of GML, GPL and GDL; ii. the first ranking special hypothec for the full nominal value of the Secured Bonds and interests thereon over the land on which each of the Mellieħa Development and Blocks A, B and C forming part of the Qawra Development is to be developed together with all and any constructions and other erections to be developed thereon; iii. the first ranking special hypothec for the full nominal value of the Secured Bonds and interests thereon over the remaining 27 residential units and 74 garage spaces forming part of the Żebbuġ Development; iv. the special privilege for the amount of *circa* €9.8 million (or such other amount according to law) over the site in Mellieħa over which the Mellieħa Development shall be constructed in accordance with the provisions of article 2010 (c) of Chapter 16 of the Laws of Malta; v. the pledge over the proceeds from any insurance policy required under clause 6(1)(k) of the Trust Deed; and vi. the Original Guarantee;
Original Security Trustee	Equinox International Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 29674 and having its registered office at 9, Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta, duly authorised to act as a trustee or co-trustee in terms of Article 43(3) of the Trusts and Trustees Act (Cap. 331 of the Laws of Malta), acting in its capacity as security trustee for the benefit of the Original Bondholders under the Original Bonds;
Prospectus	collectively, this Registration Document, the Securities Note and the Summary Note;
Qawra Development	the 151 residential units and 181 garages/car spaces, spread over 7 blocks, identified as Blocks A to G (both included) with a variety of one, two and three bedroom units, all in a completely finished state, forming part of the development of the site in Triq il-Porzjunkola, Qawra, Malta measuring approximately 3,508m^2;
Redemption Date	shall have the meaning set out in the Securities 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 prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended;
Redemption Value	the nominal value of each Bond (€100 per Secured Bond);
Second Tranche Bonds	a maximum of €20,000,000 3.65% Secured Bonds of a nominal value of €100 redeemable at the Redemption Value on the Redemption Date, bearing interest at the rate of 3.65% per annum on the nominal value of the Bond, as detailed in this Securities Note, available to Eligible Applicants and the public in Malta during the Offer Period;
Securities Note	the securities note issued by the Issuer dated 4 March 2019, forming part of the Prospectus;
Secured Bond(s) or **Bond(s)**	collectively, the First Tranche Bonds and the Second Tranche Bonds;
Sponsor, Manager and Registrar	MeDirect Bank (Malta) plc having company registration number C 34125 and registered office at The Centre, Tigné Point, Sliema TPO 001, Malta, licensed by the MFSA and a member of the MSE. The role of sponsor, manager and registrar is conducted by the corporate finance division of MeDirect Bank (Malta) plc, which operates under the brand name 'Charts'. The use of the logo 'Charts' in the Prospectus shall be construed accordingly;
Subsidiary	means an entity over which the parent has control. In terms of the International Report Standards adopted by the European Union, a group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The

	term "Subsidiary" shall be construed accordingly. The term 'Subsidiaries' shall collectively refer to the said entities;
Summary Note	the summary note issued by the Issuer dated 4 March 2019, forming part of the Prospectus;
Trust Deed	the trust deed signed between the Issuer, the Guarantors and the Security Trustee dated 4 March 2019;
Trustee or **Security Trustee**	Equinox International Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 29674 and having its registered office at 9, Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta, duly authorised to act as a trustee or co-trustee in terms of Article 43(3) of the Trusts and Trustees Act (Cap. 331 of the Laws of Malta);
Żebbuġ Development	the 193 apartments, 2 retail outlets and 144 underlying garage spaces all in a completely finished state, including all common areas and internal streets, forming part of the development on the site in Żebbuġ measuring approximately 6,878m^2**.**

Unless it appears otherwise from the context:
(a) Words importing the singular shall include the plural and vice-versa;
(b) Words importing the masculine gender shall include also the feminine gender and vice-versa;
(c) The word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS, AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS 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 NOR THE GUARANTORS ARE IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

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

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 IT BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR & MANAGER 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 and/or Guarantors' strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may 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 and/or Guarantors' 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 and/or Guarantors' 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 and/or Guarantors' 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 and of the Guarantors to honour their obligations under the Guarantee.

Accordingly, the Issuer and Guarantors caution prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or Guarantors 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.

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 Issuer

(i) The Issuer has a limited history of operations

The Issuer has a limited trading record and history of operations. It was set up in June 2016 primarily to promote the construction and development of the Qawra Development, the Għargħur Development and the Mellieħa Development and to raise finance for the purpose of developing and completing them as well as any other developments it may identify in the future. Although the Issuer has experienced revenue growth since inception as a result of the completion of real-estate developments over the course of the previous two financial years, the Issuer is nonetheless a start-up operation with all the attendant risks that start-ups normally entail. There is no assurance that the revenue of the Issuer will continue to increase at previous rates or at all, or that the Issuer will be able to operate profitably in future periods. The Issuer's limited operating history makes the prediction of future results of operations difficult and, therefore, past revenue growth experienced by the Issuer should not be taken as indicative of its future performance. The prospects of the Issuer should be considered in light of the risks, uncertainties, expenses and challenges that the Issuer would experience as a start-up operation, including, the increased competitiveness of the property market.

(ii) The Issuer is dependent on payments due from the Guarantors and other Subsidiaries which may be affected by factors beyond the Company's control

As a finance and holding company, the majority of the Company's assets consist of loans granted to the Guarantors and investments in the Guarantors and other Subsidiaries. Consequently, the Company is largely dependent on the receipt of loan repayments and interest thereon and income derived from dividends receivable from the Guarantors and other Subsidiaries. In this respect, the operating results of the Guarantors and other Subsidiaries have a direct effect on the Company's financial position.

The ability of the Subsidiaries to effect payments of principal and interest to the Issuer and the distribution of dividends by a Subsidiary in favour of the Issuer will depend on the cash flows and earnings of the relative Subsidiary, which may be restricted by: changes in applicable laws and regulations; by the terms of agreements to which they are or may become party, including the agreement governing their existing indebtedness, if any; risks of delays in completion of development projects; slowdowns in the tempo of property sales; and,or by other factors beyond the control of that Subsidiary. The distribution of a dividend to the Issuer will depend upon, amongst other factors, the profit for the year, the view of the Board of Directors of the Subsidiary on the prevailing market outlook, any debt servicing requirements, the cash flows of the relative Subsidiary, working capital requirements, the Subsidiary's board's view on future investments, and the requirements of the Companies Act. In terms of Maltese law, a company shall not make a distribution except out of profits available for the purpose or if the Directors conclude it would not be in the best interests of the company. Any of the foregoing could limit the payment of dividends to the Issuer or, if the Subsidiary does pay dividends, the amount of such dividends.

The occurrence of any of the above-mentioned factors could result in a Subsidiary defaulting on its obligation to repay amounts due to the Issuer or the ability of the Subsidiaries to distribute a dividend which, in turn, may negatively affect the Issuer's financial condition and results.

2.3 Risks relating to the Group and its Business

(i) The Group is subject to market and economic conditions generally

In the course of its business, the Group is subject to general market and economic risks that may have a significant impact on the real-estate projects undertaken by the relative Group entities, their timely completion and budgetary constraints. These include factors such as the state of the local property market, 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 Group's planning during the construction and completion of the Luqa Development and the Mellieħa Development, this may have an adverse impact on the financial condition of the Group and the ability of the Issuer to meet its obligations under the Secured Bonds.

(ii) The property market is a very competitive market that can influence the sales of units in the Group's projects

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 Group operates may cause sales of units forming part of the developments of the Group to sell at prices which are lower than is being anticipated by it or at a slower tempo than is being anticipated. If these risks were to materialise, particularly if due to unforeseen circumstances there is a delay in the tempo of sales envisaged by the Group, they could have a material adverse impact on the Group and the Issuer's ability to repay the Bonds and interest thereon.

(iii) The Group depends on third parties in connection with its business, giving rise to counterparty risks

The Group relies upon third-party service providers such as architects, building contractors and suppliers for the construction and completion of each of its developments. The Group has engaged the services of third party contractors for the purpose of developing the Mellieħa Development and Luqa Development including, excavation, construction and finishing of the developments in a timely manner and within agreed cost parameters. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Group's expectations and in accordance with their contractual obligations. If these risks were to materialise, the resulting development delays in completion could have an adverse impact on the Group's business, and its financial condition, results of operations and prospects, that could have a material adverse impact on the Issuer's ability to meet its obligations under the Secured Bonds.

(iv) Material risks relating to real estate development may affect the economic performance and value of the Mellieħa Development and Luqa Development

There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Group's control, and which could adversely affect the economic performance and value of the current and future projects. Such factors include:

- changes in global economic conditions particularly in the European Union;
- changes in the 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 any of the properties or delay development thereof; and
- increased competition in the market segment in which the Group operates may lead to an oversupply of residential properties in such markets, which could lead to a lowering of prices and a corresponding reduction in revenue of the Group from its current developments, the Luqa Development anf the Mellieħa Development.

Any of the factors described above could have a material adverse effect on the Group's business, its respective financial condition and prospects and accordingly on the repayment of the Bond and interest thereon.

(v) The Group may be exposed to environmental or other regulatory liabilities attaching to real estate property

Current laws and regulations, which may be amended from time to time, impose a 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, including asbestos, from a property and property development, and such presence, release or migration could form the basis for liability to third parties for personal injuries or other damages.

In view of these obligations, the Group may become liable for the costs of removal, investigation or remediation of any substances, including 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 Group may also be required to remove or remediate any such substances or materials that it causes or knowingly permits at any property that it owns or may in future own.

In addition to environmental constraints, the Group's property development operations are subject to extensive regulations, including national and local regulation and administrative requirements and policies which relate to, among other things, planning, developing, land use, local urban regeneration strategy, fire, health and safety, and others. These regulations often provide broad discretion to the relevant authorities and non-compliance may adversely affect the Group's financial condition, its results of operations and its prospects.

(vi) Property valuations may not reflect actual market values

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

(vii) The Group may be exposed to cost overruns and delays in completion of the Mellieħa Development and the Luqa Development

The Mellieħa Development and the Luqa Development, being undertaken by GML and GLL respectively, are susceptible to certain risks inherent in real estate development, most notably the risk of completing each development within its scheduled completion date and within the budgeted cost. If either or both of these risks were to materialise they could have a significant impact on the financial condition of GML and,or GLL and the Issuer, and the ability of the Issuer to meet its obligations under the Secured Bonds.

In particular, the risks of delays and cost overruns, could cause actual sales revenues and costs to differ from those projected and which are affected, amongst others, by factors attributable to counter-parties, general market conditions, and competition which are beyond the Group's control. Delays in the time scheduled for completion of the Mellieħa Development and,or the Luqa Development may also cause significant delays in the tempo of the sales forecasted by the Group for units within the Mellieħa Development and,or the Luqa Development affected by such delay, which can have a significant adverse impact on the Group's financial condition and cash flows. Similarly, if the Mellieħa Development and,or the Luqa Development were to incur significant cost overruns that were not anticipated, the Group may have difficulties in sourcing the funding required for meeting such cost overruns and therefore may risk not completing the Mellieħa Development and,or the Luqa Development, which shall have a material adverse impact on the cash flows generated from sales of units and a material adverse impact on the financial condition of GML and,or GLL and ultimately the Issuer.

(viii) General exposure to funding risks

The funding of the Mellieħa Development and the Luqa Development is partly dependent on the proceeds from the gradual sale of the units of each project. In the event that the projected sale of a units is not attained or is delayed, the Group may not have sufficient funds to complete the Mellieħa Development and,or the Luqa Development, to complete the said projects within the time-frames envisaged in this document, or to pay the contractors for works performed.

2.4 Risks relating to the Guarantee

The Secured Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and secured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Secured Bonds by the Guarantors. The Secured Bonds shall at all times rank *pari passu* without any priority or preference among themselves but, in respect of the Issuer and the Guarantors they shall rank with priority or preference over all unsecured indebtedness of the Issuer and the Guarantors, if any. In view of the fact that the Secured Bonds are being guaranteed by the Guarantors on a joint and several basis, the Security Trustee, for the benefit of itself and the Bondholders, shall be entitled to request the Guarantors to pay both the interest due and the principal amount under said Secured Bonds (subject to the terms of the Guarantee) if the Issuer fails to meet any amount, when due in terms of the Prospectus.

The Guarantee given by GML is a limited guarantee and is restricted only to the value of the special hypothec over Block A to Block E forming part of the Mellieħa Development, presently being constructed and developed or such parts thereof as may be required depending on the rate of conversions of Original Bonds to First Tranche Bonds. Accordingly, no recourse to GML can be made by the Security Trustee in excess of the value of that special hypothec and no other enforcement action shall be available to the Trustee except for the enforcement over those Blocks of the Mellieħa Development subject to the special hypothec. The value of the said real estate, according to independent valuations is of *circa* €20.5 million, and the special hypothec shall be registered for that amount and interest thereon. In the event that, following the close of the Offer Period, there remains outstanding in nominal value of Original Bonds in excess of the amount standing to the credit of the Original Reserve Account, the Original Security Trustee shall retain additional security over immovable property over such parts of Blocks A to E of the Mellieħa Development as would on the basis of independent valuations obtained by the Original Security Trustee, together with the cash collateral in the Original Reserve Account, provide sufficient collateral to cover the outstanding nominal value of the Original Bond still in issue. In such case, the Bondholders will not be secured by all of Block A to Block E of the Mellieħa Development and the value of the special hypothec which will registered over this immovable property will be reduced to the value of the immovable property actually secured by virtue of the special hypothec in favour of the Security Trustee.

The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantors without having to first take action against the Issuer. The strength of this undertaking on the part of the Guarantors and therefore, the level of recoverability by the Security Trustee from the Guarantors of any amounts due under any of the Secured Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantors. The Guarantee is further supported by the Collateral over the Hypothecated Property, whilst this grants the Security Trustee a right of preference and priority for repayment over the Hypothecated Property, there can be no guarantee that the value of the Hypothecated Property over the term of the Secured Bond will be sufficient to cover the full amount of interest and principal outstanding under the Secured Bonds. This may be caused by a number of factors not least of which general economic factors that could have an adverse impact on the value of the Hypothecated Property. If such circumstances where to arise or subsist at the time that the Security Interests are to be enforced by the Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Secured Bonds.

2.5 Risks relating to Ranking of the Collateral

Notwithstanding that the Guarantors have constituted first ranking security interests in favour of the Security Trustee, in terms of the Civil Code (Cap. 16 of the Laws of Malta), the debts of certain creditors are considered privileged creditors. The claims of privileged creditors will rank with priority over the general hypothecs and the special hypothecs constituted in favour of the Security Trustee for the benefit of Bondholders should a note of inscription of a special privilege be registered with the Public Registry securing the claim of the privileged creditor. Privileged creditors include, but are not limited to, architects, contractors, masons and other workmen, over an immovable constructed, reconstructed or repair for the debts due to them in respect of the expenses and the price of their work. Although the contractors responsible for the development of the Group's development projects have waived their right to the registration of a special privilege with the Public Registry in Malta, in the course of their business, GML and GLL may contract debts with other privileged creditors. In such case, privileged creditors will rank with preference to the Security Trustee in whose favour the general hypothecs and special hypothecs are registered.

The Issuer has constituted a second ranking general hypothec over all its assets, present and future, in favour of the Security Trustee. In terms of Civil Code (Cap. 16 of the Laws of Malta), hypothecary debts are paid according to the order of registration in the Public Registry. The Issuer has constituted a first ranking general hypothec over all its assets, present and future, in favour of the Original Security Trustee as security for its obligations under the Original Bonds. Until such general hypothec is released and cancelled by the Original Security Trustee, Bondholders will be paid after Original Bondholders and privileged creditors have been paid in the case of a competition of creditors.

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

As at the date of this Registration Document, the Board of Directors of the Issuer is constituted as follows:

3.1 Directors of the Issuers and the Guarantors

Directors of the Issuer

George Muscat	Chairman and Executive Director
Paul Attard	Executive Director
Adrian Muscat	Executive Director
Francis X. Gouder	Independent Non-Executive Director
Mark Castillo	Independent Non-Executive Director
Chris Cilia	Independent Non-Executive Director

Directors of the Guarantors

The following are the directors of each of GML and GGL:

George Muscat	Executive Director
Paul Attard	Executive Director
Adrian Muscat	Executive Director

The business address of the directors is Gap Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema SLM 3060, Malta.

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

The Issuer itself has no employees and is managed directly by its board of directors. Each project company employs a number of management personnel and other employees devoted to managing each project undertaken by that respective company. The Group adopts a centralised management structure whereby it can deploy senior management personnel to perform duties in different parts of the Group depending on the requirements of each Group company; those services are then re-charged to the Group company where they are from time to time deployed. Senior management of the Group is engaged by GGCL and consists of:

George Muscat	Chairman
Paul Attard	Director of Sales and Marketing
Chris Gauci	Sales and Marketing Manager
Elton Deguara	Sales and Marketing Manager
Adrian Muscat	Director of Sites
Raymond Grixti	Projects Manager
Joseph J. Formosa	Finance Manager

3.3 Advisors

Legal Counsel to the Sponsor, Manager and Registrar

Name:	Camilleri Preziosi
Address:	Level 3, Valletta Buildings, South Street, Valletta VLT 1103 – Malta

Legal Counsel to the Issuer and Guarantors

Name:	Dr Chris Cilia
Address:	53, Doni Street, Rabat RBT 1324 – Malta

Financial Advisors to the Issuer and Guarantors

Name:	Deloitte Services Limited
Address:	Deloitte Place, Mrieħel Bypass, Mrieħel BKR 3000 – Malta

Sponsor, Manager and Registrar

Name:	Charts (a division of MeDirect Bank (Malta) plc)
Address:	The Centre, Tigné Point, Sliema TPO 0001 – Malta

3.4 Auditor of the Issuer and the Guarantors

Name:	Emanuel P. Fenech
Address:	1, Tal-Providenza Mansions, Main Street, Balzan BZN 1254 – Malta

Mr Fenech is a certified public accountant holding a practicing certificate to act as an auditor in terms of the Accountancy Profession Act, 1979 (Cap. 281 of the laws of Malta).

The following financial statements have been audited by Emanual P. Fenech of 1, Tal-Providenza Mansions, Main Street, Balzan BZN 1254, Malta:

- The consolidated financial statements of the Issuer for the financial period 1 June 2016 (being the date of incorporation) to 31 December 2016 and the financial year ended 31 December 2017;
- The financial statements of GML for the financial period 26 August 2015 (being the date of incorporation) to 31 December 2016 and the financial year ended 31 December 2017;
- The financial statements of GLL for the financial years ended 31 December 2015 to 2017.

3.5 Security Trustee

Name:	Equinox International Limited
Address:	Level 3, Valletta Buildings, South Street, Valletta VLT 1103 – Malta

Equinox International Limited is licensed by the Malta Financial Services Authority to act as a trustee or co-trustee in terms of Article 43(3) of the Trusts and Trustees Act (Chapter 331, laws of Malta).

4. INFORMATION ABOUT THE ISSUER AND THE GUARANTORS

4.1 Historical Development

4.1.1 Introduction

Full Legal and Commercial Name of the Issuer:	Gap Group p.l.c.
Registered Address:	Gap Group Head Office Ċensu Scerri Street, Tigné, Sliema, SLM 3060
Place of Registration and Domicile:	Malta
Registration Number:	C 75875
Date of Registration:	1 June 2016
Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone Number:	+356 2327 1000
Fax:	+356 2327 1210
Email:	info@gap.com.mt
Website:	http://www.gap.com.mt

The principal objects of the Issuer is that of a holding company and to promote, including through subsidiaries, the acquisition and development of real estate properties. As such, the Issuer is mainly dependent on the business prospects of its operating Subsidiaries. Each project undertaken by the Group is typically undertaken through a special purpose vehicle established for that project, and each special purpose vehicle is managed through its board of directors, which has common members with the Directors. At present, the Issuer, through the Guarantors, is involved in the construction and development of the Mellieħa and Luqa Developments, following the successful completion of other development projects in Żebbuġ, Għargħur and Qawra. The Issuer is not dependent on other entities within the Group or outside the Group with respect to the management of its projects.

