

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with Commission Regulation (EC) No 809/2004 of the 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as duly amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation 862/2012 of 4 June 2012, Commission Delegated Regulation 621/2013 of 21 March 2013, Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) 2015/1604 of 12 June 2015 and Commission Delegated Regulation (EU) 2016/301 of 30 November 2015.

## SUMMARY NOTE

Dated 3<sup>rd</sup> June 2019

Issue of €20,000,000 3.75% Secured Bonds 2029 by



### TUM FINANCE PLC

A public limited liability company registered in Malta with company registration number C 91228

jointly and severally guaranteed and secured by Easysell Limited a private limited liability company registered in Malta with company registration number C 9778

ISIN MT0002271204

\* Prospective investors are to refer to the Guarantee contained in Annex 1 of the Securities Note and section 1 of the Registration Document for a description of the Guarantee. Reference should also be made to the section entitled 'Risk Factors' contained in this Registration Document and the Securities Note.

Legal Advisors



Sponsor & Registrar



Manager



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

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS 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 INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE BONDS OF THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.

Anthony  
Fenech

Silvan  
Fenech

Matthew  
Fenech

Stanley  
Portelli

Mario  
Vella

William  
Wait

## IMPORTANT INFORMATION

THIS SUMMARY NOTE CONTAINS INFORMATION ON TUM FINANCE PLC IN ITS CAPACITY AS ISSUER (THE 'ISSUER') AND EASYSSELL LIMITED AS GUARANTOR (THE 'GUARANTOR') IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CHAPTER 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) No 809/204 OF THE 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS AS DULY AMENDED BY COMMISSION DELEGATED REGULATION (EU) No. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION 621/2013 OF 21 MARCH 2013, COMMISSION DELEGATED REGULATION (EU) No 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) 2015/1604 OF 12 JUNE 2015 and COMMISSION DELEGATED REGULATION (EU) 2016/301 OF 30 NOVEMBER 2015.

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

**THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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.**

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR THE BONDS 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 THE BONDS TO BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

SAVE THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS 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.

A COPY OF THE PROSPECTUS 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 THE PROSPECTUS 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 GUARANTOR NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING 'ADVISORS' IN SECTION 3.2 HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR, AS THE CASE MAY BE, IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE CONTENTS OF ANY WEBSITE OF ISSUER OR GUARANTOR OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO ISSUER OR GUARANTOR DO NOT FORM PART OF THIS PROSPECTUS. ACCORDINGLY NO RELIANCE



UGHT 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 INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.**

**This Summary Note is prepared in accordance with the requirements of COMMISSION REGULATION (EC) No 809/2004 OF THE 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS AS DULY AMENDED from time to time.**

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

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

## **SECTION A INTRODUCTION AND WARNINGS**

### **A.1 Warnings:**

Prospective investors are warned that:

- This Summary Note is being provided to convey the essential characteristics and risks associated with the Issuer and the Bonds being offered pursuant to the Prospectus. This Summary Note should be read as an introduction to the Prospectus. It is not, and does not purport to be exhaustive, and prospective investors are warned that they should not rely on the information contained in this Summary Note in making a decision as to whether to invest in the Bonds.
- Any decision to invest in the Bonds should be based on consideration by a prospective investor of the Prospectus as a whole.
- Where a claim relating to information contained in the Prospectus is brought before a court, plaintiff investor might have to bear the costs of translating the Prospectus before the legal proceedings are initiated, under the laws of the state where legal proceedings are to be brought.
- Civil liability attaches only to those persons who have tabled the Summary Note including any translation thereof, but only if the Summary Note, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent, or does not provide key information in order to aid prospective investors when considering whether to invest in the Bonds.

### **A.2 Consent for intermediaries in connection with the use of the Prospectus:**

Prospective investors are informed that:

- i. for the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries and any subsequent resale, placement or other offering of the Bonds by any authorized financial intermediary, in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive (EU Directive 2003/71/EC of the European Parliament and of the Council), the Issuer consents to the use of the Prospectus (and accepts responsibility for the information

contained therein) with respect to any such subsequent resale or placement or other offering of Bonds, provided this is limited to: (a) in respect of Bonds subscribed for through the Authorised Financial Intermediaries during the period which shall commence on 12<sup>th</sup> June 2019 and run up to 26<sup>th</sup> June 2019; (b) to any resale or placement of Bonds taking place in Malta; (c) to any resale or placement of Bonds taking place within the period of 60 days from date of the Prospectus;

- ii. **in the event of a resale, placement or other offering of the Bonds by an authorized financial intermediary, the authorised financial intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**

## SECTION B ISSUER AND GUARANTOR

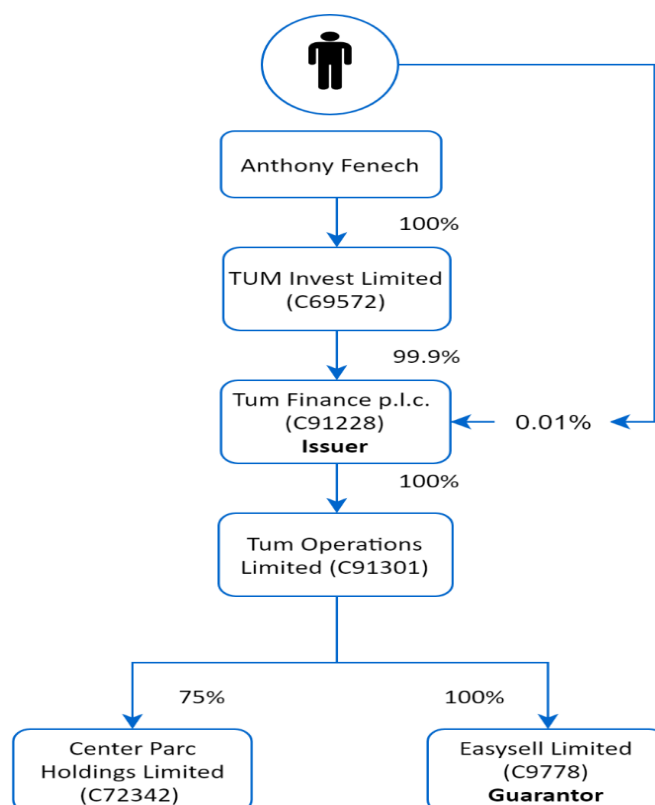
B.1 – B.19 Legal and commercial nature: Issuer is Tum Finance plc. Guarantor is Easysell Limited.

B.2 – B.19 Domicile, legal form, legislation, country of incorporation: The Issuer is registered and incorporated under the laws of Malta in terms of the Act as a public limited liability company and is domiciled in Malta. The Guarantor is registered and incorporated under the laws of Malta in terms of the Act as a private limited liability company and is likewise domiciled in Malta.

B.4b – B.19 Known trends: The Issuer is dependent on the business prospects of the Group, and therefore the trend information of the members of the Group, has a material effect on the Issuer's financial position and prospects.

The Group is subject to general market and economic risks that may have a significant impact on its current and future property developments, and their timely completion within budget, and their profitable operation. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates.

B.5 – B.19 Group companies: The Issuer and Guarantor form part of the following group of companies:



The Issuer is owned by Tum Invest Limited, who indirectly also wholly owns the Guarantor.

B.9 – B.19 Profit forecast/estimate: Not Applicable as the Registration Document does not contain any profit forecasts or estimates.

B.10 – B.19 Audit report qualifications: Not Applicable as the Issuer was registered and incorporated on 26 March 2019 and since incorporation to the date of the Prospectus no financial statements have been prepared. The audit reports on the audited financial statements for the year ended 31 December 2017 of the Guarantor do not contain any material qualifications.

B.12 – B.19 Key financial information: As at the date hereof the Issuer has no financial information to report. Accordingly, it is not in a position to assert whether there has been a material adverse change since the date of publication of its latest audited financial statements. There has not been any significant change in the financial or trading position of the Issuer, which has occurred since the date of its incorporation.

The historical financial information of the Guarantor for each of the financial years ended 31 December 2015, 2016 and 2017 as audited by Deloitte Audit Ltd are set out in the financial statements of the Guarantor. Such audited financial statements are available at the Issuer's registered office. There has been no material adverse change to the prospects of the Guarantor and no significant changes to its financial or trading position since the date of the last published audited financial statements of the Guarantor.

The key highlights taken from the audited financial statements of the Guarantor for the years ended 31 December 2015, 2016 and 2017 are set out below:

| <b>Easysell Limited</b>   |             |             |             |
|---|-------------|-------------|-------------|
| <b>Condensed income statement for the year ended 31 December</b>    |             |             |             |
| <b>EUR '000</b>   | <b>2015</b> | <b>2016</b> | <b>2017</b> |
| Revenue   | 526         | 405         | 405         |
| Cost of sales   | (132)       | -           | -           |
| <b>Gross profit</b>   | <b>394</b>  | <b>405</b>  | <b>405</b>  |
| Other operating income  | 280         | 38          | 38          |
| Administrative and other operating expenses                         | (124)       | (100)       | (66)        |
| <b>Operating profit</b>   | <b>550</b>  | <b>343</b>  | <b>377</b>  |
| Investment income   | 318         | -           | -           |
| Finance costs   | (57)        | (29)        | (73)        |
| <b>Profit before tax</b>  | <b>811</b>  | <b>314</b>  | <b>304</b>  |
| Income tax expense  | (55)        | (93)        | (93)        |
| <b>Profit for the year</b>  | <b>756</b>  | <b>221</b>  | <b>211</b>  |
| <b>Easysell Limited</b>   |             |             |             |
| <b>Condensed cash flow statement for the year ended 31 December</b> |             |             |             |
| <b>EUR '000</b>   | <b>2015</b> | <b>2016</b> | <b>2017</b> |
| Net cash from operating activities                                  | 374         | (265)       | 391         |
| Net cash from investing activities                                  | (430)       | (702)       | (1,981)     |
| Net cash from financing activities                                  | 55          | 1,039       | 1,518       |
| <b>Net movement in cash and cash equivalents</b>                    | <b>(1)</b>  | <b>72</b>   | <b>(72)</b> |
| Cash and cash equivalents at the beginning of year                  | 1           | -           | 72          |
| <b>Cash and cash equivalents at end of year</b>                     | <b>-</b>    | <b>72</b>   | <b>-</b>    |

### Easysell Limited

#### Balance sheet as at 31 December

| EUR '000                            | 2015          | 2016          | 2017          |
|-------------------------------------|---------------|---------------|---------------|
| <b>ASSETS</b>                       |               |               |               |
| Non-current                         | 10,067        | 10,768        | 12,749        |
| Current                             | 171           | 842           | 756           |
| <b>Total assets</b>                 | <b>10,238</b> | <b>11,610</b> | <b>13,505</b> |
| <b>EQUITY</b>                       |               |               |               |
| Total equity                        | 4,826         | 5,048         | 5,259         |
| <b>LIABILITIES</b>                  |               |               |               |
| Non-current                         | 4,741         | 5,854         | 7,425         |
| Current                             | 671           | 708           | 821           |
| Total Liabilities                   | 5,412         | 6,562         | 8,246         |
| <b>Total equity and liabilities</b> | <b>10,238</b> | <b>11,610</b> | <b>13,505</b> |

The unaudited financial results of the Guarantor for the period ended 31 December 2018, and the comparative financial statements for the period ended 31 December 2017 are set out below:

### Easysell Limited

#### Condensed income statement for the year ended 31 December

| EUR '000                                    | 2017<br>Audited | 2018<br>Unaudited |
|---|-----------------|-------------------|
| Revenue                                     | 405             | 421               |
| Cost of sales                               | -               | -                 |
| <b>Gross profit</b>                         | <b>405</b>      | <b>421</b>        |
| Other operating income                      | 38              | 55                |
| Administrative and other operating expenses | (66)            | (97)              |
| <b>Operating profit</b>                     | <b>377</b>      | <b>379</b>        |
| Investment income                           | -               | -                 |
| Finance costs                               | (73)            | (133)             |
| <b>Profit before tax</b>                    | <b>304</b>      | <b>246</b>        |
| Income tax expense                          | (93)            | (97)              |
| <b>Profit for the year</b>                  | <b>211</b>      | <b>149</b>        |

### Easysell Limited

#### Cash flow statement for the year ended 31 December

| EUR '000   | 2017<br>Audited | 2018<br>Unaudited |
|--|-----------------|-------------------|
| Net cash from operating activities                 | 391             | 347               |
| Net cash from investing activities                 | (1,981)         | (1,851)           |
| Net cash from financing activities                 | 1,518           | 1,504             |
| <b>Net movement in cash and cash equivalents</b>   | <b>(72)</b>     | <b>-</b>          |
| Cash and cash equivalents at the beginning of year | 72              | -                 |
| <b>Cash and cash equivalents at end of year</b>    | <b>-</b>        | <b>-</b>          |

### Easysell Limited

#### Balance sheet as at 31 December

| EUR '000                            | 2017<br>Audited | 2018<br>Unaudited |
|-------------------------------------|-----------------|-------------------|
| <b>ASSETS</b>                       |                 |                   |
| Non-current                         | 12,749          | 14,600            |
| Current                             | 756             | 92                |
| <b>Total assets</b>                 | <b>13,505</b>   | <b>14,692</b>     |
| <b>EQUITY</b>                       |                 |                   |
| Total equity                        | 5,259           | 5,505             |
| <b>LIABILITIES</b>                  |                 |                   |
| Non-current                         | 7,425           | 8,767             |
| Current                             | 821             | 420               |
| Total Liabilities                   | 8,246           | 9,187             |
| <b>Total equity and liabilities</b> | <b>13,505</b>   | <b>14,692</b>     |

**B.13 – B.19** Events relevant to evaluate solvency: Not applicable as there are no recent events particular to the Issuer or the Guarantor which are to a material extent relevant to the evaluation of the Issuer's or Guarantor's solvency.

**B.14 – B.19** Dependency on members in the Group: The Issuer is ultimately dependent upon the operations, performance and business prospects of the Guarantor and Center Parc.

**B.15 – B.19** Principal activities: The Issuer has been set up as a holding company to hold shares in other companies and to borrow monies which it will in turn lend to companies within its Group. The Guarantor has been set up to own, develop and manage immovable properties primarily for commercial purposes.

**B.16 – B.19** Ownership and control: The Issuer is wholly indirectly owned and controlled by Anthony Fenech, as is the Guarantor.

**B.17 – B.19** Credit ratings: Not applicable as no credit ratings have been assigned to Issuer or Guarantor or the Bonds at the request or with the cooperation of the Issuer at the rating process.

**B.18** Nature and scope of the Guarantee: The Guarantor is appearing jointly and severally with the Issuer to irrevocably and unconditionally guarantee in favour of the Security Trustee for the benefit of the Bond Holders, the due observance and punctual performance of all obligations, duties, undertakings, covenants and conditions by or on the part of the Issuer contained in the Prospectus and to be observed and performed by it, including the prompt and faithful performance of interest and principal due by the Issuer on the Bonds. In order to better guarantee the obligations undertaken by it on the Guarantee, the Guarantor shall constitute in favour of the Security Trustee for the benefit of the Bond Holders the Security for the maximum sum of €20,000,000 plus interests due up to Maturity Date and costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee's rights arising under the Security Trust Deed. The Guarantee given by the Guarantor shall remain in full force and effect until all sums due to the Bond Holders are paid in full.

## **SECTION C SECURITIES**

**C.1** Description of the Bonds: The Bonds form part of an issue of 3.75% secured bonds 2029 of a nominal value of €100 per Bond issued by the Issuer up to the principal amount of €20,000,000. An Investor must as a minimum hold a nominal value of €2000 in Bonds. Bonds shall carry interest of 3.75% payable annually and shall be redeemed on the 27<sup>th</sup> June 2029. The Bonds will be issued in fully registered and dematerialized form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. The Bonds will be identified by ISIN: MT0002271204.

**C.2** Currency of the Bonds: Euro.

**C.5** Restrictions on free transferability: The Bonds are freely transferable and once admitted to the official list of the Exchange shall be transferable in accordance with the rules and regulations of the Exchange.

**C.8** Rights attaching to the Bonds: A Bond Holder will have such rights as are attached to the Bonds, including the right to: (a) be repaid the principal; (b) be paid interest on each Interest Payment Date; (c) benefit from the Security over the Secured Asset; (d) attend, participate in and vote at meetings of Bond Holders in accordance with the terms and conditions of the Bond Issue; and (e) such other rights as emanate from the Prospectus.

The Guarantor has secured the repayment of the principal and interest by means of the Guarantee and the Security over the Secured Asset. With respect to the Guarantor, the Bonds shall rank with priority or preference to all other present and future unsecured obligations of the Guarantor, and save for exceptions allowed by law, will have first ranking and priority over the Secured Asset. The Issuer has undertaken to procure that the Guarantor does not give any further charges over the Secured Asset.

The Bonds shall otherwise constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu* without any priority or preference among themselves.

**C.9 Capital and Interest Payments:** The Bonds shall carry interest at a fixed rate of 3.75% annually from and including the 27<sup>th</sup> June 2019, which shall be payable once annually in arrears on the 27<sup>th</sup> June of each year up to Maturity Date which is 27<sup>th</sup> June 2029. The nominal value of the Bonds shall be paid in full on Maturity Date unless the Bonds are previously repurchased or cancelled.

The gross yield calculated on the basis of the interest payments, the issue price and redemption price of the Bonds, which in both cases is the nominal value per Bond, is of 3.75%.

The last part of this Element C.9 is not applicable since the debt security holders have not appointed a representative.

**C.10 Derivative payment in interest component:-** Not applicable as Interest on the Bonds does not involve a derivative payment.

**C.11 Admission to trading:-** The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 3<sup>rd</sup> June 2019. Application has been made to the Exchange for the Bonds to be admitted to listing on its official list. The Bonds are expected to be admitted to listing with the Exchange on 28<sup>th</sup> June 2019 and to commence trading on 1<sup>st</sup> July 2019.

## **SECTION D RISKS**

**D.2 Key risks specific to the Issuer:** Holding a bond involves certain risk. Prior to any decision to invest in the Issuer, potential investors should carefully read and assess the following general and specific risks and all other information contained in the Prospectus and consult with their own professional advisors before purchasing the Bonds.

If these risks materialise, individually or together with other circumstances, they may substantially impair the business of the Group and have material adverse effects on the Group's business prospects, financial condition or results of operations and the price of the Issuer's Bonds may decline, causing investors to lose all or part of their invested capital.

**Forward Looking Statements** - This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'plans', 'projects', 'will', 'would' or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements.

**Tax Risks** - The Group's tax burden may increase as a consequence of current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in its application or interpretation.

**Difficulties in Replacing Key Personnel** - The success of the Group depends on the performance of its key personnel. Any change without a good replacement could impair the Group's management.

**Damages or Interruptions to the Group's Information Technology System** - Any interruptions in, failure of or damage to the Group's proprietary information system could lead to business process delays or interruptions.

**Legal and Regulatory Risks** - The Group's business is subject to the general legal environment in Malta which may change to its detriment.



***Litigation, Administrative Proceedings and Similar Claims*** - Entities of the Group have been and probably will be in the future subject to administrative and legal proceedings in the ordinary course of business.

***No trading past*** - The Issuer has only recently been incorporated and therefore has no trading past. There is likewise no trading history with respect to the Properties other than in so far as concerns part of the Secured Asset. The financial information contained in the Prospectus is thus not based on historic figures, albeit largely based on executed lease agreements.

***Dependence of Issuer on its Subsidiaries*** - The Issuer is a holding company that does not conduct its operative business itself but does so through its Subsidiaries, and is thus dependent on them. If the Subsidiaries are unable to generate positive cash flows from their operating activities in the future, the Subsidiaries could be forced to sell the Properties irrespective of the market situation, and possibly on terms unfavourable to the Group, or borrow money on financially unattractive terms.

***Minority Third Party Interests in Center Parc*** - The Issuer through the Subsidiaries' Holding does not own all shares, and does not hold all voting rights, in Centre Parc, and is to an extent exposed to influence by other shareholders which may limit the Group's flexibility to implement its strategy.

***Preference Shares*** - The Issuer will be using some of the proceeds of the Bond Issue to fund the allotment of Preference Shares in the Subsidiaries' Holding. Payment of annual interest on preference shares issued by the Subsidiaries' Holding is subject to the company making distributable profits, and the directors approving the distribution. Ordinary and secured creditors of the Subsidiaries' Holding will rank prior to the re-payment of the Preference Shares in case of an insolvent winding up.

***Dependence on Demographic and Economic Developments in Malta*** - The Subsidiaries are property owning companies dependent on tenancies, and so their business activities are affected by demographic, economic and political factors, which may effect property prices and rent levels, turnover and vacancy rates.

***Dependence on Full Occupancy of its Properties and Increasing Rent*** - The commercial success of the Group depends significantly on its ability to retain high occupancy rates, reducing operating costs whilst increasing rent levels, which may be influenced by various factors.

***Exposure to Risks Related to the Maintenance and Repair of the Properties*** - The Subsidiaries need to maintain the Properties in good condition. The Subsidiaries could have underestimated the amount to be invested for the targeted maintenance as costs may increase due to various factors.

***Exposure to Risks due to Delays*** - The Properties are still undergoing construction (other than for parts of the Secured Asset that are already rented out). Commencement of operations may be delayed for a number of reasons, pushing back commencement of tenancies.

***Losses Exceeding Insurance Coverage*** - The Properties held by the Subsidiaries are insured against losses to the extent usual for its business. The insurance policies are however subject to exclusions and limitations of liability which limit coverage. In addition, insurers could become insolvent.

***Standardized Contracts could lead to Additional Legal Risks*** - The Subsidiaries maintain legal relationships with a large number of persons, primarily tenants, and mainly use standard form contracts. If these contain invalid clauses, these may be substituted by provisions which are unfavourable to the Subsidiaries.

***Single Tenant Risk*** - A significant portion of revenue generated from the Subsidiaries' portfolio may be dependent on key tenants occupying a significant portion of a Property. Defaulting by a key or single tenant is likely to significantly impact the Group's revenue.

***Property Valuations*** - Valuation of property is intrinsically subjective and based on a number of assumptions at a given point in time, and there can be no assurance that any such property valuations and property-

related assets will reflect actual market values. In addition, property valuations are influenced by a variety of factors such as changes in regulatory requirements and applicable laws, political and social conditions, the financial markets, consumer spending power, and interests and inflation rate fluctuations. Thus the market value of the Secured Asset may be different from the actual value it may obtain in future.

**Competition** - An increase in supply and/or a reduction in demand in the property market in which the Subsidiaries operate, may as a result of competition in the market, result in parts of the Properties remaining vacant or being leased out at prices which are lower than what is being anticipated by the Subsidiaries once the current tenancies expire.

**Financial Risks** - The Group may require additional funds to finance or refinance its debt, capital expenditures, future acquisitions and working capital requirements. The Group's ability to meet its capital requirements will depend on future operating performance and ability to generate cash flows. There can be no assurance that the Group will be able to obtain additional financing on acceptable terms when required.

**Group Borrowings** - The Group will be able to incur additional amounts of debt, which could further exacerbate the risks associated with their indebtedness. Lending by the banks for the purpose of acquiring and developing properties are usually secured by first-ranking charges in favour of the lending bank. If an entity in the Group defaults under the loan, it could be forced to sell the respective property under unfavourable conditions. To the extent that a company within the Group provides its assets as security for indebtedness without also securing the Bond Issue, the secured debt will effectively be senior to the debt financed by the proceeds of the Bond Issue. Also preferred creditors will be paid before shareholders.

#### **D.3     Key risks specific to the Bonds:**

**Suitability of the Bonds** - Each potential investor of the Bonds must determine the suitability of his/her investment in the light of his/her own circumstances. The Bonds may not be a suitable investment for all investors.

**Liquidity of the Bond Market** - A liquid market for the Bonds may not develop, or if it does, it may not continue. The fact that the Bonds will be listed on the Exchange will not necessarily lead to greater liquidity. In an illiquid market, an investor is subject to the risk that it will not be able to sell the Bonds at any time at fair market prices.

**Redemption Before Maturity** - If the Bonds are redeemed prior to Maturity Date, an investor is exposed to the risk of a lower yield than expected.

**Creditworthiness of the Group** - If any of the risks regarding the Issuer and the Group materialize, the likelihood that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due decreases, and therefore the market value of the Bonds may suffer. In addition, even if the Issuer is able to fully perform all obligations under the Bonds when they fall due, market participants could nevertheless have a different perception.

**Independent Credit Rating** - The Issuer has not sought, and does not intend to seek any credit rating.

**Currency Risk** - The Bonds are denominated in Euro. If such currency represents a foreign currency to a Bond Holder, such Bond Holder is particularly exposed to the risk of currency changes which may affect the yield of such Bonds. The imposition of exchange controls could also adversely affect an applicable currency exchange rate.

**Market Value of the Bonds Dependent on Market Interest Rates** - The Bonds have a fixed rate of interest which carries the risk that the prices of the Bonds can fall as a result of changes in the interest rate on the market.

**Changes in Circumstances** - No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.

**Subsidiaries' Inability to Generate Sufficient Cash Flows** - The Issuer's ability to make scheduled payments on, or to refinance its obligations with respect to its indebtedness, including the Bonds, will depend on its Subsidiaries' financial and operating performance, which in turn will be affected by factors beyond its control. If the Subsidiaries are unable to generate sufficient cashflow to satisfy the Issuer's debt obligations, the Issuer may have to undertake alternative financing plans. Refinancing may not be possible, it may be difficult to sell any assets or, if sold, at unfavourable conditions, or additional financing may not be able to be obtained on acceptable terms.

**Insufficient Proceeds on the Security** - The Bonds will be secured by the Security. The amount to be received upon an enforcement of the Security would be dependent on numerous factors affecting the value of the Secured Asset at the time of its enforcement and the proceeds from the enforcement of the Security may not be sufficient to repay the obligations under the Bonds.

**No Direct Enforcement of the Security** - The Security that will secure the obligations of the Issuer under the Bonds will not be directly granted to the Bond Holders but will be granted in favour of the Security Trustee who has the sole right to enforce the Security.

**Preferences at Law** - Notwithstanding that the Security in relation to the Guarantor shall rank first over the Secured Asset (save for a special privilege secured ground rent), and shall rank with priority over present and future unsecured obligations of the Guarantor, there can be no guarantee that privileges accorded by law in specific situations rank with priority or preference to the Security.

**Conditions to which the Bond Issue is Subject** - The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the official list of the Exchange by no later than 28<sup>th</sup> June 2019 and on the Security being constituted in favour of the Security Trustee.

**Changes to Conditions** - The Conditions may be changed by agreement with the Bond Holders. A Bond Holder is subject to the risk of being outvoted by a majority resolution of the Bond Holders or being bound by a decision of a meeting that he elected not to attend. In addition, certain rights of Bond Holders against the Issuer or the Guarantor under the Conditions may be amended or reduced or even cancelled under such a resolution.

**Change in Law** - The Conditions of the Bonds are based on Maltese Law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in applicable law or administrative practice after the date of this Prospectus.

**Discontinuation of Listing** - Even after the Bonds are admitted to trading on the Exchange, the Issuer is required to remain in compliance with certain requirements relating *inter alia* to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. The Listing Authority has the authority to suspend trading or listing of the Bonds or to discontinue the listing of the Bonds on the Exchange.

## SECTION E OFFER

**E.2b Reason for the offer and use of proceeds:** The proceeds from the Bond Issue, amounting to €20,000,000, after deduction of fees and other expenses incurred in connection with the Bond Issue which are expected to be in the region of €400,000 will be used as follows:- (a) the Issuer will subscribe to the Preference Shares in the Subsidiaries' Holding. Out of the capital proceeds received from the issuance and allotment of the Preference Shares which depending on the costs of the Bond Issue are expected to be in the region of €6,350,000, the Subsidiaries' Holding will grant the sum of €4,500,000 on loan to the Guarantor for

the purpose of repaying the debt due to the Bank and settling any outstanding development costs relating to the Secured Asset. The balance of proceeds received by the Subsidiaries' Holding through the issuance and allotment of the Preference Shares following the grant of the loan to Guarantor as aforesaid, which is expected to be in the region of €1,850,000, shall be used by it as general working capital; (b) the Issuer shall grant the sum of €13,250,000 on loan to the Subsidiaries' Holding, which will in turn grant the said sum on loan to Center Parc for the purpose of repaying all amounts due to the Bank and to finance remaining development costs relating to the Center Parc Property.

The Subsidiaries will thus settle all liabilities with the Bank as lender, which will in turn cancel all securities it currently has on Guarantor's Property and the Center Parc Property, leaving them free and unencumbered, save for a special privilege securing the ground rent over the Secured Asset.

Interest on the Bond will be paid from the interest earned by the Issuer on the Preference Shares it holds in the Subsidiaries' Holding and on the Issuer's Loan. The principal on the Bonds shall likewise be repaid from the redemption of the Preference Shares and the repayment of the Issuer's Loan. These will in turn be funded from rental income generated by Center Parc which will be utilized by Center Parc to pay the loan granted to it by the Subsidiaries' Holding, and from rental income generated by the Guarantor which it will distribute as dividends in favour of the Subsidiaries' Holding as its sole shareholder.

The Preference Shares (which are expected to amount to €6,350,000 in share capital) will be the amount of proceeds of the Bond less €13,250,000 to be given on loan to Center Parc, less around €400,000 representing expenses incurred in issuing the Bonds. These will be issued and allotted to the Issuer subject to the following terms and conditions:- (a) as fully paid up cumulative preference shares bearing a fixed annual dividend of 3.75%; (b) redeemable at par by the Subsidiaries' Holdings at any time but by not later than ten (10) years from their date of issue; (c) capital and interest due on the Preference Shares in a winding up or otherwise shall be paid before all other shares in the Subsidiaries' Holding including preference shares subsequently issued, but shall not be eligible to participate in any surplus of its assets; (d) they shall not confer a right to receive notice of or attend or vote at general meetings unless the fixed annual dividend payable on the Preference Shares is in arrears; (e) all other applicable terms and conditions referred to in the memorandum and articles of association of the Subsidiaries' Holding.

The Subsidiaries' Holding shall pay interest at 3.75% per annum on the loan granted to it by the Issuer. The principal amount of €7,250,000 shall be repaid in equal installments over a 9 year period commencing from the first Interest Payment Date; the balance of €6,000,000 shall be repaid in a lump sum payment one week prior to Maturity Date. The loan granted by the Subsidiaries' Holding to Center Parc shall be repaid in the same manner. All receivables in the form of rent raised by Center Parc from the lease of the Center Parc Property, shall be pledged in favour of the Subsidiaries' Holding.

The loan granted to the Guarantor is interest free. The principal shall be repayable on demand and in any case not later than one week prior to Maturity Date. The Guarantor shall repay the loan through dividend distributions.

These loans shall be subject to the admission of the Bond Issue to trading on the official list of the Exchange and to the Guarantor granting the Security in favour of the Security Trustee pursuant to the Security Trust Deed.

The Security Trustee shall ensure that the proceeds of the Bond issue are utilised for the purposes aforementioned.

**E.3 Terms and conditions of the Offer:** The Issuer has entered into Subscription Agreements with the Authorised Financial Intermediaries, whereby the Issuer bound itself to issue and the Authorised Financial Intermediaries bound themselves to subscribe for the full amount of the Bond Issue, subject to the Bonds being admitted to listed on the Exchange and the Security being created in favour of the Security Trustee on behalf of the Bond Holders in accordance with the Security Trust Deed.

The following is a summary of the general terms and conditions of the Bond. A bond Holder shall be deemed to have invested only after having received, read or understood the contents of the Prospectus, including the full terms and conditions contained therein and the annexes thereto.

*Form, Denomination, Title* - The entitlement to the Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. A Bond Holder shall have the right at reasonable times to access the register of Bond Holders held at the CSD for inspecting information held in its respect. Upon request, the CSD shall issue a Bond Holder a statement evidencing the registration of the Bonds in his name. The Bonds will be issued in fully registered form without interest coupon, in denominations of integral multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by an Applicant is €2000. The Bonds shall be in Euro. Any person in whose name the Bonds are registered may (to the fullest extent allowed by law) be deemed and treated at all times by all persons and for all purposes (including the making of any payments), as the absolute owner of the Bond.

*Interest* - The Bonds shall bear interest from the Closing Date at the rate of 3.75% per annum calculated by reference to the principal amount thereof and payable annually in arrears on the Interest Payment Date.

*Status and Security* - The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference amongst themselves. The Guarantor has secured the repayment of the principal and interest by means of the Guarantee and the Security in favour of the Security Trustee for the interest of the Bond Holders. With respect to the Guarantor, the Bonds shall rank with priority or preference to all other present and future unsecured obligations of the Guarantor, and save for exceptions allowed by law, will have first ranking and priority over the Secured Asset.

*Payments of Principal and Interest* - Payment in Euro of principal in respect of the Bonds and payment of accrued interest payable on redemption of the Bonds (other than on an Interest Payment Date) will be made to the person in whose name the Bonds are registered at close of business on Record Date. Payments of interest on any Interest Payment Date will be made to the persons registered at close of business on the Record Date. Payment in all cases will be made within 10 Business Days from the relevant Interest Payment Date.

*Redemption* - The Bonds will be redeemed at par on Maturity Date. The Bonds will only be redeemed prior to the Maturity Date at the option of the Bond Holder upon a Change of Control or where acquired by the Issuer itself or a member of the Group or the Parent Company as provided for in the Prospectus.

*Event of Default* - The Security Trustee may in its absolute discretion and shall, if so requested in writing by the holders of at least 75% in nominal value of the Bonds outstanding, give notice in writing to the Issuer and the Guarantor that the Bonds are, and they shall accordingly thereby immediately become, due and repayable at their principal amount, together with accrued interest as at such date, if any of the following events (each an Event of Default) shall have occurred and be continuing:- (a) the Issuer fails to pay the principal amount or any interest on any of the Bonds when due and such failure continues for a period of 60 days in the case of the principal and 30 days in the case of the interest after written notice thereof is given by the Security Trustee to the Issuer and/or Guarantor; (b) the Issuer and/or Guarantor does not perform or comply with any one or more of its other obligations in respect of the Bonds or the Security Trust Deed and such default is incapable of remedy or, if (in the opinion of the Security Trustee) is capable of remedy, is not (in the opinion of the Security Trustee) remedied within 30 days after the Issuer and/or Guarantor shall have received from the Security Trustee written notice of such default; (c) If: (i) any Indebtedness of the Issuer or Guarantor becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or Guarantor fails to make any payment in respect of any Indebtedness on the due date for payment as extended by any applicable grace period; (iii) any security given by the Issuer or Guarantor for any Indebtedness is enforced; (iv) default is made by the Issuer or Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness of any other person; (d) if: (i) an attachment, execution or other legal process is levied, enforced or sued out on or against all or any substantial part of the assets of the Issuer and/or the Guarantor and/or the Subsidiaries' Holding and is not discharged or stayed



within 90 days or such longer period as may be permitted by the Security Trustee in its sole discretion; or (ii) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer or the Guarantor or the Subsidiaries' Holding; (e) any step is taken to enforce any security interest, present or future, created or assumed by the Issuer or the Guarantor or the Subsidiaries' Holding and is not stayed within 60 days; (f) bankruptcy, insolvency, voluntary or court liquidation, composition with creditors, reorganisation or similar affecting the rights of creditors generally are opened against the Issuer and/or Guarantor and/or the Subsidiaries' Holding or a provisional administrator, official receiver or liquidator is appointed in respect of the Issuer and/or Guarantor and/or Subsidiaries' Holding; (g) the Issuer or the Guarantor admits inability to pay its debts as they fall due, or is deemed unable to pay its debts pursuant to or for the purpose of any applicable law; (h) an order is made or a resolution is passed for the winding up or dissolution of the Issuer or the Guarantor, or the Issuer or Guarantor has passed a resolution to have itself wound up or has made an announcement or issued a notice to that effect, or the Issuer or Guarantor ceases or publicly announces an intention to cease to carry on all or substantially all of its business or operations, except in any such case: (i) any sale or transfer of all, or substantially all, of the assets of the Issuer to another entity (whether by operation of law or otherwise); (ii) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation; or (iii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another member in the Group; (i) a final judgement or judgements for the payment of money exceeding €2,000,000 in aggregate, are rendered against the Issuer or the Guarantor, and which judgements are not, within 30 days after entry thereof, discharged or stayed pending appeal, or are not discharged within 30 days after the expiration of such stay; (j) the Issuer or Guarantor substantially changes the object or nature of its business as currently carried on; (k) any representation or warranty made or deemed to be made by or in respect of the Issuer or Guarantor is or proves to be incorrect in any material respect; (l) any consent, permit, authorization, licence or approval of, or registration with, or declaration to governmental, statutory or public bodies, or authorities or courts, required by the Issuer in connection with the Bonds or by the Subsidiaries in connection with the carrying out of their business or in connection with the Properties is not granted or if granted is substantially modified or revoked or not renewed or otherwise ceases to be in full force and effect; (m) following a period of 60 days where Issuer and/or Guarantor are affected by an event of Force Majeure; (n) the Issuer and/or the Guarantor are in material breach of the Security Trust Deed.

*Transfer* - The Bonds are freely transferable and once admitted to the official list of the Exchange shall be transferable in accordance with the rules and regulations of the Exchange. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. Transfers or transmissions shall not be registered for a 15 Business Day period preceding any Interest Payment Date.

*Maintenance of Unencumbered Assets* - The Issuer undertakes to procure that the Guarantor does not give any further charges over the Secured Asset even if these rank after those registered in favour of the Security Trustee for the benefit of the Bond Holders.

*Modification and Waiver* - The amendment of the Conditions (save for that relating to the Security Trustee) may only be made with the approval of Bond Holders at a meeting held for the purpose by a prescribed majority.

*Governing Law and Jurisdiction* - The Security Trust Deed, the Bond Issue, the Guarantee and the Security and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with Maltese Law. The Courts of Malta shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection therewith.

**E.4 Interests:** Save for the subscription of the Bonds by the Authorised Financial Intermediaries, the repayment to the Bank of all amounts due to it on loan agreements by Center Parc and the Guarantor, and any fees payable in connection with the Bond Issue to the Sponsor, Manager and Registrar, so far as the Issuer is aware, no person involved in the Bond issue has a material interest in the Bond Issue.



E.7 Estimated expenses: professional fees, costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond are estimated not to exceed €400,000.

#### **Expected Time-Table of the Bond Issue**

|          |   |   |
|----------|---|---|
| <b>1</b> | Offering period                                       | 12 <sup>th</sup> June 2019 (from 08:30 CET) to<br>26 <sup>th</sup> June 2019 (by 12:00 CET) |
| <b>2</b> | Commencement of interest                              | 27 <sup>th</sup> June 2019  |
| <b>3</b> | Expected Date of Constitution of the Security         | 28 <sup>th</sup> June 2019  |
| <b>4</b> | Expected date of admission of the Bonds to listing    | 28 <sup>th</sup> June 2019  |
| <b>5</b> | Expected date of commencement of trading in the Bonds | 1 <sup>st</sup> July 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 Commission Regulation (EC) No 809/2004 of the 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as duly amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation 862/2012 of 4 June 2012, Commission Delegated Regulation 621/2013 of 21 March 2013, Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) 2015/1604 of 12 June 2015 and Commission Delegated Regulation (EU) 2016/301 of 30 November 2015.

## REGISTRATION DOCUMENT

Dated 3<sup>rd</sup> June 2019

Issue of €20,000,000 3.75% Secured Bonds 2029 by



### TUM FINANCE PLC

A public limited liability company registered in Malta with company registration number C 91228

jointly and severally guaranteed and secured by Easysell Limited a private limited liability company registered in Malta with company registration number C 9778

ISIN MT0002271204

Prospective investors are to refer to the Guarantee contained in Annex 1 of the Securities Note and section 1 of the Registration Document for a description of the Guarantee. Reference should also be made to the section 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 Bond Issue and the Guarantee.

Legal Advisors



Sponsor & Registrar



Manager



THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE BONDS AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT. THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS 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 INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE BONDS OF THE 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 Board of Directors of Tum Finance plc

A handwritten signature in black ink, appearing to read 'Anthony Fenech'.

Anthony  
Fenech

A handwritten signature in black ink, appearing to read 'Silvan Fenech'.

Silvan  
Fenech

A handwritten signature in black ink, appearing to read 'Matthew Fenech'.

Matthew  
Fenech

A handwritten signature in black ink, appearing to read 'Stanley Portelli'.

Stanley  
Portelli

A handwritten signature in black ink, appearing to read 'Mario Vella'.

Mario  
Vella

A handwritten signature in black ink, appearing to read 'William Wait'.

William  
Wait

## IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON TUM FINANCE PLC IN ITS CAPACITY AS ISSUER (THE 'ISSUER') AND EASYSSELL LIMITED AS GUARANTOR (THE 'GUARANTOR') IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CHAPTER 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) No 809/2004 OF THE 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS AS DULY AMENDED BY COMMISSION DELEGATED REGULATION (EU) No. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION 621/2013 OF 21 MARCH 2013, COMMISSION DELEGATED REGULATION (EU) No 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) 2015/1604 OF 12 JUNE 2015 and COMMISSION DELEGATED REGULATION (EU) 2016/301 OF 30 NOVEMBER 2015. NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR, OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF THE BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISORS.

**THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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.**

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF AN OFFER OR INVITATION TO SUBSCRIBE FOR THE BONDS: BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING THE OFFER OR INVITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE SUCH RESTRICTIONS. IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR THE BONDS 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 THE BONDS TO BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE. SAVE THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION APPLIES ARTICLE 3.2 OF THE SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO 'QUALIFIED INVESTORS' (AS DEFINED IN THE SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE. A COPY OF THE PROSPECTUS 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 THE PROSPECTUS 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 GUARANTOR NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING 'ADVISORS' IN SECTION 3.2 HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR, AS THE CASE MAY BE, IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS. THE CONTENTS OF ANY WEBSITE OF ISSUER OR GUARANTOR OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO ISSUER OR GUARANTOR 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 INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.**

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>1. DEFINITIONS</b>   | <b>5</b>  |
| <b>2. RISK FACTORS</b>  | <b>7</b>  |
| 2.1 General Risk Factors  | 7         |
| 2.2 Risk Factors Specific to the Issuer                                 | 8         |
| 2.3 Risk Factors Specific to the Subsidiaries                           | 9         |
| 2.4 Risk Factors Specific to the Bonds                                  | 11        |
| <b>3. IDENTITY OF DIRECTORS, ADVISORS, AUDITORS</b>                     | <b>12</b> |
| 3.1 Directors   | 12        |
| 3.2 Advisors  | 13        |
| 3.3 Auditors  | 14        |
| <b>4. DESCRIPTION ABOUT THE ISSUER AND THE GROUP</b>                    | <b>14</b> |
| 4.1 Organisational Structure  | 14        |
| 4.2 History and Development of the Parent Company, Issuer and the Group | 15        |
| 4.3 Business Overview   | 16        |
| 4.4 The Properties  | 17        |
| 4.5 Other Properties  | 23        |
| 4.6 Group's Future Prospects  | 23        |
| <b>5. SECURITY TRUSTEE</b>  | <b>24</b> |
| <b>6. OPERATING AND FINANCIAL INFORMATION</b>                           | <b>24</b> |
| 6.1 Selected financial information: the Issuer                          | 24        |
| 6.2 Selected financial information: the Guarantor                       | 24        |
| <b>7. TREND INFORMATION</b>   | <b>29</b> |
| 7.1 General Market Conditions   | 29        |
| 7.2 Economic Update   | 29        |
| <b>8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES</b>             | <b>30</b> |
| 8.1 Directors   | 30        |
| 8.2 Senior Management   | 34        |
| 8.3 Employees   | 34        |
| 8.4 Conflicts of Interest   | 34        |
| 8.5 Board Practices   | 35        |
| <b>9. MAJOR SHAREHOLDING AND RELATED PARTY TRANSACTIONS</b>             | <b>36</b> |
| 9.1 Shareholding  | 36        |
| 9.2 Related Party Transactions  | 37        |
| <b>10. FINANCIAL INFORMATION</b>  | <b>37</b> |
| <b>11. LITIGATION</b>   | <b>37</b> |

|            |   |           |
|------------|---|-----------|
| <b>12.</b> | <b>MATERIAL CONTRACTS</b>                   | <b>38</b> |
| <b>13.</b> | <b>STATEMENT BY EXPERTS</b>                 | <b>38</b> |
| 13.1       | <i>Property Valuation Report</i>            | 38        |
| 13.2       | <i>Interest of Experts and Advisors</i>     | 38        |
| <b>14.</b> | <b>DOCUMENTS ON DISPLAY</b>                 | <b>38</b> |
|            | <b>ANNEX 1 - PROPERTY VALUATION REPORTS</b> | <b>39</b> |

## 1. DEFINITIONS

Unless the context otherwise requires, the following capitalized terms shall have the following meanings:-

|  |  |
|--|--|
| <b>‘Audit Committee’</b>                   | the audit committee set up by the Issuer in terms of the Listing Rules whose composition and function is set out in Section 8.4 under the heading ‘Board Practices’;   |
| <b>‘Authorised Financial Intermediary’</b> | shall mean the Sponsor and/or the Manager duly authorised to distribute the Bonds pursuant to section 6 of the Securities Note under the heading ‘Plans for Distribution and other Matters’ or such other financial intermediaries as may be appointed by the Issuer from time to time;  |
| <b>‘Bank’</b>                              | Lombard Bank Malta plc, a public liability company registered under the laws of Malta with company registration number C 1607 and registered address at 67 Republic Street Valletta Malta duly licensed by the MFSA to conduct investment services business and regulated by the MFSA and listed on the Exchange;  |
| <b>‘Bonds’ or “Bond”</b>                   | the €20,000,000 secured bonds of a nominal value of €100 each payable in full upon subscription, redeemable at their nominal value on Maturity Date and bearing interest at the rate of 3.75% % per annum, as better detailed in the Securities Note; and ‘Bond’ shall be construed as one such bond.  |
| <b>‘Bond Holder’</b>                       | the holder of a Bond;  |
| <b>‘Bond Issue’</b>                        | the issue of the Bonds;  |
| <b>‘Center Parc’</b>                       | Center Parc Holdings Ltd, a private limited liability company duly registered under the laws of Malta on the 23 September 2015 with company registration number C 72342 and registered office at TUM Invest, Mdina Road, Qormi, Malta;   |
| <b>‘Center Parc’s Original Charges’</b>    | a first ranking general hypothec over Center Parc’s assets in general and a first ranking special hypothec and special privilege over the Center Parc Property granted by Center Parc to the Bank as lender as security for Center Parc’s Original Debt;   |
| <b>‘Center Parc’s Original Debt’</b>       | the loan facilities granted by the Bank as lender to Center Parc on 28 October 2016 for the amount of three million seven hundred and fifty thousand Euro (€3,750,000) for the purpose of paying part of the consideration for the purchase of the Center Parc Property and further loan facilities granted pursuant to a deed dated 6 September 2017 for the amount of ten million Euro (€10,000,000) for the purpose of excavating, developing and finishing the Center Parc Property; |
| <b>‘Center Parc Property’</b>              | the property owned by Center Parc Holdings Ltd at Triq it-Tigrija, Qormi, Malta as better described in section 4.4.3 under the heading ‘Center Parc Property’ of this Registration Document;   |
| <b>‘Code’</b>                              | Code of Principles of Good Governance contained in Appendix 5.1 of the Listing Rules;  |
| <b>‘Directors’</b>                         | the directors of the Issuer, as these may change from time to time, but who currently are those listed in section 3.1 under the heading ‘Directors of Issuer’;   |
| <b>‘Exchange’</b>                          | the Malta Stock Exchange licensed to operate pursuant to the Financial Markets Act (Chapter 345 of the laws of Malta);   |
| <b>‘Financial Analysis Summary’</b>        | the report drawn up by the Sponsor in terms of the Listing Authority’s Policies of 5 March 2013 and attached to the Securities Note as Annex 3;  |
| <b>‘Group’</b>                             | the Issuer, the Subsidiaries’ Holding and the Subsidiaries;  |
| <b>‘Guarantee’</b>                         | the guarantee provided by the Guarantor whereby the Guarantor appears jointly and severally liable with the Issuer for the prompt and faithful performance of the Issuer’s obligations in the Bond Issue as better detailed in Annex I of the Securities Note;   |
| <b>‘Guarantor’</b>                         | Easysell Limited, a private limited liability company duly registered under the laws of Malta on the 5 July 1988 with company registration number C 9778 and registered office at Tum Invest, Mdina Road, Qormi QRM 9010, Malta;   |
| <b>‘Guarantor’s Original Charges’</b>      | the first ranking general hypothec over the Guarantor’s assets in general and a first ranking special hypothec over the Secured Asset granted by the Guarantor to the Bank as lender as security for the Guarantor’s Original Debt;  |
| <b>‘Guarantor’s Original Debt’</b>         | the loan facilities granted by the Bank as lender to the Guarantor on the 11 August 2016 amounting to four million Euro (€4,000,000) for the purpose of developing   |



|                                    |   |
|------------------------------------|---|
|                                    | and finishing the Secured Asset and refinancing past debts held with another bank;  |
| <b>‘Guarantor’s Property’</b>      | means the Secured Asset and the property described in section 4.5.1 under the heading ‘Guarantor’s Property’;   |
| <b>‘Issuer’</b>                    | Tum Finance plc, a public limited liability company registered under the laws of Malta on the 26 March 2019, with company registration number C 91228 and registered office at Tum Invest, Mdina Road, Qormi QRM 9010, Malta;   |
| <b>‘Listing Authority’</b>         | the Board of Governors of the Malta Financial Services Authority established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta) to perform the functions set out in the Financial Markets Act (Chapter 345 of the Laws of Malta);                                |
| <b>‘Listing Rules’</b>             | the listing rules issued by the Listing Authority as these may change from time to time;  |
| <b>‘Manager’</b>                   | the Bank in its capacity as manager of the Bond Issue;  |
| <b>‘Parent Company’</b>            | Tum Invest Ltd, a private limited liability company registered under the laws of Malta on the 16 March 2015, with company registration number C 69572 and registered office at Tum Invest, Mdina Road, Qormi QRM 9010, Malta;   |
| <b>‘Preference Shares’</b>         | means preference shares to be issued and allotted to the Issuer in the Subsidiaries’ Holding, as subject to those terms and conditions referred to in section 4.1.1. of the Securities Note under the heading ‘Main Proceeds’;  |
| <b>‘Property’ or ‘Properties’</b>  | Center Parc Property or the Secured Asset, and ‘Properties’ shall mean both together;   |
| <b>‘Prospectus’</b>                | this Registration Document, the Securities Note and the Summary Note;   |
| <b>‘Related Party Transaction’</b> | a transaction carried out by a party who has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial and operating decisions;  |
| <b>‘Registrar’</b>                 | Calamatta Cuschieri Investment Services Ltd of Ewropa Business Centre, Triq Dun Karm, B’Kara, company registration number C 13729;  |
| <b>‘Registration Document’</b>     | the registration document issued by the Issuer dated 3 <sup>rd</sup> June 2019 forming part of the Prospectus;  |
| <b>‘Securities Note’</b>           | the securities note issued by the Issuer dated 3 <sup>rd</sup> June 2019 forming part of the Prospectus;  |
| <b>‘Security’</b>                  | all security interest arising from (i) a first ranking special hypothec over the Secured Asset and (ii) a pledge over the insurance proceeds covering the full replacement value of the Secured Asset against loss or damage by fire, explosion, lightning, storm, tempest, flood and other such risks; |
| <b>‘Secured Asset’</b>             | the property owned by the Guarantor at Mdina Road, Qormi as better described in section 4.4.1 under the heading ‘The Secured Asset’ of this Registration Document;  |
| <b>‘Security Trust Deed’</b>       | a security deed agreement dated 3 <sup>rd</sup> June 2019 between the Security Trustee, the Issuer and the Guarantor whereby the Security Trustee shall hold the Security for the benefit of the Bond Holders, subject to the terms and conditions contained therein;                                   |
| <b>‘Security Trustee’</b>          | CSB Trustees and Fiduciaries Limited of Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR 4013, company registration number C 40390  |
| <b>‘Sponsor’</b>                   | Calamatta Cuschieri Investment Services Ltd of Ewropa Business Centre, Triq Dun Karm, B’Kara, company registration number C 13729;  |
| <b>‘Subsidiaries’ Holding’</b>     | Tum Operations Ltd, a private limited liability company duly registered under the laws of Malta on the 1 April 2019 with company registration number C 91301 and registered office at Tum Invest, Mdina Road, Qormi QRM 9010;   |
| <b>‘Subsidiary’</b>                | the Guarantor or Center Parc, and ‘Subsidiaries’ shall mean both together;  |
| <b>‘Summary Note’</b>              | the summary note issued by the Issuer dated 3 <sup>rd</sup> June 2019 forming part of the Prospectus;   |

**Unless it otherwise appears from the context:-**

- words importing the singular shall include the plural and vice-versa;
- words importing the masculine gender shall include the feminine gender and vice-versa;
- the word ‘may’ shall be construed as permissive and the word ‘shall’ shall be construed as imperative.

## 2. RISK FACTORS

PRIOR TO ANY DECISION TO INVEST IN THE ISSUER, POTENTIAL INVESTORS SHOULD CAREFULLY READ AND ASSESS THE FOLLOWING GENERAL AND SPECIFIC RISKS AND ALL OTHER INFORMATION CONTAINED IN THE PROSPECTUS AND CONSULT WITH THEIR OWN PROFESSIONAL ADVISORS SHOULD THEY CONSIDER IT NECESSARY BEFORE DECIDING ON PURCHASING THE BONDS.

IF THESE RISKS MATERIALISE, INDIVIDUALLY OR TOGETHER WITH OTHER CIRCUMSTANCES, THEY MAY SUBSTANTIALLY IMPAIR THE BUSINESS OF THE GROUP AND HAVE MATERIAL ADVERSE EFFECTS ON THE GROUP'S BUSINESS PROSPECTS, FINANCIAL CONDITION OR RESULTS OF OPERATIONS AND THE PRICE OF THE ISSUER'S BONDS MAY DECLINE, CAUSING INVESTORS TO LOSE ALL OR PART OF THEIR INVESTED CAPITAL. AS ASSETS OF THE ISSUER ARE HELD BY VARIOUS SUBSIDIARIES, AND THE GUARANTOR IS ISSUER'S SUBSIDIARY, THE RISKS ASSOCIATED BY THE GROUP WILL ALSO BE RELEVANT FOR THE ISSUER.

THE RISKS DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE ISSUER AT THE DATE OF THIS PROSPECTUS. THESE RISKS MAY NOT BE THE ONLY ONES, AND ADDITIONAL RISKS MAY ARISE OF WHICH THE ISSUER IS NOT CURRENTLY AWARE, THAT MAY HAVE A MATERIAL ADVERSE EFFECT ON THE GROUP'S BUSINESS PROSPECTS, FINANCIAL CONDITION OR OPERATIONS AS WELL AS THE PRICE OF THE ISSUER'S BONDS.

THE ORDER IN WHICH THE INDIVIDUAL RISKS ARE PRESENTED BELOW IS NOT INTENDED TO PROVIDE AN INDICATION OF THE LIKELIHOOD NOR THE SEVERITY OR SIGNIFICANCE OF INDIVIDUAL RISKS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER, NOR THE GUARANTOR, IS IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

IN ADDITION, INVESTORS SHOULD BE AWARE THAT SEVERAL RISKS MIGHT OCCUR SIMULTANEOUSLY AND THUS HAVE, POSSIBLY TOGETHER WITH OTHER CIRCUMSTANCES, A STRONGER IMPACT.

AN INVESTMENT IN ISSUER IS SUITABLE ONLY FOR INVESTORS WHO UNDERSTAND THE RISK FACTORS ASSOCIATED WITH THIS TYPE OF INVESTMENT AND WHO CAN AFFORD A LOSS OF ALL OR PART OF THEIR INVESTMENT.

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

### 2.1 General Risk Factors

#### 2.1.1 Forward Looking Statements

This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'plans', 'projects', 'will', 'would' or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Group's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to publicly update or revise any forward-looking statements.

#### 2.1.2 Tax Risks

The Group is subject to the general tax environment in Malta. The Group's tax burden may increase as a consequence of current or future tax assessments, tax audits or court proceedings based on changes in tax laws or changes in the application or interpretation thereof. The Group's tax burden depends on various aspects of tax laws, as well as their application and interpretation. Amendments to tax laws may have an effect on such application and interpretation. Also changes in tax legislation, administrative practice or case law, possible at any time on short notice, could have

adverse tax consequences for the Group. For example there could be increases in rates of property tax or income tax. Additionally divergent interpretations by the tax authorities or the courts are possible. If these changes in the tax framework conditions should occur, individually or together, or if the changes of the legal or tax framework conditions that negatively affect the business of the Group should arise, this could have a material adverse effect on the net assets, financial condition and results of operations of the Group.

### **2.1.3 Difficulties in Replacing Key Personnel**

The success of the Group depends on the performance of its management executives and qualified personnel in key positions. The loss of one or more members of the board of directors or other key personnel could impair the ability to manage the operations of the Group effectively, if the Group fails to attract new highly qualified management executives or key personnel.

### **2.1.4 Damages or Interruptions to the Group's Information Technology System**

Any interruptions in, failure of or damage to the Group's proprietary information system could lead to business process delays or interruptions. If the Group's information technology system was to fail and back-ups were not available, the Group would have to recreate existing databases, which could be time-consuming and expensive. The Group may also have to expend additional funds and resources to protect against or to remedy potential or existing security breaches and related consequences. Any malfunction or impairment of the Group's computer systems could interrupt its operations, lead to increase costs, and may result in lost revenue. The Group cannot guarantee that anticipated and/or recognized malfunctions can be avoided by appropriate preventive security measures in every case.

### **2.1.5 Legal and Regulatory Risks**

The Group's business is subject to the general legal environment in Malta which may change to its detriment. Any changes which may effect or change the interpretation or application of existing laws could have negative effect. In particular changes to tenant protection laws could make it more difficult to terminate lease agreements, increase rents or pass on ancillary costs to tenants. This could have adverse effects on the profitability of the investments and results of operations of the Group.

### **2.1.6 Litigation, Administrative Proceedings and Similar Claims**

Entities of the Group have been and probably will be in the future subject to administrative and legal proceedings in the ordinary course of business. Such litigation relates to matters such as outstanding rent payments and the termination of lease contracts in so far as concerns the Subsidiaries. Although not material on a case by case basis, such litigation ties up resources and may have an adverse effect on the Group's business if they occur frequently or in a concentrated matter.

## **2.2 Risk Factors Specific to the Issuer**

### **2.2.1 No trading past**

The Issuer has only recently been incorporated and therefore has no trading past. The Properties are expected to be completed by not later than the third quarter of 2019. There is thus likewise no trading history with respect to the Properties, other than in so far as concerns part of the Secured Asset (see section 4.4.1 under the heading 'The Secured Asset'). In particular, the financial information confirmed in the Prospectus is not based on historic figures, albeit largely based on lease agreements that have already been concluded.

### **2.2.2 Dependence of Issuer on its Subsidiaries**

The Issuer is a holding company that does not conduct its operative business itself but does so through its Subsidiaries. The Issuer's cash flow and possible future interest payments are dependent on the profitability of the Subsidiaries or must otherwise be met by borrowed capital or the sale of the Properties. In order to service the Bonds, the Subsidiaries need to continue to achieve positive cash flows from operating activities. The Subsidiaries generally generate such cash flows from rent and from proceeds of disposals of property. If the Subsidiaries are unable to generate positive cash flows from their operating activities in the future, the Subsidiaries could be forced to sell the

Properties irrespective of the market situation, and possibly on terms unfavourable to the Group, or borrow money on financially unattractive terms.

### 2.2.3 Minority Third Party Interests in Center Parc

The Issuer through the Subsidiaries' Holding does not own all shares in Center Parc and does not hold all voting rights, and is to an extent exposed to influence by other shareholders. Hence significant changes or other material decisions with respect to Center Parc may only be implemented with qualified consent and/or consent of the remaining shareholders. Such exposure may limit the Group's flexibility to implement its strategy. This could for example affect the distribution of dividends from such Subsidiary. Furthermore such minority shareholders may have economic or business interests or goals that are inconsistent with those of the Group, take actions contrary to the Group's policies or objectives, experience financial and other difficulties or be unable or unwilling to fulfill their obligations under agreements between them and the Group.

### 2.2.4 Preference Shares

The Issuer will be using some of the proceeds of the Bond to fund the allotment of Preference Shares to be issued and allotted to it by the Subsidiaries' Holding. Payment of annual interest on preference shares is subject to a company issuing the preference shares making distributable profits, and the directors approving the distribution. Ordinary and secured creditors of a company issuing the preference shares will rank prior to the re-payment of the preferential shares in case of an insolvent winding up. As a result, the Issuer may not receive sufficient interest on its Preference Shares and have its share capital repaid in its entirety, to make relevant payments of interest and principal due under the conditions of the Bonds.

## 2.3 Risk Factors Specific to the Subsidiaries

### 2.3.1 Dependence on Demographic and Economic Developments in Malta

The Subsidiaries are property owning companies dependent on tenancies, and so their business activities are affected by demographic, economic and political factors. The population is on the increase in Malta and the demand for office and retail space is likewise increasing. Should this decrease, the demand for rented space may likewise decline which may adversely affect the Subsidiaries' ability to achieve high occupancy rates and average rent levels. Economic developments in and related to the property market in Malta are of significant importance for the Subsidiaries' business and future prospects. These developments place a decisive role in determining property prices and rent levels, turnover and vacancy rates. Negative economic developments may lead to losses with respect to rental income which will also expose the Subsidiaries or increase vacancies. In such circumstances the Subsidiaries may not re-let the Properties on attractive terms or might only be able to do so after making additional investment. While the Subsidiaries have taken steps to absorb any changes in economic or demographic conditions, in particular by creating modern spaces finished to high standards to comply with tenants' expectations, the Subsidiaries may nevertheless be negatively affected by unfavourable economic and demographic developments.

### 2.3.2 Dependence on Full Occupancy of its Properties and Increasing Rent

The commercial success of the Group depends significantly on its ability to retain high occupancy rates, reducing operating costs whilst increasing rent levels. This will depend on several factors. These factors include in particular the demand for properties, the local rental market, refurbishment and modernisation measures that will be undertaken over time, and tenant turnover. Thus a loss of rent, rent reductions and increased vacancies would lead to a decline in total current forecasted rental income. There is therefore a risk that the Subsidiaries will be less profitable if demand for commercial space declines as this may lead to an increase in vacancy rates. If tenants fail to meet their rent payment obligations in whole or in part (eg due to a deterioration of their economic situation or a deterioration of their business activity), or if larger numbers of tenants give notice of termination without the Subsidiaries being able to re-let the Properties within a reasonable time period, the Subsidiaries could sustain a decrease in current rental income, which could have a significant adverse effect on its results of operations. To the extent that the Subsidiaries are able to re-let a Property, there is a risk that they will not be able to do so on terms attractive to them. The Subsidiaries are also required to conduct their property management in such a manner that the Properties are maintained in the condition as required by the lease agreements and by law. If this is not possible for any reason and if the required maintenance measures are not performed on time or at all, this could lead to a reduction in rent that can be charged for such Properties.

### **2.3.3 Exposure to Risks Related to the Maintenance and Repair of the Properties**

The Subsidiaries need to maintain the Properties in good condition. For this reason and to avoid loss of value and maintain demand for a Property, the Subsidiaries perform maintenance and repairs on its Properties. The Subsidiaries could have underestimated the amount to be invested for the targeted maintenance as costs may increase due to various factors, such as increased costs of materials, labour costs, energy costs etc.

### **2.3.4 Exposure to Risks due to Delays**

The Properties are still undergoing construction (other than for parts of the Secured Asset that are already leased out), will commence operations by not later than the third quarter of 2019. Commencement of operations may be delayed as a result of labour force or the contractors not complying with the agreed time schedules or their becoming insolvent. This will push back commencement of tenancies, which will negatively affect expected results.