4.1.2 Overview of the Issuer's Business

The Issuer was established in June 2016 as a result of the re-organisation of the Gap Group. On 6 September 2016, the Issuer acquired from Gap Group Investments p.l.c. (C 72012) the entire issued share capital of two companies, namely GML and GGL. GML purchased the site known as Ta' Masrija, over which the Mellieħa Development is being developed and constructed, by virtue of a deed published on 21 October 2016 by Notary Sam Abela. GGL acquired the site over which the Għargħur Development was constructed by virtue of a deed published by Notary Dr Andre Farrugia on 4 February 2016. The Għargħur Development is, at the date of this Prospectus, completed. In addition, by virtue of another share purchase agreement dated 6 September 2016, entered into with Gap Group Investments (III) Limited (C 76675), the Issuer acquired the entire issued share capital of GDL and all the issued ordinary 'A' shares of GHL, that between them hold the controlling interest in GGF, that in turn holds a one hundred per cent interest in the issued share capital of each of GPL and MHL. GPL is the Group company that owns the Żebbuġ Development, which has now been completed. GDL owns an undivided portion of the site situated in Triq il-Porzjunkola corner with Triq it-Tamar in Qawra, over which Blocks A, B and C of the Qawra Development were developed and are, as at the date of this Prospectus, completed. The other undivided portion of land is owned by its affiliate Geom Holdings Limited.

In December 2016, the Group (through GML) made an investment of €2.3 million in GLL (which at the time was a related party), to enable the latter company to enter into a preliminary agreement and settle other ancillary costs relating to the acquisition of a site over which the Luqa Development is being constructed. The deed of purchase was executed on 26 April 2017 and the then outstanding balance of consideration was financed mainly through a bank loan facility. On 24 January 2019, by virtue of a share transfer agreement, the Issuer acquired the entire issued share capital of GLL.

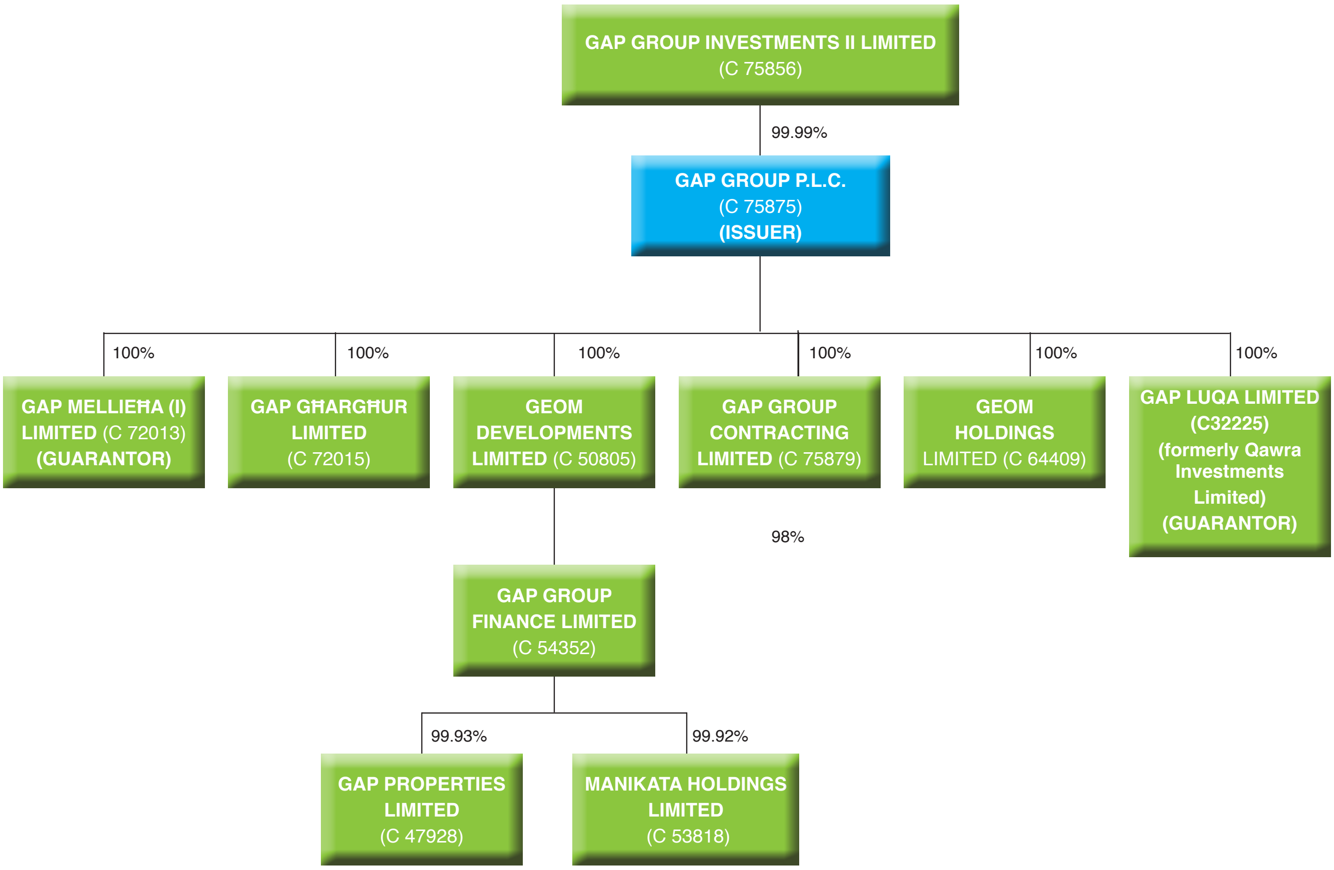
In March 2012, GGF had issued €15,500,000 7% Secured Notes of a nominal value of €1,000 each, redeemable at par between 2014 and 2016 to finance two residential projects. Both of the projects have been completed, one of which is the Żebbuġ Development and another project consisting of a number of luxury villas in Manikata. The Notes then issued were fully redeemed on their redemption date 30 March 2016.

In September 2016, the Issuer issued the Original Bonds to finance the Mellieħa Development, the Għargħur Development and the Qawra Development.

By virtue of this Prospectus, the Issuer is offering Secured Bonds divided into two fungible tranches (i) a maximum of €40,000,000 First Tranche Bonds, being offered to Eligible Applicants; and (ii) a maximum of €20,000,000 Second Tranche Bonds, being offered to Eligible Applicants and the public.The issue of the Secured Bonds is being made (i) in the case of the First Tranche Bonds, to facilitate the conversion of Original Bondholders' investment in the Original Bonds into the First Tranche Bonds; and (ii) depending on the rate of conversion from Original Bonds into First Tranche Bonds, for the purpose of raising of new capital to fund the development and completion of the Luqa Development through the issue of the Second Tranche Bonds and the settlement of all amounts outstanding under the MeDirect Facility.

Save for the above, the Issuer itself has no other trading history.

4.1.3 Group Organisational Structure



The organisational structure of the Group, which comprises the acquisitions mentioned in section 4.1.2 above, is depicted above. The Group is equally owned by three individual shareholders, namely, Paul Attard, Adrian Muscat and George Muscat, through Gap Group Investments II Limited (C 75856)[1]. Each of GML, GPL, GGL, GDL, GHL and GLL are project companies which were entrusted with the construction and development of a real-estate project.

The Issuer is dependent on the business prospects of its Subsidiaries and the distribution of profits by way of dividend in its favour by its Subsidiaries. GLL is dependent on the Issuer as to the amount of net proceeds from the Bond Issue that will be on-lent to it by the Issuer in terms of the Securities Note. GML is not dependent on other entities within the Group.

4.2 The Guarantors

4.2.1 Gap Luqa Limited

GLL is a single member private limited liability company, registered and operating in Malta in terms of the Act with company registration number C 32225, having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta. GLL has an authorised share capital of €4,658.75 (four thousand six hundred fifty eight Euro and seventy five cents) divided into 2,000 ordinary shares of €2.329373 each, and an issued share capital of €1,397.62 (one thousand three hundred ninety seven Euros and sixty two cents) divided into 600 Ordinary Shares of €2.329373 each, fully paid up. GLL was set up on 10 October 2003 to operate any land and/or buildings it acquires. See also section 4.3.1 on the Luqa Development.

The telephone number of GLL is +356 2327 1000

4.2.2 Gap Mellieħa (I) Limited

GML is a private limited liability company, registered and operating in Malta in terms of the Act with company registration number C 72013, having its registered office at GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, SLM 3060, Malta. GML has an authorised share capital of €1,200 (one thousand two hundred Euro) divided into 1,200 ordinary shares of €1.00 each and an issued share capital of €1,200 (one thousand two hundred Euro) divided into 1,200 ordinary shares of €1.00 each, fully paid up. GML was set up on 26 August 2015 to acquire the site and develop the Mellieħa Development. See also section 4.3.2 on the Mellieħa Development.

The telephone number of GML is +356 2327 1000

[1] George Muscat holds two ordinary shares directly in the Issuer. Adrian Muscat and Paul Attard each hold one ordinary share directly in the Issuer.

4.3 The Projects

4.3.1 The Luqa Development

In April 2017, GLL acquired the legal title over a site, including its sub-terrain and airspace, having *circa* 8,500m² of developable land in Luqa, accessible from eight streets, namely, Triq Ġorġ Zahra, Triq Tumas Galea, Triq l-Iskola, Triq Ġeraldu Spiteri, Triq W. Briffa, Triq Indri Micallef, Triq l-Aħwa Vassallo and Triq Ġuzeppi Callus, in an area known as Ta' Blejkiet in Luqa. The site is situated in the heart of the residential area of Luqa with close and direct access to the town's village core. The public school of the village and one of the largest supermarkets in the south of Malta are also in close vicinity and directly accessible from the proposed development. Furthermore, the property is located within a few metres from the arterial road which links the Malta International Airport to the rest of the island.

The Luqa Development is split into five zones and on completion shall comprise 21 blocks having 219 underlying lock-up garages/car spaces and 237 residential units, as detailed hereunder:

Zone	Footprint (m²)	Blocks (qty)	Garages/Car Spaces (qty)	Residential Units (qty)
A	2,182	6	49	52
B	951	3	21	23
C	2,800	6	100	81
D	980	2	17	38
E	1,545	4	32	43
	8,458	**21**	**219**	**237**

The development of Zone A is presently underway with construction envisaged to be completed by Q1 2019 and fully finished by Q2 2019. Construction and finishing of the rest of the residential zones is expected to progress gradually, with completion earmarked for Q2 2021. Excavation and construction works up to 15 December 2018 amounted to €2.1 million and total estimated costs for completion of all zones is *circa* €17.5 million. The remaining development costs will be funded principally from Bond Issue net proceeds, deposits received pursuant to preliminary sale agreements and from proceeds receivable on signing of sale contracts. All five zones are covered by full development permits.

Pursuant to the acquisition of GLL by the Group, GLL has entered into a contract for the development of the Luqa Development with GGCL for a value of approximately €17.5 million. Payment under the said contract is being settled by the company according to agreed fixed monthly payments to be determined in agreement between GGCL and GLL. In general, such payment terms are subject to negotiation and agreement by GLL and GGCL. The afore-mentioned parties entered into a public deed in the records of Notary Dr Andre Farrugia and dated 14 February 2019 which makes provision for the contractual waiver by GGCL of its right at law to register a special privilege for any amount over the Luqa Development in the event of non-payment by GLL until such time that the hypothecs and privileges granted in favour of the Security Trustee have been settled and repaid in full. The public deed is intended to protect the security interests of the Security Trustee for the benefit of Bondholders and to preserve their ranking over the assets of the Issuer and GLL, in its capacity as guarantor. Notwithstanding the foregoing, although GGCL shall make best efforts to procure that its sub-contractors so engaged from time to time shall waive any privileged rights which may be the available to them at law, there is no guarantee that such sub-contractors will accede to such request.

The project will include a mix of 1, 2 and 3 bedroomed residential units, measuring approximately 60m² to 160m², and are priced to target primarily first-time buyers and buy-to-let investors. The Directors sought this investment following the success of the Żebbuġ and Qawra Developments (both of which targeted similar market segments), and to further the business activities of the Group during this favourable period of strong demand for lower-priced property. Furthermore, the Directors believe that the prospects and demand for property in Luqa should remain buoyant, at least in the near term, due to the expected increase in employment opportunities in the area, including the upcoming expansion of Terminal II and Skyparks at Malta International Airport.

The units are being sold finished in a complete state, including all common areas. Each block will have separate entrances served with passenger lifts accessing both the apartments and the underlying garage levels. The finishes of each apartment will include electrical, plumbing, telephone and air conditioning installations points, gypsum plastering and two coats of white paint, floor tiles and bathrooms, and external apertures in double glazed aluminium.

To date, GLL has launched Zone A units on the market through various real estate agents in Malta, as well as through the Group's website and other forms of social media. As at 15 December 2018, 47 units out of a total of 52 units (90%) in Zone A are subject to promise of sale agreements. Zone B units have been launched on the market in February 2019.

Further information on the Luqa Development is included in the Architect's valuation report attached to this Registration Document.

4.3.2 *The Mellieħa Development*

In October 2015, GML entered into a preliminary agreement for the purchase and acquisition of a plot of land measuring *circa* 5,100m² with access from the three streets surrounding the property situated in the Ta' Masrija area in Mellieħa over which the Mellieħa Development shall be constructed and developed. The property was acquired pursuant to a deed of acquisition dated 21 October 2016 in the records of Notary Sam Abela.

The site is located in the village of Mellieħa in the northern region of Malta. It enjoys unobstructed country views of the imposing area known as Miżieb and distant sea views of the island's north western coastline. Moreover, the site is a short drive away from Malta's largest sandy beaches, Għadira Bay and Golden Bay and a short walk to the village centre of Mellieħa. Given the location of the site and the proposed level of finishes which will be implemented for each unit forming part of the Mellieħa Development, the Directors believe that the project offers a unique opportunity for owning residential property in this part of the island.

The Mellieħa Development is planned to comprise 152 luxury apartments which to be sold finished in a complete state, including all common areas and the formation of the road. The development is covered by a full development permit and is projected to encompass 10 blocks of apartments, each with separate entrances and served with passenger lifts accessing both the apartments and underlying garage levels. The apartments at the top level will also have access to roof level and will enjoy full ownership thereof. The development shall also include 174 lock-up underground garages spread over 3 underground levels.

As at 15 December 2018, the first four blocks (Blocks G, H, I & J) of the Mellieħa Development were fully developed, whilst the other six blocks (Blocks A to F) were at various stages of completion. The whole project is expected to be completed by Q4 2019. The amount of €9.5 million was on-lent by the Issuer to GML on 9 September 2016 for the purpose of constructing and developing the Mellieħa Development, which amount was utilised in full by GML. It is estimated that the outstanding total cost to complete the whole Mellieħa Development is *circa* €6.8 million and will be financed primarily from sales of residential units and garages.

Development works are carried out by GGCL pursuant to a works contract entered into on 5 August 2016 between GML and GGCL for a value of approximately €16.3 million. Payment under the said contract is being settled by the company according to agreed fixed monthly payments of *circa* €272,000. In general, such payment terms are subject to negotiation and agreement by GML and GGCL. The afore-mentioned parties entered into a public deed in the records of Notary Dr Andre Farrugia and dated 5 August 2016 which makes provision for the contractual waiver by GGCL of its right at law to register a special privilege for any amount over the Mellieħa Development in the event of non-payment by the Guarantor until such time that the hypothecs and privileges granted in favour of the Security Trustee have been settled and repaid in full. The public deed is intended to protect the security interests of the Trustee for the benefit of Bondholders and to preserve their ranking over the assets of the Issuer and the Guarantor.

Taking into account the characteristics of the development and its location, the units are targeted principally to Maltese residents wishing to upgrade to a higher end property, those wishing to downsize from a bigger residence or those wishing to reside in a tranquil area close to the countryside and to recreational areas, but still in good distance from the urban sprawl characterising other parts of the island. Moreover, these apartments may also be appealing to foreigners seeking to relocate to Malta and investors wishing to maximise rental income potential.

As at 15 December 2018, GML had entered into sale contracts for 38 residential units, some comprising garages/car spaces, for an aggregate value of €14.0 million units, whilst 42 residential units (including garages/car spaces in some cases) amounting to €15.8 million are subject to promise of sale agreements. As part of the issue of the Original Bonds, GML constituted the following security interests in favour of the Original Security Trustee: (i) a general hypothec over its property, both present and future; and (ii) a special hypothec over the Mellieħa Development. In turn, the Original Security undertook that, upon a sale of a unit and,or garage forming part of the Mellieħa Development, the Original Security Trustee would release the effects of the said general hypothec and special hypothec over the relative unit and,or garage provided that it receives a fixed portion of the sales proceeds of the sale of that unit and,or garage. The fixed amounts to be received by the Original Security Trustee are set out the Original Trust Deed, which fixed amounts represent approximately 75% of sales proceeds after deducting commissions payable by the Issuer (and VAT on commissions)and provisional tax on the full sales price. The Original Security Trustee holds funds received on the sale of a unit and,or garage in the Original Reserve Account for the benefit or the bondholders of the Original Bonds.

Further information on the Mellieħa Development is included in the Architect's valuation report attached to this Registration Document.

4.3.3 *Other Major Projects*

THE QAWRA DEVELOPMENT

The Qawra Development is a joint venture between GDL and GHL, both subsidiaries of the Issuer. The project is constructed over a site consisting of two divided portions of land, one measuring approximately 2,280m² (inclusive of the road formation) belonging to GHL and another portion of land measuring approximately 1,228m^2 belonging to GDL, and both situated in Triq il-Porzjunkola corner with Triq it-Tamar which is situated just off the Qawra seafront. Both portions of land were purchased by GDL and GHL by two separate contracts dated 26 March 2015 published by Notary Dr John Spiteri.

The project is fully developed and includes a total of 151 residential units and 180 garages/car spaces. As at 15 December 2018, all residential units have been sold, except for 8 residential units valued at €1.1 million which are subject to promise of sale agreements. As part of the issue of the Original Bonds, GDL constituted the following security interests in favour of the Original Security Trustee: (i) a general hypothec over its property, both present and future; and (ii) a special hypothec over Blocks A, B and C of the Qawra Development. In turn, the Original Security Trustee undertook that, upon a sale of a unit and,or garage forming part of the Qawra Development, the Original Security Trustee would release the effects of the said general hypothec and special hypothec over the relative unit and,or garage provided that it receives a fixed portion of the sales proceeds of the sale of that unit and,or garage. The fixed amounts to be received by the security trustee are set out in a trust deed between the Issuer and the Original Security Trustee dated 9th September 2016, which fixed amounts represent approximately 75% of sales proceeds after deducting commissions payable by the Issuer (and VAT on commissions)and provisional tax on the full sales price. The Original Security Trustee holds funds received on the sale of a unit and,or garage in the Original Reserve Account for the benefit or the Original Bondholders of the Original Bonds.

THE GĦARGĦUR DEVELOPMENT

In February 2016, GGL acquired the legal title of a portion of land in Għargħur, which includes its sub-terrain and airspace and measures *circa* 2,585m^2, accessible from Triq il-Kbira and Triq Caravaggio. The project is complete and comprises 34 residential units spread over 5 levels, 38 (1-car) lock-up garages and 3 (2-car) lock-up garages. As at 15 December 2018, the residential units are sold, other than 5 units valued at €2.1 million which are subject to promise of sale agreements.