### **2.3.5 Losses Exceeding Insurance Coverage**

The Properties held by the Subsidiaries are insured against losses due to fire, flooding, earthquakes and other natural hazards to the extent usual for its business. The insurance policies are however subject to exclusions and limitations of liability. The Subsidiaries may therefore have limited or no coverage relating to third-party liability, other natural disasters and other environmental risks or war. The Subsidiaries may also have no coverage relating to inflation, changes in planning laws or regulations, building codes, title defects and defective construction. In addition, insurers could become insolvent. Should an uninsured loss or a loss in excess of the insurance limits occur, the Subsidiaries may lose capital invested in the affected Property as well as anticipated income and capital appreciation from the Property. In such circumstances the Subsidiaries may incur further costs to repair further damage caused by uninsured risks. The Group may thus experience material losses in excess of insured proceeds.

### **2.3.6 Standardized Contracts could lead to Additional Legal Risks**

The Subsidiaries maintain legal relationships with a large number of persons, primarily tenants and its service providers. In this context, the Subsidiaries mainly use standardized documents and standard form contracts. If such documents or contracts contain invalid clauses, or contracts as a whole are invalid, and thus substituted by statutory provisions which are unfavourable to the Subsidiaries, this may affect a large number of standardized contractual terms, due to frequent changes to the legal framework, particularly court decisions relating to general terms and conditions of business.

### **2.3.7 Single Tenant Risk**

A significant portion of revenue generated from the Subsidiaries' portfolio may be dependent on key tenants occupying a significant portion of a Property. The financial failure of, or default in payment by, a key or single tenant under its lease is likely to cause a significant or complete reduction in the Subsidiaries' rental revenue from a Property.

### **2.3.8 Property Valuations**

Valuation of property is intrinsically subjective and based on a number of assumptions at a given point in time, and there can be no assurance that any such property valuations and property-related assets will reflect actual market values. In addition, property valuations are influenced by a variety of factors such as changes in regulatory requirements and applicable laws, political and social conditions, the financial markets, consumer spending power, and interests and inflation rate fluctuations. Consequently the net realisable value of the Property may decrease, which decrease could have a material adverse effect on the financial position of the Subsidiaries.

The valuation referred to in this Prospectus is prepared by an independent qualified architect in accordance with Chapter 7 of the Listing Rules. In providing the market value of the Secured Asset, 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 valuation will at all times reflect market value.

### 2.3.9 Competition

The property market in Malta is very competitive in nature. An increase in supply and/or a reduction in demand in the property market in which the Subsidiaries operate, may result in parts of the Properties remaining vacant or being leased out at prices which are lower than what is being anticipated by the Subsidiaries once the current tenancies expire. Such changes in market trends could negatively impact the financial condition of the Subsidiaries.

### 2.3.10 Financial Risks

The Group may require additional funds to finance or refinance its debt, capital expenditures, future acquisitions and working capital requirements. The Group may thus need to borrow additional funds or to raise equity or debt capital. The extent of the Group's future capital requirements will depend on many factors which may be beyond the Group's control, and its ability to meet such capital requirements will depend on future operating performance and ability to generate cash flows. There can be no assurance that the Group will be able to obtain additional financing on acceptable terms when required. If the Group does not generate sufficient cash flows or if the Group is unable to obtain sufficient funds from future equity or debt financing or at acceptable interest rates, the Group may not be able to pay its debts when due or to fund other liquidity needs. Any or all, or a combination of these, would limit operating flexibility.

### 2.3.11 Incurrence of further Debts by the Group

The Group will be able to incur additional amounts of debt, which could further exacerbate the risks associated with their indebtedness. This may lead to the sale of the Group's property at lower prices than their market value for reasons explained below in section 2.3.12 under the heading 'Other Group Borrowings' or for other creditors who have prior ranking to be paid prior to the Bond Holders for reasons explained below in section 2.3.13 under the heading 'Subordination to other Indebtedness', with the consequence that there may be insufficient proceeds to repay the Bonds.

### 2.3.12 Other Group Borrowings

Companies within the Group may wish to take up capital via loans. Lending by the banks for the purpose of acquiring and developing properties are usually secured by first-ranking charges in favour of the lending bank. If an entity in the Group does not fulfill its obligations under the loan, when it becomes due, or a breach of covenants or undertakings is not cured within the cure period, such entity could be forced to sell the respective property under time pressure or unfavourable conditions, or the lending bank would be entitled to enforce through sale of the property. Both may lead to a sale of property at lower prices than originally expected, which in turn may lead to the Group having insufficient funds to pay its debts when due or to fund other liquidity needs. This, together with a combination of other factors would limit flexibility, and could have a material adverse impact on the business, net assets, cash flows, financial condition and results of operations of the Group.

### 2.3.13 Subordination to other Indebtedness

There is nothing that restricts any company in the Group (other than the Guarantor in so far as concerns the Secured Asset and Center Parc in so far as concerns certain rent received from the Center Parc Property) from providing its property as security for its own indebtedness other than the indebtedness arising pursuant to the Bond Issue. In the event of the liquidation, winding-up or dissolution or a bankruptcy administration, reorganization, insolvency, receivership or similar proceeding of a company in the Group, to the extent that such company provides its assets as security for other indebtedness without also securing the debt financed by the proceeds of the Bond Issue, the secured debt will effectively be senior to the debt financed by the proceeds of the Bond Issue. Also the Subsidiaries' Holding and the Subsidiaries will pay their own preferred creditors first before they would be able to distribute any of their assets to the Issuer in its capacity as direct and indirect shareholder in the Subsidiaries' Holding and the Subsidiaries. As a result, the Issuer may not have sufficient assets to make payments due under the conditions of the Bonds.

## 2.4 Risk Factors Specific to the Bonds

### 2.4.1 Suitability of Investments

Each potential investor of the Bonds must determine the suitability of his/her investment in the light of his/her own circumstances. The Bonds may not be a suitable investment for all investors.



Prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Chapter 370 of the Laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular such advice should be sought with a view to ascertaining that each prospective investor:

- a. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- c. understands thoroughly the terms of the Bonds and is familiar with the behavior of any relevant indices and financial markets; and
- d. is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear applicable risks.

#### 2.4.2 Further Risk Factors Specific to the Bonds

Further risk factors relating to the Bonds can be found in section 2.2 under the heading 'Risk Factors' in the Securities Note.

### 3. IDENTITY OF DIRECTORS, ADVISORS, AUDITORS

#### 3.1 Directors

##### 3.1.1 Directors of the Issuer

The following sets out information with respect to each member of the board of directors of Issuer, including their positions within the Issuer at the date of the Prospectus:-

|   |   |
|---|---|
| Anthony Fenech<br>Identity Card Number: 0193656M<br>Executive Director                      | 2491 Portomaso<br>Portomaso Road, Portomaso,<br>St Julians    |
| Silvan Fenech<br>Identity card number 0587678M<br>Executive Director                        | 2435, Portomaso<br>Portomaso Street, Portomaso<br>St. Julians |
| Matthew Fenech<br>Identity card number 0517483M<br>Executive director                       | 2842 Apartment<br>Portomaso Street, Portomaso<br>St. Julians  |
| Stanley Portelli<br>Identity card number 0163472M<br>Independent and non-executive director | Dar il-Barbagann<br>Triq Strejnu<br>Zejtun                    |
| Mario Vella<br>Identity card number 0672753M<br>Independent and non-executive director      | Sivellier<br>Triq is-Siegh<br>Swieqi                          |
| William Wait<br>Identity card number 0253668M<br>Independent and non-executive director     | 5 Golden Oriole<br>Triq ir-Rihan<br>Fgura FGR 1061            |

Dr Keith Farrugia, holder of Maltese identity card number 0463783M residing at 13, Gemma, Triq San Gwann Evangelista, Naxxar, Bahar ic-Caghaq is company secretary.

THE DIRECTORS OF THE ISSUER LISTED ABOVE ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS PROSPECTUS. 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 PROSPECTUS IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

### **3.1.2 Directors of the Guarantor**

The following sets out information with respect to each member of the board of directors of Guarantor, including their positions within the Guarantor at the date of the Prospectus:-

|  |  |
|--|--|
| Anthony Fenech<br>Identity card number 0193656M<br>Chairman                            | 2491 Apartment<br>Portomaso Street, Portomaso<br>St. Julians |
| Silvan Fenech<br>Identity card number 0587678M<br>Executive Director                   | 2435 Apartment<br>Portomaso Street, Portomaso<br>St. Julians |
| Mario Vella<br>Identity card number 0672753M<br>Independent and non-executive director | Sivellier<br>Triq is-Siegh<br>Swieqi                         |

## **3.2 Advisors**

The persons listed under this sub-heading have advised and assisted the board of directors of the Issuer and of the Guarantor in the drafting and compilation of this Prospectus.

### **3.2.1 Legal Advisors**

SAGA Juris Advocates  
Sciriha, Attard Montalto, Galea & Associates  
58, Old Bakery Street,  
Valletta VLT 1454

### **3.2.2 Sponsor and Registrar**

Calamatta Cuschieri Investment Services Ltd  
Ewropa Business Centre,  
Triq Dun Karm,  
B'Kara

### **3.2.3 Manager**

Lombard Bank Malta p.l.c.  
67, Republic Street,  
Valletta, VLT 1117

### **3.2.4 Reporting Accountants**

Deloitte Services Limited  
Deloitte Place, Mriehel By Pass  
Mriehel BKR 3000

### 3.3 Auditors

Deloitte Audit Limited  
Deloitte Place, Mriehel By Pass  
Mriehel BKR 3000

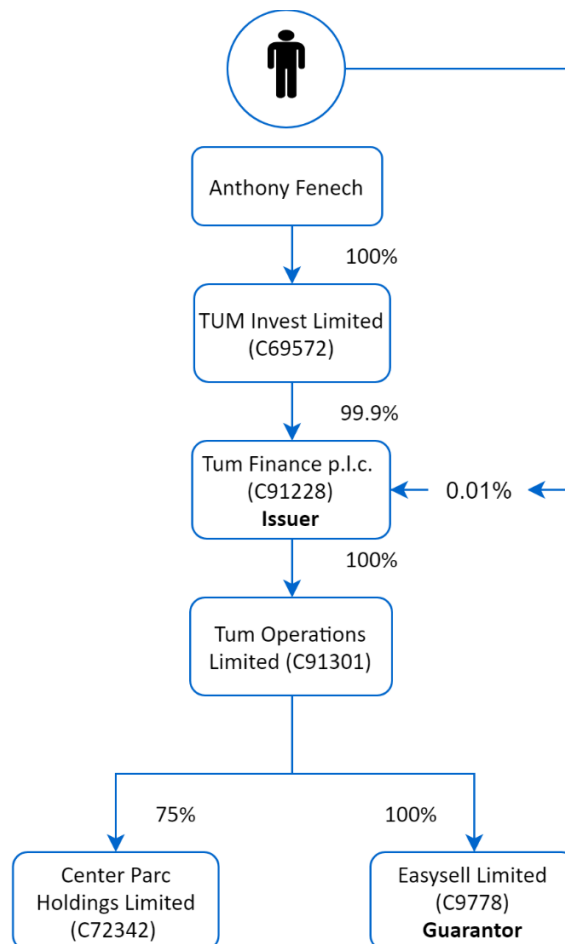
Deloitte Audit Limited is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act (Chapter 281 of the laws of Malta).

## 4. DESCRIPTION ABOUT THE ISSUER AND THE GROUP

### 4.1 Organisational Structure

The Issuer is the holding company of the Subsidiaries. It is owned by the Parent Company whose ultimate beneficial owner is Anthony Fenech. The Issuer's primary role is to act as finance holding company. The business is conducted primarily through the Subsidiaries.

The chart below shows the current structure of the Group.



The Subsidiaries' Holding current shareholding stands at one thousand two hundred Euro (1200) divided into one thousand two hundred (1200) ordinary shares of one (1) Euro each share, fully paid up. The Subsidiaries' Holding will be issuing the Preference Shares which the Issuer will acquire by using part of the proceeds of the Bond Issue. Following the issuance of the Preference Shares, the Subsidiaries' Holding will continue to be wholly owned by the Issuer. The capital received by the Subsidiaries' Holding as a result of the issue and allotment of the Preference Shares will be used to finance the Subsidiaries as detailed further in section 4.1 in the Securities Note under the heading 'Reasons for the Offer, and Use of Proceeds'.

The amount of the Preference Shares will be determined following the Bond Issue and will be the amount of the Bond proceeds less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000), which is the amount that will be granted on loan to Center Parc, less the costs of the Bond Issue, which are expected to be in the region of four hundred thousand Euro (€400,000). Depending on the actual costs of the Bond Issue, the capital to be invested as Preference Shares is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000).

The Preference Shares shall be issued and allotted subject to the following terms and conditions:-

- I. as fully paid up cumulative preference shares bearing a fixed annual dividend of 3.75 %;
- II. redeemable at par by the Subsidiaries' Holdings at any time but by not later than ten (10) years from their date of issue;
- III. capital and interest due on the Preference Shares in a winding up or otherwise shall be paid before all other shares in the Subsidiaries' Holding including preference shares subsequently issued, but shall not be eligible to participate in any surplus of its assets;
- IV. they shall not confer a right to receive notice of or attend or vote at general meetings unless the fixed annual dividend payable on the Preference Shares is in arrears;
- V. all other applicable terms and conditions referred to in the memorandum and articles of association of the Subsidiaries' Holding.

## **4.2 History and Development of the Parent Company, Issuer and the Group**

### **4.2.1 The Parent Company**

The Parent Company was duly incorporated and registered under Maltese Law as a private limited liability company on the 16 March 2015 with registered address at Tum Invest, Mdina Road, Qormi QRM 9010, Malta and company registration number C 69572. The Parent Company is beneficially owned by Anthony Fenech holder of Maltese identity card number 0193656M.

The Parent Company was set up as a holding company. The Parent Company held the shares in the Subsidiaries, prior to transferring these to the Subsidiaries' Holding.

### **4.2.2 The Issuer**

Issuer was duly incorporated and registered under Maltese Law as a public liability company on the 26 March 2019, with registered address at Tum Invest, Mdina Road, Qormi QRM 9010, and company registration number C 91228. The Issuer is wholly owned (other than for two ordinary shares which are held by Anthony Fenech, ultimate beneficial owner of the Group) by the Parent Company.

The Issuer was set up with the primary aim of acquiring and holding property including securities in any other company. The Issuer thus also has the object of raising money in order to finance companies within the Group. The Issuer has through the Subsidiaries' Holding acquired from the Parent Company, seventy five per cent (75 %) of the shares in Center Parc and all shares in Guarantor. Through the Bond Issue, the Issuer primarily intends to secure financing for the Subsidiaries. The Subsidiaries will repay the Issuer through the Subsidiaries' Holding through rental income derived from the Properties by way of principal and interest on intercompany loans and dividend distributions on its shareholding.

The Issuer is ultimately dependent upon the operations, performance and business prospects of the Subsidiaries.

The Issuer can be reached on (+356) 23850100.

### **4.2.3 Subsidiaries' Holding**

The Subsidiaries' Holding was duly incorporated and registered under Maltese Law as a private limited liability company with registered address at Tum Invest, Mdina Road, Qormi QRM 9010, and company registration number C 91301 on the 1 April 2019. The Subsidiaries' Holding is wholly owned by the Issuer.

It has only recently acquired from the Parent Company, seventy five (75 %) of the shares in Center Parc and all shares in Guarantor.

The Issuer will advance the proceeds from the Bond Issue to the Subsidiaries' Holding by means of a loan and through the subscription of the Preference Shares in the Subsidiaries' Holding. The Subsidiaries' Holding will in turn make available the proceeds to the Subsidiaries by way of loans.

#### 4.2.4 The Subsidiaries

- *Guarantor*

Guarantor was duly incorporated and registered under Maltese Law as a private limited liability company on the 5 July 1988 with registered address at Tum Invest, Mdina Road, Qormi QRM 9010, Malta and company registration number C 9778. Guarantor is wholly owned by the Subsidiaries' Holding.

Guarantor's current objects are to acquire, develop and manage property primarily for commercial purposes. Guarantor currently owns the Guarantor Property. The Secured Asset (which forms part of the Guarantor Property) will be rented out for the long term. Rental income will flow to Issuer through the Subsidiaries' Holding by way of dividends on the shares held indirectly by Issuer in Guarantor through the Subsidiaries' Holding, which in turn will go towards satisfying Issuer's obligations with respect to principal and interest on the Bonds.

Guarantor also owns the property at number 66 Saint Rita Street Sliema, a two bedroomed townhouse rented out to third parties.

- *Center Parc*

Center Parc was duly incorporated and registered under Maltese Law as a private limited liability company on the 23 September 2015 with registered address at Tum Invest, Mdina Road, Qormi QRM 9010 Malta and company registration number C 72342. The Issuer through the Subsidiaries' Holding indirectly holds seventy five per cent (75%) of the shares and voting rights in Center Parc. The remaining twenty five (25%) per cent are held by V&C Development Ltd, having its registered office at "Whyte Harte", Triq tal- Kostinjus, Naxxar and company registration number C 26541, which is independent of the Group and the Parent Company.

Center Parc was set up primarily to acquire, develop and manage property for commercial purposes. Center Parc owns the Center Parc Property which is currently still under development and is expected to be completed by not later than the third quarter of 2019. Center Parc has already secured tenancies for the entire Center Parc Property. Rental income from such tenancies will flow from Center Parc to the Issuer through the Subsidiaries' Holding by way of principal and interest on the loan to be made by the Subsidiaries' Holding to Center Parc. In the event rental income exceeds current projections, this will also flow up to the Subsidiaries' Holding by way of dividend distribution.

The income flowing from Center Parc to the Issuer will go towards the Issuer satisfying its obligations with respect to principal and interest on the Bonds.

### 4.3 Business Overview

The Group is an offshoot of the Tumas Group founded in the mid 1990's by Chev. Tumas Fenech. It was set up after Anthony Fenech divested himself of his shares in the Tumas Group. The Tumas Group operated in a variety of industries, namely hospitality, leisure, tourism, property development, automotive, gaming and management, amongst others.

The Group was formed in the late 2015 and retained the automotive, property and health care arm of the Tumas Group. It has in the meantime been actively pursuing new ventures and opportunities to grow and diversify the business locally and internationally.

The Group directors have been working for the family business for the past 20 years in various capacities managing and spearheading different ventures. Key appointments included directorship at the Valletta Gateway Terminal, CVI Limited which supplied King Long buses to the public transport operator, Easysell Limited, Cars International Limited, Cars International Finance and Property Division of Tumas Group. Today the Group directors remain focused on directing the Group's ventures to further growth particularly in property development, hospitality and leisure.

In so far as concerns the real-estate part of its business, the Parent Company has launched Tum Properties, MSF Properties, Ferretti Developments and Center Parc Holdings, amongst others, that given the reputable background, vast knowledge and long experience of Anthony Fenech in the property sector, have established themselves amongst the most renowned local property developing companies. The Guarantor was set up in July of the year 1988 and has been a leading business operator ever since.

On the other hand, real-estate projects in the pipe-line targeted towards first-time buyers and rental-investors, include developments in localities such as Sliema, Swieqi, Balzan and Birkirkara, amongst others, which developments once built will in aggregate consist of over one hundred and fifty (150) apartments, most of which have already been sold on plan, a development of a set of villas in Santa Venera and numerous other projects in Bahrija, Saint Julian's, Zurrieq and other main locations in Malta. Sale of these properties will boost the Parent Company's revenue.

The Group is set to open the Center Parc Retail Hub, a shopping mall expected to be one of the biggest shopping malls on the Island, situated in Malta's most central industrial district, which shall house well-known retail brands, and is expected to welcome thousands of shoppers weekly, further details of which can be found in section 4.4.3 under the heading 'Center Parc Property'. The Group will also be opening Zentrum Business Centre (the Secured Asset owned by Guarantor), a commercial hub that will house a number of large private and public entities all under one roof, further details of which can be found in section 4.4.1.1 under the heading 'Description of the Secured Asset'.

The Group is also working alongside some of the world's finest brands in the automotive industry to open Malta's first Motor Village, officially representing the brands Maserati, KIA, Jeep, Alfa Romeo, Hyundai, Opel, Fiat and others, after establishing themselves amongst the most successful and best-selling car importers in Malta.

Such long-term projects ensure high returns will guarantee long-term sustainability and stability.

With decades of experience, the Group strives to realize the full potential of every asset to benefit the Group, its investors and clients alike. Experience guides the Group to identify profitable business opportunities for development, redevelopment and commercialization.

## 4.4 The Properties

### 4.4.1 The Secured Asset

- *Description of the Secured Asset*

Guarantor acquired the Secured Asset (other than for that part referred to in (vi) below) pursuant to various public deeds dated 30 October 1996, 24 June 1998, 26 October 1998 and 24 August 2015. That part of the Secured Asset referred to in (vi) was transferred from the Parent Company to the Guarantor pursuant to a public deed dated 14 May 2019. The Secured Asset will consist (once the aforementioned transfer takes place) of a superficial area of seven thousand four hundred and twenty seven (7427) square meters, made up of the following:-

- i. a portion of land measuring approximately one hundred (100) square meters accessible from Sqaq Barnaw, Qormi, including some unnumbered rooms existing therein, free and unencumbered, bounded on the south, east and south west by property of Guarantor and on the north east by the said alley as better described in the deed of acquisition of Notary Dr Mario Bugeja of the 30 October 1996. The said property is registered at the Land Registry under property number 06001298. The property is highlighted in purple in the site plan below;
- ii. the temporary utile dominium for the period which remains from the original period of one hundred and fifty (150) years which commenced on the 4 of May 1988 of the building complex, unnumbered, consisting of a showroom in an unnamed service road which runs parallel to Mdina Road, Qormi consisting of a showroom at ground floor level, offices at first floor level, garages at semi-basement level, and a drive-in and parking areas at the front, side and back of the building, as better described in the deed of acquisition of Notary Dr Mario Bugeja of the 24 June 1998, measuring approximately three thousand five hundred and forty four (3544) square meters, bounded on the south by the said service road, on the east by the property of the successors in title of A&A Properties Limited and on the north by property of Guarantor, constructed on a divided portion of land known as 'Tal-Ghaqba' which property is registered at the Land Registry under property number 06002242, originally subject to three thousand nine hundred ninety four Euro and twenty four cents (€3994.24) annual and temporary ground rent which is revisable. This part of the property is highlighted in yellow in the below site plan;
- iii. the land accessible from Sqaq Ta' Barnaw, Qormi measuring approximately one thousand nine hundred and seventy three (1973) square metres, known as Ta' Barnaw registered at the Land Registry under property number 06000140 bounded on the north and north east by the said alley, south by the existing building forming part of the Secured Asset and west by property of Guarantor, free and unencumbered from ground rents, burdens and servitudes, as better described in the deed of acquisition of Notary Dr Mario Bugeja of the 24 June 1998, and highlighted in light pink in the below site plan;

- iv. the temporary utile dominium for the period which remains of the original one hundred and fifty (150) years which commenced on the 4 May 1988 of two (2) portions of land numbered four (4) and (5) measuring approximately five hundred and seventeen (517) square meters which land is known as Tal-Ghaqba accessible from Mdina Road, Qormi and together originally subject to five hundred and sixty one Euro (€561) annual and temporary revisable ground rent with all rights and appurtenances as better described in the deed of acquisition in the records of Notary Dr Mario Bugeja of the 26 October 1998. The said property is registered with the Land Registry under property number 06000142. The said land is highlighted in blue in the below site plan;
- v. the temporary utile dominium for the period which remains of three (3) adjacent garages unnamed and unnumbered situated in Mdina Road, Qormi as better described in the deed of acquisition in the records of Notary Dr Mario Bugeja of the 24 August 2015, measuring approximately eight hundred and eighteen (818) square meters, bounded being contiguous on the south by said street, and on the north and west by property of Guarantor as originally subject to one thousand one hundred and twenty two Euro and seventy six cents (€1122.76) annual and temporary revisable ground rent for the remaining period from the original period of one hundred and fifty (150) years which commenced on the 4 May 1988. The said property highlighted in green in the below site plan, is registered at the Land Registry under property number 06004452;
- vi. a part of the complex of buildings currently under construction (which forms part of the new development referred to hereunder) on that portion of land highlighted in red in the below site plan, measuring approximately four hundred and seventy five (475) square metres bordering on the south by a service road running parallel to Mdina Road, Qormi, and on the north and west by property of the Guarantor, free and unencumbered as better defined in a deed of acquisition executed by the Parent Company as transferor and the Guarantor as transferee on the 14 May 2019.

All the said parcels of land are with all their rights and appurtenances with their sub terrain and overlying airspace and with any future improvements and/or developments constructed thereon.

The ground rent referred to above is revisable every twenty five (25) years in accordance with the index of inflation, the first such revision having taken place in 2013. The Guarantor currently pays ten thousand five hundred and sixty five Euro thirty eight cents (€10,565.38) as ground rent encumbering parts of the Secured Asset. Payment of ground rent is secured in favour of the *dominus* by a special privilege over that part of the property forming part of the Secured Asset that is subject to ground rent.

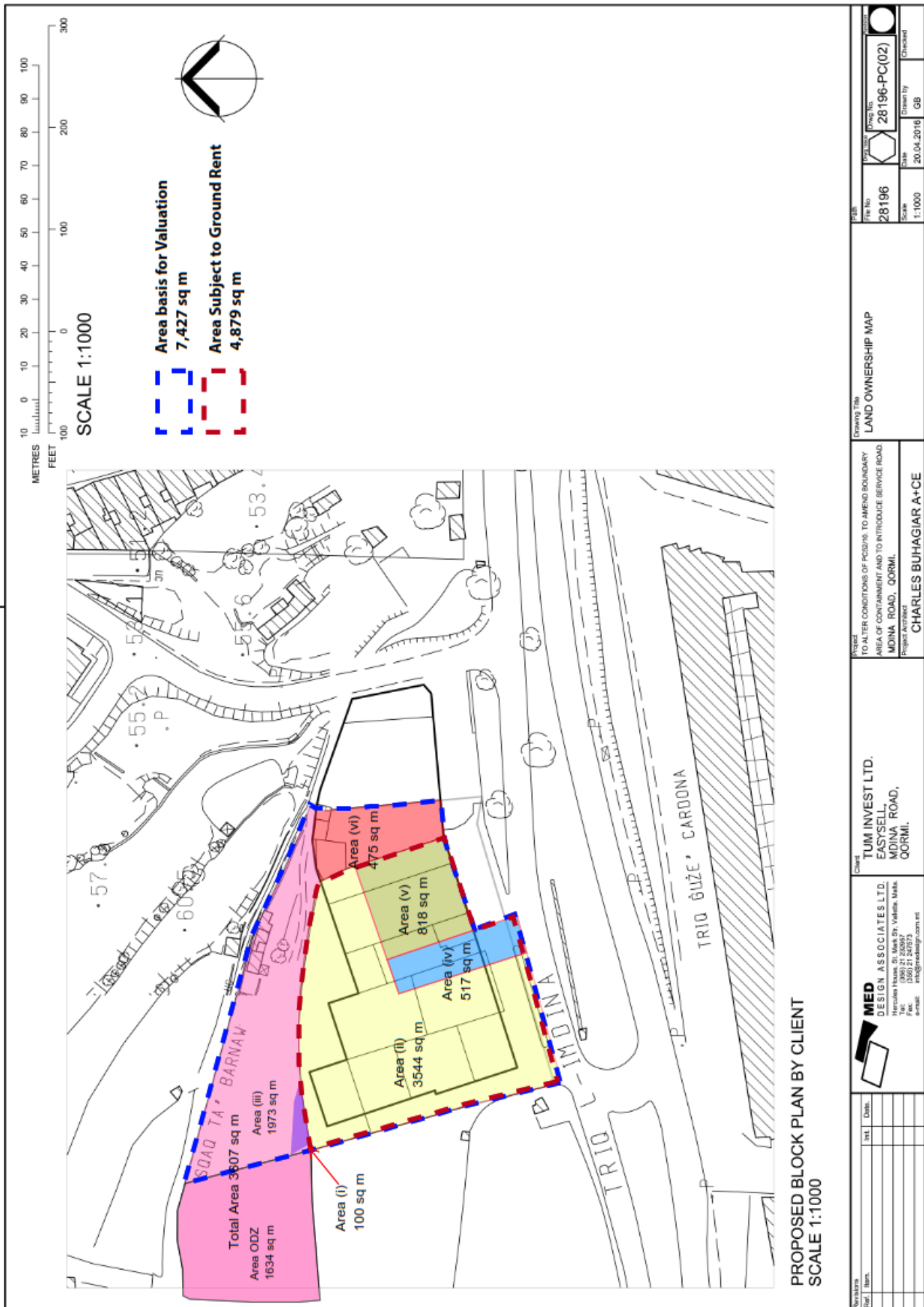
The area referred to in paragraph (ii) hosts the current development consisting of a showroom, underground floor and overlying offices on first floor.

The area referred to in (iv), (v) and (vi) above is currently being developed into a complex that will consist, once completed in the third quarter of 2019, in six (6) basement levels, a showroom and offices at ground floor level, and two (2) levels of office space.

The existing development and its new extension will together be referred to as the Zentrum Business Centre.

Below is a site plan indicating the Secured Asset outlined in blue, and those parts of the Secured Asset outlined in red that are subject to temporary ground rent.







The part highlighted in dark pink measuring approximately one thousand six hundred and thirty four (1634) square metres on the above site plan (which is described below under section 4.4.2 under the heading 'Guarantor's Property') is also owned by the Guarantor, which together with the Secured Asset and a further parcel of land also referred to in section 4.4.2 under the heading 'Guarantor's Property', make up Guarantor's Property. The Security to be granted by Guarantor shall only attach to the Secured Asset.

- *Leases relating to the Secured Asset*

The existing part of the Secured Asset consists in a showroom, underground floor and overlying offices on first floor (referred to in sub-paragraph (ii) in section 4.4.1.1 under the heading 'Description of the Secured Asset'), and is currently leased to two (2) tenants.

Motors Inc. Limited a leading vehicle importer, rents the basement level, the ground floor level which it uses as a showroom, and part of the first floor level which it uses as offices. Rent is paid monthly in advance and increases every three (3) years. Tenant is also responsible for covering its share of costs of the common areas and all ordinary maintenance and repairs of the premises leased to it.

The Parent Company holds one third of Motors Inc. Limited. United Group Limited, company registration number C 10233 of GB Buildings, 2<sup>nd</sup> Floor, Watar Street, Ta' Xbiex XBX 1310 and Pater Holding Company Limited, company registration number C 3334 of 168, Pater House, Psaila Street, Birkirkara BKR 9077, each hold one third of the remaining shares in Motors Inc. Limited.

Malta Public Transport leases office space at ground floor and first floor level. Rent is paid quarterly in advance and increases every two (2) years. Tenant pays its share of maintenance costs for the upkeep of the common areas. The lease agreement expires in 2021 but contains an option to renew for a further ten (10) year period.

As stated above, the Secured Asset is currently being further developed and will, once completed, in addition to the above, also include a further six (6) basement levels, a showroom and offices at ground floor level, and two (2) levels of office space.

The leasable area of the entire Secured Asset which will include the old and the new development amounts to 15520 square meters made up of 4530 square meters in the old development and 10990 square meters in the new extension.

Lease agreements have either been concluded or are in the process of being concluded with respect to the entire Secured Asset. Motors Inc Limited has already contracted to lease space in the newly developed building. It will terminate its current lease agreement in the old part of the building, and will move into the new development once this is completed. The lease agreement with Motors Inc. Limited for lease of premises in the new part of the development is for a period of ten (10) years di fermo, which will commence when the new development is completed.

The Regulator for Energy and Water Services has also contracted to lease space in the new part of the development. The lease agreement is for a period of ten (10) years (which will commence when the new development is completed) renewable for a further five (5) year period.

Further lease agreements are currently being negotiated. Once these are concluded, the entire property will be leased out.

The Parent Company may itself lease out part of the Secured Asset to use as offices.

All lease agreements will include a clause providing for termination which generally will provide for termination in the event the tenant fails to pay rent, abandons the leased premises, ceases to trade or goes into insolvency.