4.4 Reserve Account

All sales of units, including residential units and garages/car spaces, forming part of the Hypothecated Property shall be made on condition that units are released of all hypothecary rights and privileges encumbering the units being sold. For this purpose, the Security Trustee shall be empowered to release individual units of the Hypothecated Property from the Security Interest encumbering such unit/s upon receipt by it from the Issuer, the Guarantors or from a prospective purchaser of a fixed amount of the purchase price attributed to each unit forming part of the Hypothecated Property, as further described in section 4.6 below.

For this purpose, the Security Trustee, the Guarantors and the Issuer have agreed that a fixed amount shall be set for each unit, and it is only upon receipt by the Security Trustee of such an amount that the Security Trustee shall be bound to release a particular unit from the effects of any Security Interests encumbering the Hypothecated Property. Accordingly, the security created for the interest of Bondholders shall only be reduced against a cash payment made by the Issuer in the Reserve Account to be held by the Trustee for the benefit of Bondholders. The Security Trustee shall hold the funds received in a segregated bank account with a credit institution in Malta and shall hold such funds for the benefit of Bondholders with a view to meeting the redemption of the Bonds on the Redemption Date.

Any shortfall in the amount receivable by the Security Trustee pursuant to the foregoing shall be required to be made up, in whole or in part, out of the available sale proceeds from any subsequent sale or sales until such shortfall shall have been made up in its entirety.

In accordance with the Trust Deed, the Security Trustee is authorised to release to the Issuer any funds held in and to the credit of the Reserve Account which are in excess of the aggregate value of Bonds outstanding, provided that there remain sufficient units, covered by the Security Interests, to be sold to cover the interest still to become payable on the Bonds until the Redemption Date.

The Trustee shall hold such monies standing to the credit of the Reserve Account to ensure their preservation and the Security Trustee may from time to time, but shall not be obliged to, through the engagement of a licensed investment advisor, invest such monies in such a manner and in such instruments as are herein provided, namely:

(i) any amount out of the reserve account may be held on deposit with a bank licensed as a credit institution in Malta or any Member state of the European Union, provided that not more than 50% of any amount standing to the credit of the reserve account, from time to time, shall be deposited with the same insitutution if the amount of the deposit exceeds the sum of €25 million; and/or
(ii) re-purchase of the Bonds for cancellation; and/or
(iii) any amount out of the reserve account may be invested in debt securities issued by or guaranteed by the Government of malta or other member state of the European Union or the EEA; and/or
(iv) amounts not exceeding €10 million may be invested in debt securities admitted to listing and trading on a regulated market in the European Union, provided that not more than €2 million may be exposed to one or more debt securities issued by the same issuer; and provided that such investment will not expose the reserve account to any currency exchange risk; and,or

(v) An amount not exceeding €2 million may be advanced to any member of the Group, under terms and conditions which are at arm's length, provided that the reserve accounts remains in credit by at least another €2 million following such advance.

All amounts received by the Trustee from the sales proceeds of units, forming part of the Hypothecated Property, shall be credited to the Reserve Account and shall, subject to the immediately preceding paragraph, be retained for the purpose of redeeming the Bonds on maturity. In the absence of unforeseen circumstances and subject to there being no material adverse changes in circumstances, the Directors are of the view that the percentages available for cash flows that will be credited to the Reserve Account will be sufficient to cover the redemption of the Bonds on Redemption Date.

4.5 Hypothecary Situation

GML acquired title to the Mellieħa Development by means of a public deed entered into on 21 October 2016 in the records of Notary Sam Abela. The site over which the Luqa Development is being constructed and developed was acquired by GLL on 26 April 2017 by means of a public deed in the records of Notary Sam Abela.

Pursuant to the Trust Deed, the Guarantors and the Issuer agreed to jointly and severally between them guarantee the punctual performance by the Issuer of the Bond Obligations by entering into the Guarantee, which shall become effective upon the admission to listing of the Secured Bonds on the Official List of the MSE. Further detail on the guarantee provided by each of GLL and GML is provided hereunder:

- **GLL**: is a joint and several Guarantor and shall secure its obligations under the guarantee by virtue of a general hypothec over all its assets present and future and a first ranking special hypothec over the Luqa Development for the full amount of principal outstanding under the Secured Bonds and interest thereon.

- **GML**: shall be a joint and several Guarantor in the event of the issue of any amount over and above €20 million in nominal value of Secured Bonds up to a maximum amount of €40 million in nominal value of Secured Bonds, and has secured its obligations under the guarantee by virtue of a first ranking special hypothec over Block A to Block E with underlying garages, forming part of the Mellieħa Development.

  The Guarantee given by GML is a limited guarantee and is restricted only to the value of the special hypothec over Block A to Block E with underlying garages, forming part of apartments presently being constructed and developed, forming part of the Mellieha Development. Accordingly, no recourse to GML can be made by the Security Trustee in excess of the value of that special hypothec. The value of Block A to Block E with underlying garages according to an independent architect's valuation is of €20.5 million, and the special hypothec shall be registered for that amount and interest thereon.

  Depending on the amount of conversions of Eligible Applicants to convert their Original Bonds to First Tranche Bonds, the Original Security Trustee may be required to retain sufficient security over immovables consisting of some of the blocks forming part of Block A to Block E of the Mellieħa Development. In such case, the special hypothec to be constituted in favour of the Security Trustee will not be taken over all of Block A to Block E of the Mellieħa Development and the value of the special hypothec to be registered in favour of the Security Trustee will be registered for the value of the immovable property it actually secures. The value of the guarantee to be granted by GML would also be reduced to reflect the value of the special hypothec so registered. Accordingly, should a special hypothec not be registered over Block A to Block E of the Mellieħa Development, GML shall not be constituted as a guarantor of the Bonds and GLL shall be the sole guarantor.

The Issuer shall at no point have in issue more than €60 million in bonds outstanding, whether in terms of outstanding Original Bonds or Secured Bonds or a combination of the two. Depending on the rate of conversion of Original Bonds into First Tranche Bonds and the extent of Second Tranche Bonds that may be issued, holders of Original Bonds or Secured Bonds shall at all times remain secured for the nominal value of Bonds held by either cash collateral held in the reserve account by the Original Security Trustee or hypothecary rights over immovable property or a combination of the two.

It is expected that the Original Reserve account shall have *circa* €18 million standing to its credit, with the Luqa Development having a valuation or approximately €22 million and Block A to Block E of the Mellieħa Development having an extendable value of approximately €20.5 million in aggregate.

The Secured Bonds shall therefore be secured and Bondholders shall have the benefit of the Collateral. The extent and nature of the Collateral shall depend on a number of variables, principally the rate of conversion of Original Bonds into First Tranche Bonds and the consequent issue of Second Tranche Bonds.

In any event, where all of the First Tranche Bonds are issued, the liability of the Issuer under the Original Bonds shall have been discharged and a new liability under the First Tranche Bonds created. In this case, it is expected that all the funds available in the Original Reserve Account shall be released to the Issuer and the Second Tranche Bond Option would not be exercised. The First Tranche Bonds shall in this case be secured by:

(a) a first ranking general hypothec over all the assets of the Issuer for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;

(b) a first ranking general hypothec over all present and future assets of GLL for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;
(c) a first ranking special hypothec over the Luqa Development for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;
(d) a first ranking special hypothec over Block A to Block E of the Mellieħa Development for the amount of €20.5 million and interest thereon;
(e) a pledge on insurance proceeds; and
(f) the Guarantee.

In the event that not all of the Original Bonds are converted into First Tranche Bonds, and there accordingly remains outstanding Original Bonds in issue, those Original Bonds remaining outstanding shall be secured firstly by cash collateral standing to the credit of the Original Reserve Acount. In the event that the nominal value of the Original Bonds remaining outstanding is higher than the amount standing to the credit of the Original Reserve Account, then the Original Bonds shall remain secured by a combination of the Original Reserve Account value and such parts of Block A to Block E of the Mellieħa Development that would cover the full nominal value of Original Bonds remaining outstanding. In these events the Secured Bonds will be secured by:

(a) a second ranking general hypothec over all the assets of the Issuer for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;
(b) a first ranking general hypothec over all present and future assets of GLL for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;
(c) a first ranking special hypothec over the Luqa Development for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Issuer;
(d) a first ranking special hypothec over those parts of Block A to Block E of the Mellieħa Development which are not retained to cover the Original Bonds that remain outstanding;
(e) a pledge on insurance proceeds; and
(f) the Guarantee.

The Issuer has constituted a first ranking general hypothec over all its assets, present and future, as security for all its obligations under the Original Bonds enrolled in the Public Registry of Malta with inscription number I 8717/2016. In the event that sufficient Original Bondholders surrender their Original Bonds in favour of the Issuer in exchange for First Tranche Bonds, the first ranking general hypothec will be cancelled by the Original Security Trustee. Should the said general hypothec be cancelled by the Original Security Trustee, the Bondholders will benefit from a first ranking general hypothec over all the assets of the Issuer, both present and future, as security for the Issuer's obligations under the Bond Issue.

With respect to the special hypothec over Block A to Block E of the Mellieħa Development, depending on the amount of conversions of Eligible Applicant to convert their Original Bonds to First Tranche Bonds, the Original Security Trustee may be required to retain sufficient security over immovables, consisting of some of the Block A to Block E of the Mellieħa Development. In such case, the special hypothec to be constituted in favour of the Security Trustee will not be taken over all of Block A to Block E of the Mellieħa Development and the value of the special hypothec to be registered in favour of the Security Trustee will be registered for the value of the immovable property it actually secures. By way of illustration, if the special hypothec to be granted in favour of the Security Trustee will only secure Block D and Block E, the special hypothec will be registered for a value of €10 million and interest thereon.

The Collateral will be constituted in favour of the Trustee for the benefit of the Bondholders. The Collateral will secure the claim of the Trustee for the repayment of the principal and interest under the Secured Bonds by a preferred claim over the Hypothecated Property. In addition, the general hypothec over the property, present and future, of GLL will also grant to the Trustee, as additional and further security for the repayment of the Bonds, a preferred and prior ranking claim over all other unsecured creditors of the GLL. In the case of the special hypothec consitituted over Block A to Block E with underlying garages forming part of the Mellieħa Development, such collateral shall be registered for the value of €20.5 million in nominal value of Secured Bonds and interest thereon representing the value of the immovable property hypothecated by virtue of the special hypothec over the Mellieħa Development. Accordingly, the secured claim of the Security Trustee, insofar as the collateral constituted by GML is concerned, shall be limited to the amount of €20.5 million in nominal value of Secured Bonds and interest thereon.

Accordingly, following the issue of the Bonds and application of the Bond net proceeds in accordance with the terms of the Securities Note, the Security Trustee will have the benefit of first ranking special hypothecs over the Hypothecated Property:

(i) In the case of GLL, a first ranking general hypothec over all its assets, present and future, and a first ranking special hypothec over the Luqa Development for the full amount of principal and interest outstanding under the Secured Bonds, which, if all Secured Bonds are subscribed to, amounts to €40 million and interests thereon; and
(ii) In the case of GML, a first ranking ranking special hypothec over Block A to Block E including underlying garages forming part of the Mellieħa Development for the amount of €20.5 million in nominal value of Secured Bonds and interest thereon.

In the case of the Issuer, a second ranking general hypothec shall be constituted over all its assets, present and future for the full amount of principal and interest outstanding under the Secured Bonds, which, if all Secured Bonds are subscribed to, amounts to €40 million and interests thereon. Such general hypothec may be converted to a first ranking general hypothec should sufficient Eligible Applicants surrender Original Bonds in exchange for First Tranche Bonds.

In the event that sales from units are delayed or the Group does not generate the required cash flows from sales as anticipated, the Group may well not have sufficient funds to complete the Mellieħa Development and the Luqa Development, or to pay GGCL for works performed. Whilst in terms of law an unpaid contractor would be entitled to register a special privilege, GML and GLL have entered into public deeds with GGCL which make provision for the contractual waiver by GGCL of its right at law to register a special privilege for any amount in relation to the Mellieħa Development and the Luqa Development respectively in the event of non-payment by GML and GLL respectively, until such time that the hypothecs and privileges granted in favour of the Security Trustee have been settled and repaid in full.

4.5.1 Dynamics for Closing

Following the Bond Issue, all proceeds shall be held by the Security Trustee who shall, save for the payment of the expenses related to the Bond Issue, retain all remaining Bond proceeds until all security for the benefit of Bondholders has been duly perfected and registered and the Secured Bonds are admitted to the Official List of the Malta Stock Exchange. The Bonds shall not be admitted to the Official List of the Malta Stock Exchange unless all security has been duly perfected in accordance with the ranking set out in this Registration Document. It is expected that within 15 Business Days from the close of the Bond Issue and following allocation of the Bonds, each of the Issuer and the Guarantors shall appear on a deed of constitution of hypothec with the Security Trustee to grant and constitute in favour of the Security Trustee the Security Interests over their respective assets.

Following registration of the afore-mentioned notarial deeds and the presentation to the Security Trustee of the appropriate notes of hypothec, the Security Trustee shall release the remaining proceeds of the Bond Issue to the Issuer.

4.6 Releasing Security and the Reserve Account

All sales of residential units and garages/car spaces forming part of the Hypothecated Property are expected to be executed on the basis that units are sold free and unencumbered, and accordingly released of all hypothecary rights and privileges encumbering those units. For this purpose, the Security Trustee is authorised and empowered, pursuant to the Trust Deed, to release individual units of the Hypothecated Property from the Security Interest encumbering such unit/s and garage space/s upon receipt by it from the Company or from a prospective purchaser of a fixed portion of the purchase price of each unit and garage space, as better described below.

The Security Trustee and the Issuer have agreed on a list of projected prices for each unit and garage/car space sold in terms of Block A to Block E of the Mellieħa Development and for each unit and garage/car space of the Luqa Development (the "**Projected Sales Price/s**"). The Projected Sales Prices reflect the opinion of the Directors as at the date of this Prospectus.

In terms of the Trust Deed, the Trustee shall only be bound to release the Security Interests registered in its favour over a particular residential unit or garage/car space against receipt by it of an amount as provided hereunder:

- For the initial €10 million of signed sales contracts, the Trustee shall receive 20% of the Projected Sales Price assigned to the respective unit and/or garage/car space being sold;
- For the next €10 million of signed sales contracts (over and above the initial €10 million of concluded sales contracts), the Trustee shall receive 30% of the Projected Sales Price assigned to the respective unit and/or garage/car space being sold;
- For the subsequent €20 million of signed sales contracts (over and above the previous €20 million of concluded sales contracts), the Trustee shall receive 65% of the Projected Sales Price assigned to the respective unit and/or garage/car space being sold;
- Over and above €40 million of signed sales contracts, the Trustee shall receive 75% of the Projected Sales Price assigned to the respective unit and/or garage/car space being sold.

For the purpose of determining the cumulative value of signed sales contracts, the Trustee shall take into consideration the Projected Sales Price of the units and garages/car spaces being sold (and not the actual contracted value of sale).

The above procedure is intended to ensure that the security created for the interest of Bondholders is only reduced against a cash payment made by the Issuer to the credit of the Reserve Account to be held by the Security Trustee for the benefit of Bondholders.

The funds so received by the Security Trustee shall be held by it under trust in a segregated bank account with a licensed credit institution in Malta for the benefit of the Bondholders and shall be so held with a view to meeting the redemption of the Secured Bonds on the Redemption Date or otherwise for the Issuer to re-purchase Secured Bonds in the market for cancellation. Any shortfall in the amount receivable by the Security Trustee pursuant to the foregoing shall be required to be made up, in whole or in part, out of the available sale proceeds from any subsequent sale or sales until such shortfall shall have been made up in its entirety.

In the absence of unforeseen circumstances and subject to there being no material adverse changes in circumstances, the Directors are of the view that the percentages of the Projected Sales Price of units and garages/car spaces in the Hypothecated Property allocated to the Security Trustee from available cash flows that will be credited to the Reserve Account will be sufficient to cover the redemption of the Secured Bonds on the Redemption Date.

5 TREND INFORMATION AND FINANCIAL PERFORMANCE

5.1 Trend Information

The Issuer and Guarantors consider that generally they shall be subject to the normal business risks associated with the property market and, barring unforeseen circumstances, do not anticipate any likely material adverse effect on their respective upcoming prospects, at least up to the end of 2019.

Property prices of residential property in Malta increased substantially by 16.9% in the 12 months to the end of June 2018 compared to a year earlier, mainly due to a 21.3% increase in prices of apartments. This positive trend was witnessed in the last 5 years - during which property prices registered an increase of 66.2% (Q2 2013 to Q2 2018) – primarily due to a strong economy and a robust labour market.[1]

Malta's real Gross Domestic Product ("GDP") rose by 6.4% in 2017, one of the highest growth rates within the EU, while the solid performance of the internationally-oriented services sector contributed to maintain Malta's sizeable current account surplus. Growth is set to remain robust but to moderate over the forecast horizon. The economic momentum is expected to further support employment creation, on the back of record-low unemployment and increasing labour supply (resulting from the inflows of foreign workers and the rising participation of women in the labour market). Overall, real GDP is forecast to increase by 5.4% in 2018 and 5.0% in 2019.[2]

The strong response from investors for the Group's latest projects - Qawra Development, Għargħur Development, Mellieħa Development and the Luqa Development - has shown that there is active demand for real estate in Malta, which is supporting a steady increase in prices notwithstanding the rise in the number of developments undertaken in Malta in the last few years and others which are due to commence in the near term. As such, the Directors are of the view that the property market in Malta should remain buoyant provided the general economy continues to register a robust annual growth trajectory.

In the immediate term, Gap Group will be primarily focused on completing the Mellieħa Development and the Luqa Development, and will also be active in marketing these properties on offer.

5.2 Key Financial Review

5.2.1 The Issuer

The historical financial information about the Issuer is included in the audited consolidated financial statements for the financial period 1 June 2016 (being the date of incorporation) to 31 December 2016 and the financial year ended 31 December 2017. The interim financial information about the Issuer is extracted from the unaudited consolidated financial information for the 6 month period 1 January 2018 to 30 June 2018. The said statements have been published and are available at the Issuer's registered office and on the Issuer's website.