- *Encumbrances over the Secured Asset*

The Guarantor's Property is currently encumbered by the Guarantor's Original Charges. The Guarantor's Original Debt which is secured by the Guarantor's Original Charges shall be repaid by the Guarantor through the proceeds of the Bond Issue, as a result of which the Guarantor's Original Charges will be cancelled and the Guarantor's Property (also including the Secured Asset) will become free and unencumbered, save for the aforementioned special privilege securing the ground rent encumbering the Secured Asset. Immediately upon such cancellation, the Guarantor will grant the Security over the Secured Asset, in favour of the Security Trustee for the benefit of the Bond Holders, to secure the repayment of principal and interest on the Bonds.

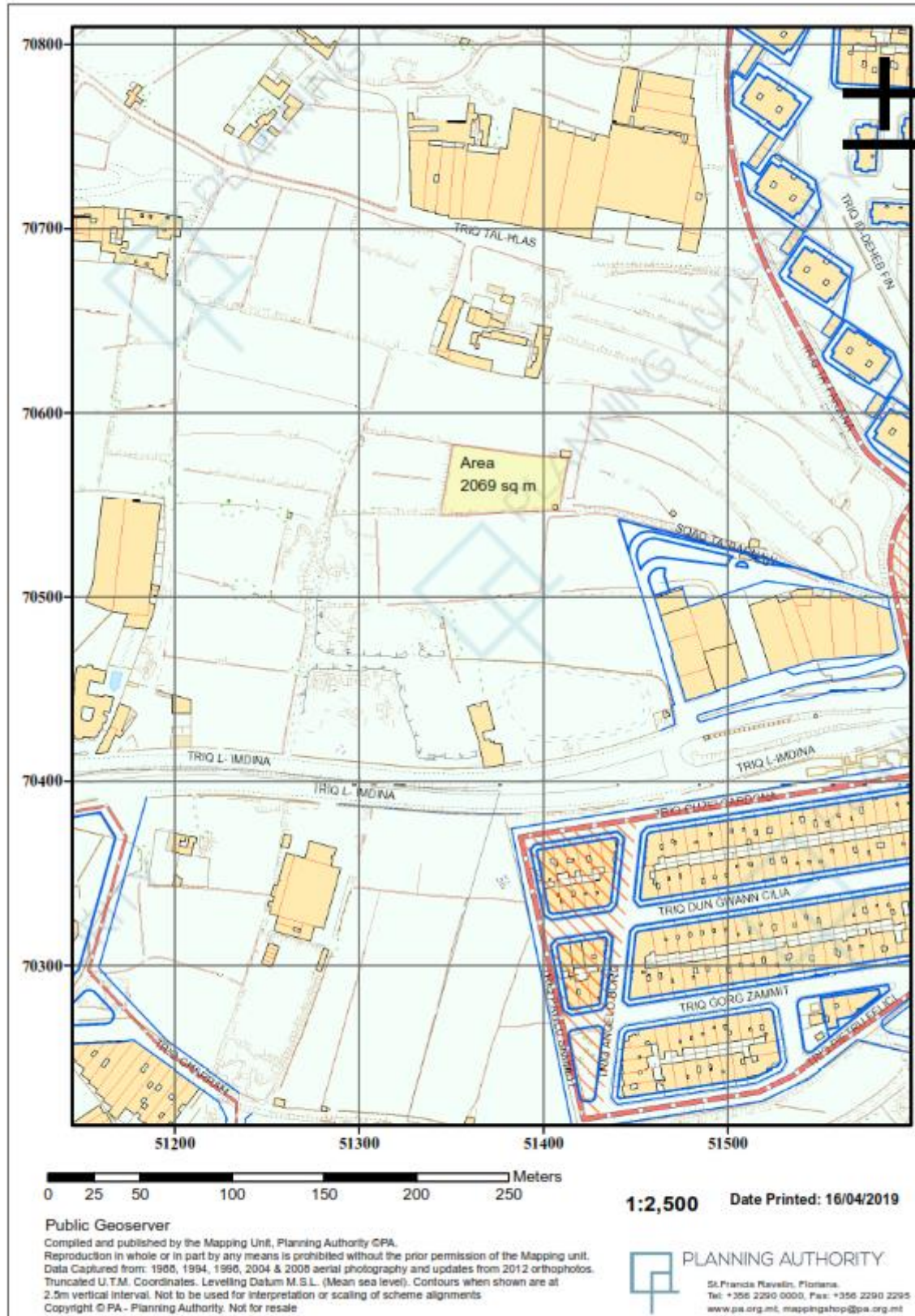
- *Valuation of the Secured Asset*

The valuation provided in the valuation report provided by the Architect in relation to property owned by the Guarantor under section 13.1 under the heading 'Property Valuation Report' refers to the Secured Asset.

#### **4.4.2 Guarantor's Property**

As already referred to above under section 4.4.1.1 under the heading 'Description of the Secured Asset', the Guarantor owns further land adjacent to the Secured Asset which is shown in dark pink on the site plan referred to in aforementioned section 4.4.1.1 under the heading 'Description of the Secured Asset'. The said land is accessible from Sqaq Ta' Barnaw, Qormi measuring approximately one thousand six hundred and thirty four (1634) square metres, known as Ta' Barnaw registered at the Land Registry under property number 06000140 bounded on the north and north by the said alley, on the east and south by property belonging to the Guarantor and on the west by property of the Joint Office, free and unencumbered from ground rents, burdens and servitudes, as better described in the deed of acquisition of Notary Dr Mario Bugeja of the 24 June 1998.

Guarantor also owns the field measuring approximately two thousand and sixty nine square (2069) meters accessible from Sqaq Barnaw, Qormi as better indicated in the deed of acquisition in the records of Notary Dr Mario Bugeja of the 31 January 1997 bounded on the east by the said alley, on the south in part by the said alley and in part by property of Guarantor and on the west by property of A&A Properties Limited, free and unencumbered. The said property is registered at the Land Registry under property number 06001559 and is better indicated in the plan below.



The above parcels of land are outside development zones. Together with the Secured Asset, they make up Guarantor's Property.

#### 4.4.3 Center Parc Property

Center Parc acquired the Center Parc Property on the 28 October 2016. It shall consist, upon its completion by not later than the third quarter of 2019, of a shopping mall with ancillary parking facilities to be known as 'The Retail Hub'. The Center Parc Property is being constructed on that portion of property in Qormi, limits of Marsa, in the district known as 'Ta' Stabal', forming part of the land known as 'Ta' I-Erbgha Qaddisin' having a superficial area of approximately nine thousand five hundred and sixty (9560) square meters, bound on the northwest partly by Qormi Road and on the south and on the east by public roads not identified by name.

The Center Parc Property is expected to be completed and to open its doors to the public by not later than the third quarter of 2019. The structure of the building is completed, whilst its finishing is in advanced stage. Completion is running according to schedule. Once completed, it will consist of two (2) underground levels to be used as a car park, two (2) levels of retail outlets and a landscaped roof (which subject to relevant permits may, in future, be further developed). The Center Parc Property will have a leasable area of nine thousand eight hundred and eighteen (9818) square meters.

In the meantime the Center Parc Property has already attracted full occupancy. Center Parc has concluded lease agreements with eight (8) different tenants that cover the entire property. Tenants operate in various lines of business including clothing, electronics and catering.

The different units have been leased out for fixed periods ranging between three (3) to five (5) years. Thereafter the said lease agreements can be further extended by the current tenants for one (1) year periods up to a maximum number of years. Rent is generally paid quarterly in advance. Rent generally increases every three (3) years with some lease agreements also providing for a yearly increase in the first three (3) years. Tenants are also obliged to deposit a security deposit to cover prompt and faithful performance of their obligations pursuant to the lease agreements, which deposit generally covers a three (3) month rent period. A service charge is also levied from each tenant to cover the running costs of the Center Parc Property. Center Parc can terminate the agreements where a tenant fails to make any due payment.

The Center Parc Property is currently encumbered by the Center Parc's Original Charges. The Center Parc's Original Debt which is secured by the Center Parc's Original Charges shall be repaid by Center Parc through the proceeds of the Bond Issue, as a result of which the Center Parc's Original Charges will be cancelled, and the Center Parc Property will become free and unencumbered.

Subject to relevant permits, the Center Parc Property may be subject to further development in future.

#### 4.5 Other Properties

The Guarantor also owns property at 66 Saint Rita Street, Sliema. The property consists of a two bedroomed townhouse purchased in 1999. It has a footprint of circa one hundred square meters on two floors. The property is currently leased out to third parties.

#### 4.6 Group's Future Prospects

It is Center Parc's intention to consider developing the Center Parc Property further, in future, with a view to enhancing the value of the property, whilst providing its customers a better shopping experience.

The Subsidiaries may also consider future purchases and development of immovable properties.

There are however no decisions or commitments taken in respect of any of the above yet.

## 5. SECURITY TRUSTEE

In terms of the Security Deed, the Security Trustee has agreed to act as security trustee in relation to the Guarantee and the Security.

Under the Security Trust Deed, the Guarantor granted the Guarantee and the Security in favour of the Security Trustee for the benefit of the Security Trustee and the Bond Holders. If an event of default (as defined in section 1 under the heading 'Definitions' in the Securities Note) which is continuing, occurs under the Bonds, the Security Trustee is entitled to enforce the Guarantee and the Security. The Security Trustee shall also be bound to enforce the Security if called upon to do so by seventy five per cent (75%) in nominal value of the Bonds outstanding.

The net proceeds of the Bond Issue will upon issuance of the Bonds, be delivered by the Registrar to the Security Trustee who will release the proceeds as follows:

- i. such sum as shall be equal to the proceeds of the Bond Issue less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000) (which is the amount to be given on loan to Center Parc) and less the cost of the Bond Issue which is expected to be in the region of four hundred thousand Euro (€400,000), and which sum is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000), will first be released to the Issuer. This amount will be utilized by the Issuer to acquire the Preference Shares in the Subsidiaries' Holding;
- ii. from the capital received by the Subsidiaries' Holding following the issuance and allotment of the Preference Shares (which as stated above is expected to be in the region of six million three hundred and fifty thousand Euro €6,350,000), the Subsidiaries' Holding will grant the sum of four million five hundred thousand Euro (€4,500,000) to the Guarantor on loan. The balance of proceeds received by the Subsidiaries' Holding through the issuance and allotment of the Preference Shares (following the grant of the loan to Guarantor as stated in this paragraph), which is expected to be in the region of one thousand eight hundred and fifty thousand Euro (€1,850,000), shall be used by it as general working capital;
- iii. the Guarantor will use the said sum to repay the Guarantor's Original Debt, as a result of which the Guarantor Property, which includes the Secured Asset will be unencumbered (save for preferences allowed at law), at which point in time the Guarantor will grant the Security;
- iv. simultaneously with the constitution of the Security, the rest of the proceeds of the Bond Issue will be released to the Issuer to be granted on loan to Center Parc.

The Security Trustee will appear together with the Guarantor on the relevant documents constituting the Security.

Proceeds from the Bond Issue will be utilized to repay the Guarantor's Original Debt and release the Guarantor Property including the Secured Asset from the Guarantor's Original Charges and to repay Center Parc's Original Debt and cancel Center Parc's Original Charges.

Further information on the Security Trust Deed can be found in section 4.5.24 under the heading 'Security Trustee' in the Securities Note.

## 6. OPERATING AND FINANCIAL INFORMATION

### 6.1 Selected financial information: the Issuer

The Issuer was registered and incorporated on 26 March 2019 and to date has not conducted any business and has no trading record. There has not been any significant change in the financial or trading position of the Issuer since the date of its incorporation.

### 6.2 Selected financial information: the Guarantor

Since the Guarantor shall act as guarantor to the Bond Issue, the selected financial information of the Guarantor is contained in this section of the Registration Document. The historical financial information of the Guarantor is set out in the audited financial statements of the Guarantor for each of the financial years ended 31 December 2015, 2016 and 2017.



There has not been any significant change in the prospects or in the financial or trading position of the Guarantor which has occurred since the date up to which the aforesaid audited financial statements were prepared.

Set out below are summarised extracts from the financial statements of the Guarantor.

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**Easysell Limited**
**Income statement for the year ended 31 December**

| EUR '000                                    | 2015       | 2016       | 2017       |
|---|------------|------------|------------|
| Revenue                                     | 526        | 405        | 405        |
| Cost of sales                               | (132)      | -          | -          |
| <b>Gross profit</b>                         | <b>394</b> | <b>405</b> | <b>405</b> |
| Other operating income                      | 280        | 38         | 38         |
| Administrative and other operating expenses | (124)      | (100)      | (66)       |
| <b>Operating profit</b>                     | <b>550</b> | <b>343</b> | <b>377</b> |
| Investment income                           | 318        | -          | -          |
| Finance costs                               | (57)       | (29)       | (73)       |
| <b>Profit before tax</b>                    | <b>811</b> | <b>314</b> | <b>304</b> |
| Income tax expense                          | (55)       | (93)       | (93)       |
| <b>Profit for the year</b>                  | <b>756</b> | <b>221</b> | <b>211</b> |

Source: Audited Financial Statements

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**Easysell Limited**
**Cash flow statement for the year ended 31 December**

| EUR '000   | 2015       | 2016      | 2017        |
|--|------------|-----------|-------------|
| Net cash from operating activities                 | 374        | (265)     | 391         |
| Net cash from investing activities                 | (430)      | (702)     | (1,981)     |
| Net cash from financing activities                 | 55         | 1,039     | 1,518       |
| <b>Net movement in cash and cash equivalents</b>   | <b>(1)</b> | <b>72</b> | <b>(72)</b> |
| Cash and cash equivalents at the beginning of year | 1          | -         | 72          |
| <b>Cash and cash equivalents at end of year</b>    | <b>-</b>   | <b>72</b> | <b>-</b>    |

Source: Audited Financial Statements

## Easysell Limited

### Balance sheet as at 31 December

| EUR '000                               | 2015          | 2016          | 2017          |
|--|---------------|---------------|---------------|
| <b>ASSETS</b>                          |               |               |               |
| <b>Non-current</b>                     |               |               |               |
| Property, plant and equipment          | 67            | -             | -             |
| Investment property                    | 10,000        | 10,768        | 12,749        |
|  | 10,067        | 10,768        | 12,749        |
| <b>Current</b>                         |               |               |               |
| Trade and other receivables            | 171           | 770           | 756           |
| Cash and cash equivalents              | -             | 72            | -             |
|  | 171           | 842           | 756           |
| <b>Total assets</b>                    | <b>10,238</b> | <b>11,610</b> | <b>13,505</b> |
| <b>EQUITY</b>                          |               |               |               |
| Share capital                          | 1,165         | 1,165         | 1,165         |
| Retained earnings/(accumulated losses) | (329)         | (107)         | 104           |
| Fair value reserve                     | 3,990         | 3,990         | 3,990         |
| <b>Total equity</b>                    | <b>4,826</b>  | <b>5,048</b>  | <b>5,259</b>  |
| <b>LIABILITIES</b>                     |               |               |               |
| <b>Non-current</b>                     |               |               |               |
| Other borrowings                       | 3,566         | 3,508         | 3,475         |
| Bank loan                              | 175           | 1,346         | 2,950         |
| Deferred tax liabilities               | 1,000         | 1,000         | 1,000         |
|  | 4,741         | 5,854         | 7,425         |
| <b>Current</b>                         |               |               |               |
| Trade and other payables               | 117           | 304           | 555           |
| Other borrowings                       | 44            | 223           | 164           |
| Bank overdraft and loan                | 343           | 89            | 94            |
| Current tax liabilities                | 167           | 92            | 8             |
|  | 671           | 708           | 821           |
| <b>Total Liabilities</b>               | <b>5,412</b>  | <b>6,562</b>  | <b>8,246</b>  |
| <b>Total equity and liabilities</b>    | <b>10,238</b> | <b>11,610</b> | <b>13,505</b> |

Source: Audited Financial Statements

The Guarantor's main asset comprises investment property held for rental. Part of the property is currently rented out to two (2) tenants while the other part of the property is currently under development and is expected to be completed in the third quarter of 2019.

Revenue over the three (3) year period related to rental income charged to tenants occupying the existing development on the Secured Asset, except for €134,000 reported in 2015 relating to the sale of motor vehicles held in inventory. The motor vehicles held in inventory were non-core to the Guarantor's business and were disposed at cost. Rental income from tenants is contracted and subject to contractual increases in rent.

Other operating income in 2016 and 2017 related solely to recharges of expenses to tenants. In 2015 other operating income amounted to €280,000, which included €50,000 recharges of expenses to tenants, €120,000 of management fees charged to a related party company (non-recurring) with the remaining balance reflecting reversal of prior year costs charged by related parties (non-recurring).

Administrative and other operating expenses include water and electricity, wages and salaries and other professional costs. These costs are of a recurring nature and are required to sustain the ongoing operations of the Guarantor.

Investment income reported in 2015 reflects the gain realised on the disposal of investment property held for re-sale. This was a one-off transaction and is not expected to recur in the going-concern operations of the Guarantor.

Finance costs reflect interest cost incurred on bank debt. The increase in finance costs in 2017 was driven by higher bank debt advanced to the Guarantor to finance investment in the development of the property extension being undertaken by it.

After accounting for taxation, the Guarantor reported a profit for the year of €211,000 in 2017, compared to €221,000 in 2016.

Investment in the development of extension to the Secured Asset was primarily financed through bank debt up to 31 December 2017. Since 2016, the Guarantor advanced deposits to selected contractors which has driven the increase in trade and other receivables over the review period. The increase in trade payables was driven by an increase in amounts due to contractors engaged in the development of the said property extension.

Other borrowings is composed of amounts due to the Guarantor related parties. These liabilities did not incur any interest.

The total equity as at 31 December 2017 amounted to €5,259,000 composed of €1,165,000 Share Capital, €3,990,000 Revaluation Reserve and €104,000 of Retained Earnings.

The unaudited financial results of the Guarantor for the period ended 31 December 2018, and the comparative financial statements for the period ended 31 December 2017 are set out below:

| <b>Easysell Limited</b>                                |                |                  |
|--|----------------|------------------|
| <b>Income statement for the year ended 31 December</b> |                |                  |
| <b>EUR '000</b>  | <b>2017</b>    | <b>2018</b>      |
|  | <b>Audited</b> | <b>Unaudited</b> |
| Revenue  | 405            | 421              |
| Cost of sales  | -              | -                |
| <b>Gross profit</b>                                    | <b>405</b>     | <b>421</b>       |
| Other operating income                                 | 38             | 55               |
| Administrative and other operating expenses            | (66)           | (97)             |
| <b>Operating profit</b>                                | <b>377</b>     | <b>379</b>       |
| Investment income                                      | -              | -                |
| Finance costs  | (73)           | (133)            |
| <b>Profit before tax</b>                               | <b>304</b>     | <b>246</b>       |
| Income tax expense                                     | (93)           | (97)             |
| <b>Profit for the year</b>                             | <b>211</b>     | <b>149</b>       |

Source: Management Accounts

| <b>Easysell Limited</b>                                   |                |                  |
|---|----------------|------------------|
| <b>Cash flow statement for the year ended 31 December</b> |                |                  |
| <b>EUR '000</b>   | <b>2017</b>    | <b>2018</b>      |
|   | <b>Audited</b> | <b>Unaudited</b> |
| Net cash from operating activities                        | 391            | 347              |
| Net cash from investing activities                        | (1,981)        | (1,851)          |
| Net cash from financing activities                        | 1,518          | 1,504            |
| <b>Net movement in cash and cash equivalents</b>          | <b>(72)</b>    | <b>-</b>         |
| Cash and cash equivalents at the beginning of year        | 72             | -                |
| <b>Cash and cash equivalents at end of year</b>           | <b>-</b>       | <b>-</b>         |

Source: Management Accounts



## Easysell Limited

### Balance sheet as at 31 December

| EUR '000                               | 2017<br>Audited | 2018<br>Unaudited |
|--|-----------------|-------------------|
| <b>ASSETS</b>                          |                 |                   |
| <b>Non-current</b>                     |                 |                   |
| Investment property                    | 12,749          | 14,600            |
| <b>Current</b>                         |                 |                   |
| Trade and other receivables            | 756             | 92                |
| Cash and cash equivalents              | -               | -                 |
|  | <u>756</u>      | <u>92</u>         |
| <b>Total assets</b>                    | <b>13,505</b>   | <b>14,692</b>     |
| <b>EQUITY</b>                          |                 |                   |
| Share capital                          | 1,165           | 1,165             |
| Retained earnings/(accumulated losses) | 104             | 350               |
| Fair value reserve                     | 3,990           | 3,990             |
| <b>Total equity</b>                    | <b>5,259</b>    | <b>5,505</b>      |
| <b>LIABILITIES</b>                     |                 |                   |
| <b>Non-current</b>                     |                 |                   |
| Other borrowings                       | 3,475           | 4,040             |
| Bank loan                              | 2,950           | 3,727             |
| Deferred tax liabilities               | 1,000           | 1,000             |
|  | <u>7,425</u>    | <u>8,767</u>      |
| <b>Current</b>                         |                 |                   |
| Trade and other payables               | 555             | 83                |
| Other borrowings                       | 164             | 374               |
| Bank overdraft and loan                | 94              | 47                |
| Current tax liabilities                | 8               | (84)              |
|  | <u>821</u>      | <u>420</u>        |
| <b>Total Liabilities</b>               | <b>8,246</b>    | <b>9,187</b>      |
| <b>Total equity and liabilities</b>    | <b>13,505</b>   | <b>14,692</b>     |

Source: Management Accounts

During the one year period ended 31 December 2018 Revenue increased by 3.9% over the previous period driven by contracted increases in rental income from the existing tenants occupying the Secured Asset.

The increase in administrative expenses was primarily driven by higher wages and salaries, water and electricity costs and bank charges. Administrative costs incurred in 2018 are comparable to those incurred in prior years. This increase was partly off-set by higher cost recharges to tenants, increasing to fifty five thousand Euro (€55,000) in 2018.

Finance costs in 2018 were sixty thousand Euro (€60,000) higher than in 2017 driven by a further increase in bank borrowings advanced to the Guarantor to part finance the development of the extension to the Secured Asset.

Higher interest and administration costs were the primary drivers for a drop in post-tax profit to one hundred forty nine thousand Euro (€149,000) despite an increase in reported revenue.

As at 31 December 2018 the investment property held by the Guarantor had a reported book value of fourteen million six hundred thousand (€14,600,000), reflecting additional investment carried out on the property during the period. Five hundred and sixty five thousand Euro (€565,000) of the one million eight hundred and fifty one thousand Euro (€1,851,000) invested in the property over the period was financed through related party financing. Related party financing did not accrue any interest charges.

During 2018, the Guarantor also settled a material amount of its outstanding balances with contractors, with both Other Receivable and Other Payable Balances declining markedly over the one year period ended 31 December 2018.

As at 31 December 2018, the book value of equity increased to five million five hundred and five thousand Euro (€5,505,000).

## 7. TREND INFORMATION

The Issuer was registered and incorporated on 26<sup>th</sup> March 2019 as a special purpose vehicle to act as the finance arm of the Group. As indicated in Section 10 of this Registration Document, the Issuer has no financial information to report. Accordingly, it is not in a position to assert whether there has been a material adverse change since the date of publication of its latest audited financial statements. There has not been any significant change in the prospects of the Issuer, which has occurred since the date of its incorporation.

There has been no material adverse change in the prospects of the Guarantor since the date of its last published audited financial statements dated 31 December 2017.

The Issuer is dependent on the business prospects of the Group, and therefore, the trend information of the members of the Group, has a material effect on the Issuer's financial position and prospects.

As at the time of publication of this Prospectus, the Issuer and the Guarantor consider that generally they shall be subject to the normal business risks associated with the business and industries in which the Group is involved and operates, and, barring unforeseen circumstances, do not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be considered likely to have a material effect on the upcoming prospects of the Group and its business, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors in the Prospectus.

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

### 7.1 General Market Conditions

The Group is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget and their profitable operation. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Group's planning during development, this shall have an adverse impact on the financial condition of the Group and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

### 7.2 Economic Update<sup>1</sup>

In the third quarter of 2018, the pace of economic expansion in Malta accelerated, with real gross domestic product ("GDP") rising by 7.5% quarterly following a growth of 6.1% in the previous quarter. During the same period the rate of economic expansion in the euro area has moderated, with real GDP rising by 0.2% on a quarterly basis following two quarters of constant growth of 0.4%. Growth in Malta was supported by a strong increase in domestic demand, particularly private consumption. Net exports also contributed, albeit to a lesser extent. The slowdown in the euro area's GDP growth during the third quarter of 2018 reflected a negative contribution from external demand with net exports, after having a broadly neutral contribution in the previous quarter.

The Maltese labour market conditions remained favourable in the third quarter of 2018, as employment grew strongly and the unemployment rate fell compared with the preceding year, notwithstanding a further increase in labour market participation rates and rising foreign employment. At 3.7%, the unemployment rate remained below the Central Bank of Malta ("CBM") structural measure of 4.2% and thus continued to suggest a degree of tightness in the labour market.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) accelerated to 2.5% in September from 2.0% in June. The pick-up was largely driven by a higher contribution from food prices, although non-energy industrial goods and energy inflation also edged up. Inflation based on the Retail Price Index (RPI), which only takes into account purchases by Maltese households, stood at 1.6% in September, up from 1.0% three months earlier.

In 2019, real GDP growth is projected to moderate further to 5.2%<sup>2</sup>. As global demand moderates, economic growth is expected to continue relying on domestic demand, underpinned by high private and public consumption. Investment

<sup>1</sup> Central Bank of Malta – Quarterly Review No.1 2019

<sup>2</sup> European Commission's Winter 2019 Economic Forecast.

growth is expected to pick up on the back of large-scale infrastructure projects in the health, tourism and real estate sectors.

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. This has contributed to an increase in the demand for lease of office and commercial space in Malta. To address such growing demand, the supply of office and commercial space in Malta have considerably increased over the last couple of years. Of note, there are several traditional businesses areas in Malta. For instance, Sliema attracts many international brands and companies. Likewise, Valletta being Malta's capital city is considered as the hub for law firms and many long-established family businesses. Other traditional commercial areas include the likes of St Julian's which is popular for its sea-view offices and Floriana, which attracts businesses that want to be located in the vicinity of Valletta. In furtherance, there are also top quality commercial developments within the proximity of the airport and in other residential areas such as Naxxar, Mosta, Mellieha and in other parts of the south of Malta. The variety of commercial and office space in Malta cater for every type of business, from start-ups to established global organisations. In this regard, numerous business centers have recently been developed, with new centers in the pipeline. These include SkyParks, The Quad, Trident Park, The Centre, Aragon House Business Centre, amongst others.

The retail sector in Malta has lately undergone a gradual transformation, whereby it was fragmented with small businesses and a limited number of importers, wholesalers and distributors. Subsequent to Malta's entry in the European Union (EU) in 2004, the liberalisation of the market greatly encouraged foreign chains to set up in Malta, forcing local traders to come up with more convenient and unique distribution strategies. The 'all-under-one-roof' concept has been gaining popularity among the general public, as witnessed by the popularity of a number shopping destinations in Malta such as The Point Shopping Mall, Main Street Shopping Complex and The Plaza Shopping Centre. This concept has allowed individuals to sort out their shopping under one roof rather than having to go to different retail shops in multiple locations.

Data specifically related to commercial property in Malta is limited, thus making it more challenging to identify the exact state of this sector. Nevertheless, it is evident that Malta has over recent years completely evolved and has attracted a numerous amount of foreign companies related to sectors within the financial services, gaming and IT related fields. It is therefore apparent that the demand for good commercial property has drastically increased, whereby Malta's property sector has been dominated by a situation of demand seemingly exceeding supply. The latter has resulted in the majority of high quality commercial developments being fully let. In line with statistical data issued by the Central Bank of Malta, the number of permits relating to retail and office developments has significantly increased from 123 permits in 2009 to 719 permits in 2016.

Growing consumer expectations have resulted in shops staying open for longer hours, instead of closing during lunch hours, as occurs in the majority of the other Mediterranean countries.

Management has already secured rental agreements with third party tenants for all leasable retail spaces available within The Center Parc Retail Hub which is set to become a major retail destination in Qormi. This further enforces management's view as to the demand for commercial centers, both from a retailer and consumer point of view.

## **8. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES**

### **8.1 Directors**

#### **8.1.1 Board of Directors of Issuer**

The Issuer is administered and managed by the Directors. The memorandum and articles of association of the Issuer provide that its board of directors shall consist of not less than four (4) but not more than six (6) directors. The board of directors is vested with broad powers to perform all acts of administration and management in the Issuer's interest. All powers not expressly reserved by law or by the Issuer's memorandum and articles of association fall within the competence of the board of directors.

Amongst other things, the board of directors has the power to borrow or raise money or secure the payment of money, and in conjunction with or independently therefrom, to charge and hypothecate the property of the Issuer or part therefore for any debt or liability, without limitation.

The Directors are appointed by ordinary resolution of the Issuer for a three (3) year term, but are eligible for re-appointment. They can also be removed by the company in general meeting.

Decisions taken by the Directors are decided by simple majority. In case of an equality of votes, the chairman has a casting vote.

The Issuer currently has six (6) directors.

- *Curriculum Vitae of Directors*

Following is a short curriculum vitae for each of the Issuer's Directors.

*Anthony Fenech*

Anthony (k/a) Ninu Fenech is the chairman of the Tum Invest Group. As one of the shareholders and directors of the Tumas Group, Ninu worked closely with his father Thomas, primarily in property development. He was then instrumental in the acquisition by the Tumas Group of the KIA automotive brand, and its promotion on the local market. Driven by vision, in 2015 Ninu took the bold decision to divest himself of his holdings in the Tumas Group to focus his energy, efforts and experience on the immediate family's business interests. He has been active in the automobile sector of the business ever since, whereby he also sits on the board of Motors Inc Limited, whilst closely monitoring the property development business of Tum Invest.

*Silvan Fenech*

Mr Silvan Fenech holds directorships in various companies within the TUM Invest Group of companies, including Easysell Limited, Tum Properties Limited, Motors Inc. Limited and MSF Trading Limited, and also within companies majority owned by the group, including Center Parc Holdings Limited.

Formerly, Silvan held several management roles in companies that fell under the Tumas Group of Companies, and in entities such as the Valletta Gateway Terminals where he was instrumental in the acquisition by the Group of the concession rights over the cargo terminals in the Grand Harbour. As a result of his active role in port and cargo related matters, Silvan contributed significantly to the drafting of various pieces of port operations-related legislation and policies. Since 2015, after the departure from the Tumas Group together with his father Anthony and his brother Matthew, Silvan has been the driving force behind TUM Invest Group's property division.

Today, Silvan is spearheading a number of real estate developments including Center Parc Property, and Zentrum Business Centre, a commercial hub and office centre, and Motor Village the largest vehicle showcase on the island. He is also behind the development and commercialisation of more than 1200 apartments spread over various sites. Concurrently he also oversees the activities of La Cava Operations Ltd which is involved in the operation of a quarry.

*Matthew Fenech*

Matthew was educated at De La Salle College and at St Edward's College. From a very young age he was involved in the running of the family business, namely the Tumas group, particularly in the automotive branch of the Group. His expertise lies in the overall management and operations and the deep knowledge of the industry and its market. During his years working within the group, Matthew amassed a wealth of experience and has fostered a sense of innovation in his management style and approach to business development of the companies.

In 2011, Matthew was officially appointed managing director of Cars International Limited, the official representatives of Opel and Kia in Malta, which eventually merged with another leading car importer to form the company Motors Inc Limited whose portfolio includes other major brands namely Alfa Romeo, Jeep, Fiat, Iveco, and Hyundai. Under Matthew's direction as chief executive officer, the company has grown from strength to strength and is now one of the foremost automotive groups on the island.

In recent years, Matthew has diversified his portfolio of responsibilities to include the importation and distribution of medical products and traffic management systems through his involvement in other associated companies within the Tum Invest Group, namely A.T.G. Co Ltd and CVA Technology Co Ltd.

*Stanley Portelli*

Dr Portelli is a lawyer by profession having obtained his doctorate in law from the University of Malta in 1995. He is currently partner with GS Advocates focusing on assisting corporate clients in particular in the field of shipping, aviation and employment.

From 2013 onwards, he acted as chief executive officer of the Authority for Transport Malta having overseen the amalgamation of the previously three transport regulatory authorities, namely Malta Transport Authority, The Civil Aviation department and the Malta Maritime Authority into one. Prior to that since 2009 he acted as chief operations officer of the Malta Maritime Authority.

Between 2001 and 2009 he held the position of executive director for human resources, legal and corporate affairs as well as company secretary at Malta Freeport Terminals Ltd. and Freeport Terminal (Malta) plc. He had also served as director of the board of directors of the latter company during the years 1999 to 2004.

Between 2004 and 2008 he acted as director at Malta Management Co Ltd and at Malta Government Investments Ltd. In 2007 he was appointed member of the Port Workers Board representing Malta Freeport terminals and in 2008 he was appointed member of the Board of the Lotteries and Gaming Authority, a post he held until 2013.

From 1994 to 2001, Dr Portelli was employed with the financial services unit at Coopers & Lybrand and eventually PriceWaterhouseCoopers.

He currently acts as a non-executive director on a number of Maltese companies involved in various cross-border and overseas activities including fund management. He currently serves as non-executive director of Melite Finance plc, currently listed with the Exchange, of JD Capital plc listed on Prospects MTF of the Exchange and of Homechoice International Limited, listed with the South African stock exchange.

#### *Mario Vella*

Mario Vella joined Barclays Bank in Malta in 1969 and has occupied several positions within the bank concluding his career with HSBC in 2013 in the role of Head of Corporate Banking in which position he was responsible for the major share of the Bank's lending portfolio and its largest corporate customers. He has been involved in driving through major changes in banking strategies especially on Mid-Med Bank's take-over by HSBC. Over the years Mario has arranged finance for a significant number of high profile projects including via a mix of bank / syndicated lending and capital markets.

In 2013, after 43 years in banking, Mario moved to KPMG as Director, Deal Advisory. In this role he served as consultant to several companies. He helped clients restructure and refinance their trading activities and raise financing for new ventures. He has participated in putting together high profile mergers and other significant business deals.

Mario retired from KPMG in August 2017 but continues to provide consultancy services to various businesses. He presently also sits as non-executive director of Mercury Projects Finance plc, Agribank plc and Hili Finance Company plc. He sits on the Audit Committee of all three companies and chairs the audit committee of Hili Finance Company plc.

#### *William Wait*

William is the Chairman of Malta Enterprise, a post to which he was appointed in July 2016. Malta Enterprise is the Government's Investment Promotion agency facilitating private investments in Malta.

Prior to this appointment he was the Executive Chairman of Water Services Corporation, which is the supplier of Malta's Water and manages the Island's Waste Water.

Up to June, 2017 he was the Executive Chairman of Projects Malta Limited which is the Government's entity promoting and facilitating Public Private Partnerships and other National projects. He also occupied the post of Chairman of Projects Plus Limited which is the technical arm of Projects Malta Limited.

Today he serves as a director on various Maltese and foreign companies operating in a wide spectrum of industries including generation of alternative energy, hospitality, property development, international trading and manufacturing. He also serves as director of the Toly Group and as a member of this group's remuneration committee. For 23 years William occupied various executive positions with Toly, the latest being that of Group Deputy CEO.

Pre 2013, William also served on various Maltese Government Boards and Councils including the Employment Relations Board and the M.C.E.S.D. - Malta Council for Economic and Social Development. During Malta's presidency of the Council of the European Union, between January and June 2017, William served as the Chairman of the Working Party for Industry, within DG Grow.

William has a B.A. (Hons.) Accountancy degree, is a Fellow of the Malta Institute of Accountants, and holds a Certified Public Accountant (CPA) warrant.

- *Role of Issuer's Directors*

Save for Anthony, Silvan and Matthew, family Fenech, all directors are independent of the Issuer.

The Issuer has no employees and the day to day business of the Issuer has been delegated to the Parent Company and its employees. Silvan and Matthew shall be responsible for overseeing, supervising and managing the day to day operations and to then report to the Directors. The Directors are in turn entrusted with providing the Issuer direction and strategy, monitoring and supervising its performance and ensuring that controls and risk management systems are in place. Stanley Portelli will generally oversee regulatory compliance, whilst Mario Vella and William Wait will oversee financial matters.

- *Remuneration and other Benefits of issuer's Directors*

The aggregate remuneration of the board of directors or any increase thereof, to be paid to the board of directors needs to be approved by the shareholders of the Issuer in general meeting, following advance notice of the proposed vote on directors' remuneration. The Directors shall also be entitled to travelling, hotel and other expenses properly incurred by them in carrying out their duties.

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

### **8.1.2 Board of Directors of the Guarantor**

The Guarantor is administered and managed by its board of Directors. The memorandum and articles of association of the Guarantor provide that its board of directors shall consist of not less two (2) but not more than five (5) directors. The board of directors is vested with broad powers to perform all acts of administration and management in the Guarantor's interest. All powers not expressly reserved by law or by the Guarantor's memorandum and articles of association fall within the competence of its board of directors. It is entrusted with providing the Company's direction and strategy, monitoring and supervising its performance and ensuring that controls and risk management systems are in place.

Amongst other things the board of directors has the power to borrow or raise money or secure the payment of money, and in conjunction with or independently therefrom, to charge and hypothecate the property of the Guarantor or part thereof for any debt or liability, without limitation.

The directors are appointed by ordinary resolution of the Guarantor until such time as he/she dies, retires or is removed. Directors can be removed by the company in general meeting.

The Guarantor currently has three (3) directors namely:-

Anthony Fenech  
Silvan Fenech and  
Mario Vella.

All three (3) directors are also directors of Issuer. Their curriculum vitae can be seen in section 8.1.1 under the heading 'Directors of the Issuer'.

- *Roles of the Directors of Guarantor*

Silvan Fenech is in charge of overseeing, supervising and managing the day to day operations of the company, to then report back to the board of directors. As is the case with the Issuer, the day to day business of the Guarantor has been delegated to the Parent Company and its employees.

- *Service Contracts and Payments*

There are currently no contracts between the Guarantor and its directors. The Guarantor does not pay its current directors any remuneration for holding office as directors. These are currently contracted with the Parent Company, and with the Issuer in the case of Mario Vella, from whom they receive remuneration.

In case the Guarantor is to pay its directors any remuneration, the aggregate remuneration of the board of directors or any increase thereof, needs to be approved by the shareholders of the Guarantor in general meeting, following advance



notice of the proposed vote on directors' remuneration. The directors shall also be entitled to travelling, hotel and other expenses properly incurred by them in carrying out their duties.

There are currently no loans outstanding by the Guarantor to any of its directors, nor has the Guarantor issued any guarantees for their benefit.

## 8.2 Senior Management

### 8.2.1 Issuer

The Issuer is only intended as a finance holding company. The Directors believe that the present organizational structure is adequate for the current activities of the Issuer. 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.

### 8.2.2 Guarantor

The board of directors of the Guarantor delegated the daily management of the Guarantor to the Parent Company and its employees. The directors of the Guarantor monitor its business on a day to day basis.

## 8.3 Employees

### 8.3.1 Issuer's Employees

As at the date of this Registration Document, the Issuer has no employees.

### 8.3.2 Guarantor's Employees

As at the date of this Registration Document, the Guarantor has no employees. As stated above, the day to day issues of Guarantor are handled by the Parent Company.

## 8.4 Conflicts of Interest

Members of the ultimate beneficial owner's family, as well as the ultimate beneficial owner himself, are present on the board of directors of several entities within the Group. Silvan Fenech is director on the board of directors of all members in the Group. Matthew Fenech is a director on the board of directors of the Issuer, the Subsidiaries' Holding and Center Parc. Anthony Fenech, ultimate beneficial owner, is a director of the Guarantor, the Issuer and the Subsidiaries' Holding. All three (3) members of the family compose the board of directors of the Parent Company.

Members of the Fenech family are susceptible to conflicts between the potentially divergent interests of the Group.

One of the directors, Mario Vella, is also director in all companies within the Group.

Conflicts may further arise given that there will be a lender-borrower relationship between the Issuer, the Subsidiaries' Holding and each of the Subsidiaries.

Conflicts may also arise given one of the tenants leasing part of the Secured Asset is one third owned by the Parent Company, whose directors are in common with directors of the Issuer, the Subsidiaries' Holding and the Subsidiaries. Conflicts may also arise in the event the Parent Company leases out part of the Secured Asset.

The Audit Committee of the Issuer has the task of ensuring that any such potential conflicts of interest relating to the Directors are handled in the best interest of the Issuer.

A director of the Issuer or the Subsidiaries shall not vote and shall not be taken into account for the purpose of forming a quorum, in respect of any contract or arrangement or other proposal in which he has a material interest.

All directors also have a general duty to ensure their personal interests do not conflict with those of the company they serve.

To the best knowledge of Issuer, no other potential conflicts of interest exist between any duties owed by members of the board of directors of Issuer, the Subsidiaries' Holding and/or Guarantor and/or senior management and the private interests and/or duties of such persons.

## 8.5 Board Practices

### 8.5.1 Audit Committee

The Issuer has established an audit committee made up of three (3) independent non-executive Directors. As at date of this Registration Document, the members of the Audit Committee are Mario Vella, William Wait and Stanley Portelli. Both Mario Vella and William Wait have relevant experience and competence in accounting matters. Mario Vella shall chair the Audit Committee.

The Audit Committee is appointed by the board of Directors who decides the terms, tasks and appointment and dismissal of its members, subject to criteria laid out in the Listing Rules.

The Audit Committee shall as a minimum meet four (4) times a year. Members of the Audit Committee are prohibited from being present at and voting at any meeting in which a contract, transaction or arrangement in which such member is interested is being discussed.

The Audit Committee fulfills an oversight role. Primarily, its responsibility will consist in reviewing the financial reporting process and the quality and integrity of the Issuer's financial statements, the adequacy of internal systems, the audit process and the Issuer's process for monitoring compliance with laws and regulations and with the requirements of the Listing Rules. The Issuer will maintain an effective working relationship with the Directors, and the Issuer's external auditors. Since the Issuer relies on the Subsidiaries' Holding for repayment of principal and interest on the Bond, the Audit Committee will also maintain an effective working relationship with the company and its external auditors. It will also maintain the same relationship with the Parent Company given the day to day management of the Issuer has been delegated to this company.

### 8.5.2 Corporate Governance

Save as hereinafter stated, the Issuer shall be adopting the Code.

As at date of this Registration Document, the Issuer does not comply with the following provisions in the Code:-

- i. Principle 7 which states that a board should undertake an annual evaluation of its performance and that of its committees.

Given the Issuer is a financing holding company, the Directors will themselves monitor the company's performance on a day to day basis. The Directors do not envisage that the Issuer will appoint committees given there is no scope for any such committee in view of the Issuer's limited object to act as a finance vehicle.

- ii. Principle 8 states that a company should have a remuneration policy for the directors and senior executives.

The Directors of the Issuer will be paid such remuneration as the shareholders in general meeting shall decide in accordance with the Issuer's memorandum and articles of association. The Issuer will not have any senior executives given its limited object to act as a finance vehicle.

## 9. MAJOR SHAREHOLDING AND RELATED PARTY TRANSACTIONS

### 9.1 Shareholding

#### 9.1.1 Issuer

The authorized share capital of the Issuer is twenty million Euro (€20,000,000) divided into twenty million (20,000,000) ordinary shares of one Euro (€1) each. The issued share capital of the Issuer is seventeen million six hundred ninety three thousand Euro (€17,693,000) divided into seventeen million six hundred ninety three thousand (17, 693,000) ordinary shares of one Euro (€1) each share, subscribed for and allotted as fully paid up as follows:-

Tum Invest Limited  
Tum Invest  
Mdina Road  
Qormi QRM 9010  
C 69572

17,692,998 ordinary shares

Anthony Fenech  
2491 Portomaso  
Portomaso Road  
Paceville, St Julians  
Identity card number: 0193656M

2 ordinary shares

All ordinary shares in the Issuer rank equally in all respects. Every ordinary share confers the right to one vote.

Unissued shares can be issued by the Issuer in general meeting and shall be subject to such terms as the same meeting may decide.

The shares of the Issuer are not listed on any exchange and no application for listing on any exchange has been made to date. It is not expected that the Issuer will issue, during the next financial year, any shares, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer that is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option. There are no arrangements, known to the Issuer, which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code to ensure that the relationship of the Issuer and/or the Guarantor with each other and/or their respective shareholders are retained at arm's length, including in respect of both the Issuer and the Guarantor, adherence to rules on Related Party Transactions set out in the Listing Rules requiring the vetting and approval of any Related Party Transaction by the Audit Committee, where the directors are independent non-executive directors of the Issuer.

#### 9.1.2 Guarantor

The authorized and issued share capital of the Guarantor is of one million one hundred sixty four thousand six hundred eighty six Euro fifty cents (€1,164,686.50) divided into five hundred thousand (500,000) shares of two point three two nine three seven three Euro (€2.329373) each share, subscribed for, allotted and taken up as follows:-

Tum Operations Limited  
Tum Invest  
Mdina Road  
Qormi QRM 9010  
C 91301

500,000 ordinary shares

All ordinary shares in the Guarantor rank equally in all respects. Every ordinary share confers the right to one (1) vote.

Unissued shares can be issued by the Guarantor in general meeting and shall be subject to such terms as the same meeting by extraordinary resolution may decide.

The shares of the Guarantor are not listed on any exchange and no application for listing on any exchange has been made to date. It is not expected that the Guarantor will issue, during the next financial year, any shares, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Guarantor that is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option. There are no arrangements, known to the Issuer, which may at a subsequent date result in a change in control of the Issuer.

## 9.2 Related Party Transactions

The Issuer adopts measures in line with the Code to ensure that the relationship of the Issuer and/or the Subsidiaries' Holding and/or the Subsidiaries with each other and/or their respective shareholders and/or directors are retained at arm's length and on a normal commercial basis.

The Audit Committee is required to vet and approve a Related Party Transaction. This ensures that nobody takes advantage of one's position, that any potential conflicts are managed, controlled and resolved in the best interests of the Issuer, and that the Bond Holders are made aware of any such Related Party Transaction.

The composition of the Audit Committee, made up of three independent, non-executive Directors, effectively minimizes potential conflicts and abuse of control. A Director on the Audit Committee who has any interest whether direct or indirect in any transaction, contract or arrangement shall not be allowed to be present at the committee meeting discussing such issue, much less vote in respect of any such transaction, contract or arrangement.

A Related Party Transaction that will have a material interest on the Issuer shall be made public. A Related Party Transaction shall also be disclosed in the Issuer's financial statements.

## 10. FINANCIAL INFORMATION

Since the Issuer and the Subsidiaries' Holding have been incorporated in March and April 2019 respectively, no audited financial statements have yet been prepared in their respect for the period since incorporation to date of this Registration Document. There is thus no historical financial information pertaining to the Issuer or the Subsidiaries' Holding.

The historical financial information relating to the Guarantor for the three financial years ended 31 December 2015, 2016 and 2017, as audited by Deloitte Audit Limited, and those relating to Center Parc for the financial years ended 31 December 2016 and 2017 likewise audited by Deloitte Audit Limited are available for inspection as set out in section 14 under the heading 'Documents on Display' of this Registration Document.

Deloitte Audit Limited is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act (Chapter 281 of the Laws of Malta).

There have been no significant changes to the financial or trading position of the Group since the end of the financial period to which the last audited financial statements relate.

Furthermore the Issuer and the Guarantor hereby confirm that there has been no material change or recent development which could adversely affect the potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in this Prospectus.

## 11. LITIGATION

The Directors are not aware of any current litigation against or otherwise involving the Issuer and/or the Subsidiaries' Holding and/or the Subsidiaries, including actual, pending or threatened governmental, legal or arbitration proceedings, which the Directors consider could have significant effects on the Issuer's financial position or profitability.

During the last twelve months there have been no governmental, legal or arbitration proceedings brought against or affecting the Subsidiaries, which may have or have had in recent past significant effects on the Subsidiaries and/or the Group's financial position, profitability or results.

## 12. MATERIAL CONTRACTS

None of the Group have entered into any material contracts which are not in the ordinary course of business and which could result in the Issuer and/or Guarantor being under an obligation or entitlement that is material to their ability to meet their obligations to Bond Holders in respect of the Bonds being issued pursuant to the Prospectus.

## 13. STATEMENT BY EXPERTS

### 13.1 Property Valuation Report

A property valuation report of the Properties has been prepared by Perit Charles Buhagiar A&CE. A copy of this report is attached to this Registration Document as Annex 1.

### 13.2 Interest of Experts and Advisors

Save the property valuation report contained in Annex 1 of this Registration Document, and the Financial Analysis Summary, the Prospectus does not contain any statement or report attributed to any person as an expert.

The property valuation report and Financial Analysis Summary, have been included in the form and context in which they appear with the authorization of Perit Charles Buhagiar A&CE and the Sponsor respectively, who have given, and have not withdrawn, their consent to the inclusion of the said reports herein.

Both Perit Charles Buhagiar A&CE and the Sponsor do not have any material interest in the Issuer.

The Issuer confirms that the property valuation report and the 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.

## 14. DOCUMENTS ON DISPLAY

Throughout the period of validity of the Prospectus, the following documents (in original or in copy) shall be available for inspection at the Issuer's registered address:-

- a. The memorandum and articles of association of the Issuer, the Guarantor and the Subsidiaries' Holding;
- b. Audited financial statements for the financial years ending 2015, 2016 and 2017 with respect to the Guarantor and for the years ending 2016 and 2017 with respect to Center Parc;
- c. The Prospectus.
- d. The letter of confirmation 3<sup>rd</sup> May 2019;
- e. Property Valuation Report prepared by Perit Charles Buhagiar A&CE;
- f. The financial analysis summary prepared by the Sponsor;
- g. The Guarantee;
- h. The Security Trust Deed;

Documents listed in (a) to (c) are also available on the Issuer's website at [www.tuminvest.com](http://www.tuminvest.com).

## **ANNEX 1 - PROPERTY VALUATION REPORTS**





**MED**

D E S I G N   A S S O C I A T E S  
L T D.

Hercules House, Second Floor, St. Mark Street, Valletta VLT 01364 Malta.

Tel: (356) 21 232 957

Fax: (356) 21 247 573

e-mail: [info@medesign.com.mt](mailto:info@medesign.com.mt)

site: [www.medesign.com.mt](http://www.medesign.com.mt)

30<sup>th</sup> April 2019

**The Directors**

Easysell Limited

Tum Invest

Mdina Road

Qormi

**Valuation Report for the  
Commercial Development Complex, Mdina Road, Qormi**

**1. Scope of Valuation**

In accordance with your instructions, the undersigned has carried out a Valuation of the Commercial Development Complex, at the said address, which detailed report is herewith submitted.

The Valuation has been carried out by the undersigned, as an external valuer in terms of, and with regard given to, the UK Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The Valuation was based on direct knowledge of the site, and its potential, as well as on such inspections and investigations as are, in the professional judgment of the undersigned, appropriate and possible in the current circumstances. The valuation relies on information provided by the Directors, and their professional advisors, as far as concerns tenure, privileges, charges and other related matters. The Valuation is nevertheless based on the assumption that no harmful or hazardous materials have been used in the construction of the existing property, or have since been incorporated, and that there is no contamination in or from the ground.

The undersigned has relied on the floor areas taken up from the plans as provided by the owners.

**2. Location and Brief Description of the property**

The property for the purposes of this valuation is located in Mdina Road, Qormi. The site is bounded on the South side by Mdina Road Road and on the West side by an unnamed road, and on the south side by Sqaq Barnaw which has now been approved as a new access.

The site covers approximately 7,427 square meters of land, and is made up of the following parcels of land:-

- i. a portion of land measuring approximately one hundred (100) square meters accessible from Sqaq Barnaw, Qormi, including some unnumbered rooms existing therein, free and unencumbered, bounded on the south, east and south west by property of Guarantor and on the north east by the said alley as better described in the deed of acquisition of Notary Dr Mario Bugeja of the 30 October 1996. The said property is registered at the Land Registry under property number 06001298. The property is adjacent to the properties described in the paragraphs (ii) and (iv) below;
- ii. the temporary utile dominium for the period which remains from the original period of one hundred and fifty (150) years which commenced on the 4 of May 1988 of the building complex, unnumbered, consisting of a showroom in an unnamed service road which runs

parallel to Mdina Road, Qormi consisting of a showroom at ground floor level, offices at first floor level, garages at semi-basement level, and a drive-in and parking areas at the front, side and back of the building, measuring approximately three thousand five hundred and forty four (3544) square metres, as better described in the deed of acquisition of Notary Dr Mario Bugeja of the 24 June 1998, bounded on the south by the said service road, on the east by the property of the successors in title of A&A Properties Limited and on the north by property of Guarantor, constructed on a divided portion of land known as 'Tal-Ghaqba' which property is registered at the Land Registry under property number 06002242, originally subject to three thousand nine hundred ninety four Euro and twenty four cents (€3994.24) annual and temporary ground rent which is revisable;

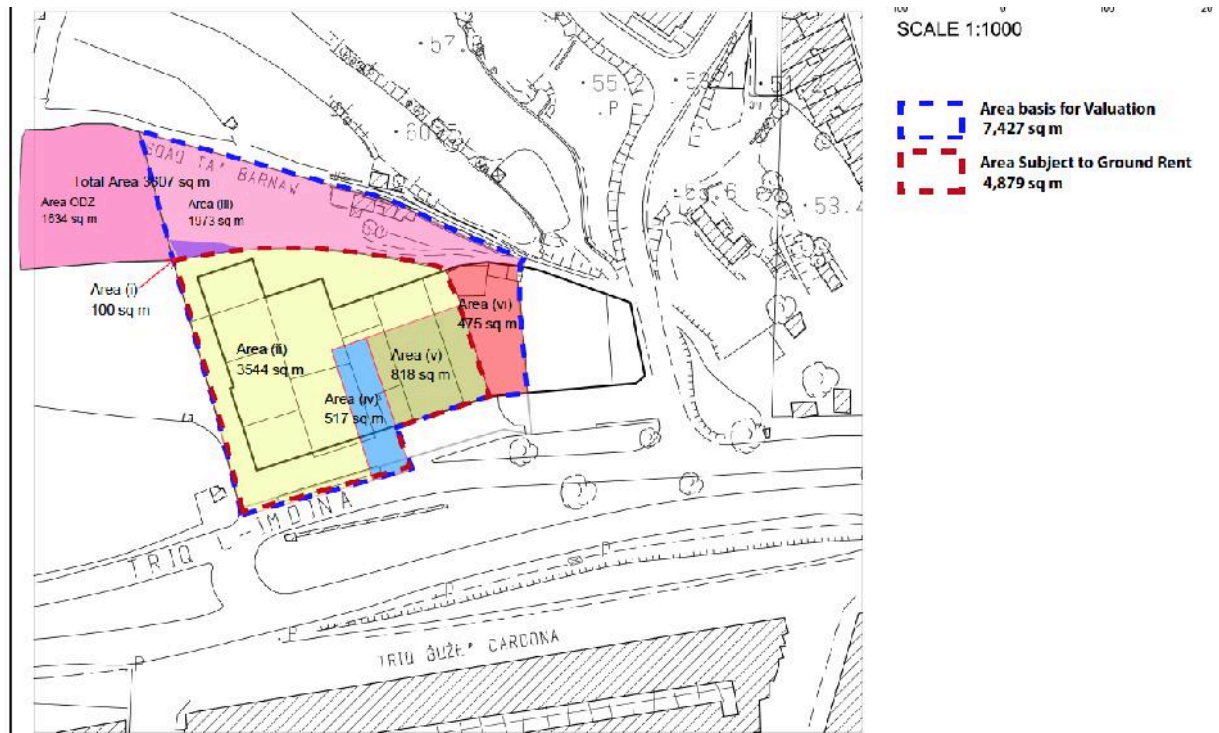
iii. the land accessible from Sqaq Ta' Barnaw, Qormi measuring approximately one thousand nine hundred and seventy three (1973) square metres, known as Ta' Barnaw registered at the Land Registry under property number 06000140 bounded on the north and north east by the said alley, south by the existing building forming part of the Secured Asset and west by property of Guarantor, free and unencumbered from ground rents, burdens and servitudes, as better described in the deed of acquisition of Notary Dr Mario Bugeja of the 24 June 1998;

iv. the temporary utile dominium for the period which remains of the original one hundred and fifty (150) years which commenced on the 4 May 1988 of two (2) portions of land numbered four (4) and (5) measuring approximately five hundred and seventeen (517) square meters which land is known as Tal-Ghaqba accessible from Mdina Road, Qormi and together originally subject to five hundred and sixty one Euro (€561) annual and temporary revisable ground rent with all rights and appurtenances as better described in the deed of acquisition in the records of Notary Dr Mario Bugeja of the 26 October 1998. The said property is registered with the Land Registry under property number 06000142. The said land is adjacent to the property described in (ii) above and (v) below;

v. the temporary utile dominium for the period which remains of three (3) adjacent garages unnamed and unnumbered situated in Mdina Road, Qormi as better described in the deed of acquisition in the records of Notary Dr Mario Bugeja of the 24 August 2015 measuring approximately eight hundred and eighteen (818) square metres, bounded being contiguous on the south by said street, and on the north and west by property of Guarantor as originally subject to one thousand one hundred and twenty two Euro and seventy six cents (€1122.76) annual and temporary revisable ground rent for the remaining period from the original period of one hundred and fifty (150) years which commenced on the 4 May 1988. The said property is registered at the Land Registry under property number 06004452 and is adjacent to properties described in paragraph (ii) and (iv) above and (v) below;

vi. a part of the complex of buildings currently under construction (which forms part of the new development referred to hereunder) on that portion of land highlighted in red in the below site plan, measuring approximately four hundred and seventy five (475) square metres bordering on the south by a service road running parallel to Mdina Road, Qormi, and on the north and west by property of the Guarantor, free and unencumbered as shall be better defined in a deed of acquisition executed by the Parent Company as transferor and the Guarantor as transferee by not later than 14 May 2019.

The property is subject to an annual perpetual ground rent of €10,565.38 in favour of the Lands Authority.



## Extent of Property

### 3. Access Roads to the Site

The site in question in terms of access is located on a very strategic main road that is the Mdina Road which is a very busy thoroughfare linking the north part of Malta to the south. This main traffic network link passing in front of the site guarantee ease of access to and from the site, rendering it ideal for commercial orientated business ventures.

The site has an access road on the West side, which provides a secondary access to the development. An access on the North side of the development has now been approved as a service road (PC50/16). This service road gives crucial access as a service entrance to the development from the back. This new access road proceeds on to Helsien road.



**Location of Property**

#### **4. Site History**

The site is currently developed as a commercial building which houses a car showroom with related amenities, and offices which have been rented out to third parties.

#### **5. Development of the Site**

##### Previous Applications

**PA 6208/99** – ‘Full Development’ application in order “to sanction existing garages and warehouses” was submitted on 22nd November 1999. This application was recommended for a refusal by the Planning Directorate and refused by the Malta Environment & Planning Authority on 29th November 2000. A subsequent ‘Request for Reconsideration’ and an ‘Appeal Against Refusal’ were dismissed on 14th February 2002 and on 5th October 2005 respectively.

**PA 6415/99** – ‘Full Development’ application in order “to sanction showroom and stores and basement parking” was submitted on 1st December 1999. This application was recommended for a refusal by the Planning Directorate and refused by the Malta Environment & Planning Authority on 2nd November 2001. A subsequent ‘Request for Reconsideration’ and an ‘Appeal Against Refusal’ were dismissed on 4th March 2002 and on 9th December 2002 respectively.

##### Enforcements

**ECF 935/99** – Enforcement Notice was issued on 12th November 1999 in view of “showroom without permit”. This case is still pending.

**ECF 936/99** – Enforcement Notice was issued on 22nd October 1999 in view of “three large stores constructed without permit”. Case Closed on 10th April 2017.

**These have now been all superseded by the PC permits and Planning Development Permits issued recently as per details below.**

### Recent Permits

**PC 52/10** - *“To establish the land use zoning, the building height limitation and road alignments for the Area of Containment at Triq l-Imdina, Qormi”*. This PC application was generated by MEPA on 24th November 2010, approved by the MEPA Board on 16th May 2013 and endorsed by the Minister on 10th July 2013.

**PC 50/16** - *“To alter conditions of PC 52/10 - To amend boundary of area of containment and to introduce service road.”* This PC application was submitted by the applicant of this application on 16th August 2016 and was intended to amend the previous PC 52/10. The PC was approved by the PA Board on 20th February 2017 and endorsed by the Minister on 16th August 2017 (see sub-Sections 4.5.3 & 4.7.1 hereunder in this DPA Report for further details).

**PA 263/16** – ‘Full Development’ permit issued on 3rd June 2016

*“Demolition of existing structures and excavation of site; Construction of a boundary wall abutting Triq Mdina and Sqaq ta’ Barnaw”*

Refer to **Annex 1** for permit and approved plan details

**PA2784/16** – *“Sanctioning of existing showrooms. External and internal alterations to existing car storage, car showrooms and offices (Class 4A). Construction of a new car showroom, offices (Class 4A), car service area & 5 levels of car parking abutting Triq l-Imdina and Sqaq ta’ Barnaw, including landscaping works and construction of a substation. Fixing of signs.”* Permit was approved and issued on the 7<sup>th</sup> February 2018.

Refer to **Annex 2** for permit and plan details.

### Allowable Development

In accordance with the Planning Authority Permit PA2784/16 issued permits mentioned above, the site is being developed as follows:

- Level -6 Car Park for 57 cars
- Level -5 Car Park for 54 cars
- Level -4 Car Park for 54 cars
- Level -3 Car Park for 63 cars
- Level -2 Car Park for 65 cars
- Level -1
  - Service centre – 1050 sq m
  - Paint & Body Shop – 775 sq m
  - Substation
- Level 0
  - Showroom – 1755 sq m
  - Offices – 265 sq m
- Level 1 Offices – 2095 sq m
- Level 2 Offices – 2095 sq m
- Access service road at the back of the property.
- Lifts and Stairs
  - A series of large lifts and staircases provide access from the lower car parking floors areas to the upper car parking areas.

Plans of the complex are included in **Annex 2** Permit and Approved Plans. Photos of the property under construction are included in **Annex 3**.

## **6. Project Execution**

The scope of the project as permitted by the Planning Permit is to develop the site into a commercial centre with a total rentable area of 15,520 square meters made up of 4,530 square meters in the Existing building and 10,990 square meters in the new extension.

Currently the following tenants are occupying the existing building

- Motors Inc – 3,290 sq meters
- Malta Public Transport – 1,240 sq meters

A number of tenants have already confirmed leasing of a number of floors as follows

- Motors Inc – 6,802 sq meters
- REVS – 1142 sq meters
- FES – 856 sq meters
- MRVA – 1,000 sq meters
- Others – 1,190 sq meters

The current building is fully finished on all floors

The extension building which is currently under construction shall be serviced by an integrated system of mechanical, electrical and air-conditioning systems throughout. A substation is included within the development to provide the necessary electrical power from Enemalta

The level of finishes for the extension being contracted for the façade and the internal common areas are high in terms of floor, wall and ceiling treatments. General ambience of the premises shall lively and externally all areas are fully landscaped.

The complex is expected to be completed by the third quarter of 2019.

## **7. Valuation Analysis**

This Valuation is based on the open market value for its existing use. An open market value represents an opinion of the best price for which the sale of an interest in a property would have been completed unconditionally for a cash consideration on the date of the valuation. An open market valuation assumes

- (i) that there is a willing seller;
- (ii) that the interest being valued would have been, prior to the transaction, properly marketed;
- (iii) that the state of the market, level of values and other circumstances are consistent over the period of the valuation;
- (iv) that no account is taken of any additional bid by a prospective purchaser with a special interest;
- (v) and that both parties to the transaction act knowledgeably, prudently and without compulsion.

An existing use value follows on the definition of the open market value, with the added assumptions that

- (a) the property can be used, for the foreseeable future, only for the existing use, and
- (b) that vacant possession is provided on completion of the sale of all parts occupied by the business as has been specifically approved in accordance with the Development Permits issued by Planning Authority.