GAP Group p.l.c. **Consolidated Income Statement**	**for the year ended 31 December**		**for the 6-mth period ended 30 June**	
	2016*	**2017**	**2017**	**2018**
	Audited	**Audited**	**Unaudited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**
Revenue	14,804	14,982	1,821	8,671
Cost of sales	(10,595)	(11,154)	(1,092)	(6,533)
Administrative expenses	(748)	(935)	(137)	(515)
EBITDA	**3,461**	**2,893**	**592**	**1,623**
Depreciation	(4)	-	-	-
Net finance costs	(1,393)	(1,111)	(203)	(130)
Profit/(loss) before tax	**2,064**	**1,782**	**389**	**1,493**
Taxation	(1,161)	(1,197)	(143)	(730)
Profit/(loss) for the year	**903**	**585**	**246**	**763**
Other comprehensive income				
Movement in fair value of financial assets	101	107	53	53
Total comprehensive income for the year/period	**1,004**	**692**	**299**	**816**

* Income Statement for the period 1 June 2016 to 31 December 2016

[1] Central Bank of Malta, Property Price Index
[1] European Commission, European Economic Forecast Summer 2018 (Interim), July 2018

GAP Group p.l.c.
Consolidated Balance Sheet

As at	**31 Dec'16**	**31 Dec'17**	**30 Jun'18**
	Audited	**Audited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**
ASSETS			
Non-current assets			
Property, plant and equipment	3	10	8
Investments - available for sale	10,600	6,072	3,609
Loans and other receivables	6,688	10,249	10,944
Sinking fund	311	4,813	8,732
	17,602	21,144	23,293
Current assets			
Inventory - development project	34,213	33,701	37,110
Trade and other receivables	1,548	858	1,566
Cash and cash equivalents	3,722	1,203	1,212
	39,483	35,762	39,888
Total assets	**57,085**	**56,906**	**63,181**
EQUITY			
Capital and reserves			
Called up share capital	2,500	2,500	2,500
Other capital	2,601	2,708	2,761
Retained earnings	903	1,488	2,251
	6,004	**6,696**	**7,512**
LIABILITIES			
Non-current liabilities			
Other financial liabilities	2,503	5	5
Debt securities	39,310	39,362	39,418
	41,813	39,367	39,423
Current liabilities			
Bank overdrafts	21	22	519
Borrowings and other financial liabilities	-	3	3
Other current liabilities	9,247	10,818	15,724
	9,268	10,843	16,246
	51,081	**50,210**	**55,669**
Total equity and liabilities	**57,085**	**56,906**	**63,181**

GAP Group p.l.c.
Consolidated Cash Flow Statement

	for the year ended 31 December		for the 6-mth period ended 30 June	
	2016*	**2017**	**2017**	**2018**
	Audited	**Audited**	**Unaudited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**
Net cash from operating activities	(25,559)	3,250	(1,541)	1,648
Net cash from investing activities	(10,554)	568	2,732	(513)
Net cash from financing activities	39,814	(6,338)	(1,280)	(1,622)
Net movement in cash and cash equivalents	**3,701**	**(2,520)**	**(89)**	**(487)**
Cash and cash equivalents at beginning of year/period	-	3,701	3,701	1,181
Cash and cash equivalents at end of year/period	**3,701**	**1,181**	**3,612**	**694**

* Cash Flow Statement for the period 1 June 2016 to 31 December 2016

During the financial period 1 June 2016 to 31 December 2016, Gap Group generated revenue amounting to €14.8 million, primarily from sales of the remaining units at Żebbuġ and Manikata. EBITDA for the period amounted to €3.5 million and after accounting for net finance costs of €1.4 million and taxation of €1.2 million, the Group reported a profit after tax of €0.9 million. In the period under review, the Gap Group registered total comprehensive income of €1.0 million after accounting for a gain of €0.1 million in fair value of financial assets.

In October 2016, the Issuer raised €40 million through the issuance of secured bonds to the public. The amount of €25,759,748 out of net bond issue proceeds were utilised in terms of the prospectus dated 16 September 2016 as follows:

- The amount of €9,649,563 was used to finance the acquisition of the site in Mellieħa and related contract expenses;
- The aggregate amount of €13,110,185 was applied in part settlement and discharge of the acquisition consideration from Gap Group Investments (III) Limited of the entire share capital of GDL and all the ordinary 'A' shares of GHL;
- The amount of €3,000,000 was used to refinance a bank loan which was made available by Mediterranean Corporate Bank Limited to GGF; and
- The remaining balance of net bond issue proceeds is being applied towards the costs of construction and development of the Group's projects.

The balance sheet as at 31 December 2016 reflects the re-organisation of the Gap Group undertaken during the year, whereby the Issuer acquired the issued share capital of GML, GGL, GDL, GHL. As a result of such acquisitions, the Issuer indirectly obtained ownership of the Mellieħa Development, the Għargħur Development, the Żebbuġ Development and the Qawra Development.

Total assets of the Gap Group as at 31 December 2016 amounted to €57.1 million and primarily included stock representing real estate property held for resale (€34.2 million), and cash and liquid assets amounting to €14.3 million. Furthermore, loans and other receivables totalling €6.7 million includes an amount of €2.3 million which was advanced to GLL (then being a related party) for the purpose to acquire the site on which the Luqa Development is being constructed. Other than equity (€6.0 million), Gap Group is financed through debt securities (€39.3 million) and cumulative preference shares held by a third party in GHL amounting to €2.5 million. Other current liabilities comprise an amount of €2.8 million being deposits received from customers pursuant to promise of sale agreements.

During FY2017, Gap Group generated revenue amounting to €15.0 million, an increase of €0.2 million (+1.2%) compared to FP2016, primarily from sales of the remaining units at Żebbuġ and the Qawra Developments. EBITDA for the period amounted to €2.9 million, a decrease of €0.6 million (-16.4%) compared to FP2016. After accounting for net finance costs of €1.1 million and taxation of €1.2 million, the Group reported a profit after tax of €0.6 million. In FY2017, Gap Group registered total comprehensive income of €0.7 million after accounting for a gain of €0.1 million in fair value of financial assets.

Total assets of Gap Group as at 31 December 2017 amounted to €56.9 million and primarily included stock representing real estate property held for resale (€33.7 million), and cash and liquid assets amounting to €7.3 million. Furthermore, loans and other receivables totalling €10.2 million includes an amount of €2.3 million which was advanced to GLL (then being a related party) for the purpose of acquiring the Luqa site. Other than equity (€6.7 million), Gap Group is financed through debt securities (€39.4 million) with the cumulative preference shares held GHL amounting to €2.5 million being paid during FY2017.

During the six-month period ended 30 June 2018, the Group generated €8.7 million in revenue, as compared to €1.8 million in the comparable period ended 30 June 2017, mainly from sales contracts of units in the Qawra Development (€3.6 million), Għargħur Development (€1.3 million) and Mellieħa Development (€3.6 million). After accounting for cost of sales, other expenses and taxation, the Group declared comprehensive income for the year amounting to €0.8 million (FP2017: €0.3 million).

Inventory as at 30 June 2018 amounted to €37.1 million and principally comprised work-in-progress relating to the development of the Mellieħa Development, and to a lesser extent, the Għargħur Development and the Qawra Development. Liquid assets (including available-for-sale investments, sinking fund and cash) amounted to €13.6 million. Other assets comprised loans due from related parties of €10.9 million. As to liabilities, the Group had outstanding €40 million in 4.25% secured bonds due in 2023, advance deposits amounting to €5.1 million and capital creditor balances of €7.9 million.

5.2.2 The Guarantors

GAP MELLIEĦA (I) LIMITED

The historical financial information about GML is included in the audited financial statements for the financial period 26 August 2015 (being the date of incorporation) to 31 December 2016 and the financial year ended 31 December 2017. The interim financial information about GML is extracted from the unaudited financial information for the 6 month period 1 January 2018 to 30 June 2018. The said statements have been published and are available at the Issuer's registered office.

Gap Mellieha (I) Limited
Income Statement

	for the year ended 31 December		for the 6-mth period ended 30 June	
	2016*	**2017**	**2017**	**2018**
	Audited	**Audited**	**Unaudited**	**Unaudited**
	(€'000)	**(€'000)**	**(€'000)**	**(€'000)**
Revenue	-	-	-	3,612
Cost of sales	-	-	-	(2,618)
Administrative expenses	(4)	(4)	(1)	(223)
EBITDA	**(4)**	**(4)**	**(1)**	**771**
Net finance costs	-	2	-	-
Profit/(loss) before tax	**(4)**	**(2)**	**(1)**	**771**
Taxation	-	-	-	(278)
Total comprehensive income for the period/year	**(4)**	**(2)**	**(1)**	**493**

* Income Statement for the period 26 August 2015 to 31 December 2016

Gap Mellieha (I) Limited Balance Sheet As at	31 Dec'16 Audited (€'000)	31 Dec'17 Audited (€'000)	30 Jun'18 Unaudited (€'000)
ASSETS			
Non-current assets			
Loans and other receivables	2,303	2,303	2,353
	2,303	2,303	2,353
Current assets			
Inventory - development project	12,268	16,419	22,556
Trade and other receivables	19	23	18
Cash and cash equivalents	248	14	529
	12,535	16,455	23,103
Total assets	**14,838**	**18,758**	**25,456**
EQUITY			
Capital and reserves			
Called up share capital	1	1	1
Retained earnings	(4)	(6)	487
	(3)	**(5)**	**488**
LIABILITIES			
Current liabilities			
Other financial liabilities	13,742	15,270	7,799
Other current liabilities	1,099	3,493	17,169
	14,841	**18,763**	**24,968**
Total equity and liabilities	**14,838**	**18,758**	**25,456**

Gap Mellieha (I) Limited Cash Flow Statement	for the year ended 31 December		for the 6-mth period ended 30 June	
	2016* Audited (€'000)	2017 Audited (€'000)	2017 Unaudited (€'000)	2018 Unaudited (€'000)
Net cash from operating activities	(11,192)	(1,862)	794	7,986
Net cash from investing activities	-	99	-	50
Net cash from financing activities	11,440	1,528	(959)	(7,521)
Net movement in cash and cash equivalents	**248**	**(234)**	**(165)**	**515**
Cash and cash equivalents at beginning of period/year	-	248	248	14
Cash and cash equivalents at end of period/year	**248**	**14**	**83**	**529**

* Cash Flow Statement for the period 26 August 2015 to 31 December 2016

In FP2016, GML acquired the site known as Ta' Masrija in Mellieħa for the development of the Mellieħa Development. During FP2016, the site was fully excavated and construction commenced on the first two blocks (Blocks I & J). As at 31 December 2017, the cost of land and development costs amounted to €16.4 million (2016: €12.3 million). During FP2016, the amount of €2.3 million was advanced to GLL to acquire the site earmarked for the Luqa Development, which loan remained unchanged in the subsequent financial year. The said loan bears interest at 4.5% annually and is repayable by 2021.

Due to the completion of a number of units as of Q4 2017, the company entered into sales contracts amounting to €3.6 million during the initial two quarters of 2018. EBITDA for the period under review amounted to €0.8 million and the company reported a comprehensive income of €0.5 million.

The asset side of the balance sheet as at 30 June 2018 includes inventory (work-in-progress on development projects) amounting to €22.6 million, whilst liabilities mainly comprise capital creditors of €14.6 million (payable to third party contractors and GGCL) and advance deposits amounting to €3.3 million. Further information on the afore-mentioned development project is provided in section 4.3.2 of this Registration Document.

GAP LUQA LIMITED

The historical financial information about GLL is included in the audited financial statements for the financial years ended 31 December 2015 to 2017. The interim financial information about GLL is extracted from the unaudited financial information for the 6 month period 1 January 2018 to 30 June 2018. The said statements have been published and are available at the Issuer's registered office.

Gap Luqa Limited (formerly Qawra Investments Limited)
Income Statement

	for the year ended 31 December			for the 6-mth period ended 30 June	
	2015	2016	2017	2017	2018
	Audited	Audited	Audited	Unaudited	Unaudited
	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)
Revenue	97	-	3,571	304	1,940
Cost of sales	(62)	-	(2,642)	(297)	(1,141)
Administrative expenses	(9)	(6)	(76)	(1)	(29)
EBITDA	**26**	**(6)**	**853**	**6**	**770**
Net finance costs	(7)	-	-	-	-
Profit/(loss) before tax	**19**	**(6)**	**853**	**6**	**770**
Taxation	(8)	-	(214)	(25)	(140)
Total comprehensive income for the period/year	**11**	**(6)**	**639**	**(19)**	**630**

Gap Luqa Limited (formerly Qawra Investments Limited)
Balance Sheet

As at	**31 Dec'15**	**31 Dec'16**	**31 Dec'17**	**30 Jun'18**
	Audited	Audited	Audited	Unaudited
	(€'000)	(€'000)	(€'000)	(€'000)
ASSETS				
Non-current assets				
Loans and other receivables	-	-	-	9,179
	-	-	-	9,179
Current assets				
Inventory - development project	1,210	3,736	9,555	9,607
Trade and other receivables	53	3,920	1,651	151
Cash and cash equivalents	6	22	197	170
	1,269	7,678	11,403	9,928
Total assets	**1,269**	**7,678**	**11,403**	**19,107**
EQUITY				
Capital and reserves				
Called up share capital	1	1	1	1
Retained earnings	106	100	740	1,369
	107	**101**	**741**	**1,370**
LIABILITIES				
Non-current liabilities				
Bank loans and other financial liabilities	700	3,338	8,504	16,216
	700	3,338	8,504	16,216
Current liabilities				
Bank loans and other financial liabilities	421	3,903	1,172	-
Other current liabilities	41	336	986	1,521
	462	4,239	2,158	1,521
	1,162	**7,577**	**10,662**	**17,737**
Total equity and liabilities	**1,269**	**7,678**	**11,403**	**19,107**

Gap Luqa Limited (formerly Qawra Investments Limited)
Cash Flow Statement

	for the year ended 31 December			for the 6-mth period ended 30 June	
	2015	2016	2017	2017	2018
	Audited	Audited	Audited	Unaudited	Unaudited
	(€'000)	(€'000)	(€'000)	(€'000)	(€'000)
Net cash from operating activities	(1,040)	(8,408)	(2,162)	(6,348)	1,165
Net cash from investing activities	-	-	-	-	1
Net cash from financing activities	1,046	8,422	2,339	6,628	(1,193)
Net movement in cash and cash equivalents	**6**	**14**	**177**	**280**	**(27)**
Cash and cash equivalents at beginning of period/year	-	6	20	22	197
Cash and cash equivalents at end of period/year	**6**	**20**	**197**	**302**	**170**

As at 31 December 2016, GLL held a development property in Lija and the site related to the Luqa Development. No material income was generated in FY2015 and FY2016.

Revenue in FY2017 amounted to €3.6 million, which was generated from the sale of *circa* 70% of units from phase A of the Lija project. The remaining units of Phase A, together with all units in Phase B, were subject to promise of sale agreements. EBITDA in FY2017 amounted to €0.9 million and total comprehensive income amounted to €0.6 million, the difference of which represented tax charge for the year.

During the six-month period ended 30 June 2018, revenue amounted to €1.9 million and comprised further sales of units from the Lija project and the disposal of a plot within the Luqa Development. GLL registered total comprehensive income for the interim period of €0.6 million.

Total assets as at 30 June 2018 amounted to €19.1 million and principally included inventory (work-in-progress on development project) of €9.6 million and related party loans receivable of €9.2 million. Liabilities mainly comprised related party loans amounting to €11.1 million, bank loan of €5.1 million and other creditors amounting to €1.5 million.

5.3 Investments

Since incorporation, the Issuer made the investments described in section 4.1.2. The Issuer has not made any investments and has not made any commitments for any principal investments since the date of its last published audited accounts of the 31 December 2017.

6 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

6.1 The Board of Directors of the Issuer and Guarantors

A board of 6 (six) directors is entrusted with the overall direction and management of the Issuer. The Board currently consists of the Chairman as an Executive Director, two Executive Directors, and three independent Non-Executive Directors. The business address of each Director is at Gap Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema SLM 3060, Malta.

The Board of Directors is entrusted with the Company's day-to-day management, and is responsible for the execution of the Company's investments and the funding thereof, and awarding of project contracts for the development of the Company's properties.

6.1.1 Curriculum Vitae of Directors

The following are the directors of the Issuer and their respective curriculum vitae:

George Muscat: who started his property development and construction business in the seventies. While originally focusing on single building units, predominantly residential and car-parking units, in more recent years Mr Muscat embarked on larger and more ambitious projects, including the construction of up-market multiple residential units. George Muscat is also a shareholder and director of various other companies in the construction, property development, and real estate business including Gap Group Holdings Limited which has undertaken various property developments. Present day, under the leadership of Mr Muscat, the Group has built up a considerable portfolio of residential and commercial developments at prices which service all sectors of the market. Since 2001, George Muscat has been involved in over 40 property development projects producing more than 2,000 residential units in Malta and Gozo.

George Muscat is also a director and the ultimate beneficial holder of 50% of the equity capital of Bay Street Holdings Limited which owns, manages, and operates the Bay Street Entertainment Complex in Paceville, St Julians. The Baystreet complex has today has evolved into an entertainment hub with more than 70 retail outlets, restaurants, a language school, and a 4-star hotel. The complex has recently been expanded by a further 3 floors.

Mr Muscat is also a founder and director of Gap Developments p.l.c. and responsible for the development of the prestigious Fort Cambridge project. The latter is the largest and highest residential development in Malta comprising 350 seafront residential units, a commercial area and office block.

Paul Attard: who is a founder and director of Gap Group Holdings Limited. Having previously worked as a property consultant with a number of leading estate agencies in Malta, Paul Attard has been responsible, since the incorporation of Gap Group Holdings Limited in 2001, for driving and overseeing its sales and marketing initiatives. Mr Attard is also a director of Gap Developments p.l.c., responsible for sales and marketing.

Adrian Muscat: who began his career as a property consultant before moving on to project management. As a founder and director of Gap Group Holdings Limited, Adrian Muscat has led the project team responsible for on-site management of the projects undertaken by Gap Group Holdings Limited since 2001.

Francis X. Gouder: began his career at Barclays Bank DCO (later Mid-Med Bank and HSBC Bank Malta p.l.c.). For a short period, he was seconded to Lohombus Corporation. At HSBC Bank Malta p.l.c., Mr Gouder was responsible for the efficient running of all HSBC branches forming part of the southern Malta. In May 2009 Mr Gouder joined Banif Bank Malta p.l.c. as consultant to the Executive Committee and Head of Executive Banking. Francis X. Gouder is also a non-executive director of Bay Street Finance p.l.c.

Mark Castillo: served as a non-executive director on the board of directors of Gap Developments p.l.c. between 2006 and 2011, after a career in international banking spanning more than 45 years, which included high profile positions in Malta and Canada with major Banks such as Barclays Bank, MidMed Bank, Banco Central Hispano, Bank of Valletta p.l.c., and Sparkasse Bank Malta p.l.c.

Chris Cilia: graduated as a Doctor of Law from the University in Malta. He has been practicing in Civil Law for the past 20 years. He is also currently serving as Deputy Chairman of the Malta Gaming Authority and also as Chairman of the Audit Committee of the same authority.

As at the date of this Prospectus, the board of directors of GML and GLL is comprised of George Muscat, Paul Attard and Adrian Muscat (management expertise and experience is set out above). Paul Attard acts as Company Secretary.

The business address of each of the directors and the company secretaries is GAP Holdings Head Office, Ċensu Scerri Street, Tigné, Sliema, Malta, SLM 3060, and with telephone number (+356) 23271000.

None of the directors of the Issuer and Guarantors have a written service contract with either the Issuer or any of the Guarantors.

In accordance with the Articles of Association of each of the Issuer and Guarantors, the total emoluments payable to all directors, whether as fees and/or salaries by virtue of holding employment with the company, is subject to shareholder approval at general meeting.

The directors currently in office are expected to remain in office at least until the next Annual General Meeting.

6.2 Conflict of Interest

George Muscat, Paul Attard and Adrian Muscat are directors of the Issuer, its parent company Gap Group Investments II Limited (C 75856), and of each of the Guarantors and GGCL. Accordingly, conflicts of interest could potentially arise in relation to transactions involving the Issuer, the Guarantors and GGCL as the main contractor for the Mellieħa Development and the Luqa Development.

The audit committee of the Issuer, which is presided over by Francis X. Gouder, an independent Non-Executive Director, as chair, has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by Directors, are handled in the best interest of the Issuer and according to law. To the extent known or potentially known to the Issuer as at the date of this Registration Document, there are no other potential conflicts of interest between any duties of the directors of the Issuer and/or the Guarantors, as the case may be, and their private interests and/or their other duties which require disclosure in terms of the Regulation.

6.3 Loans to Directors

There are no loans outstanding by the Issuer and/or the Guarantors to any of their respective directors nor any guarantees issued for their benefit by the Issuer and/or the Guarantors.

6.4 Removal of Directors

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

6.5 Powers of Directors

By virtue of the Articles of Association of the Issuer and the Guarantors, the directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting. The powers of the directors of the Issuer and the Guarantors are better described in sections 13.3.3 and 13.4.3 below.

7 MANAGEMENT STRUCTURE

7.1 General

The Issuer itself has no employees and is managed directly by its board of directors. Each project company has a number of management personnel and other employees devoted to managing each development project undertaken by that project company. The Group adopts a centralised management structure whereby it can deploy senior management personnel to perform duties in different parts of the Group depending on the requirements of each Group company; those services are then re-charged to the Group company where they are from time to time deployed. Senior management of the Group is engaged by GGCL and are included in section 3.2 above.

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

7.2 Major Shareholders

The Issuer's majority shareholder is Gap Group Investments II Limited (C 75856), which is the holder of 99.9% of the issued share capital of the Issuer. Paul Attard, Adrian Muscat and George Muscat, the directors of the Issuer, hold the remainder of the shares collectively between them. Paul Attard and Adrian Muscat each hold one (1) ordinary share in the issued share capital of the Issuer whereas George Muscat holds two ordinary shares in the issued share capital of the Issuer. In accordance with the Code of Corporate Governance, the Issuer adopts measures to ensure that the relationship with its shareholders and the three individual Directors (Paul Attard, Adrian Muscat and George Muscat) who are the ultimate beneficial owners of all the shares in the Issuer is retained at arm's length, including adherence to Rules on Related Party Transactions requiring the sanction of the Audit Committee, in which the majority is constituted by independent Non-Executive Directors, of which one shall also act as chairman.

8 RELATED PARTY TRANSACTIONS

The Issuer has on 9 September 2016 entered into an Intra-Group Facility Agreement with GML pursuant to which the Issuer on-lent the amount of €19,395,000 to GML to be used for the following purposes (i) €9,895,000 for the acquisition of the land over which the Mellieħa Development is being constructed; and (ii) the balance for costs related to the construction and development of the Mellieħa Development. The said loan is repayable by GML on 15 September 2023 and bears interest at the rate of 4.5% to be paid semi-annually in arrears. The loan amount was advanced by the Issuer from net proceeds received from the Original Bond Issue.

The Issuer has on 9 September 2016 entered into a subordinated Intra-Group Facility Agreement pursuant to which GAP Group Investments (II) Limited lent the amount of €2.5 million to the Issuer as part funding of the acquisition of the entire issued share capital in GML and GGL. The amounts due under the loan agreement are subordinated to the rights of the Original Bondholders in terms of the Original Bonds.

The Issuer has on 9 September 2016 entered into an Intra-Group Facility Agreement with GGL pursuant to which the Issuer on-lent the amount of €2.2 million to GGL for the purposes of funding construction and development costs pertaining to the Għarghur Development. The said loan is repayable by GGL on 15 September 2023 and bears interest at the rate of 4.5% to be paid semi-annually in arrears. The loan amount was advanced by the Issuer from net proceeds received from the Original Bond Issue.

On 29 April 2017, GML granted GLL a loan of approximately €2.3 million to be used by GLL for the funding of the Luqa Development. The said loan is repayable on the 31 December 2021 and bears interest at the rate of 4.5% to be paid annually in arrears.
The Issuer has on 24 January 2019 acquired from Gap Group Investments II Limited (C 75856) the entire share capital of GLL for a consideration of *circa* €12.8 million. The acquisition price shall be settled from excess cash to be generated from the sale of property. Gap Group Investments II Limited (C 75856) is the immediate parent of the Issuer.

On 14 February 2019, GLL entered into a works contract with GGCL for the execution and completion of the civil works, finishes and overheads pertaining to the construction of the Luqa Development for the total price of €17,500,000. Pursuant to this contract, the stipulated price cannot be amended. Furthermore, GGCL agreed to waive the right to register a special privilege over the afore-mentioned development.

9 AUDIT COMMITTEE

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

Briefly, the Committee is expected to deal with and advise the Board on the following matters on a Group-wide basis: its monitoring responsibility over the financial reporting processes, financial policies and internal control structures; maintaining communications on such matters between the Board, management and the independent auditors; and preserving the Group's assets by understanding the risk environment and determining how to deal with those risks.

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

All Directors sitting on the Audit Committee are Independent Non-Executive Directors. Francis X. Gouder acts as chairperson, whilst Mark Castillo and Chris Cilia act as members. Francis X. Gouder is the independent Non-Executive Director who is competent in accounting and/or auditing matters having previously served in various senior positions in a financial institution.

The Audit Committee, pursuant to its terms of reference has a remit that covers each of the Guarantors, apart from the Issuer.

10 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Company is subject to, and supports, the Code of Principles of Good Corporate Governance (the "Code") forming part of the Listing Rules. The Board has taken such measures as are necessary in order for the Company to comply with the requirements of the Code to the extent that these were considered appropriate and complementary to the size, nature and operations of the Company, as follows:

Principle 1 & 4: The Company is headed by an effective board, which is responsible for accountability, monitoring, strategy formulation and policy development;

Principle 2: The role of Chairman is an executive role within the Group and is supported by two other executive directors, one in sales and another in project management. There is no Chief Executive officer;

Principle 3: The Board is composed of 3 Executive Directors and 3 Independent Non-Executive Directors. The implantation of the Board's decisions is entrusted to the senior management of the Issuer and its Subsidiaries;

Principle 5: The Board of Directors aims to meet regularly and all Directors are given ample opportunity to discuss the agenda and convey their views and opinions;

Principle 6: The Company does not have any employees and is therefore reliant on the senior management employed with another member of the Group. The Chairman ensures that Directors are provided with relevant information to enable them to effectively contribute to Board decisions.

Following the successful completion of the Żebbuġ Development and other projects by the Group including the development of luxury villas in Manikata, the Issuer was established as a public company and as the vehicle through which debt financing is raised for developments to be carried out by its Group Companies. The Issuer raised finance for the development of the Għargħur Development, the Qawra development and the Mellieħa Development. As at the date of this Prospectus, the Għargħur Development and the Qawra Development have been completed. The target date for the completion of the Mellieħa Development is Q4 2019.

By virtue of the issue and allocation of Secured Bonds, the Issuer intends to raise finance for the development of the Luqa Development which shall be carried out by GLL as the responsible project company of the Group. Human resources of the Group are engaged either by one or more project companies or, at senior management level by GGCL, but all personnel are deployed by the Group in the development of development projects, being undertaken by the Group. The Directors believe that this is simply an intra-group matter of human resources deployment and that, in the circumstances, the Group has sufficient resources to be able to handle the requirements of its projects, including the Luqa Development and the Mellieħa Development, and they have all the necessary assurances that senior management employed by the Group will be focused on the projects to which they are assigned. In addition, the Directors believe that through the involvement of the senior management, that is made available to each Subsidiary, there are benefits for the Issuer in terms of the experience and knowledge acquired by senior executives following the completion of similar projects. The Directors consider that the current organisational structure and intra-group arrangements for the deployment of senior management is adequate for the present activities of the Group. The Directors will maintain this structure under continuous review to ensure that it meets the changing demands of the business.

Principle 7: The Board of Directors performs a self-evaluation of its own performance and that of its committees on an annual basis, and the Board's performance is always under the scrutiny of the immediate and ultimate shareholders. The Board considers the present informal evaluation procedure to suffice and therefore does not consider it necessary to formalise the evaluation process through the setting up of an evaluation committee;

Principle 8: The Board of Directors considers that the size and operation of the Company and the Group and the nature of its activity does not warrant the setting up of a nomination and remuneration committee. Remuneration to the Board of Directors of the Company is determined by the shareholders of the Company in accordance with its Memorandum and Articles of Association. Also, the Company will not be setting up a nomination committee. Appointments to the Board of Directors of the Company are determined by the shareholders of the Company in accordance with its Memorandum and Articles of Association;

Principle 9: The Company is highly committed to having an open and communicative relationship with its bondholders and investors;

Principle 10: The Company ensures that it is in constant contact with its principal shareholders who are all members of the Board and with bondholders;

Principle 11: By virtue of the Memorandum and Articles of Association, the Directors are obliged to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with that of the Company. The Board member concerned shall not take part in the assessment by the Board as to whether a conflict of interest exists. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has a material interest;

Principle 12: The Company recognises the importance of its role in the corporate social responsibility arena and seeks to ensure that in its operations the environment is respected. The Directors are also aware of the importance of having good relations with stakeholders and, strive to work together with them in order to invest in human capital, health and safety issues and to adopt environmentally responsible practices.

Save for the instances of non-adherence to the Code which has been explained above, the Board is of the opinion that the Company is in compliance with the Code and endeavours to maintain compliance with the Code.

The Guarantors are private companies and accordingly are not subject to the provisions of the Listing Rules nor to endeavor to adhere to the provisions of the Code. Whilst each Guarantor does not have its own audit committee, it has authorised and tasked the Audit Committee of the Issuer to monitor their respective operations.

11 HISTORICAL INFORMATION

The Issuer was established on 1 June 2016 and, accordingly, the financial information pertaining to the Issuer relates to the financial period from 1 June 2016 to 31 December 2016 and the financial year ended 31 December 2017. The historical financial information of the Issuer for the two financial periods ended 31 December 2016 and 31 December 2017 as audited by Mr Emanuel Fenech is set out in the annual consolidated financial statements of the said company.

GML was established on 26 August 2016 and, accordingly, the financial information pertaining to GML relates to the financial period from 26 August 2015 to 31 December 2016 and the financial year ended 31 December 2017. The historical financial information of GML for the two financial periods ended 31 December 2016 and 31 December 2017 as audited by Mr Emanuel Fenech is set out in the annual financial statements of the said company. The historical financial information of GLL for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017 as audited by Mr Emanuel Fenech is set out in the annual financial statements of the said company.

The audited financial information of the Issuer, GML and GLL are available for review on the Issuer's website and are available for inspection as detained in section 14 of this Registration Document.

There were no significant changes to the financial or trading position of the Issuer, GML and GLL since the date of the last published audited financial statements of each of the afore-mentioned entities.

12 LITIGATION

There have not been governmental, legal or arbitration proceedings against the Issuer or the Guarantors (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer and/or Guarantors.

13 ADDITIONAL INFORMATION

13.1 Share Capital of the Issuer

The authorised share capital of the Issuer is €2,500,000 (two million five hundred thousand Euro) divided into 2,500,000 (two million five hundred thousand) ordinary shares of €1 (one Euro) each.

The issued share capital of the Company is €2,500,000 (two million five hundred thousand Euro) divided into 2,500,000 (two million five hundred thousand) ordinary shares of €1 (one Euro) each, fully paid up and subscribed as to €2,499,996 by Gap Group Investments (II) Limited (C 75856), €1 by each of Paul Attard and Adrian Muscat and €2 by George Muscat.

In terms of the Company's Memorandum and Articles of Association, none of the capital shall be issued in such a way as would effectively alter the control of the Company or nature of the business, without the prior approval of the Company in a general meeting.

The shares of the Company are not listed on the Malta Stock Exchange and no application has been filed for the shares of the Company to be quoted on the Malta Stock Exchange. The Directors of the Issuer have no intention of submitting an application for the admissibility of the Issuer's shares to listing and subsequent trading on the Malta Stock Exchange.

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

13.2 Share Capital of Guarantors

The following table sets out the share capital of each of the Guarantors:

Company	Authorised Capital (Shares)	Nominal Value of Shares €	Issued Share Capital (Shares)	Issued Share Capital (€)
GML	1,200	1	1,200	1,200.00
GLL	2,000	2.329373	600	1,397.62

All of the Guarantors are private companies established under the Act and none of their share capital is admitted to listing or trading on an exchange. Save for the capital issued on original subscription, there is no capital which has been issued during the two (2) years immediately preceding the publication of this Registration Document.

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

13.3 Memorandum and Articles of Association of the Issuer

13.3.1 Objects

The principal objects of the Issuer are: (a) to act as a holding company and invest and hold share participations and debentures in any other company, partnership or business; (b) to provide management, administration, technical, financial and professional services and to provide human resources to its subsidiary and, or associated companies of other companies relative and incidental to its business; (c) to purchase, take on lease, exchange or acquire, moveable or immoveable property, by any title including emphyteusis and sub-emphyteusis or otherwise deal in and hold, develop or improve any freehold, leasehold or other property whether for investment or resale; (d) to finance building operations of every description; to construct, reconstruct, renovate, alter, improve, decorate, finish and maintain buildings or other properties, as aforesaid; to sell or let the same on lease or by agreement or otherwise, either furnished or unfurnished, and to do everything that may enhance the value of such property.

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 of the Malta Financial Services Authority.

13.3.2 Appointment of Directors

The Directors are appointed by the shareholders in terms of the Company's Articles of Association.

13.3.3 Powers of Directors

The Directors are vested with the management of the Company 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 Company and in this respect have the authority to enter into contracts, sue, and be sued in representation of the Company. In terms of the Memorandum and Articles of Association they may do all such things as are not by the Memorandum and Articles of Association reserved for the Company in general meeting.

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

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 general meeting. The Directors may also vote that pensions, gratuities, or allowances are to be granted on retirement to any director who has held any other salaried office with the Company or to his widow or dependents. However, any such proposal shall have to be approved by the shareholders in general meeting.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Company to borrow money and give security thereof, subject to the limitations established in the Articles of Association and the overriding authority of the shareholders in general meeting to change, amend, restrict and or otherwise modify such limitations and the Directors' borrowing powers.

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

13.4 Memorandum and Articles of the Guarantors

13.4.1 Objects

Each Guarantor is a single member company established under the Act. The principal activity of GML (for the purposes of article 212(1) of the Act), is purchase, sell, exchange, improve, mortgage, charge, rent, let on lease, hire, surrender, license, accept surrenders of, and otherwise acquire and/or deal with any freehold, leasehold or other immovable property, chattels and effects, erect, pull down, repair, alter, develop, sell or otherwise deal in any immovable property. The principal activity of GLL is to own, construct, develop, pull down, erect, restore, refurbish, finance, lease, hypothecate, operate or otherwise deal in immovable property.

13.4.2 Appointment of Directors

The shareholders in terms of the each Guarantor's Articles of Association and the Act appoint the directors.

13.4.3 Powers of Directors

The directors of each Guarantor are vested with the management of the respective Guarantor and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The directors of each Guarantor are empowered to act on behalf of that Guarantor and in this respect have the authority to enter into contracts, sue, and be sued in representation of that Guarantor. In terms of the Memorandum and Articles of Association they may do all such things as 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 of each Guarantor is to be established by the shareholders of the respective Guarantor 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 general meeting. The directors may also vote that pensions, gratuities, or allowances are to be granted on retirement to any director who has held any other salaried office with the Guarantor or to his widow or dependents. However, any such proposal shall have to be approved by the shareholders in general meeting.

In terms of the Memorandum and Articles of Association, the board of directors of each Guarantor may exercise all the powers of the Guarantor to borrow money and give security thereof, subject to the limitations established in the Articles of Association and the overriding authority of the shareholders in general meeting to change, amend, restrict and or otherwise modify such limitations and the directors' borrowing powers.

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

13.5 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two (2) years immediately preceding the publication of this document in connection with the issue or sale of any capital of the Company, the Guarantors or any of the Subsidiaries.

13.6 Material Contracts

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

13.7 Property Valuation Reports

The Issuer commissioned Arch. Colin Zammit of 80, Triq it-Torri, Mosta MST 3502, to issue two property valuation reports in relation to the Mellieħa Development and the Luqa Development.

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 reports relating to the Mellieħa and Luqa properties are each dated 15 January 2019.

13.8 Statements by Experts and Declarations of any Interest

Save for the property valuation reports contained in Annex I respectively to the Registration Document, and the financial analysis summary set out as Annex III to the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The property valuation reports and financial analysis summary have been included in the form and context in which they appear with the authorisation of Arch. Colin Zammit and Charts (a division of MeDirect Bank (Malta) plc) respectively, which have given and have not withdrawn their consent to the inclusion of such reports herein.

Arch. Colin Zammit and Charts (a division of MeDirect Bank (Malta) plc) do not have any material interest in the Issuer or any of the Guarantors. The Issuer confirms that the property valuation reports and financial analysis summary 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 Sponsor, Manager & Registrar is a division of MeDirect Bank (Malta) p.l.c. Part of the bond proceeds will be used to re-finance amounts outstanding under the MeDirect Facility. For the purposes of Listing Rule 2.8.2., the Sponsor, Manager & Registrar declares that it has no material interest in the outcome of the transaction. The repayment of the MeDirect Facility from the bond issue proceeds is a condition that has been imposed by the Security Trustee to ensure that Bondholders will get the full benefit of a first ranking special hypothec over the Luqa Development. A first ranking hypothec over the Luqa Development may only be consitituted in favour of the Security Truseee for the benefit of Bondholders if the current hypothecary rights enjoyed by MeDirect Bank (Malta) plc and which secure the MeDirect Facility are duly cancelled.

The sourced information contained in section 5 has been accurately reproduced and, as far as the Company is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14 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 and each Guarantor;
(b) Audited financial statements of GLL for the three financial years ended 31 December 2015, 2016 and 2017;
(c) Audited financial statements of GML for the two financial periods ended 31 December 2016 and 2017;
(d) Audited consolidated financial statements of the Issuer for the two financial periods ended 31 December 2016 and 2017;
(e) Unaudited interim financial statements of the Issuer, GLL and GML for the six months 1 January 2018 to 30 June 2018;
(f) The letter of confirmation drawn up by Deloitte Services Limited dated 4 March 2019;
(g) Financial analysis summary prepared by Charts (a division of MeDirect Bank (Malta) plc) dated 4 March 2019;
(h) Property valuation reports prepared by Arch. Colin Zammit in respect of the Mellieħa Development and the Luqa Development;
(i) The Guarantee; and
(j) The Trust Deed.

Items (a), (b), (c), (d), (e) and (g) are also available for inspection in electronic form on the Issuer’s website at www.gap.com.mt

15th January 2019

The Directors,
GAP Group p.l.c.,
Gap Holdings Head Office,
Triq Ċensu Scerri, Tigné, Sliema

Subject: **Valuation Report**

Property: Sites at Triq Ġorġ Zahra, Triq Tumas Galea, Triq l-Iskola, Triq Ġeraldu Spiteri, Triq W. Briffa, Triq Indri Micallef, Triq l-Aħwa Vassallo and Triq Ġuzeppi Callus, in an area known as 'Ta Blejkiet' in Luqa, Malta

I, the undersigned Architect and Civil Engineer (BE&A Hons.), have been requested to evaluate the property in caption.

General
The 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.

Requirement for a valuation report
The purpose of this valuation is for inclusion thereof within the Prospectus, to be published in connection with the proposed bond issue by GAP Group p.l.c., in accordance with the Listing Rules.

Reporting standards
The valuation has been carried out by the undersigned, as an independent valuer, in terms of the UK Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

Independence of valuer
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 than the valuation fee.

A. Contents of valuation report

1. <u>**Address**</u>

   The location of the sites is at Sites at Triq Ġorġ Zahra, Triq Tumas Galea, Triq l-Iskola, Triq Ġeraldu Spiteri, Triq W. Briffa, Triq Indri Micallef, Triq l-Aħwa Vassallo and Triq Ġuzeppi Callus, in an area known as 'Ta Blejkiet' in Luqa, Malta and the site plan has been included in Appendix A of this report. Site photos are available for inspection at the Issuer's registered office.

2. <u>**Nature of valuer's inspection**</u>

   The undersigned declares that he has visited the site, and is fully familiar with the plans of the property which still needs to be developed.

3. <u>**Brief description**</u>

   The development will be split into five zones of residential units which will comprise 21 Blocks with a total of 237 units (42 of which at Penthouse level) and 219 lock up garages. The residential units will be sold finished, including all common areas whilst all blocks will each have separate entrances and served with passenger lifts accessing both the apartments and underlying garage levels.