In the assessment of the valuation of the property, consideration has been taken of the development carried out on the site and the proposed uses in terms of commercial retail use, the layout and the level of the final building product and the location of the property in terms of ease of access on a regional level and the superficial area with special reference to the provision of car parking facilities.



## 8. The Property in its Current State



The site is currently under construction and the following works have to date been executed:

- Level -6 100% constructed
- Level -5 100% constructed
- Level -4 100% constructed
- Level -3 100% constructed
- Level -2 100% constructed
- Level -1 100% constructed
- Level +0 90% constructed
- Level +1 90% constructed
- Level +2 90% constructed
- 

Mechanical and electrical works and finishes works have already commenced at levels -6,-5,-4,-3,-2 and -1.

Costs of current state of extension amount to €9,375,126. Refer to **Annex 5**.

Refer to **Annex 3** for photos of existing progress,

A valuation analysis of the property has been carried out. **Refer to Annex 6**. The valuation is based as follows.

- Given the current development potential, the land has now been valued at €6,869,580 which is based at an average land value of
  - €1,180 per square meter for the permitted developable area of 4,161 sq meters.
  - €600 per square meter for an external area for service road of 3,266 sq meters



- Land value estimated to increase by 5% yearly.
- Reconstruction costs of the existing building amounting to €4,117,969 **Refer to Annex 4.**
- A capital injection of €500,000 is allowed after 10 years to take into consideration upgrading and replacement of equipment.
- The value of the completed extension amounts to €10,576,109. **Refer to Annex 7.**
- The present day capitalization of revenue derived from rental income streams of the existing complex rentable areas (increasing at an average of 3% per year). These rental streams are based on the current occupied areas in the old section. The new section is being considered as vacant. The income from maintenance costs to be charged to tenants has also been included.

#### Certification

In view of all the above assumptions, the land and the development on site to date and the potential commercial use of the property, and taking into consideration current land prices, I consider the open market value of the property of the existing building and the finished extension at Mdina Road Qormi, which is currently subjected to an annual perpetual ground rent of €10,565 measuring an area of 7,427 square meters to be equivalent to **twenty three million, three hundred and forty five thousand, two hundred and ninety five euro (€23,345,295).** Refer to **Annex 6** .

This valuation has been carried out according to the condition and state of the property and the Area Planning Policies as at 30<sup>th</sup> April 2019. This value has been derived assuming that there are no onerous or unusual outgoings or encumbrances of which we have no knowledge and that the premises are covered with all the valid necessary permits and licenses for its operation.

Finally I would like to note that having taken all reasonable care to ensure that such is the case, the information contained herein is to the best of my knowledge in accordance with the facts and contains no omission likely to affect its import.

### **9. The Property with Reference to its full potential when completed**



Once the works have been completed the project would comprise of a combined commercial property integrating the existing building and the extension into a single entity. The property will comprise a total rentable area of 15,520 square meters with additional three floors of parking levels with a total area of 6,282 sq meters.

Part of the property will be rented out to Motors Inc where Tum Investments hold 33.33% shareholding.

It has been estimated that the cost of the construction and finishing of the new extension will amount to €10,576,109. **Refer to Annex 7.**

A valuation analysis has been carried of the property with the new extension fully completed and rented out **Refer to Annex 9**, based on the following;

- Given the current development potential, the land has now been valued at €6,869,580 which is based at an average land value of
  - €1,180 per square meter for the permitted developable area of 4,161 sq meters.
  - €600 per square meter for an external area for service road of 3,266 sq meters
  - Land value estimated to increase by 5% yearly.
- The construction costs of the existing building €4,117,969 **Annex 4** and the extension costs €10,576,109 **Annex 7.**
- A capital injection of €500,000 is allowed after 10 years to take into consideration upgrading and replacement of equipment.
- The present day capitalization of revenue derived from rental income streams of the combined complex rentable areas (increasing at an average of 3% per year). Refer to **Annex 8** for breakdown of existing and expected rental streams.

#### Certification

In view of all the above assumptions, the land and the completed development on site and the potential commercial use of the property, and taking into consideration current land prices, I consider the open market value of the site of combined Commercial Development Complex once completed and rented, at Mdina Road Qormi, which is currently subjected to an annual perpetual ground rent of €10,565 measuring an area of 7,427 square meters to **twenty seven million nine hundred and sixty seven thousand, eight hundred and seventy six euro.** (€27,967,876). Refer to **Annex 9.**

This valuation has been carried out according to the condition and state of the property and the Area Planning Policies as at 30<sup>th</sup> April 2019. This value has been derived assuming that there are no onerous or unusual outgoings or encumbrances of which we have no knowledge and that the premises are covered with all the valid necessary permits and licences for its operation.

Finally I would like to note that having taken all reasonable care to ensure that such is the case, the information contained herein is to the best of my knowledge in accordance with the facts and contains no omission likely to affect its import.

#### **10. Other Considerations**

- The open market value of the property may vary according to future changes in the trading potential or the actual level of trade as compared with the information and assumptions considered in this valuation.
- No allowance has been made for outstanding loans, and other charges and interests or intra-group leases that may exist in respect of the property.
- It has been assumed that freehold and leasehold properties can be transferred to third party purchasers.

- No allowance has been made for any existing or proposed local legislation relating to the taxation of the property asset.
- It has been assumed that any existing financing and contractual arrangements can continue uninterrupted.
- The flexibility of the building fabric.

## **11. Hypothecary Charges**

None

## **12. Final Note**

Finally I would like to note that having taken all reasonable care to ensure that such is the case, the information contained herein is to the best of my knowledge in accordance with the facts and contains no omission likely to affect its value.

Yours Sincerely



Perit Charles Buhagiar  
Architect & Civil Engineer  
Obo Medesign Associates Ltd

**MED DESIGN ASSOCIATES LTD.**  
HERCULES HSE, St. Mark Street  
Valletta - Malta  
Tel. +356 21220010 / 21232967  
E-Mail [info@medesign.com.mt](mailto:info@medesign.com.mt)

# ANNEX I – Excavation & Demolishing Permit & Approved Drawings PA263/16

Mr. Anthony Fenech  
Easysell Kia Malta Ltd.,  
Imdina Road,  
Qormi QRM 9010

Date: 3 June 2016  
Our Ref: PA/00263/16

Application Number: PA/00263/16  
Application Type: Full development permission  
Date Received: 24 September 2015  
Approved Documents: PA 263/16/1A/29B/29E & 44A

Location: Kia Stores/ Warehouses, Triq L-Imdina, Sqaq ta Barnaw, Qormi, Malta  
Proposal: Demolition of existing structures and excavation of site. Construction of a boundary wall abutting Triq l-Imdina and Sqaq ta' Barmaw.

### **Development Planning Act, 2016 Full Development Permission**

The Planning Authority hereby grants development permission in accordance with the application and documents described above, subject to the following conditions:

- 1 This permission is subject to a Bank Guarantee to the value of **EUR 7,454 (seven thousand, four hundred and fifty-four euro)** to ensure that the street is properly restored in accordance with the Environmental Management Construction Site Regulations, 2007 (Legal Notice 295 of 2007). The bank guarantee shall only be released after the perit submits a post-construction condition report together with photographs evidencing compliance with this condition, accompanied by clearance from the Local Council. The clearance from the Local Council is to be endorsed by the Mayor and the Executive Secretary of the Local Council. This guarantee shall be forfeited if, after 3 months from the date of notification by the Authority of a notice to effect the remedial works, these are not carried out. Its forfeiture shall not, however, preclude the applicant from adhering to all the conditions contained in this development permission.
- 2 *Waste generated by site preparation and excavation operations:*
  - a) Inert waste material resulting from excavations/site clearance shall be deposited at facilities (for reuse as hard stone aggregate or backfilling, or as appropriate) permitted by ERA and in accordance with the legal provisions laid down in the Waste Management Regulations (Legal Notice 184 of 2011, as amended by Legal Notice 441 of 2011) and the Waste Management (Landfill) Regulations (Legal Notice 168 of 2002 and its amendments).

b) All operations concerning the management of waste are subject to the legal provisions of the Waste Management Regulations (Legal Notice 184 of 2011, as amended by Legal Notice 441 of 2011) and the Waste Management (Landfill) Regulations (Legal Notice 168 of 2002 and its amendments).

c) All wastes arising from the site clearance and demolition phases shall be separated according to the different waste streams as per EWC code and disposed of in locations permitted by the Environment & Resources Authority to accept such waste.

3 Subterranean Features:

a) Any fissures (dagħbien), caverns, hollows, geological faults, Quaternary deposits or other features of potential geological, geomorphological, palaeontological, archaeological or of cultural heritage interest which are discovered must be reported immediately to the Planning Authority (c/o Heritage Planning Unit), and to the Superintendent of Cultural Heritage. No further workings or activity which would disturb or damage these features must take place until the respective investigations have been completed, and thereafter works shall proceed strictly in line with the terms established by the above-indicated entities. The approved development may need to be amended as requested by the Planning Authority and/or the Superintendent of Cultural Heritage, so as to accommodate preservation in-situ of the discovered features.

b) Any uncharted infrastructure discovered on site at any stage shall be reported immediately to the relevant public institution, also informing the Planning Authority. Thereafter, works shall proceed strictly in line with the terms established by the relevant institution, unless otherwise required by the Planning Authority or by the conditions of this permit.

4 a) This development permission is valid for a period of FIVE (5) YEARS from the date of publication of the decision in the press but will cease to be valid if the development is not completed by the end of this validity period.

b) This permission relates only to the development as specifically indicated on the approved drawings. This permission does not sanction any other illegal development that may exist on the site.

c) Copies of all approved drawings and documents shall be available for inspection on site by Planning Authority staff at all reasonable times. All works shall be carried out strictly in accordance with the approved drawings, documents and conditions of this permission. Where a matter is not specified, then the conditions of this permission and of Development Control Policy and Design Guidance shall take precedence and shall modify the drawings and documents accordingly.

d) Where applicable, all building works shall be erected in accordance with the official alignment and official/existing finished road levels as set out on site by Planning Authority's Land Surveyor. The Setting Out Request Notice must be submitted to the Land Survey Unit of Planning Authority when the setting out of the alignment and levels is required.

e) Where an officially schemed street, within the development zone, bordering the site is unopened or unformed, it shall be opened up and brought up to its proper, approved and official formation levels prior to the commencement of any development hereby being permitted.

f) Before any part of the development hereby permitted commences, the enclosed green copy of this development permission shall be displayed on the site. This must be mounted on a notice board, suitably protected from the weather and located not more than 2 metres above ground level at a point on the site boundary where it is clearly visible and can be easily read from the street. The copy of the permission must be maintained in a good condition and it shall remain displayed on the site until the works are complete.

g) A Commencement Notice is to be submitted to Planning Authority at least FIVE DAYS prior to the date of commencement of the development hereby approved. Failure to serve the Commencement Notice or to serve it within the required timeframe shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements.

h) Where applicable, the development hereby permitted shall be carried out in accordance with the provisions of the Environmental Management Construction Site Regulations, Legal Notice 295 of 2007 (or subsequent amendments). Any hoarding shall be erected in accordance with Schedule 2 of the same Regulations.

i) Where applicable, all new developments shall be provided with a water cistern to store rainwater run-off as required by the Energy Performance of Buildings Regulations (2012) [published through Legal Notice 376 of 2012 and any amendments thereto].

j) All new developments shall conform to the Technical Guidance: Conservation of Fuel, Energy and Natural Resources - Document F [published through Government Notice 1002 of 2006 and any amendments thereto which are prevailing at the time of construction of the development].

k) No steps, ramps or street furniture are to be constructed on or encroached onto the public pavement or road.

In terms of Article 72(3) of the Development Planning Act, 2016, the execution and validity of this permission is automatically temporarily **suspended** and no works as approved by the said development permission may commence before the lapse of the time period established in Article 13 of the Environment and Planning Review Tribunal Act and subsequently will remain so suspended if the Tribunal so decides in accordance with the Environment and Planning Review Tribunal Act.

Where the approved drawings and/or documents are dimensioned, then the declared dimensions shall prevail over the actual size as depicted on the approved drawings and/or documents.

Developers are advised to check the invert level to the sewer main with the Water Services Corporation as they would have to make their own arrangements where a gravity service connection is not possible. In these cases, the architect has to indicate the solutions envisaged and to indicate on the plan what needs to be carried out and obtain approval from WSC. Developers are further reminded that connection of storm water into main sewers is not allowed.

If the declaration of ownership, as contained in the application form, is determined as incorrect by a Court of Law, then the said Court of Law can declare this development permission as null and void.



This development permission does not remove or replace the need to obtain the consent of the land/building owner to this development before it is carried out. Furthermore, it does not imply that consent will necessarily be forthcoming nor does it bind the land/building owner to agree to this development. Where the land/building is owned or administered by the Government of Malta a specific clearance and agreement must be obtained for this development from the Land and/or Estate Management Departments.

This development permission is granted saving third party rights. This permission does not exonerate the applicant from obtaining any other necessary permission, license, clearance or approval required from any Government department, local council, agency or authority, as required by any law or regulation.

This development permit does not authorise any storage of substances listed in Occupational Health and Safety Authority Act (Cap. 424) - Control of Major Accident Hazards Regulations, 2003, as amended, in quantities that would render this site an establishment within scope of these regulations. The storage and handling of said substances may require a new or amended development permission in line with current policies and regulations.

For any non-residential uses hereby being approved, prior to commencement of any works on site or any eventual permitted change of use, the applicant shall be required to contact the Environment and Resources Authority to obtain any necessary operational permit or registration. This requirement does not apply to Class 2B, 2C, 4A and 4B uses as listed in the Development Planning (Use Classes) Order 2014, or its subsequent amendments.

**This decision is being published on 22 June 2016.**

Claudine Faure  
Head of Secretariat  
Planning Commission (Development Permissions)

## **Notes to Applicant and Perit**

### **Right for reconsideration**

Where applicable, you have a right to submit a request for reconsideration to the Authority in terms of regulation 14 of Legal Notice 162 of 2016.

### **Right for appeal**

You have a right to submit an appeal, against the decision, to the Environment and Planning Review Tribunal in terms of Article 13 of the Environment and Planning Review Tribunal Act, 2016.

### **Time limits**

Requests for reconsideration or appeals must be made within 30 days from the publication of the decision notification in the local press as required by regulation 14(1) of Legal Notice 162 of 2016.

### **Fees to submit a request for reconsideration or appeal**

In either case, there is a fee to be paid which should accompany the request for reconsideration or the appeal. The fees are as follows:

For reconsideration - 3% of the Development Permit Fee paid in respect of the original application, subject to a minimum of €69.88.

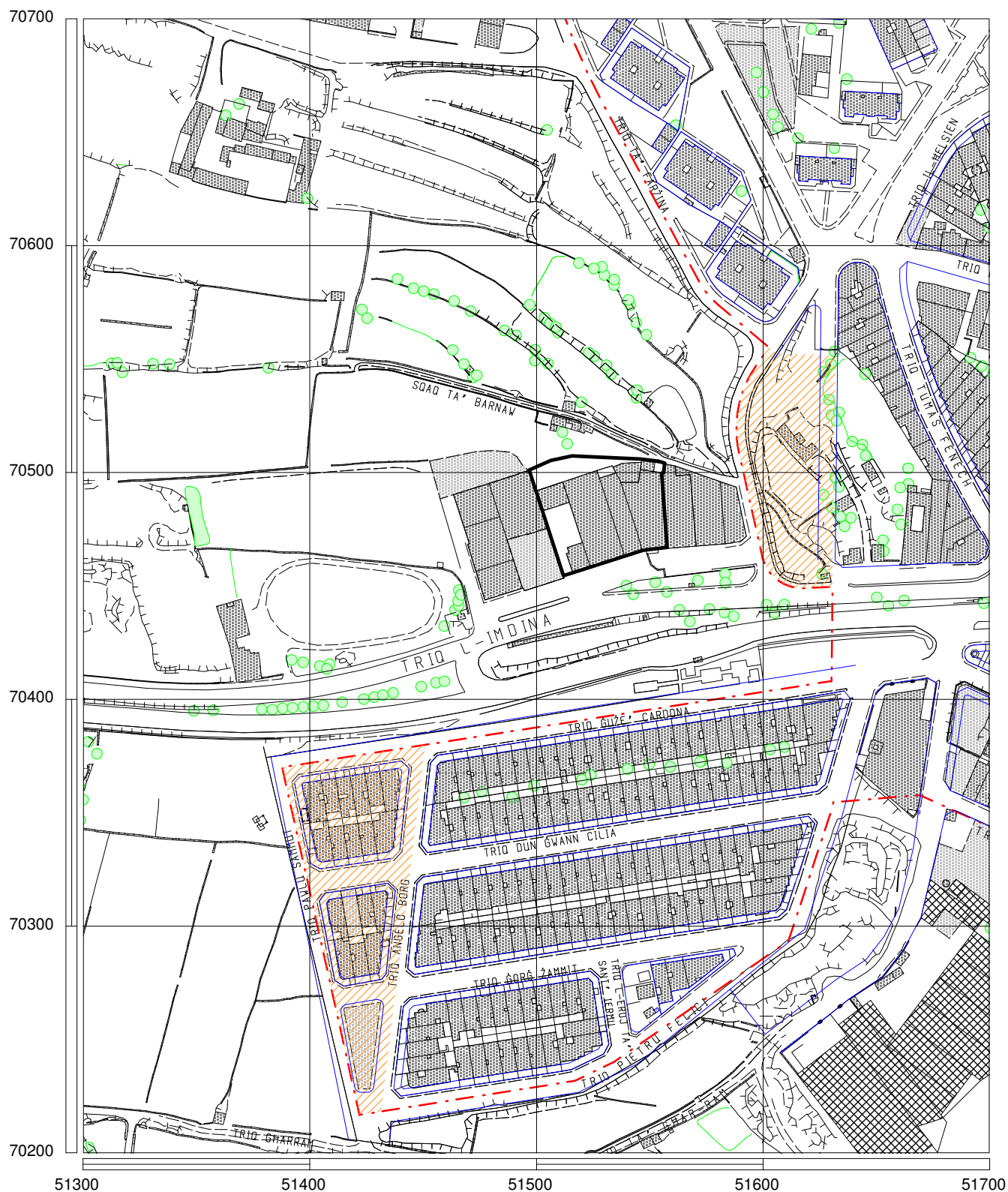
For appeal - 5% of DPF (Development Permit Fee) paid in respect of the original application, subject to a minimum of €150 + €50 administrative fee (LN 112 of 2016).

### **Submission of request for reconsideration or appeal**

With regards to requests for reconsideration, Form PA 4/16 must be used for submission. All fields of the Form must be filled in as appropriate. Requests for reconsideration can only be submitted electronically.

With regards to appeals, as required by Article 13 of the Environment and Planning Review Tribunal Act, 2016, the submission must include the detailed grounds for appeal and the requests being made by the appellant. Appeals must be submitted physically at the offices of the Environment and Planning Review Tribunal, St. Francis Ditch, Floriana.

-PADCN-



# Malta Environment & Planning Authority

## Development Application Site Plan

St. Francis Ravelin  
Floriana

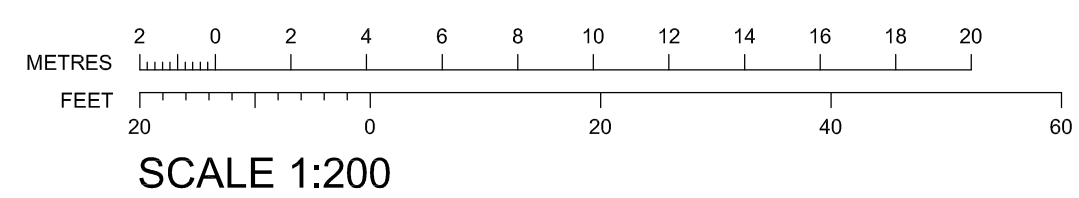
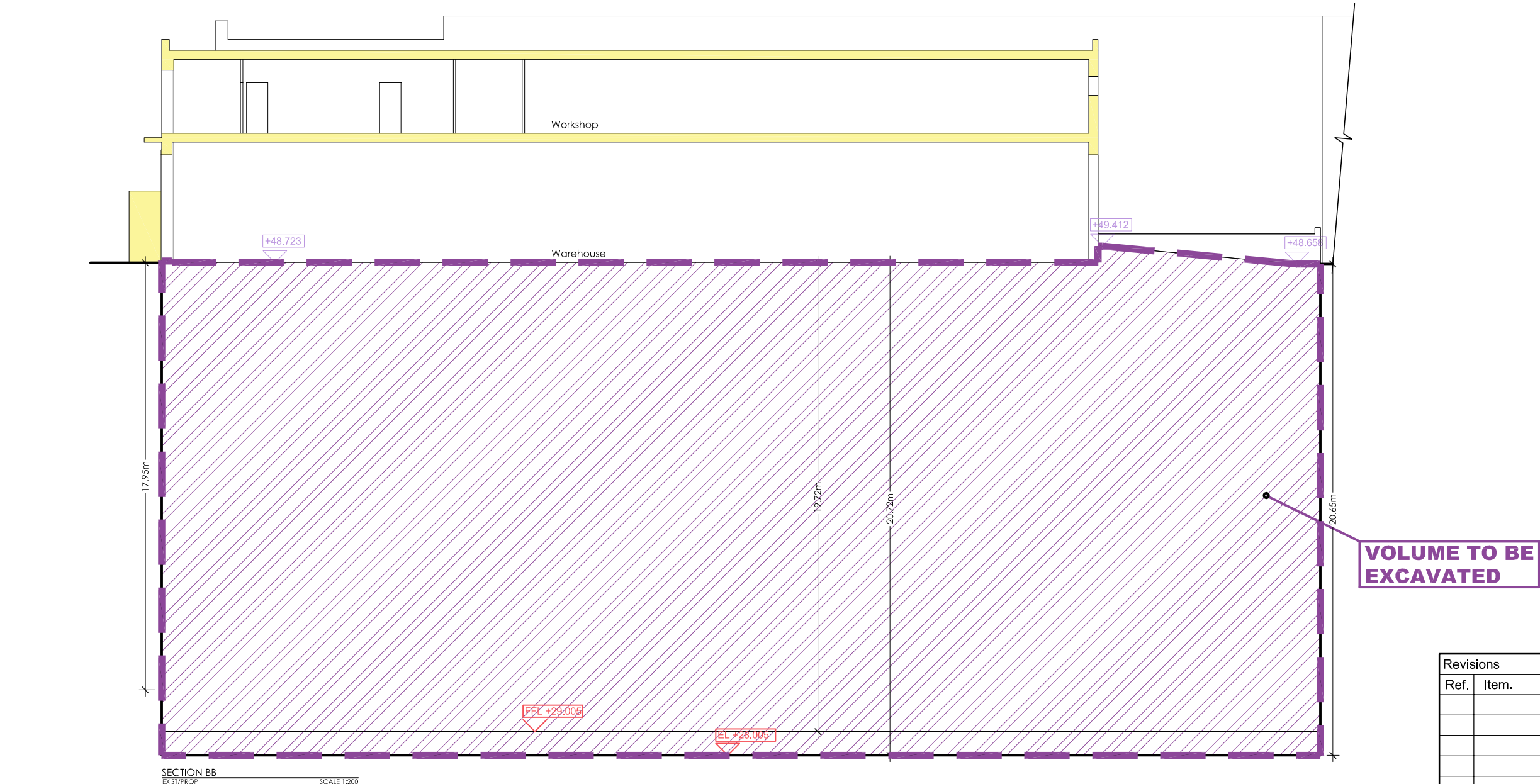
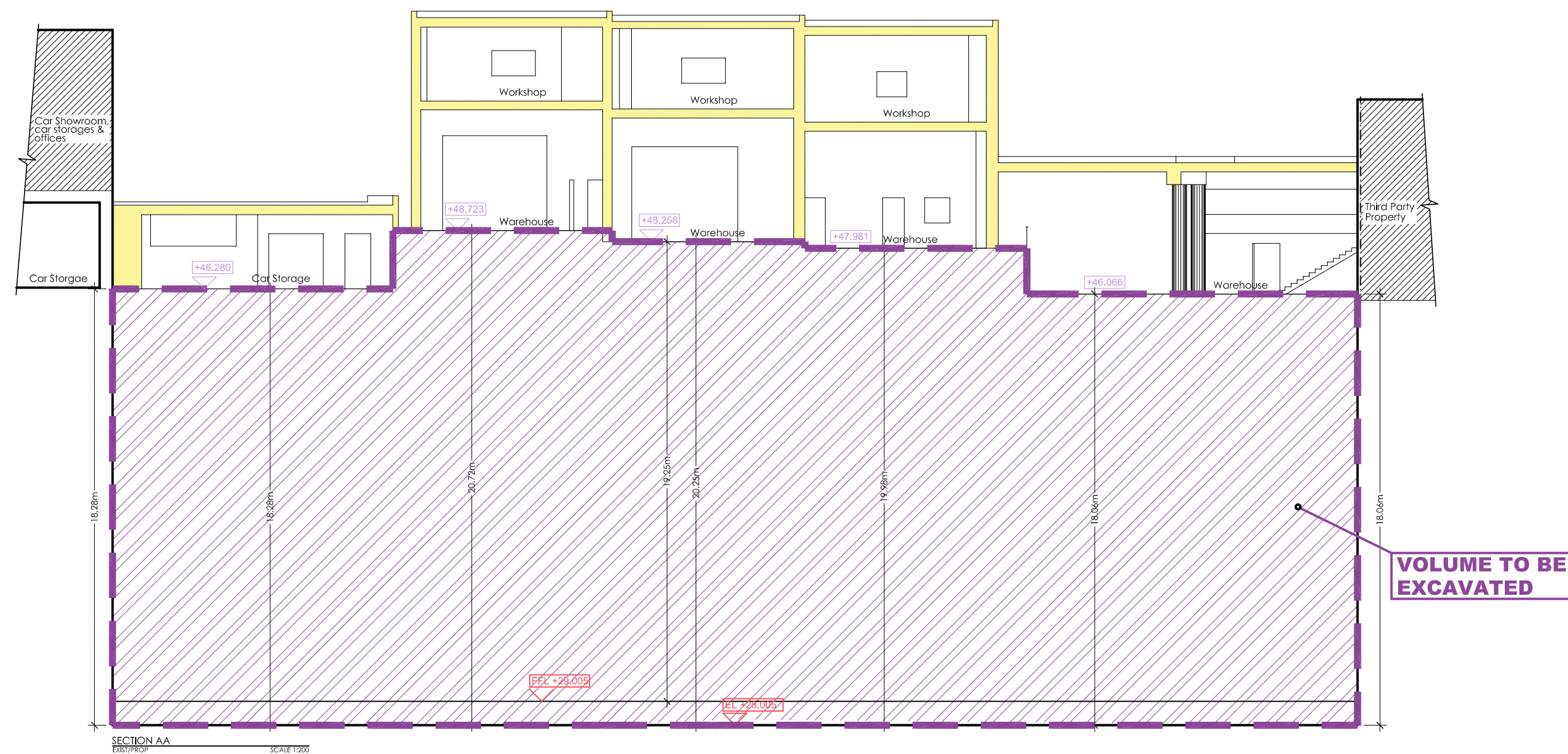
PO Box 200, Valletta  
Tel:21240976 Fax:21224846  
[www.mepa.org.mt](http://www.mepa.org.mt)










Application No. :-  
**64052/1950**

Location :-





## LEGEND

|   |  |
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|    | TO DEMOLISH  |
| <br>CB - CONCRETE BRICKS<br>RF - RENDERED FINISH<br>GD - GALVANIZED DOOR<br>AA - ALUMINIUM APERTURE<br>AB - ALUCOBOND<br>FF - FUF IL- 'FIL'<br>MC - MARBLE CLADDING |  |
|  +00,000   | - EXISTING LEVELS  |
|  +00,000   | - EXISTING LEVELS  |
|  EL +00,000  | - PROPOSED EXCAVATED LEVELS  |
|    | - AREA / VOLUME TO BE EXCAVATED  |
|    | - AREA / VOLUME TO BE EXCAVATED -<br>WITHIN THE BOUNDARY OF THE<br>EXISTING BUILDING<br>(which will be retained) |

[illegible]



 **MED**  
**DESIGN ASSOCIATES LTD.**  
Hercules House, St. Mark Str., Valletta, Malta.  
Tel: (356) 21 232657  
Fax: (356) 21 247573  
e-mail: [info@medesign.com.mt](mailto:info@medesign.com.mt)

Client:  
Anthony Fenech  
EASYSSELL KIA MALTA LTD  
Mdina Road,  
Qormi.

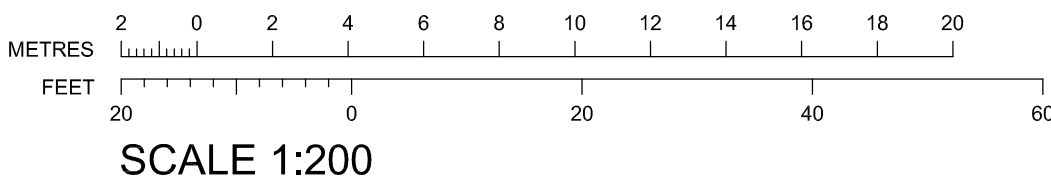
Project:  
Demolition of existing structures, excavation of site and construction of a temporary boundary wall abutting Triq l- Imdina and Sqaq ta' Barnaw.

Malina Road, Gormi.

|                    |  |
|--------------------|--|
| Project Architect: | Charles Buhagiar A+CE                                      |
| Drawing Title:     | Demolition plans, sections, elevation & proposed sections. |

|                            |   |                                     |  |
|----------------------------|---|-------------------------------------|--|
| Path:                      |   |                                     |  |
| File No. :<br><b>28196</b> |  Drawing Issue<br><b>A</b> | Drawing No. :<br><b>28196-A(03)</b> | Revision<br> <b>2</b> |
| Scale:<br>1:200            | Date:<br>23.03.16   | Drawn by:<br>GB                     | Checkd:  |





**LEGEND**

- TO CONSTRUCT
- TO DEMOLISH
- CB - CONCRETE BRICKS
- RF - RENDERED FINISH
- GD - GALVANIZED DOOR
- AA - ALUMINUM APERTURE
- AB - ALUCOBOND
- FF - FUG IL-TRIL
- MC - MARBLE CLADDING
- +00.000 - EXISTING LEVELS
- +00.000 - EXISTING LEVELS
- EL +00.000 - PROPOSED EXCAVATED LEVELS
- AREA / VOLUME TO BE EXCAVATED
- AREA / VOLUME TO BE EXCAVATED - WITHIN THE BOUNDARY OF THE EXISTING BUILDING (which will be retained)

**Revisions**

| Ref. | Item | Int. | Date |
|------|------|------|------|
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|      |      |      |      |
|      |      |      |      |

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Hermosa House, St. Mark Sp. Valetta, Malta.  
Tel: (356) 21 22657  
Fax: (356) 21 24753  
e-mail: info@medesign.com.mt

Client: **Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

Project: Demolition of existing structures, excavation of site and construction of a temporary boundary wall abutting Triq I-Mdina and Sqag ta' Barraw.

Medina Road, Qormi.