The site has a total area of *circa* 8,500m^2 of fabricable land.

A more detailed breakdown is given in the table below:

Zone	Level	Type	Quantity	Description
A	Semi Basement	Garages	49	-
A	Ground Floor	Maisonettes	2	1 Bed
A	Ground Floor	Maisonettes	11	3 Bed
A	First Floor	Apartments	6	3 Bed
A	First Floor	Apartments	4	4 Bed
A	Second Floor	Apartments	6	3 Bed
A	Second Floor	Apartments	4	4 Bed
A	Third Floor	Apartments	6	3 Bed
A	Third Floor	Apartments	4	4 Bed
A	Penthouse	Penthouses	2	2 Bed
A	Penthouse	Penthouses	4	3 Bed
A	Penthouse	Penthouses	3	4 Bed

Zone	Level	Type	Quantity	Description
B	Semi Basement	Garages	21	-
B	Ground Floor	Apartments	4	3 Bed
B	First Floor	Apartments	2	2 Bed
B	First Floor	Apartments	1	3 Bed
B	First Floor	Apartments	2	4 Bed
B	Second Floor	Apartments	2	2 Bed
B	Second Floor	Apartments	1	3 Bed
B	Second Floor	Apartments	2	4 Bed
B	Third Floor	Apartments	2	2 Bed
B	Third Floor	Apartments	1	3 Bed
B	Third Floor	Apartments	2	4 Bed
B	Penthouse	Penthouses	4	3 Bed

Zone	Level	Type	Quantity	Description
C	Level -2	Garages	52	-
C	Level -1	Garages	48	-
C	Ground Floor	Maisonettes	1	1 Bed
C	Ground Floor	Maisonettes	6	2 Bed
C	Ground Floor	Maisonettes	8	3 Bed
C	Ground Floor	Apartments	1	2 Bed
C	First Floor	Apartments	1	1 Bed
C	First Floor	Apartments	4	2 Bed
C	First Floor	Apartments	12	3 Bed
C	Second Floor	Apartments	1	1 Bed
C	Second Floor	Apartments	4	2 Bed
C	Second Floor	Apartments	12	3 Bed
C	Third Floor	Apartments	0	1 Bed
C	Third Floor	Apartments	5	2 Bed
C	Third Floor	Apartments	11	3 Bed
C	Third Floor/Penthouse	Duplex	1	2 Bed
C	Penthouse	Penthouses	1	1 Bed
C	Penthouse	Penthouses	2	2 Bed
C	Penthouse	Penthouses	11	3 Bed

Zone	Level	Type	Quantity	Description
D	Semi Basement	Garages	17	-
D	Ground Floor	Maisonettes	1	1 Bed
D	Ground Floor	Apartments	7	2 Bed
D	First Floor	Apartments	6	2 Bed
D	First Floor	Apartments	2	3 Bed
D	Second Floor	Apartments	6	2 Bed
D	Second Floor	Apartments	2	3 Bed
D	Third Floor	Apartments	6	2 Bed
D	Third Floor	Apartments	2	3 Bed
D	Penthouse	Penthouses	2	1 Bed
D	Penthouse	Penthouses	2	2 Bed
D	Penthouse	Penthouses	2	3 Bed

Zone	Level	Type	Quantity	Description
E	Semi Basement	Garages	32	-
E	Ground Floor	Maisonettes	1	2 Bed
E	Ground Floor	Maisonettes	5	3 Bed
E	Ground Floor	Apartments	3	3 Bed
E	First Floor	Apartments	1	2 Bed
E	First Floor	Apartments	8	3 Bed
E	Second Floor	Apartments	1	2 Bed
E	Second Floor	Apartments	8	3 Bed
E	Third Floor	Apartments	8	3 Bed
E	Penthouse	Penthouses	1	1 Bed
E	Penthouse	Penthouses	1	2 Bed
E	Penthouse	Penthouses	6	3 Bed

The finishes of each apartment will include all the electrical, plumbing, telephone and air conditioning installations points, gypsum plastering and 2 coats of white paint, all floor tiles and bathrooms, including all sanitary ware and accessories and all external apertures in double glazed aluminium. All garages will be affixed with metal doors. Block plans are available for inspection at the Issuer's registered office.

4. Existing use

The existing use of the site is an unused field, however construction work has commenced on one of the zones.

5. Relevant planning applications

The development is covered by the following permits:

i. PA/07313/16 issued on the 10th of April 2017.
ii. PA/07607/16 issued on the 2nd of May 2017.
iii. PA/01268/18 issued on the 5th of July 2018.
iv. PA/10680/17 issued on the 23rd of July 2018.
v. PA/00984/18 issued on the 18th of June 2018.
vi. PA/10682/17 issued on the 26th of June 2018.
vii. PA/00543/18 issued on the 20th of June 2018.
viii. PA/03338/18 issued on the 17th of September 2018.
ix. PA/03339/18 issued on the 12th of September 2018.

Copies of the permits are available for inspection at the Issuer's registered office.

6. **Material contravention of statutory requirements**

LR7.4.1.6: Not applicable.

7. **Tenure**

The site in caption is freehold.

8. **Main terms of tenants' leases or sub-leases**

LR7.4.1.8: Not applicable.

9. **Approximate age of any buildings**

Construction has initiated on one of the residential zones

10. **Present capital value in existing state**

The estimated present capital value of the property in its existing state is calculated using the discounted cash flow method.

The selection of the discount rate is based on the long term risk-free rate of return, expressed in current terms, that is including inflation, and 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, potential delays, future uncertainty, status of building permits, counter-party risks, and resource risks. A pre-tax risk-free rate of 1.54%, which approximates to the current yield on a 12-year Malta Government Stock issue, has been adopted for this valuation. A risk premium of 10.35% was considered as adequate for valuing the property in its current state since works on the said project have already commenced and they are envisaged to be completed in approximately 3 years' time. Moreover, the project includes apartments which are targeted for the first-time buyer market. Therefore, the discounted cash flow is taken at the rate of 11.89%, rounded upwards to 12%.

Present Capital Value

On the basis of the above, the present capital value of the property in its current state is estimated to be €22,000,000 (Twenty-Two Million Euros).

Expected Date of Completion

As at 15th December 2018, approximately 11% of the total development has been completed and full completion is expected to be achieved by Q2 of 2021.

Estimated Total Cost of the Development

The remaining estimated total cost of completion as at 15th December 2018 is approximately **€17,500,000 (Seventeen Million, five hundred thousand Euro)** which is divided as per below:

Excavation	€ 350,000
Construction	€ 6,500,000
Finishes	€ 9,000,000
Contingency	€ 1,650,000

This amount excludes professional fees, marketing expenses and borrowing costs.

Estimated Capital Value

The capital value at current prices and on the basis of current market conditions of the property at Luqa in course of development, after the development has been completed is estimated at €50,000,000 (Fifty Million Euros).

11. **Terms of intra-Group lease on Property occupied by the Group (identifying the Properties) to the extent that such leases are taken into account in the valuation**

    LR7.4.1.11: Not applicable.

12. **Other matters which materially affect the value**

    LR7.4.1.12: Not applicable.

13. **Sources of information and verification**

    All information that was considered necessary for the purpose of drawing up the present report was obtained from the directors and advisors of GAP Group p.l.c. This included all planning applications, construction and finishing cost estimates, design, management and supervision costs, marketing and selling costs, estate management costs, and financing costs. There was also access to the projections of sales and cash flow.

14. **Details of registered mortgages and privileges and other charges, real rights thereon including details of emphyteutical concessions, easements and other burdens**

    LR7.4.1.14: Not applicable.

B. Details of valuer

Colin Zammit
B.E.&A. (Hons) A.&C.E.P.G. Dip. Cons. Tech
Perit – Maniera Group
Tel: [+356] 21 411790; 21420895
Mob: [+356] 9947 8744
Email: perit@manieragroup.com
Address: 80, Triq it-Torri, Mosta MST 3502
Warrant No.: 386

C. Date of valuation

The valuation was completed on, and the effective date thereof is, the 15th January 2019.

D. Basis of valuation

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 valuation.

Since projects of this nature and scale do not easily lend themselves to a method of valuation which is based on the comparative method, this valuation method is based on the profits, or earnings method, using a discounted cash flow approach. The open market value is considered to correspond to the capitalised sum of the fair business earning potential. The valuation was therefore based on the determination of likely future operational cash-flows, discounted to net present value at an appropriate rate of return.

E. Assumptions

An open market valuation assumes that there is a willing seller, that the interest being valued would have been, prior to the transaction, properly marketed, that the state of the market, level of values and other circumstances are consistent over the period of the valuation, that no account is taken of any additional bid by a prospective purchaser with special interest, 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 the property can be used, for the foreseeable future, only for the existing use, and that vacant possession is provided on completion of the sale of all parts occupied by the business.

F. Title

The site in caption is freehold.

G. Benefits/Detriments of contractual agreements

LR 7.4.7: Not applicable.

H. Acquisitions/disposals interest

LR 7.4.8: Not applicable.

I. Other relevant matters

No responsibility is being assumed to the third parties to whom this report may be disclosed and no liability is accepted in contract, negligence, restitution with regards to any loss including profits, goodwill or opportunity. While the above is deemed to provide a reasonable valuation of the property in question, such estimate may also vary between one valuer and another. This valuation is also subject to changes over relatively short periods due to economic conditions.

J. Standards and guidelines

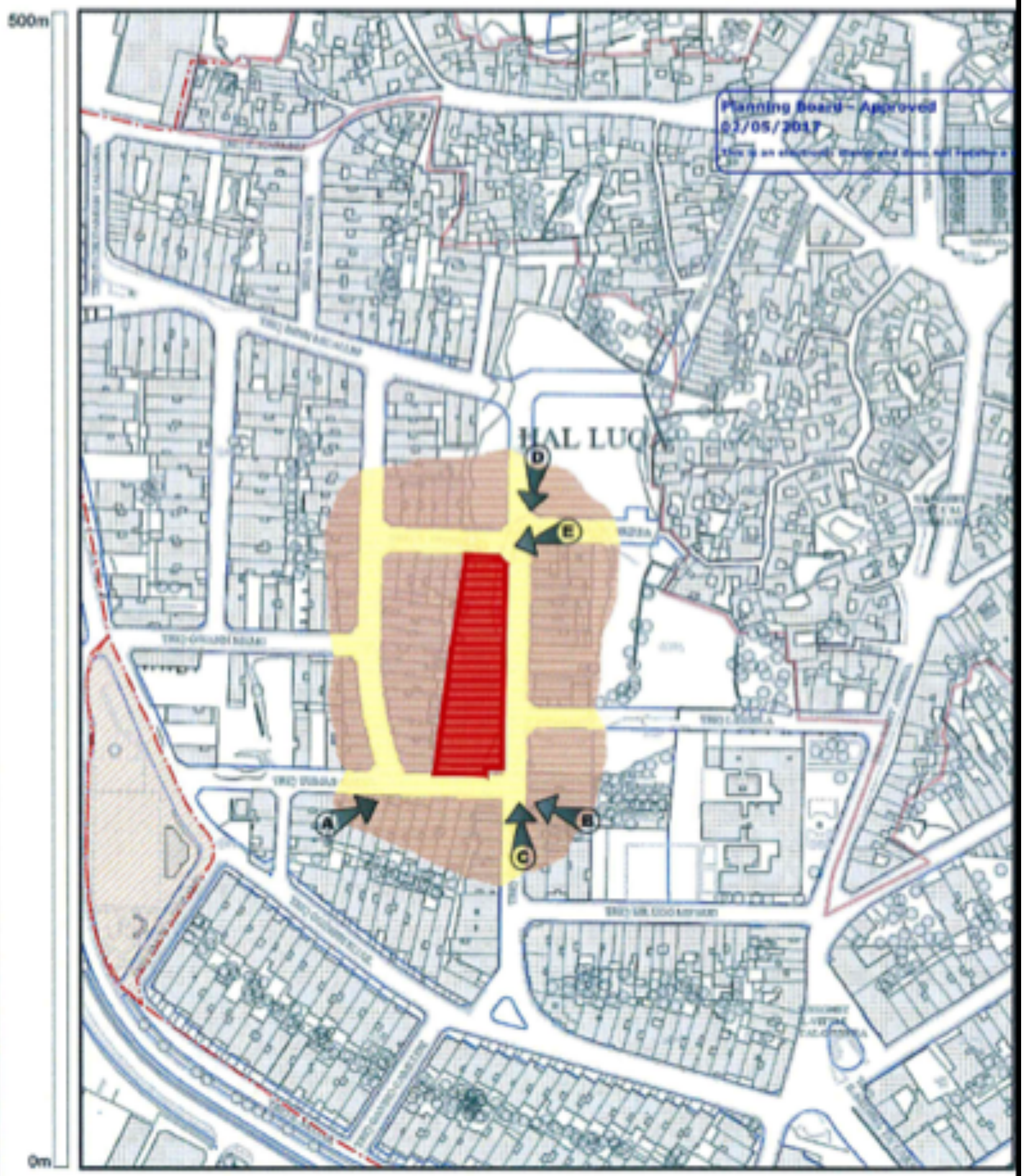
The valuation has been carried out in accordance with standards and guidelines issued by the Royal Institute of Chartered Surveyors. (RICS)

The original copy has been signed by

Colin Zammit
B.E.&A. (Hons) A.&C.E.P.G. Dip. Cons. Tech
Perit

Appendix A

PA/07313/16 – Site Plan



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0m 400m

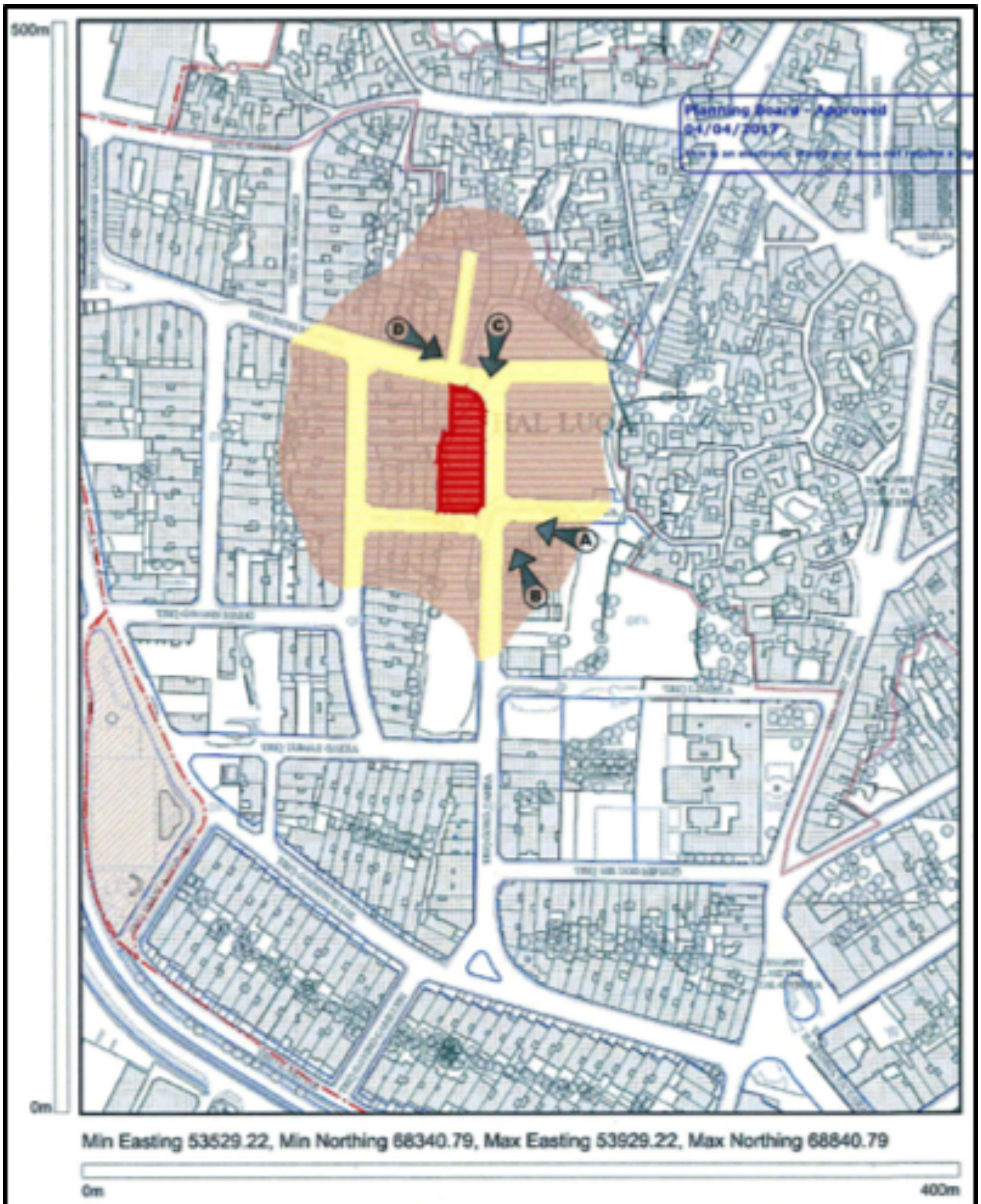
Planning Authority - www.pa.org.mt

St. Francis Ravelin
Floriana FRN 1230, Malta
PO Box 200, Marsa MRS 1000, Malta
Tel: +356 2290 0000 Fax: +356 22902295

Site Plan, Scale 1:2500
Printed on: Monday, September 26, 2016

Not to be used for interpretation or scaling of scheme alignments

PA/07607/16 – Site Plan



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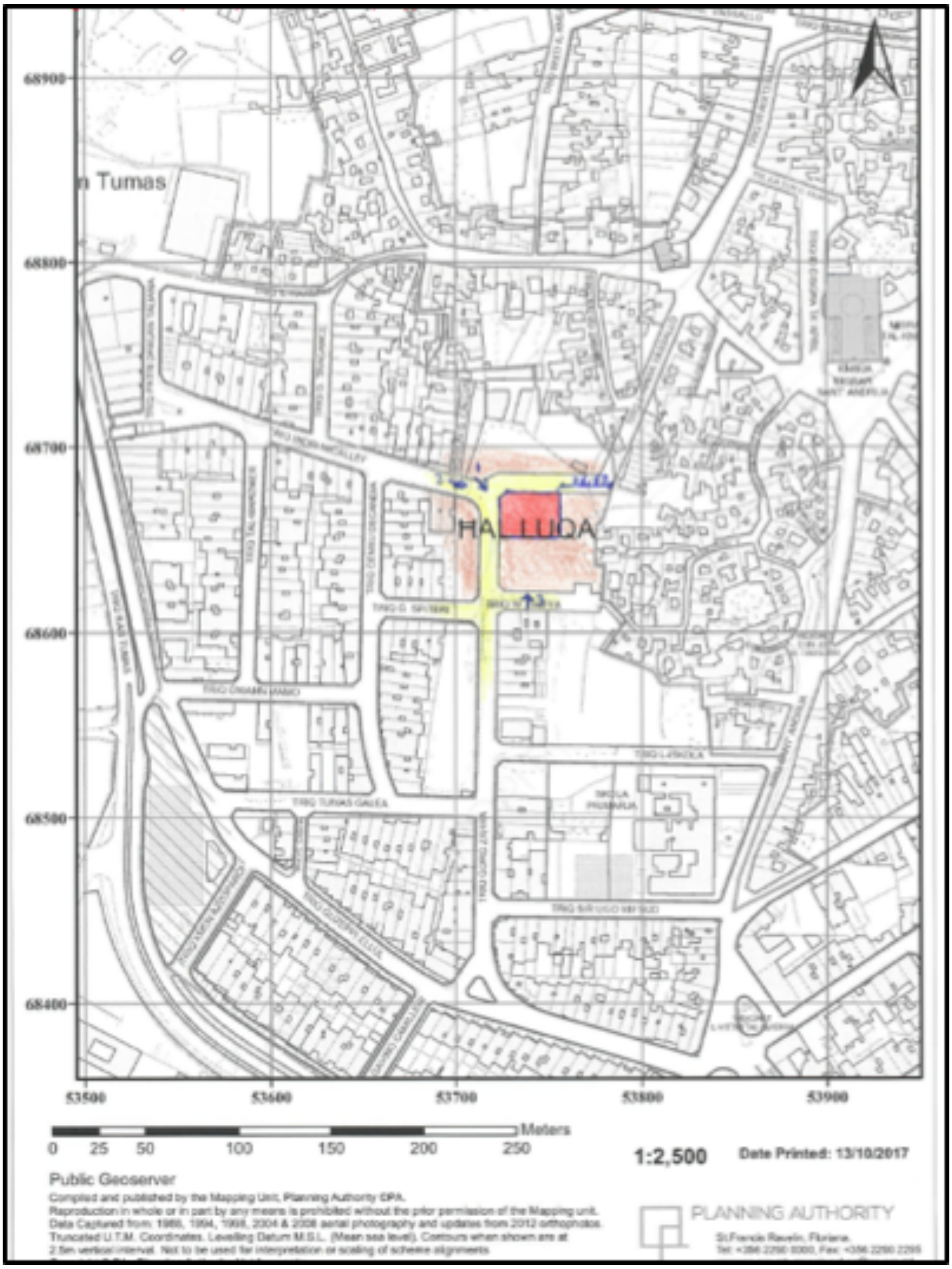
PO Box 200, Marsa MRS 1000, Malta
Tel: +356 2290 0000 Fax: +356 22902295