Project Architect: **Charles Buhagiar A+CE**

Drawing Title: **Excavation & demolition block plan.**

File No.: **28196**

Scale: 1:200

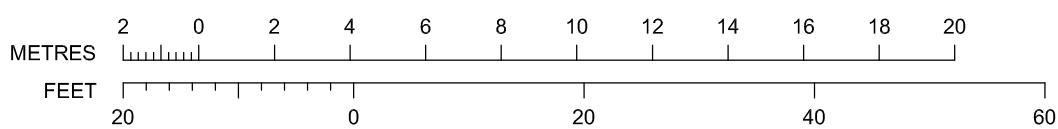
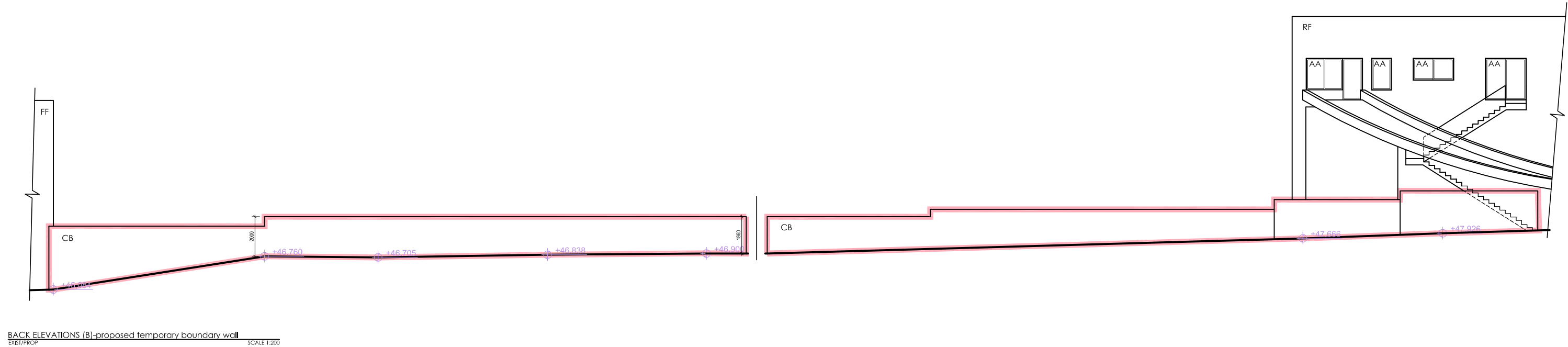
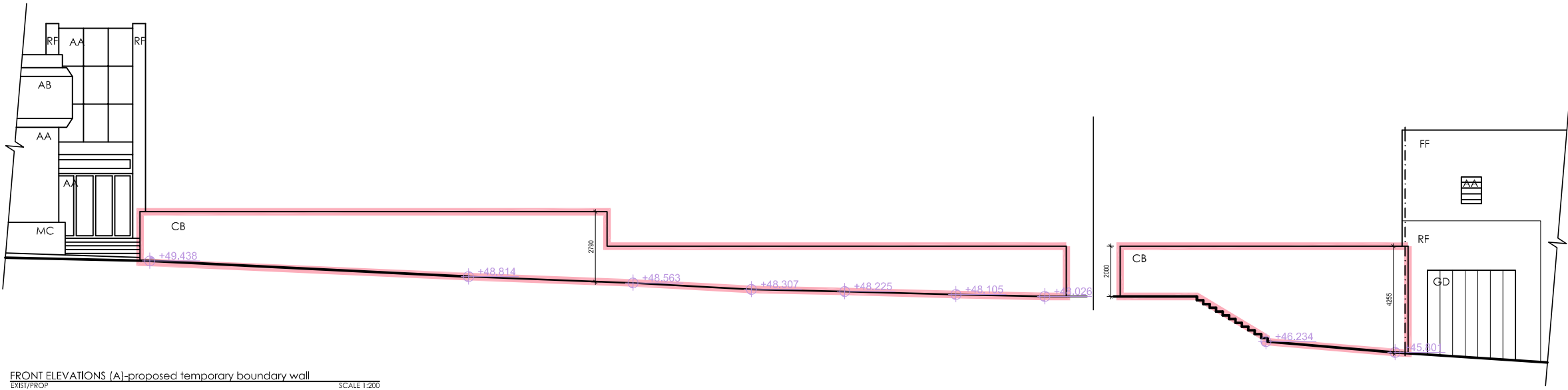
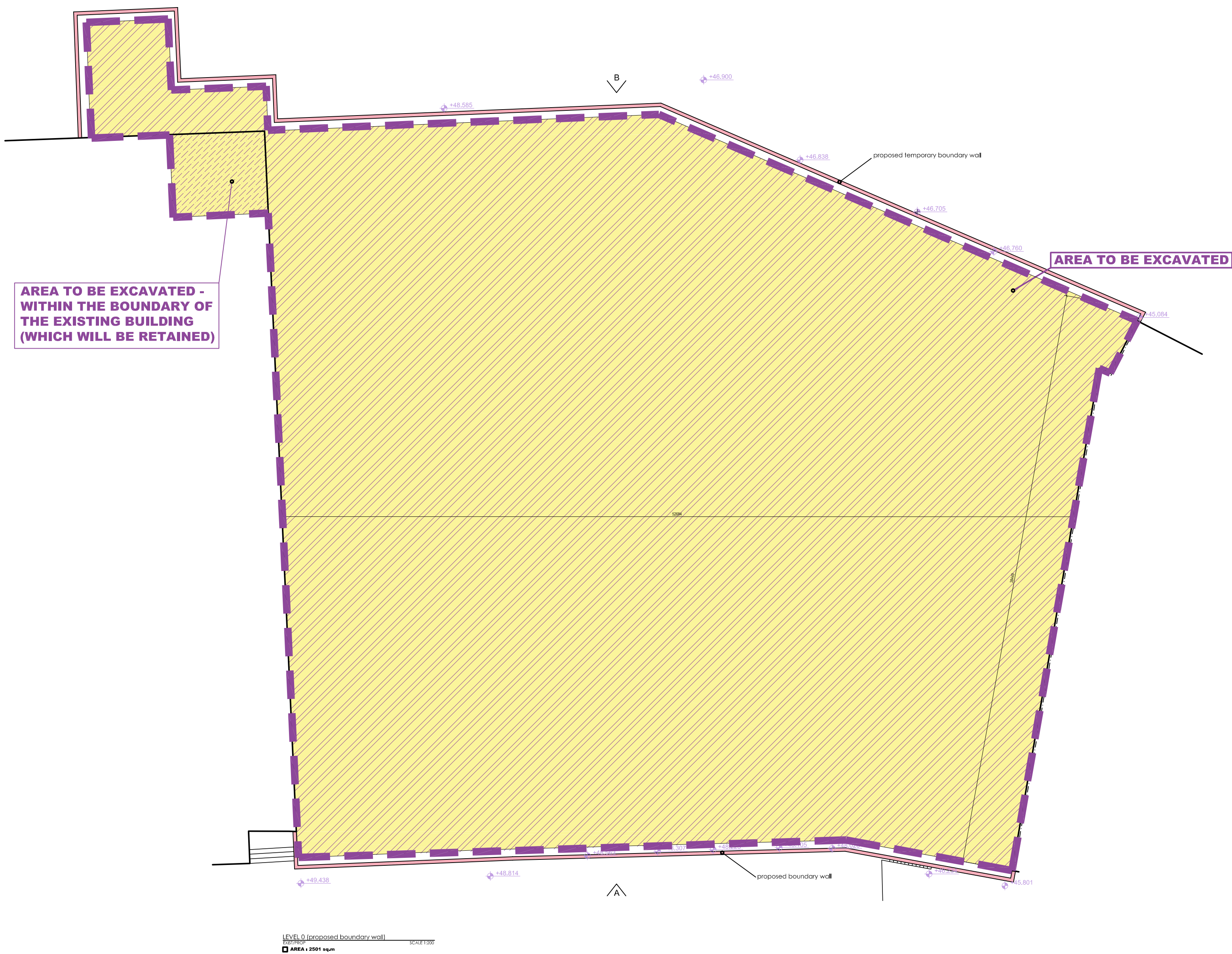
Date: 27/02/16

Drawn by: GB

Checked:

Page 1 of 1





LEGEND

- TO CONSTRUCT
- TO DEMOLISH
- CB - CONCRETE BRICKS
- RF - RENDERED FINISH
- GD - GALVANIZED DOOR
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- AREA / VOLUME TO BE EXCAVATED
- AREA / VOLUME TO BE EXCAVATED - WITHIN THE BOUNDARY OF THE EXISTING BUILDING (which will be retained)

| Revisions |       |       |       |
|-----------|-------|-------|-------|
| Ref.      | Item. | Init. | Date. |
|           |       |       |       |
|           |       |       |       |
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Hercules House, St. Mark Str, Valletta, Malta.  
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e-mail: info@medesign.com.mt

Client  
**Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
**Mdina Road,**  
**Qormi.**

Project  
Demolition of existing structures, excavation of site and construction of a temporary boundary wall abutting Triq l- lmdina and Sqas ta' Barnaw.  
Mdina Road, Qormi.  
Project Architect  
**Charles Buhagiar A+CE**

Drawing Title  
**Proposed plans and elevations.**

| Path  | File No  | Draw Issue | Drawg No.   | Revision |
|-------|----------|------------|-------------|----------|
| 28196 | 28196    | <b>A</b>   | 28196-A(04) | <b>1</b> |
| Scale | Date     | Drawn by   | Checked     |          |
| 1:200 | 29.02.16 | GB         |             |          |

## ANNEX 2 – Construction Permit & Approved Drawings PA2784/I6



Easysell Kia Malta Ltd. Attn: Anthony Fenech  
Easysell Kia Malta Ltd.,  
Imdina Road,  
Qormi. QRM 9010

Date: 7 February 2018  
Our Ref: PA/02784/16

Application Number: PA/02784/16  
Application Type: Full development permission  
Date Received: 28 May 2015  
Approved Documents: PA 2784/16/1A - Site Plan  
PA 2784/16/28D - Demolition Plan  
PA 2784/16/67D - Substation Elevations & Sections  
PA 2784/16/172A - Level -7  
PA 2784/16/172B - Level -6  
PA 2784/16/172C - Level -5  
PA 2784/16/172D - Level -4  
PA 2784/16/172E - Level -3  
PA 2784/16/172i - Level 1  
PA 2784/16/172J - Level 2  
PA 2784/16/172K - Roof Level  
PA 2784/16/191A - Level 0  
PA 2784/16/233A - Section AA  
PA 2784/16/203D - Proposed Front & Back Elevations  
PA 2784/16/206A - Proposed Block Plan  
PA 2784/16/206B - Level -1  
PA 2784/16/206C - Level -2

Supporting Documents:

PA 2784/16/22A - Fire Safety, Ventilation & Noise Mitigation Report  
PA 2784/16/31A - Green Travel Plan  
PA 2784/16/200A - Ventilation & Illumination Report

Location: Easysell Kia Showroom, Triq I-Imdina/, Sqaq ta Barnaw, Qormi, Malta  
Proposal: Sanctioning of existing showrooms. External and internal alterations to existing car storage, car showrooms and offices (Class 4A). Construction of a new car showroom, offices (Class 4A), car service area & 5 levels of car parking abutting Triq I-Imdina and Sqaq ta' Barnaw, including landscaping works and construction of a substation. Fixing of signs.

**Development Planning Act, 2016  
Full Development Permission**

The Planning Authority hereby grants development permission in accordance with the application and documents described above, subject to the following conditions:

- 1
  - a) This development permission is valid for a period of FIVE (5) YEARS from the date of publication of the decision in the press but will cease to be valid if the development is not completed by the end of this validity period.
  - b) This permission relates only to the development as specifically indicated on the approved drawings. This permission does not sanction any other illegal development that may exist on the site.
  - c) Copies of all approved drawings and documents shall be available for inspection on site by Planning Authority officers at all reasonable times.
  - d) The development shall be carried out in complete accordance with the approved drawings, documents and conditions of this permission. Where a matter is not specified, then the conditions of this permission and of Development Control Design Policy, Guidance and Standards 2015 shall apply.
  - e) Before any part of the development hereby permitted commences, the enclosed green copy of this development permission shall be displayed on the site. This must be mounted on a notice board, suitably protected from the weather and located not more than 2 metres above ground level at a point on the site boundary where it is clearly visible and can be easily read from the street. The copy of the permission must be maintained in a good condition and it shall remain displayed on the site until the works are completed.
  - f) A Commencement Notice is to be submitted to the Planning Authority, by the permit holder on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, **if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised** - Article 72(4) of the Development Planning Act (2016).
  - g) All building works shall be erected in accordance with the official alignment and official/existing finished road levels as set out on site by the Planning Authority's Land Surveyor. The Setting Out Request Notice must be submitted to the Land Survey Unit of the Planning Authority when the setting out of the alignment and levels is required.
  - h) Where an officially schemed street, within the development zone, bordering the site is unopened or unformed, it shall be opened up and brought up to its proper, approved and official formation levels prior to the commencement of any development hereby being permitted.
  - i) It is the responsibility of the permit holder to ensure that development is carried out in accordance with the provisions of the Environmental Management Construction Site Regulations, Legal Notice 295 of 2007 (or subsequent amendments). Any hoarding shall be erected in accordance with Schedule 2 of the same Regulations.
  - j) New development on vacant or redeveloped sites shall be provided with a water cistern to store rainwater run-off as required by the Energy Performance of Buildings Regulations (2012) [published through Legal Notice 376 of 2012 and any amendments thereto].

k) No steps, ramps or street furniture are to be constructed on or encroached onto the public pavement or road.

l) Any doors and windows, the lower edge of which is less than 2m above road level, and any gates shall not open outwards onto a public pavement or road.

m) Where present, window grilles (including 'pregnant' windows), sills, planters and other similar elements which are part of or fixed to the facade of buildings, the lower edge of which is less than 2 metres above road level, shall not project more than 0.15 metres from the facade over a public pavement or street.

n) Air conditioning units shall not be located on the facades of the building which are visible from the street or a public space.

o) There shall be no service pipes, cables or wires visible on the front elevation or on any other elevations of the building which are visible from the street or public space.

- 2 This development permission is subject to a bank guarantee to the value of **EUR 20,000 (twenty thousand Euro)** to cover any failure to implement the landscaping scheme indicated in Drawing Number PA 2784/16/206A or to maintain the landscaping to the satisfaction of the Planning Authority.

This bank guarantee shall be managed as follows:

- i) The bank guarantee shall be reduced by **EUR 10,000 (ten thousand euro)** to a balance of **EUR 10,000 (ten thousand euro)** on planting of the whole landscaping scheme. Planting shall be carried out within the first planting season following completion of the development hereby approved, failing which the bank guarantee shall be forfeited.
- ii) The bank guarantee shall be reduced by a further **EUR 5,000 (five thousand euro)** to a balance of **EUR 5,000 (five thousand euro)** after two (2) years of planting and subject to effective maintenance of landscaping. Any trees that die or become severely diseased shall be replaced with the equivalent number of trees of the same species and size as soon as planting is possible.
- iii) the remaining balance of **EUR 5,000 (five thousand euro)** will expire after five (5) years from planting, subject to maintenance of landscaping.

Any trees that die or become severely diseased shall be replaced with the equivalent number of trees of the same species and size as soon as planting is possible. In the event that the applicant fails to implement the scheme within the stipulated time limit, or fails to properly maintain the landscaping, the outstanding bank guarantee shall be immediately forfeited. Its forfeiture would not, however, preclude the Authority from taking any action to ensure that the conditions of this permission are adhered to and the approved drawings/documents are complied with.

- 3 a) Evidence that the commencement of the Green Travel Plan (GTP) Action Plan in Supporting Document PA 2784/17/31A is to be provided before the first operational

compliance certificate for any part of the development is issued.

b) A GTP monitoring and review report shall be submitted to Transport Malta and the Planning Authority on an annual basis for 5 years from the date of the commencement of operations. If the targets established in the GTP are not being achieved by the end of the 5 years, then the assessing authority may require up to a further 4 years of monitoring and review.

4 Prior to commencement of operations of the development hereby permitted:

a) The proposed and required public road works are to be approved by Transport Malta;

b) The required road safety elements of the road works are to be in place and acceptable to Transport Malta;

5 The development hereby permitted shall be subject to Final Compliance (Completion) Certification, verifying that the development has been carried out in full accordance with the approved drawings, documents and conditions imposed in this development permission, except where such conditions are enforced by other entities. Prior to the issue of any compliance certificate on any part of this development, the applicant shall submit to the Planning Authority, in relation to that part of the building:

(i) Certification from a qualified engineer confirming that the development fully satisfies the requirements specified in Supporting Documents PA 2784/16/22A/200A.

6 The approved premises shall be used as indicated on the approved drawings or as limited by any condition of this permission. If a change of use is permitted through the Development Planning (Use Classes) Order, 2014 (or its subsequent amendments), and it is not restricted by a condition of this permission, approval from the Commission for the Rights of Persons with Disability may still be required. Reference needs to be made to PA Circular 3/10 (with the exception of Appendix A), PA Circular 2/14 and their subsequent amendments.

7 Where a loading bay is indicated on the approved drawings, loading and unloading shall take place solely within the premises, and not from/on the public pavement or street.

8 The communal parking area shall only be used for the parking of vehicles and shall be kept available at all times for staff, other visitors, and customers. The parking area shall be adequately lit and sign-posted, and the parking bays properly demarcated in accordance with the standards set out in the Development Control Design Policy, Guidance and Standards 2015. The use of the parking area for storage, industrial, or commercial activity is prohibited.

- 9 a) The façade(s) of the building shall be constructed in local un-rendered and unpainted stone, except where other materials/finishes are indicated on the approved drawings.
- b) All the apertures and balconies located on the façade(s) of the building shall not be in gold, silver or bronze aluminium.
- c) The height of the services on the roof of the building shall not extend beyond the approved height of the uppermost parapet wall.
- 10 The Bank Guarantee issued in PA 263/16, to the value of **EUR 7,454 (seven thousand, four hundred and fifty-four Euro)**, to ensure that the street is properly restored in accordance with the Environmental Management Construction Site Regulations, 2007 (Legal Notice 295 of 2007), shall be transferred to cover this development permission.

The bank guarantee shall only be released after the perit submits a post-construction condition report together with photographs evidencing compliance with this condition, accompanied by clearance from the Local Council. The clearance from the Local Council is to be endorsed by the Mayor and the Executive Secretary of the Local Council. This guarantee shall be forfeited if, after 3 months from the date of notification by the Authority of a notice to effect the remedial works, these are not carried out. Its forfeiture shall not, however, preclude the applicant from adhering to all the conditions contained in this development permission.

11 **Conditions imposed and enforced by other entities**

A. Where construction activity is involved:

(a) The applicant shall:

**(i) Appoint a Project Supervisor for the Design Stage and a Project Supervisor for the Construction Stage** and any such appointment shall be terminated, changed or renewed as necessary. The same person may be appointed to act as project supervisor for both the design and construction stage, if that person is competent to undertake the duties involved and

**(ii) Keep a health and safety file** prepared by the Project Supervisor for the Design Stage.

(b) When the construction works related to this application are scheduled to last longer than thirty working days and on which more than twenty workers are occupied simultaneously, or on which the volume of work is scheduled to exceed five hundred person-days, the project supervisor **shall communicate a prior notice to the Occupational Health and Safety Authority (OHSA) at least four calendar weeks before commencement of works.**

(c) The Project Supervisor for the Design Stage shall **draw up a health and safety plan** which sets out the occupational health and safety rules applicable to the construction activities concerned, outlining the measures to ensure cooperation between different contractors and shall also include specific measures concerning occupational risks that

may be present at this site.

B. Where the development concerns a change of use to a place of work, the applicant shall obtain a Perit's declaration that the building conforms to the requirements of L.N. 44 of 2002.

C. Where the development concerns a place of work:

The applicant shall:

(i) Obtain a Perit's declaration that the necessary requirements arising out of L.N. 44 of 2002 have been included in the plans and drawings; and

(ii) Obtain a Perit's declaration that the building conforms to the requirements of L.N. 44 of 2002.

D. The development is to strictly adhere to the 'Design Guidelines on fire safety for buildings in Malta' to ensure that all Fire Safety measures and provisions are addressed as indicated in the Design Guidelines on Fire Safety for Buildings in Malta, published by the DCID in 2004, (or other relevant standard, provided it is approved by the Civil Protection Department), Policies, and the Laws and Regulations of Malta.

E. Prior to laying of water and waste-water services in the road, the development shall comply with the requirements of Legal Notice 29/10 Part III (Roads in inhabited Areas) Clause 12.

F. In the event of an accidental discovery in the course of approved works, any cultural heritage feature discovered should not be damaged or disturbed and the Superintendence is to be immediately informed of such discovery. Any cultural heritage features discovered are to be investigated, evaluated and protected in line with the Cultural Heritage Act 2002 (CAP 445). The discovery of cultural heritage features may require the amendment of approved plans.

In terms of Article 72(3) of the Development Planning Act, 2016, the execution and validity of this permission is automatically temporarily **suspended** and no works as approved by the said development permission may commence before the lapse of the time period established in Article 13 of the Environment and Planning Review Tribunal Act and subsequently will remain so suspended if the Tribunal so decides in accordance with the Environment and Planning Review Tribunal Act.

Where the approved drawings and/or documents are dimensioned, then the declared dimensions shall prevail over the actual size as depicted on the approved drawings and/or documents.

Developers are advised to check the invert level to the sewer main with the Water Services Corporation as they would have to make their own arrangements where a gravity service connection is not possible. In these cases, the architect has to indicate the solutions envisaged and to indicate on the plan what needs to be carried out and obtain approval from WSC. Developers are further reminded that connection of storm water into main sewers is not allowed.

If the declaration of ownership, as contained in the application form, is determined as incorrect by a Court of Law, then the said Court of Law can declare this development permission as null and void. This development permission does not remove or replace the need to obtain the consent of the land/building owner to this development before it is carried out. Furthermore, it does not imply that

consent will necessarily be forthcoming nor does it bind the land/building owner to agree to this development. Where the land/building is owned or administered by the Government of Malta a specific clearance and agreement must be obtained for this development from the Land and/or Estate Management Departments.

This development permission is granted saving third party rights. This permission does not exonerate the applicant from obtaining any other necessary permission, license, clearance or approval required from any Government department, local council, agency or authority, as required by any law or regulation.

This development permit does not authorise any storage of substances listed in Occupational Health and Safety Authority Act (Cap. 424) - Control of Major Accident Hazards Regulations, 2003, as amended, in quantities that would render this site an establishment within scope of these regulations. The storage and handling of said substances may require a new or amended development permission in line with current policies and regulations.

For any non-residential uses hereby being approved, prior to commencement of any works on site or any eventual permitted change of use, the applicant shall be required to contact the Environment and Resources Authority to obtain any necessary operational permit or registration. This requirement does not apply to Class 2B, 2C, 4A and 4B uses as listed in the Development Planning (Use Classes) Order 2014, or its subsequent amendments.

**This decision is being published on 14 February 2018.**

Marthese Debono  
Secretary Planning Commission (Development Permissions)



## **Notes to Applicant and Perit**

### **Right for reconsideration**

Where applicable, you have a right to submit a request for reconsideration to the Authority in terms of regulation 14 of Legal Notice 162 of 2016.

### **Right for appeal**

You have a right to submit an appeal, against the decision, to the Environment and Planning Review Tribunal in terms of Article 13 of the Environment and Planning Review Tribunal Act, 2016.

### **Time limits**

Requests for reconsideration or appeals must be made within 30 days from the publication of the decision notification in the local press as required by regulation 14(1) of Legal Notice 162 of 2016.

### **Fees to submit a request for reconsideration or appeal**

In either case, there is a fee to be paid which should accompany the request for reconsideration or the appeal. The fees are as follows:

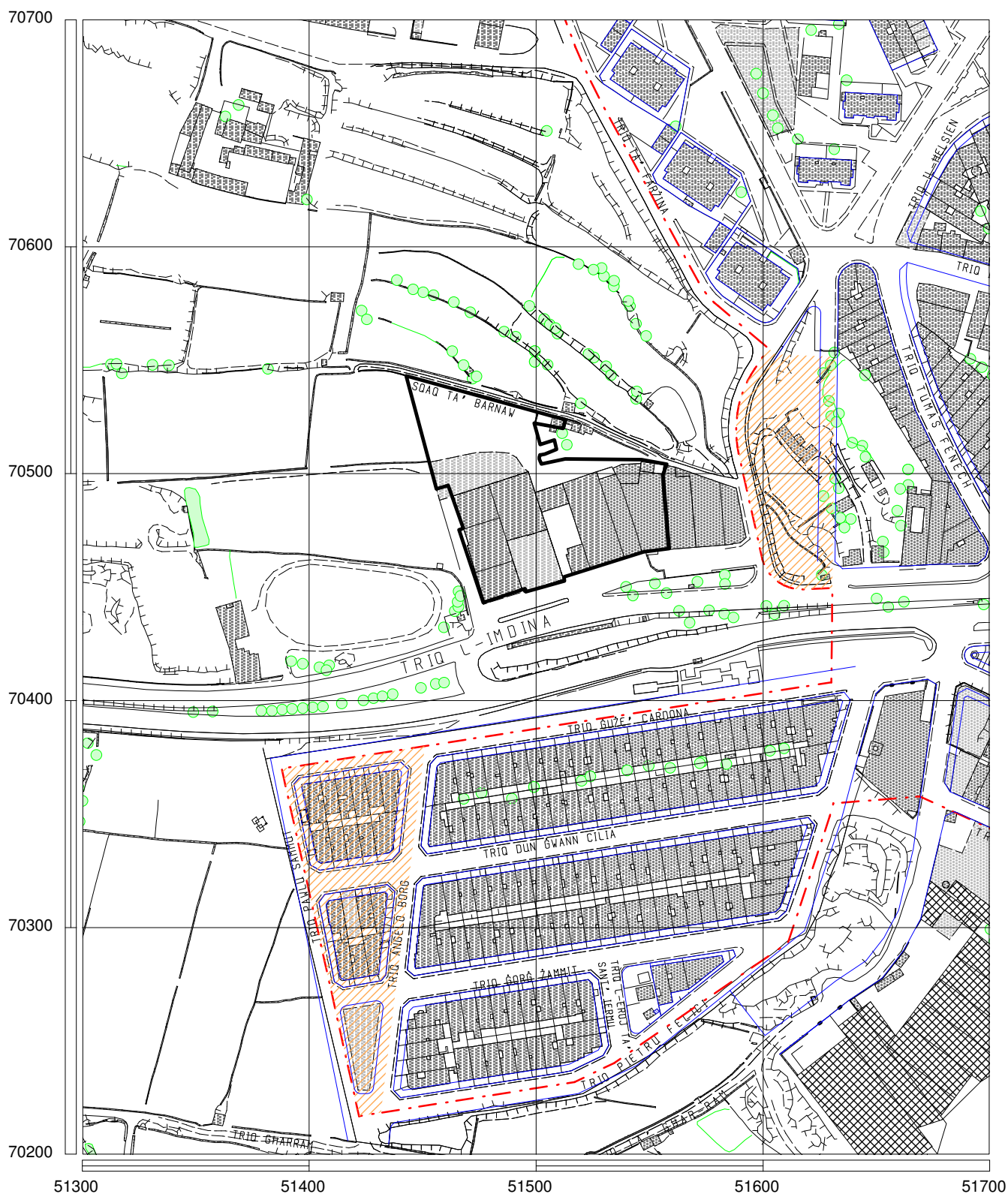
For reconsideration - 3% of the Development Permit Fee paid in respect of the original application, subject to a minimum of €69.88.

For appeal - 5% of DPF (Development Permit Fee) paid in respect of the original application, subject to a minimum of €150 + €50 administrative fee (LN 112 of 2016).

### **Submission of request for reconsideration or appeal**

With regards to requests for reconsideration, Form PA 4/16 must be used for submission. All fields of the Form must be filled in as appropriate. Requests for reconsideration can only be submitted electronically.

With regards to appeals, as required by Article 13 of the Environment and Planning Review Tribunal Act, 2016, the submission must include the detailed grounds for appeal and the requests being made by the appellant. Appeals must be submitted physically at the offices of the Environment and Planning Review Tribunal, St. Francis Ditch, Floriana.



# Malta Environment & Planning Authority

## Development Application Site Plan

St. Francis Ravelin  
Floriana

PO Box 200, Valletta  
Tel:21240976 Fax:21224846  
[www.mepa.org.mt](http://www.mepa.org.mt)



Application No. :-  
**62656/1950**

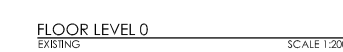
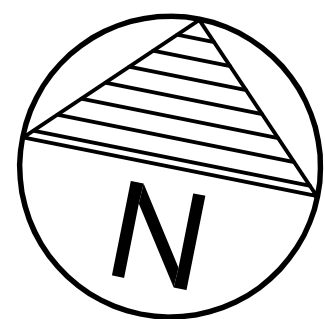
Location :-


Scale :- 1:2500

Part of Survey Sheet(s): 510700 510705 515700 515705

Date :- 4/7/15







 **MED**  
DESIGN ASSOCIATES LTD.

Hercules House, St. Mark Str., Valletta, Malta.  
Tel: (356) 21 232657  
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e-mail: [info@medesign.com.mt](mailto:info@medesign.com.mt)

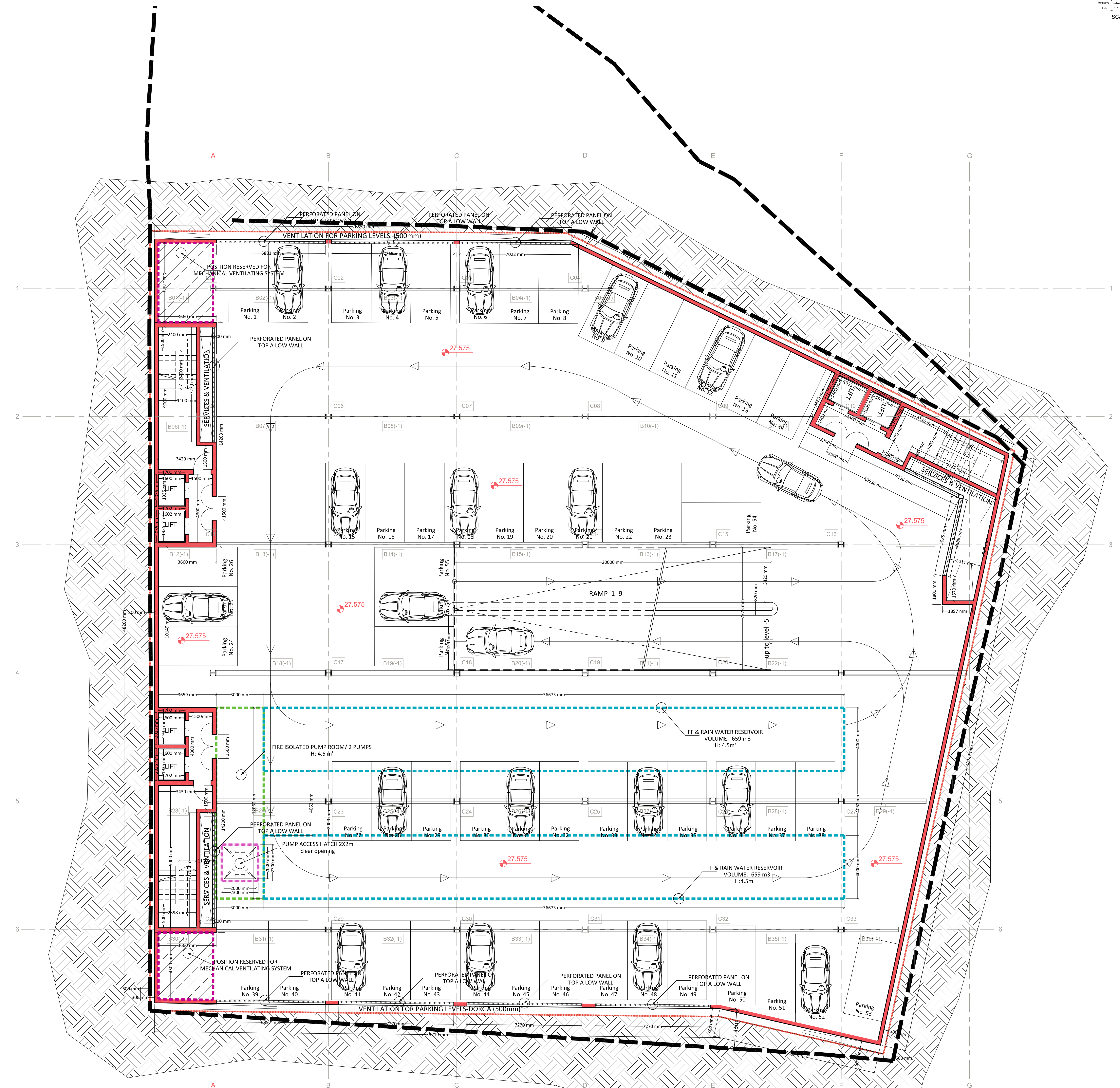
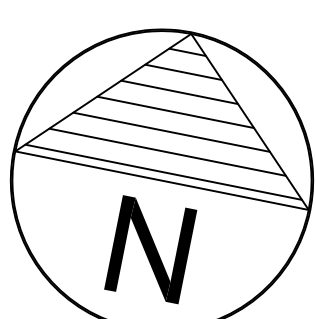
Client: **Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

|           |  |
|-----------|--|
| Project:  | Demolition of existing warehouses. Excavation of site. Ext & int alterations to existing car storages, showroom & offices. Construction of a new showroom, offices, warehouse, storages, 4 levels of car parking & an extra floor on top of the existing showroom & offices. |
| Location: | Mdina Road, Qormi.   |

|                    |                             |
|--------------------|-----------------------------|
| Project Architect: | Charles Buhagiar A+CE       |
| Drawing Title:     | Existing Plans & Block Plan |

|                            |   |                                  |   |
|----------------------------|---|----------------------------------|---|
| Path:                      |   |                                  |   |
| File No. :<br><b>28196</b> | Drug Issue<br> | Drug No. :<br><b>28196-A(01)</b> | Reaction<br> |
| Scale:<br>1:200            | Date:<br>18.05.2015   | Drawn by:                        | Checked:  |





**FLOOR LEVEL -6/ CAR PARKING**  
PROPOSED  
SCALE 1: 200  
□ **GROSS FLOOR AREA : 2267 sq.m**  
□ **NO. OF PARKING SPACES: 57**

TO CONSTRUCT  
TO DEMOLISH  
PROPOSED LEVELS 00.000  
EXISTING LEVELS 00.000

Legend:  
--- EXISTING EXCAVATION LINE  
--- PROPOSED EXCAVATION LINE  
--- LANDSCAPING - GRASS  
--- VEHICLE TRAJECTORY

Revisions:  
Ref. | Desc. | Init. | Date.