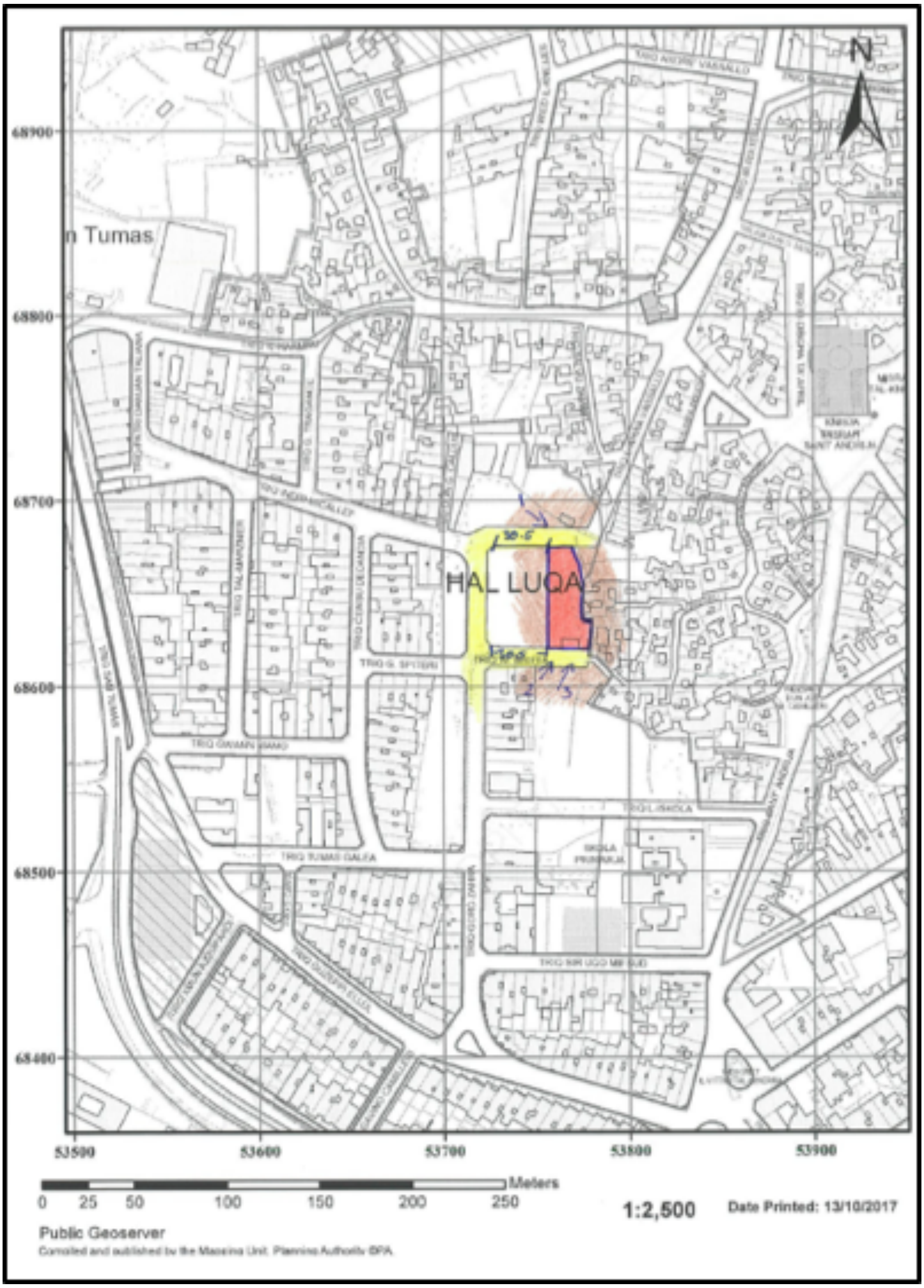
Site Plan, Scale 1:2500
Printed on: Monday, September 26, 2016

Not to be used for interpretation or scaling of scheme alignments

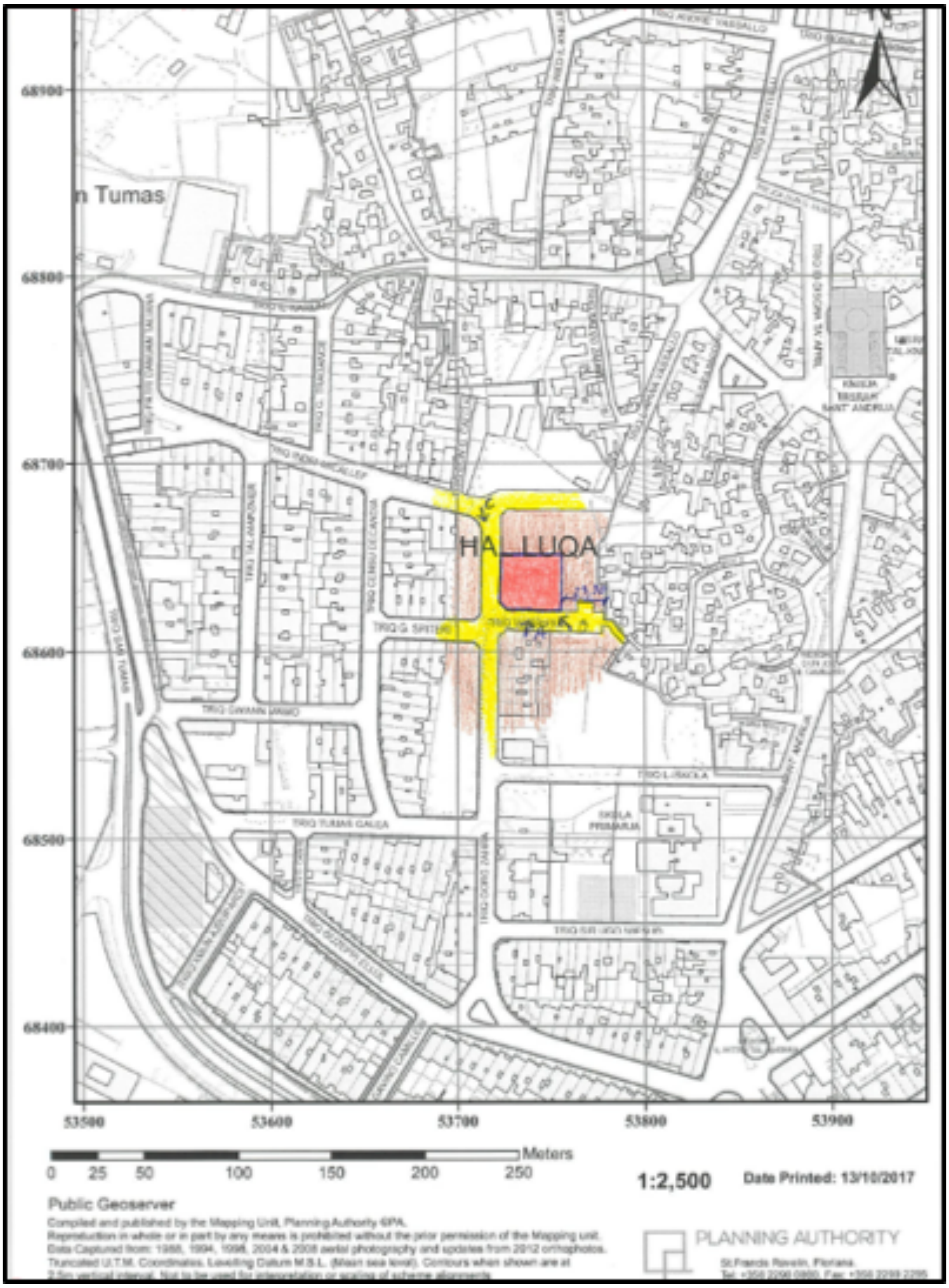
PA/01268/18 – Site Plan



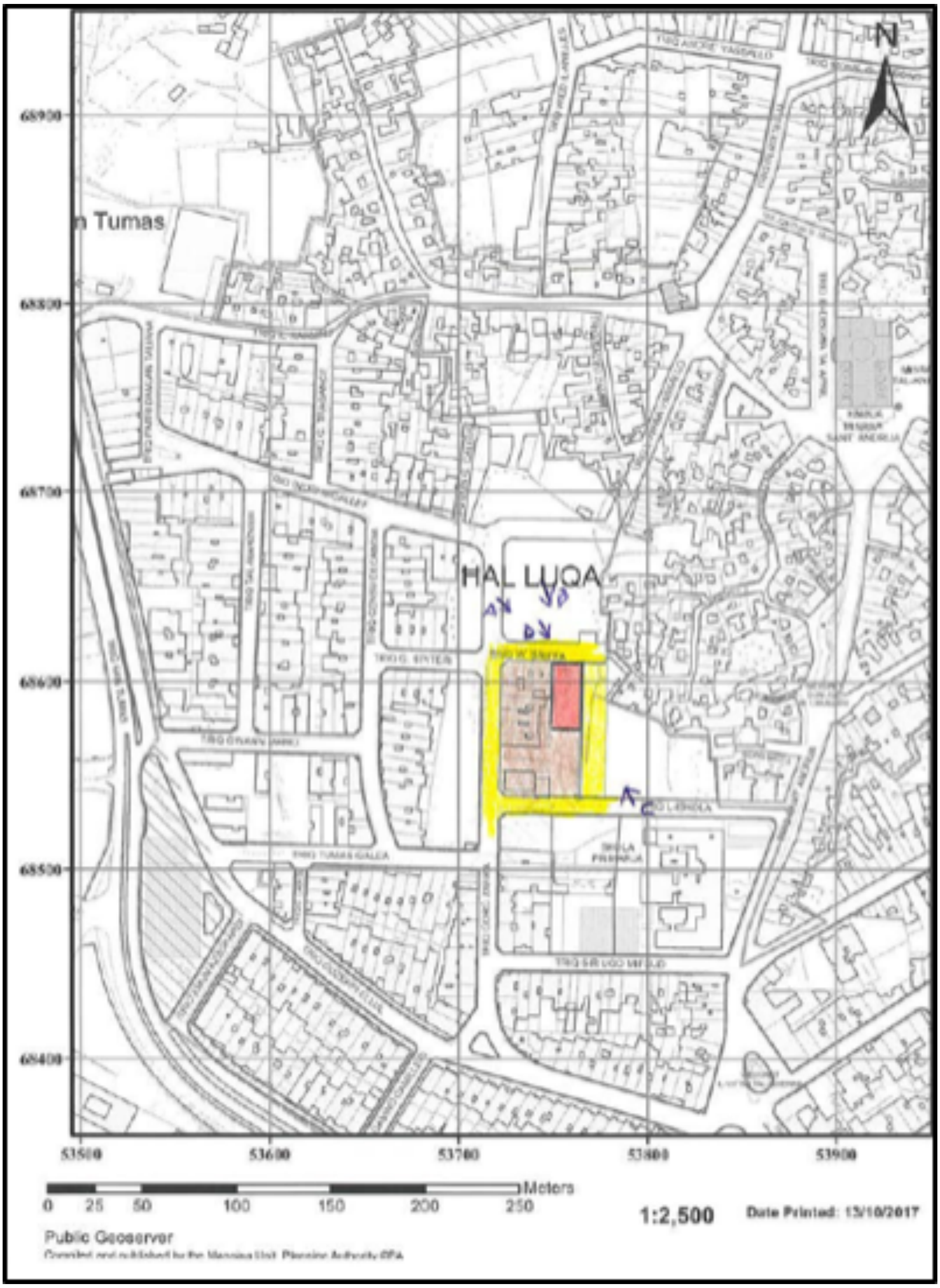
PA/10680/17 – Site Plan



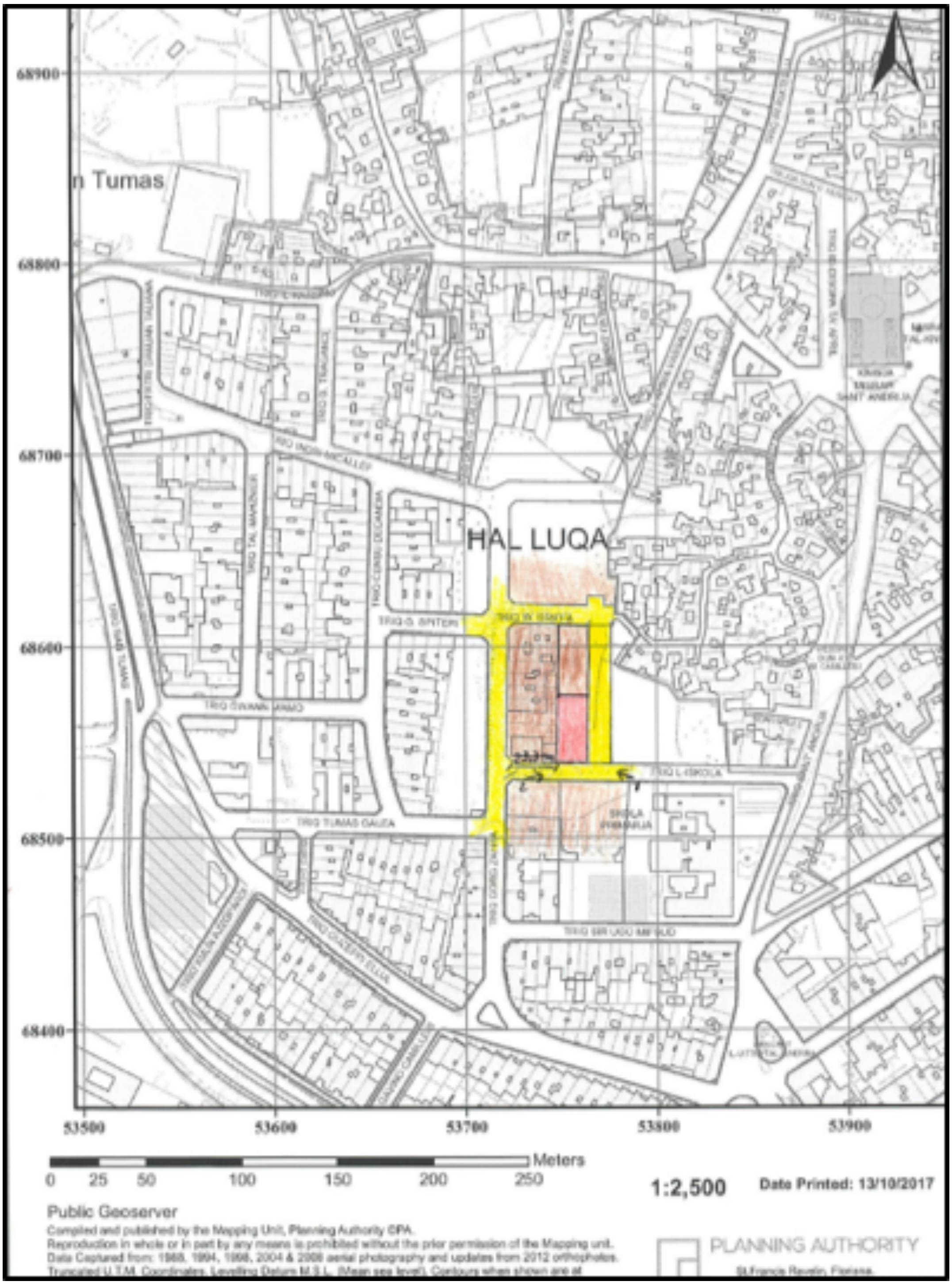
PA/00984/18 – Site Plan



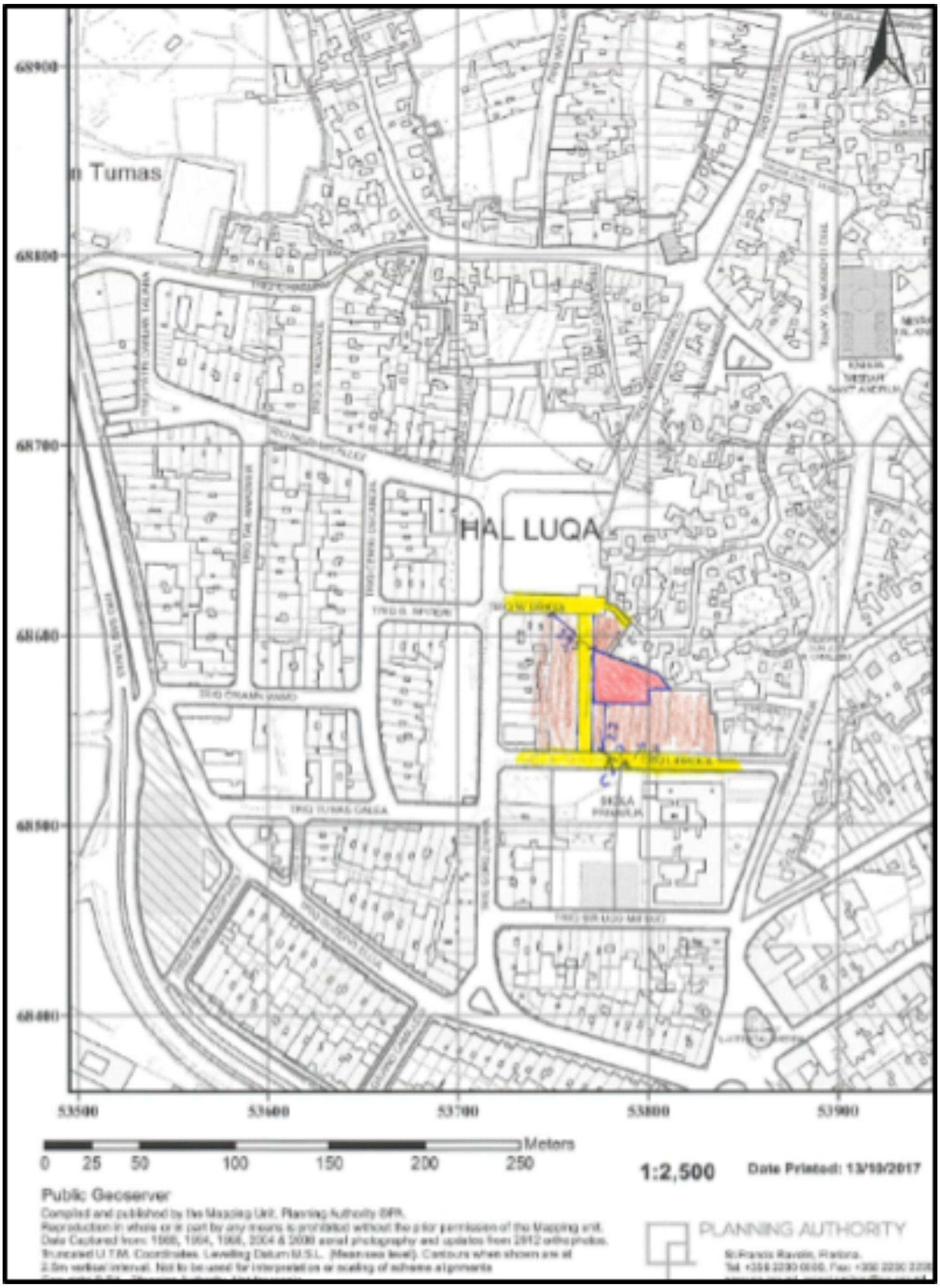
PA/10682/17 – Site Plan



PA/00543/18 – Site Plan



PA/03338/18 – Site Plan



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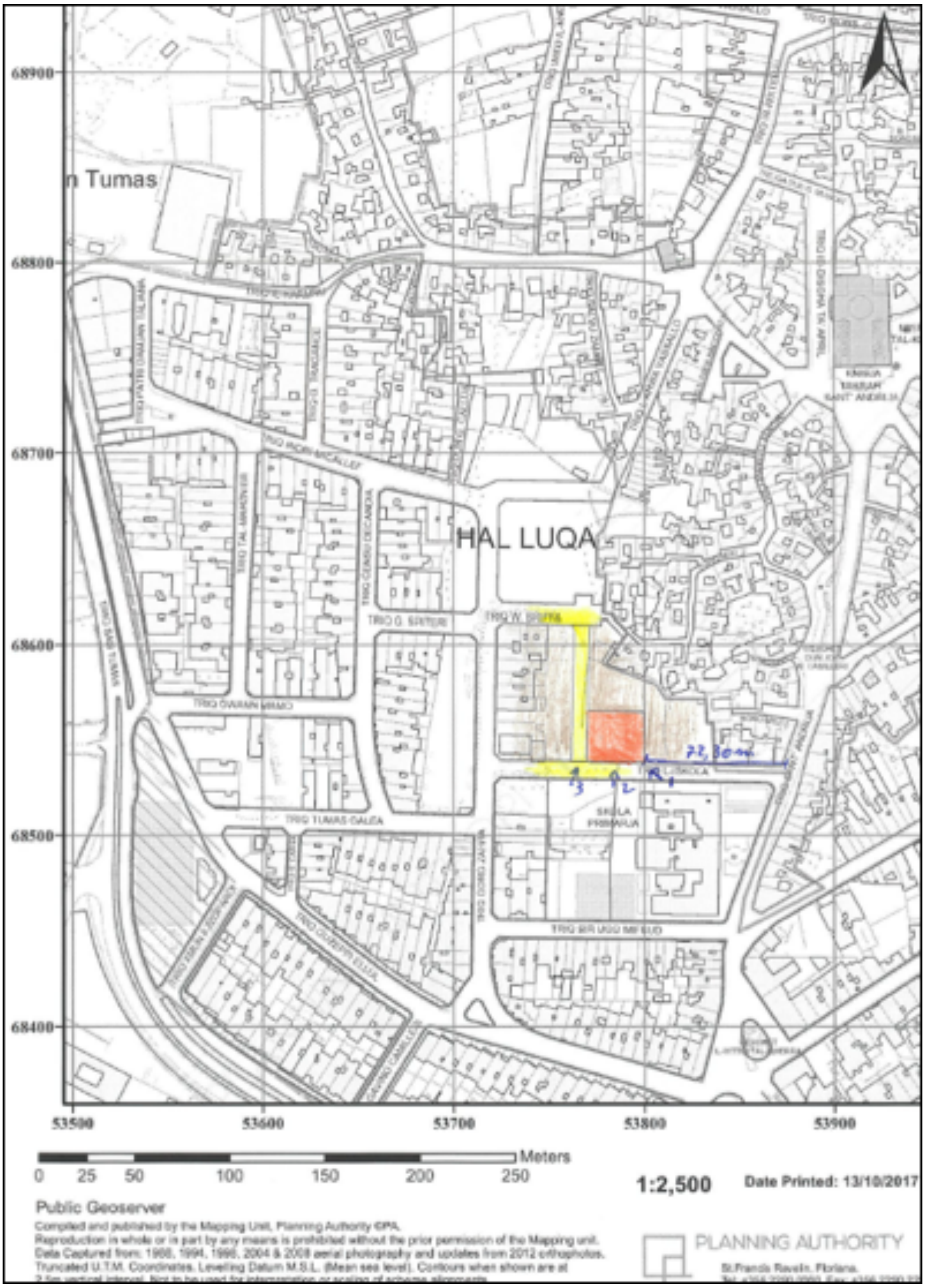


15th January 2019

The Directors,
GAP Group p.l.c.,
Gap Holdings Head Office,
Triq Ċensu Scerri, Tigné, Sliema

Subject: **Valuation Report**

Property: A selection of garages and residential units forming part of Blocks A, B, C, D, E at a site at Ta' Masrija, Triq Louis Wettinger, Mellieħa, Malta.

I, the undersigned Architect and Civil Engineer (BE&A Hons.), have been requested to evaluate the property/ies in caption.

General
The 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.

Requirement for a valuation report
The purpose of this valuation is for inclusion thereof within the Prospectus, to be published in connection with the proposed bond issue by GAP Group p.l.c., in accordance with the Listing Rules.

Reporting standards
The valuation has been carried out by the undersigned, as an independent valuer, in terms of the UK Royal Institution of Chartered Surveyors Appraisal and Valuation Manual.

Independence of valuer
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 than the valuation fee.

A. Contents of valuation report

1. Address

The location of the residential units form part of a site is at Ta' Masrija, Triq Louis Wettinger, Mellieha, Malta and the site plan has been included in Appendix A of this report. Site photos are available for inspection at the Issuer's registered office.

2. Nature of valuer's inspection

The undersigned declares that he has visited the site, and is fully familiar with the plans of the property which still needs to be developed.

3. Brief description

The Mellieħa development in its entirety will be of a residential nature and will consist of 152 luxury apartments which will be sold finished in a complete state, including all common areas and the formation of the road. The site has a superficial area of approximately 5,100 square meters. The development will encompass 10 blocks of apartments, each with separate entrances and served with passenger lifts accessing both the apartments and underlying garage levels. The apartments at the top level will also have access to roof level and will enjoy full ownership of the latter.

The apartments are spread over 5 phases with each phase comprising 2 blocks of apartments. Out of the 10 blocks, 7 will contain 16 apartments, 2 will contain 14 apartments and 1 block will contain 12 apartments. The apartments shall be spread over 8 levels in each block. The development shall also include 174 lock-up underground garages spread over 3 underground levels. Both apartments and garages combined shall occupy a total built up saleable area of *circa* 44,300 square metres.

This valuation report is being requested only on a selection of the afore-mentioned garages and residential units forming part of Blocks A, B, C, D, E of the said development.

A more detailed breakdown of such units is given in the table below:

Block	Level	Quantity	Unit	Description
A	-3	1	Garages	-
B	-1	4	Garages	-
B	-2	4	Garages	-
B	-3	4	Garages	-
C	-1	9	Garages	-
C	-2	9	Garages	-
C	-3	9	Garages	-
D	-1	7	Garages	-
D	-2	7	Garages	-
D	-3	7	Garages	-
E	-1	8	Garages	-
E	-2	8	Garages	-
E	-3	8	Garages	-

Block	Level	Quantity	Unit	Description
A	0	1	Maisonette	4 Bed
A	1	2	Apartments	3 Bed
A	2	2	Apartments	3 Bed
A	3	1	Apartment	2 Bed
A	3	1	Apartment	3 Bed
A	4	1	Apartment	2 Bed
A	4	1	Apartment	3 Bed
A	5	1	Apartment	2 Bed
A	5	1	Apartment	3 Bed
A	6	1	Apartment	3 Bed
A	7	1	Penthouse	4 Bed

Block	Level	Quantity	Unit	Description
B	0	2	Maisonettes	2 Bed
B	1	2	Apartments	2 Bed
B	2	2	Apartments	2 Bed
B	3	2	Apartments	2 Bed
B	4	2	Apartments	2 Bed
B	5	2	Apartments	2 Bed
B	6	1	Apartments	3 Bed
C	0	1	Maisonette	3 Bed
C	0	1	Maisonette	2 Bed
C	1	1	Apartment	3 Bed
C	1	1	Apartment	2 Bed
C	2	1	Apartment	3 Bed
C	2	1	Apartment	2 Bed
C	3	1	Apartment	3 Bed
C	3	1	Apartment	2 Bed
C	4	1	Apartment	3 Bed
C	4	1	Apartment	2 Bed
C	5	1	Apartment	3 Bed
C	5	1	Apartment	2 Bed
C	6	1	Apartment	4 Bed
C	7	1	Penthouse	4 Bed
D	0	2	Maisonettes	3 Bed
D	1	2	Apartments	3 Bed
D	2	2	Apartments	3 Bed
D	3	2	Apartments	3 Bed
D	4	2	Apartments	3 Bed
D	5	2	Apartments	3 Bed
D	6	2	Apartments	3 Bed
D	7	2	Penthouses	3 Bed
E	0	2	Maisonettes	3 Bed
E	1	2	Apartments	3 Bed
E	2	2	Apartments	3 Bed
E	3	2	Apartments	3 Bed
E	4	2	Apartments	3 Bed
E	5	2	Apartments	3 Bed
E	6	2	Apartments	3 Bed
E	7	2	Penthouses	3 Bed

The finishes of each apartment will include all the electrical, plumbing, telephone and air conditioning installations points, gypsum plastering and 2 coats of white paint, all floor tiles and bathrooms, including all sanitary ware and accessories and all external apertures in double glazed aluminium. All garages will be affixed with metal doors.

The façade will be composed of various materials such as silicato rendering, marble cladding and alucabond lining. A block plan is available for inspection at the Issuer’s registered office.

4. **Existing use**

There is no existing use since the site is currently under construction. The intended use is of a residential nature.

5. **Relevant planning applications**

The development in its entirety is covered by PA 04811/15 issued on the 10th May 2016. A copy of the permit is available for inspection at the Issuer's registered office.

6. **Material contravention of statutory requirements**

LR7.4.1.6: Not applicable.

7. **Tenure**

The site in caption is freehold.

8. **Main terms of tenants' leases or sub-leases**

LR7.4.1.8: Not applicable.

9. **Approximate age of any buildings**

The building is still under construction.

10. **Present capital value in existing state**

The estimated present capital value of the property in its existing state is calculated using the residual method.

This is based on the full potential value (exclusive of agencies fees) of €28,500,000, less the full costs to complete the residential units forming part of Blocks A, B, C, D, E at Mellieha of €5,600,000, together with a risk factor applied to the potential sales (profit for any potential interested buyer).

Thus, the present capital value of the property in its current state is estimated to be €20,500,000 (Twenty Million, five hundred thousand euros).

This value is being segregated as follows:

Block A	€3,700,000
Block B	€3,000,000
Block C	€4,200,000
Block D	€4,800,000
Block E	€4,800,000
Total	**€20,500,000**

Expected Date of Completion

All garage levels have been full constructed and out of the 10 blocks forming part of the development, Blocks G, H, I and J are fully complete.

Below is a plan of the remaining blocks:

Block	Approximate Present Completion as at 15th December 2018	Projected Completion Date
F	45%	Q1 2019
E	40%	Q2 2019
D	35%	Q2 2019
C	30%	Q3 2019
B	25%	Q3 2019
A	25%	Q4 2019

The whole project is expected to be fully completed by latest Q4 2019.

Estimated Total Cost of the Development

The remaining estimated total cost of completion as at 15th December 2018 is approximately **€6,800,000**, which is divided as per below:

Excavation	**Complete**
Construction	€ 800,000
Finishes	€ 5,650,000
Contingency	€ 350,000

The remaining estimated total cost of completion of the residential units forming part of Blocks A, B, C, D, E is approximately **€5,600,000**, which is divided as per below:

Excavation	**Complete**
Construction	€ 700,000
Finishes	€ 4,700,000
Contingency	€ 200,000

This amount excludes professional fees, marketing expenses and borrowing costs.

Estimated Capital Value

The capital value at current prices and on the basis of current market conditions of the afore-mentioned garages and residential units forming part of Block A, B, C, D, E at Mellieha in course of development, **after the development has been completed is estimated at €28,500,000 (Twenty-Eight Million Five Hundred Thousand Euros)**

11. Terms of intra-Group lease on Property occupied by the Group (identifying the Properties) to the extent that such leases are taken into account in the valuation

LR7.4.1.11: Not applicable.

12. Other matters which materially affect the value

LR7.4.1.12: Not applicable.

13. **Sources of information and verification**

All information that was considered necessary for the purpose of drawing up the present report was obtained from the directors and advisors of GAP Group p.l.c. This included all planning applications, construction and finishing cost estimates, design, management and supervision costs, marketing and selling costs, estate management costs, and financing costs. There was also access to the projections of sales and cash flow.

14. **Details of registered mortgages and privileges and other charges, real rights thereon including details of emphyteutical concessions, easements and other burdens**

The property is currently subject to a General Hypothec and a Special Hypothec, originally for €40,000,000 in favour of Equinox International Limited against issue of public bond €40,000,000 4.25% GAP Group plc 2023.

B. Details of valuer

Colin Zammit
B.E.&A. (Hons) A.&C.E.P.G. Dip. Cons. Tech
Perit – Maniera Group
Tel: [+356] 21 411790; 21420895
Mob: [+356] 9947 8744
Email: perit@manieragroup.com
Address: 80, Triq it-Torri, Mosta MST 3502
Warrant No 386

C. Date of valuation

The valuation was completed on, and the effective date thereof is, 15th January 2019

D. Basis of valuation

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 valuation.

Since projects of this nature and scale do not easily lend themselves to a method of valuation which is based on the comparative method, this valuation method is being compiled, using a residual method approach.

E. Assumptions

An open market valuation assumes that there is a willing seller, that the interest being valued would have been, prior to the transaction, properly marketed, that the state of the market, level of values and other circumstances are consistent over the period of the valuation, that no account is taken of any additional bid by a prospective purchaser with special interest, 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 the property can be used, for the foreseeable future, only for the existing use, and that vacant possession is provided on completion of the sale of all parts occupied by the business.

F. Title

The site in caption is freehold.

G. Benefits/Detriments of contractual agreements

LR 7.4.7: Not applicable.

H. <u>Acquisitions/Disposals interest</u>

LR 7.4.8: Not applicable.

I. <u>Other relevant matters</u>

No responsibility is being assumed to the third parties to whom this report may be disclosed and no liability is accepted in contract, negligence, restitution with regards to any loss including profits, goodwill or opportunity. While the above is deemed to provide a reasonable valuation of the property in question, such estimate may also vary between one valuer and another. This valuation is also subject to changes over relatively short periods due to economic conditions.

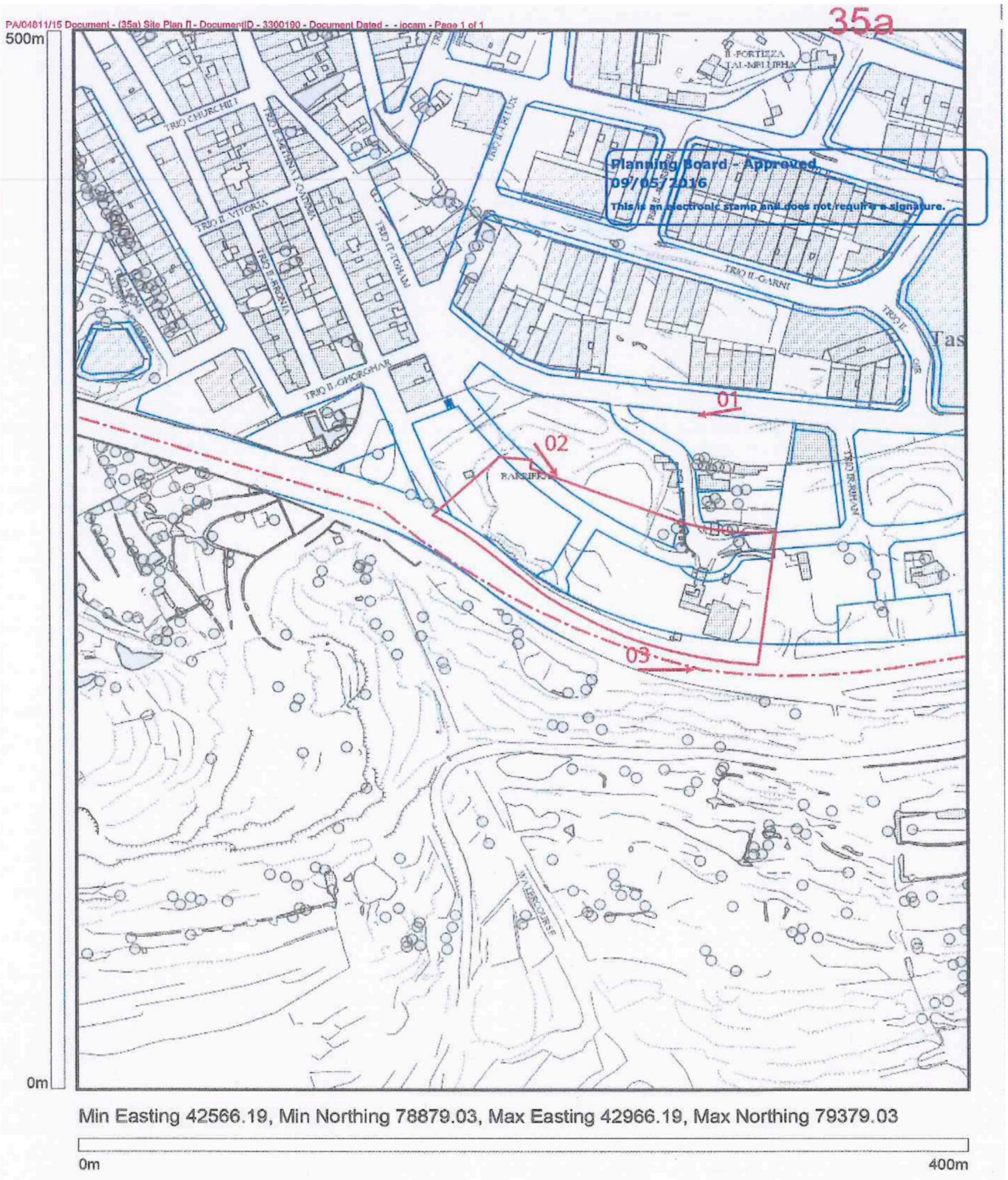
J. <u>Standards and guidelines</u>

The valuation has been carried out in accordance with standards and guidelines issued by the Royal Institute of Chartered Surveyors. (RICS)

The original copy has been signed by

Colin Zammit
B.E.&A. (Hons) A.&C.E.P.G. Dip. Cons. Tech
Perit

Appendix A



MEPA - www.mepa.org.mt

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Site Plan, Scale 1:2500
Printed on: Friday, November 06, 2015

Not to be used for interpretation or scaling of scheme alignments