**MED DESIGN ASSOCIATES LTD.**  
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Client:  
**Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

Project:  
Demolition of existing warehouses. Excavation of site.  
Ext & int alterations to existing car storage, car  
showrooms & offices (Class 4A). Construction of a new  
car showroom, offices (Class 4A), car service area  
& 5 levels of car parking abutting Triq l-Hmdin  
& Sqagħ ta' Barnaw. Fixing of signs.

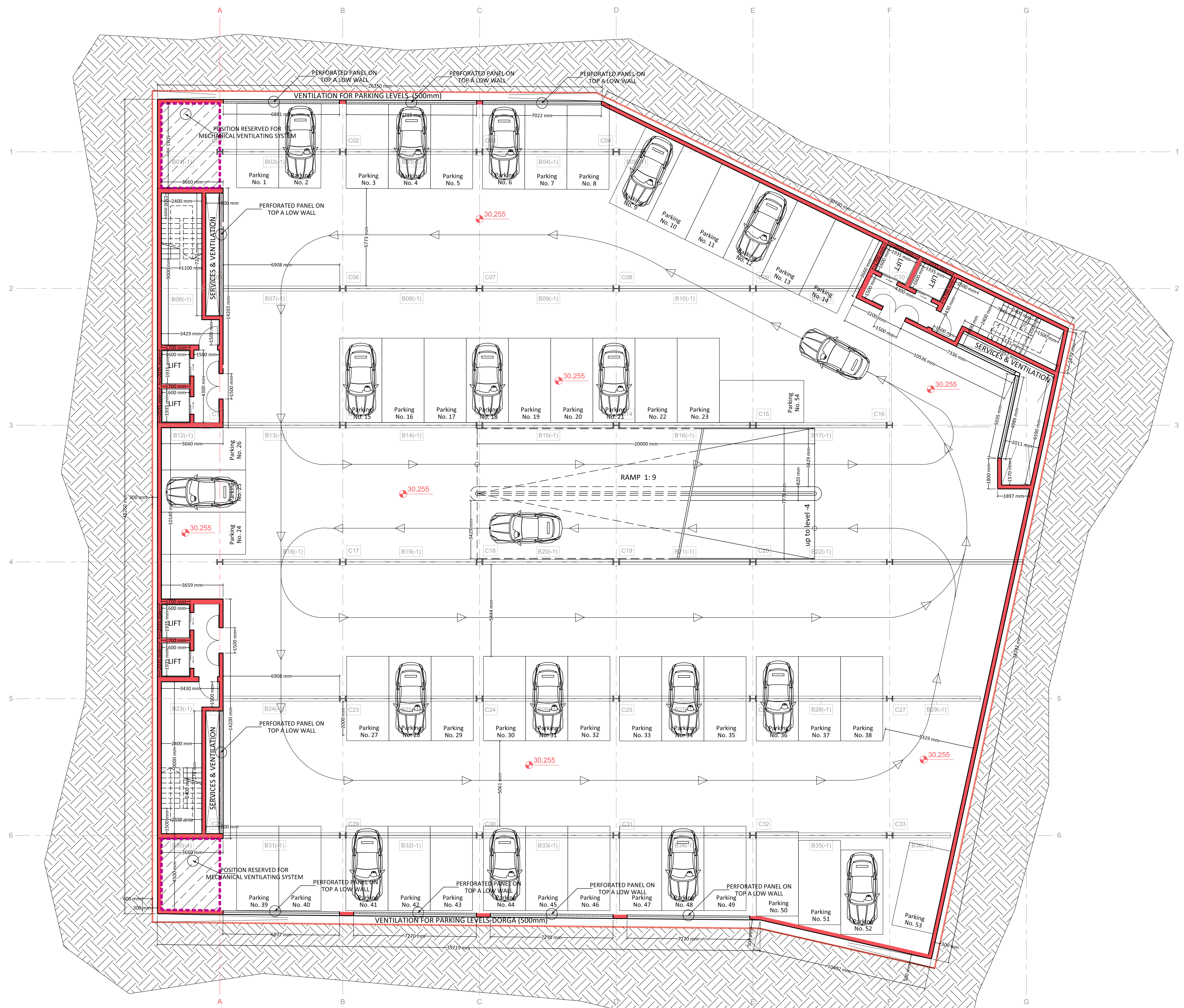
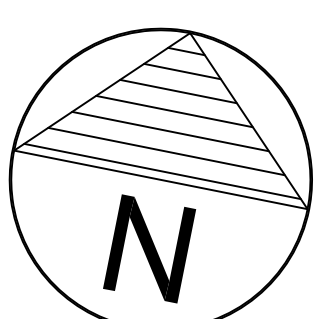
Project Architect:  
**Charles Buhagiar A+CE**

Drawing Title:  
**Proposed Floor Level -6**

File No.: **28196**  
Drawing No.: **28196-A(2)**

Scale: 1:200  
Date: 30.12.2016  
Drawn by: RV  
Checked:





**FLOOR LEVEL -5/ CAR PARKING**  
PROPOSED  
SCALE 1: 200  
□ **GROSS FLOOR AREA : 2267 sq.m**  
□ **NO. OF PARKING SPACES: 54**

TO CONSTRUCT  
TO DEMOLISH  
PROPOSED LEVELS 00.000  
EXISTING LEVELS 00.000

| Revisions |       | Int. | Date. |
|-----------|-------|------|-------|
| Ref.      | Item. |      |       |
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**MED**  
DESIGN ASSOCIATES LTD.  
Hensdale House, St. Mark St., Valletta, Malta.  
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Fax: (356) 21 247573  
e-mail: info@medesign.com.mt

Client:  
**Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

Project:  
Demolition of existing warehouses. Excavation of site.  
Ext & int alterations to existing car storage, car  
showrooms & offices (Class 44). Construction of a new  
car showroom, offices (Class 44), car service area  
& 5 levels of car parking abutting Triq l-Hindia  
& Sqaq ta' Barnaw. Fixing of signs.

Midra Road, Qormi.

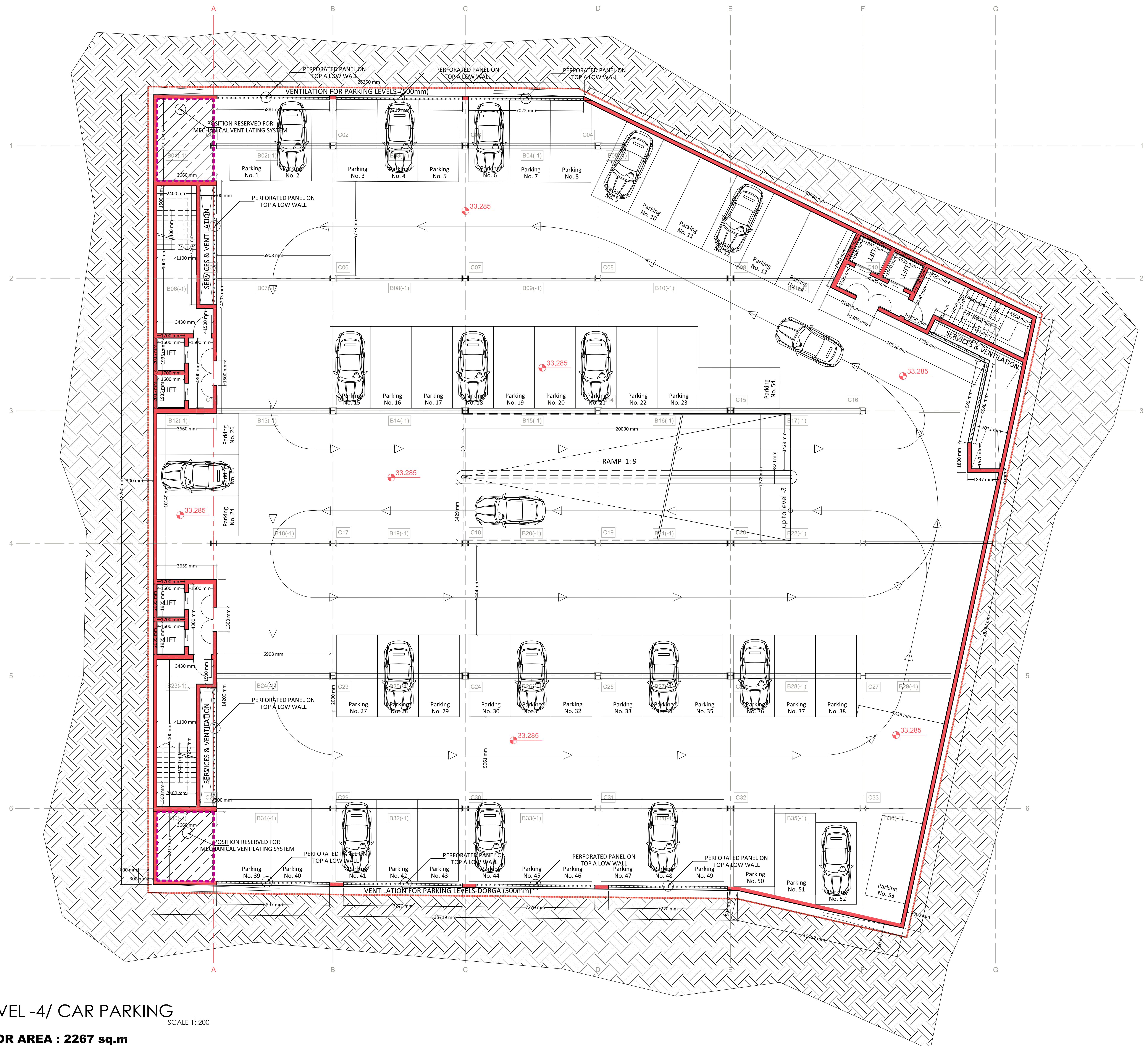
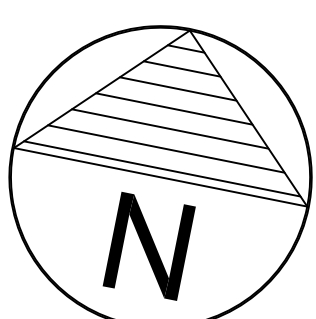
Project Architect:  
**Charles Buhagiar A+CE**

Drawing Title:  
**Proposed Floor Level -5**

| File No.: | Draw No.:  | Scale: | Date:      | Drawn by: | Checked: |
|-----------|------------|--------|------------|-----------|----------|
| 28196     | 28196-A(3) | 1:200  | 30.12.2016 | ZV        |          |

Page 1 of 1





**FLOOR LEVEL -4/ CAR PARKING**  
PROPOSED  
SCALE 1: 200  
■ **GROSS FLOOR AREA : 2267 sq.m**  
■ **NO. OF PARKING SPACES: 54**

TO CONSTRUCT  
TO DEMOLISH  
PROPOSED LEVELS 00.000  
EXISTING LEVELS 00.000

| Revisions |       | Int. | Date. |
|-----------|-------|------|-------|
| Ref.      | Item. |      |       |
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**MED**  
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Client:  
**Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

Project:  
Demolition of existing warehouses. Excavation of site.  
Ext & int alterations to existing car storage, car  
showrooms & offices (Class 4A). Construction of a new  
car showroom, offices (Class 4A), car service area  
& 5 levels of car parking abutting Triq l-Hmda  
& Sqqa ta' Barnaw. Fixing of signs.

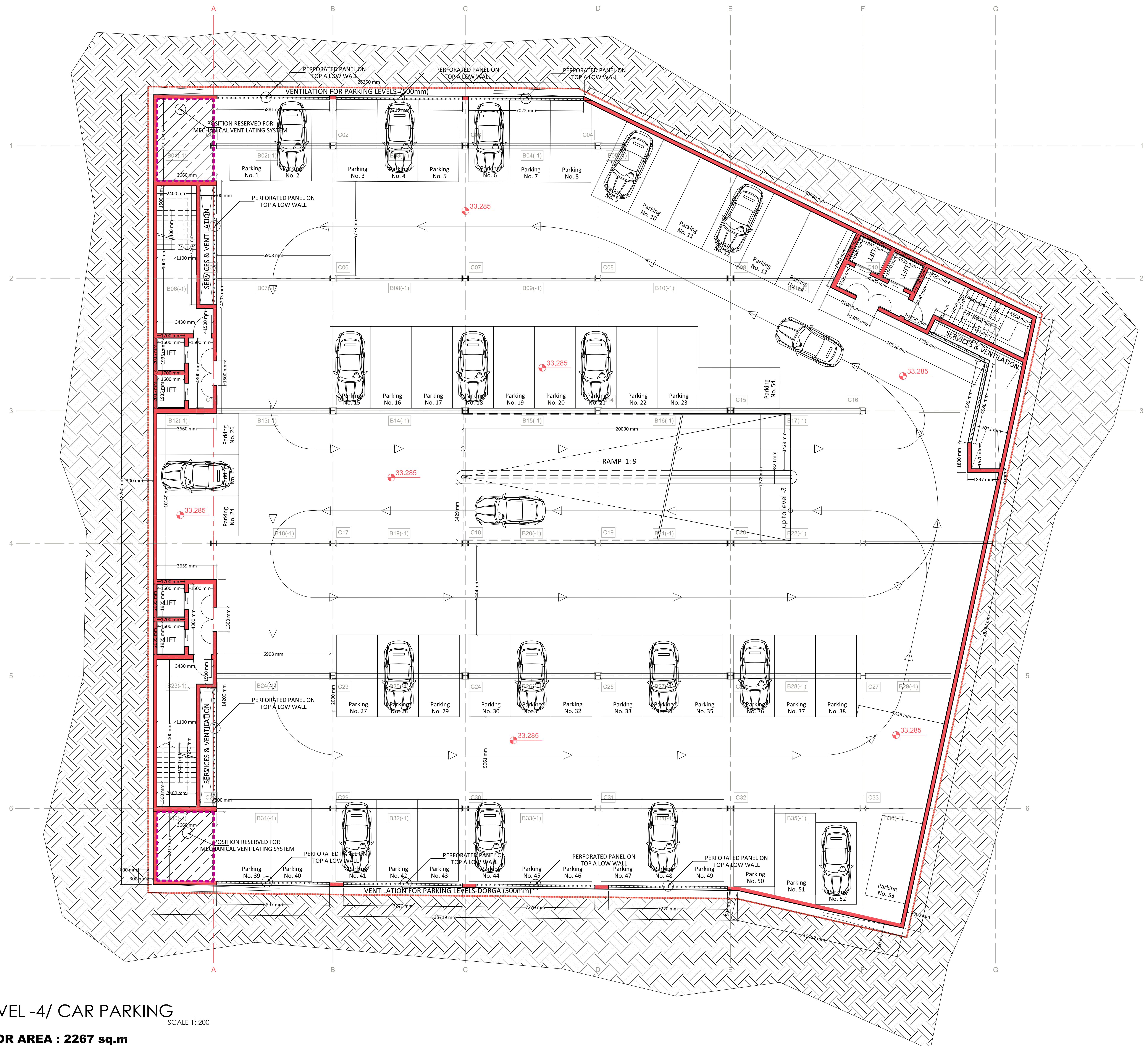
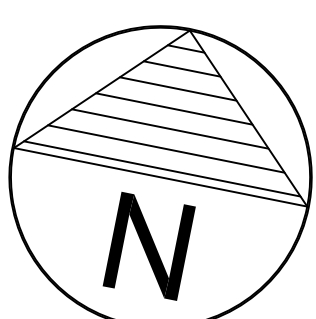
Project Architect:  
**Charles Buhagiar A+CE**

Drawing Title:  
**Proposed Floor Level -4**

| File No.     | Draw No.          |
|--------------|-------------------|
| <b>28196</b> | <b>28196-A(4)</b> |

Scale: 1:200  
Date: 30.12.2014  
Drawn by: ZV  
Checked:





**FLOOR LEVEL -4/ CAR PARKING**  
PROPOSED  
SCALE 1: 200  
□ **GROSS FLOOR AREA : 2267 sq.m**  
□ **NO. OF PARKING SPACES: 54**

TO CONSTRUCT  
TO DEMOLISH  
PROPOSED LEVELS 00.000  
EXISTING LEVELS 00.000

| Revisions |       | Int. | Date. |
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| Ref.      | Item. |      |       |
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e-mail: info@medesign.com.mt

Client: **Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

Project: Demolition of existing warehouses. Excavation of site.  
Ext & int alterations to existing car storage, car  
showrooms & offices (Class 4A). Construction of a new  
car showroom, offices (Class 4A), car service area  
& 5 levels of car parking abutting Triq l-Hmda  
& Sqaa ta' Barnaw. Fixing of signs.

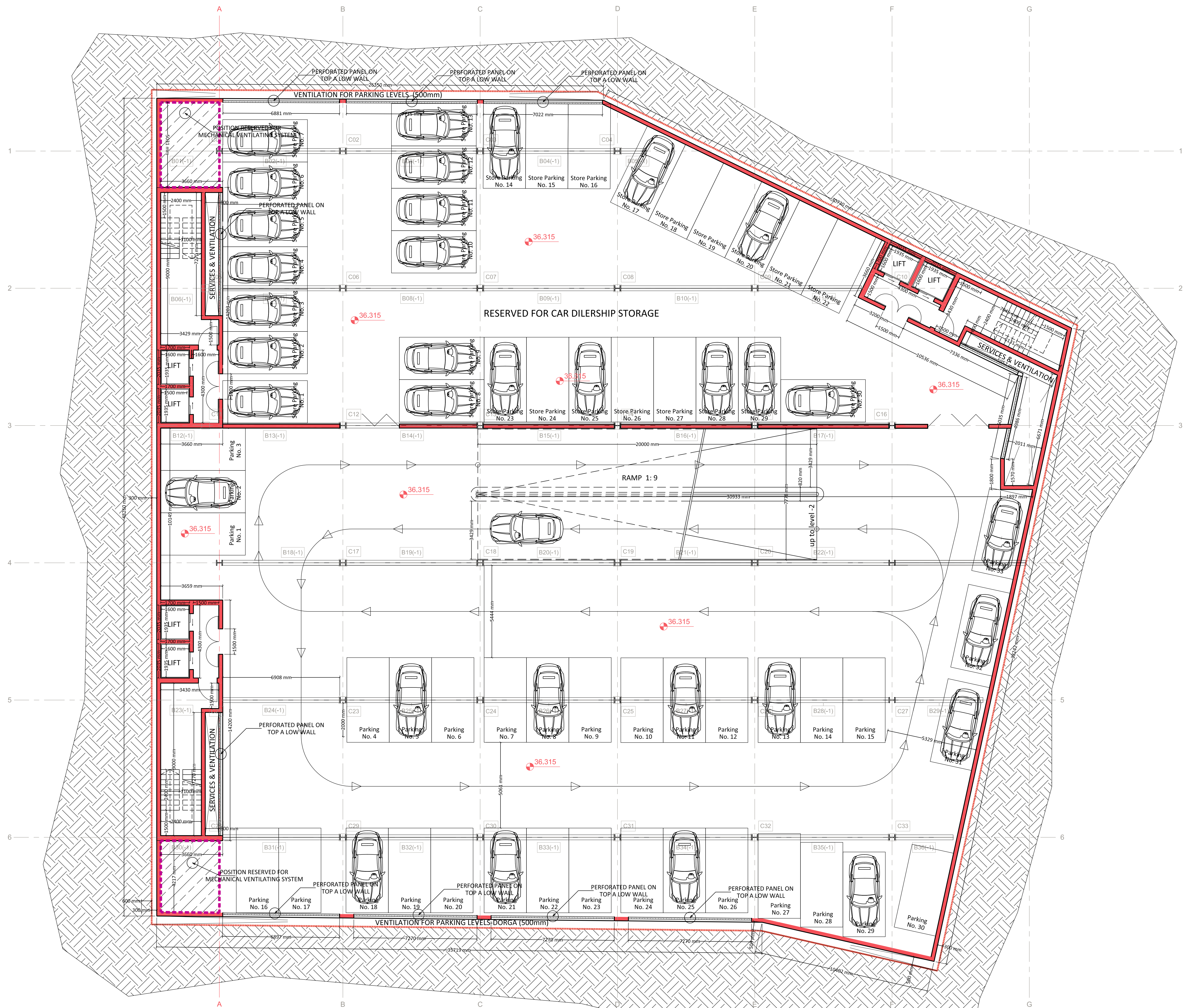
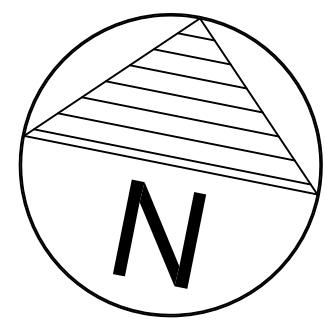
Project Architect:  
**Charles Buhagiar A+CE**

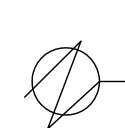
Drawing Title:  
**Proposed Floor Level -4**

| File No.     | Draw No.          |
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| <b>28196</b> | <b>28196-A(4)</b> |

Scale: 1:200 Date: 30.12.2014 Drawn by: JV Checked:

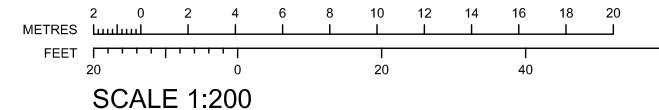




 **FLOOR LEVEL -3/ CAR PARKING**  
PROPOSED SCALE 1: 200

- **GROSS FLOOR AREA : 2267 sq.m**
- **NO. OF PARKING SPACES: 33**
- **NO. OF DEALERSHIP CARS: 30**

TO CONSTRUCT  
TO DEMOLISH  
PROPOSED LEVELS 00.000  
EXISTING LEVELS 00.000



| Revisions |      | Int. | Date. |
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Client:  
**Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

Project:  
Demolition of existing warehouses. Excavation of site.  
Ext & int alterations to existing car storage, car  
showrooms & offices (Class 4A). Construction of a new  
car showroom, offices (Class 4A), car service area  
& 5 levels of car parking abutting Triq l-Hmda  
& Sqaaq ta' Barnaw. Fixing of signs.

Midra Road, Qormi.

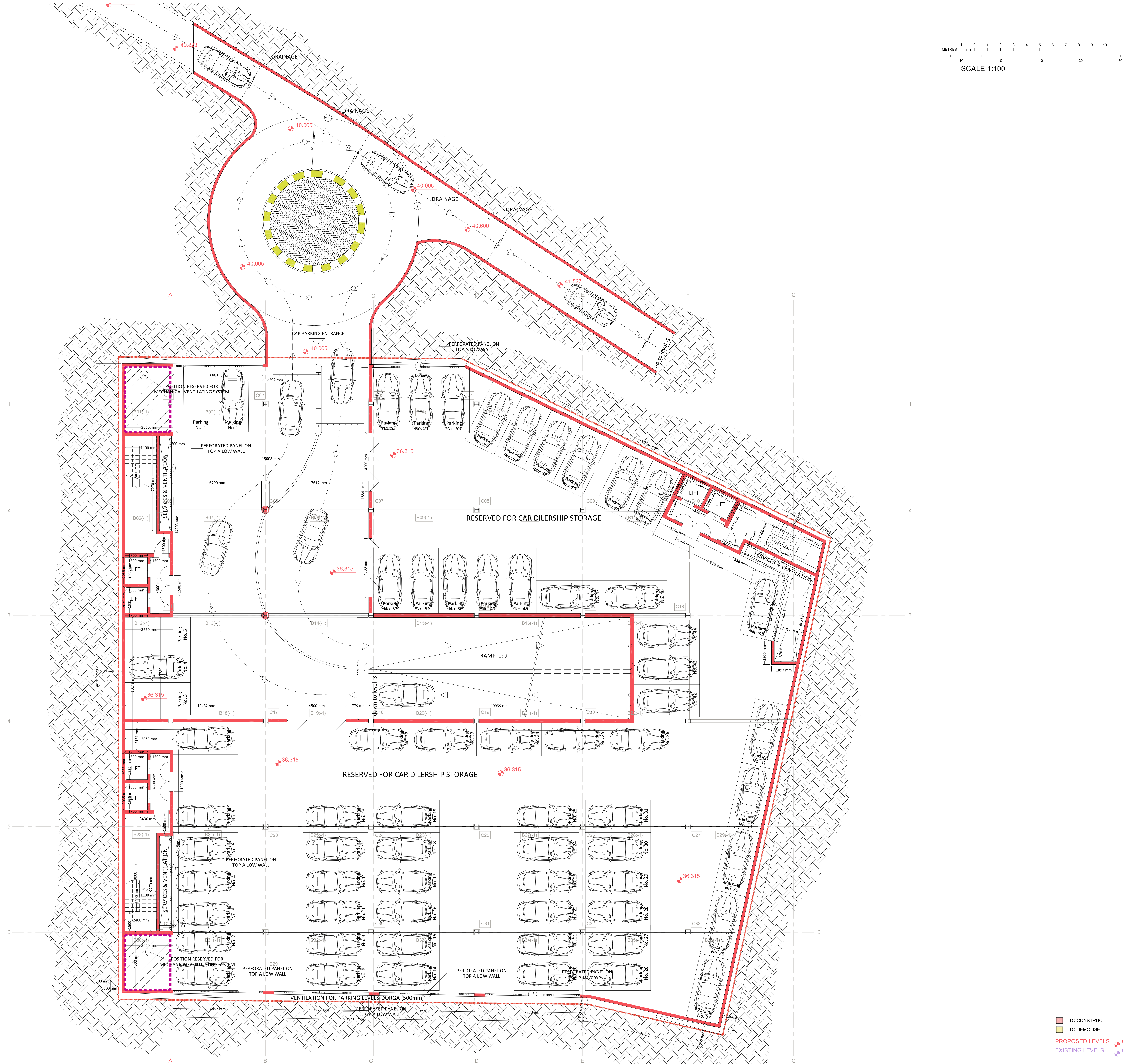
Project Architect:  
**Charles Buhagiar A+CE**

Drawing Title:  
**Proposed Floor Level -3**

| File No. | Revision | Drawn by   | Checked |
|----------|----------|------------|---------|
| 28196    | A        | 28196-A(5) |         |

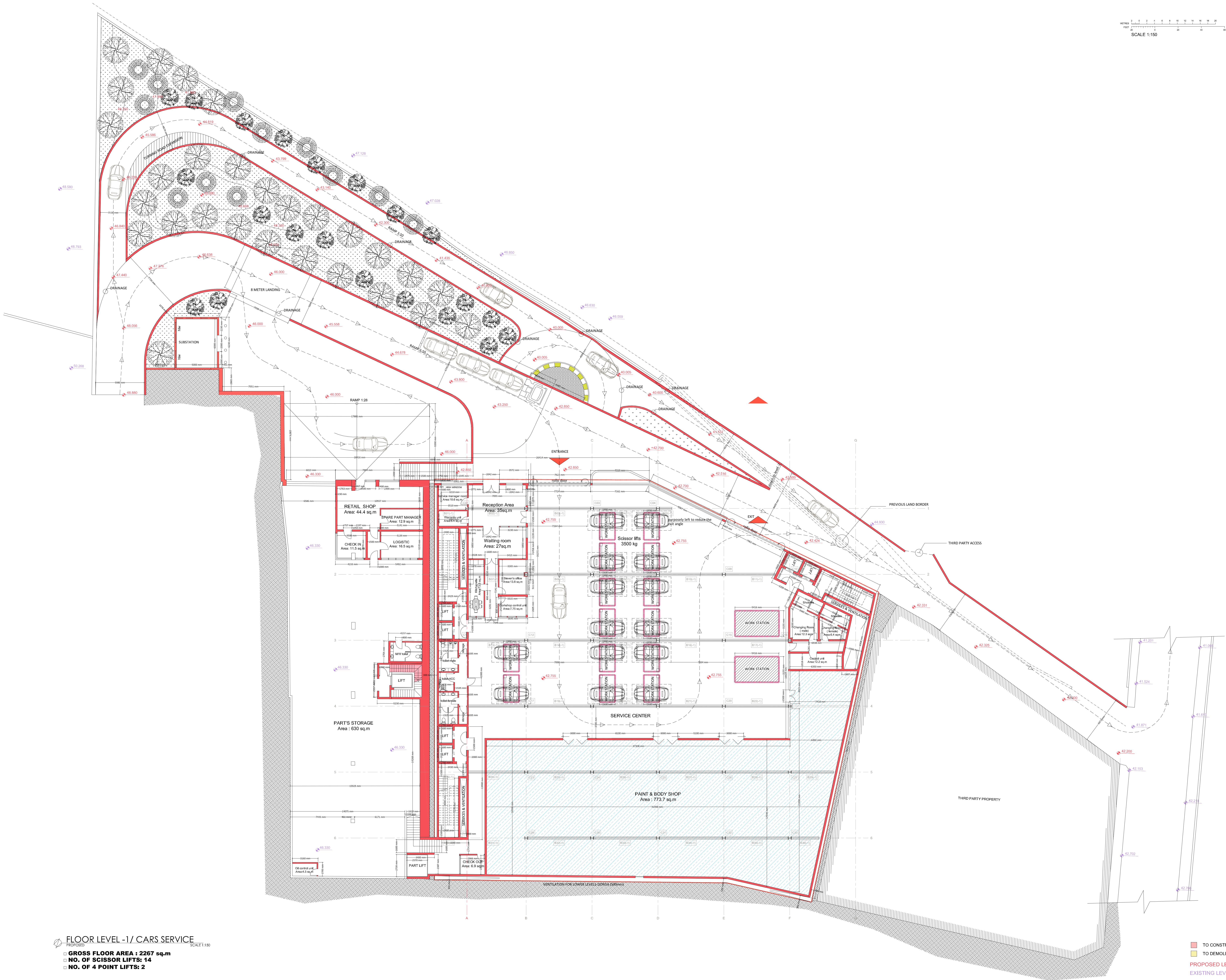
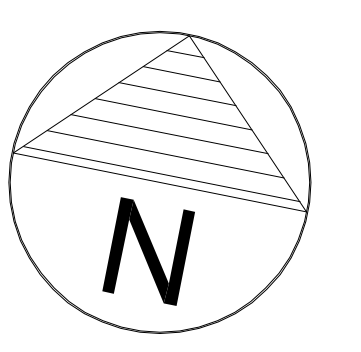
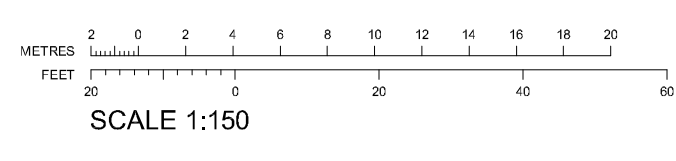
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| Revisions   |                  | Int.                 | Date       |
|---|------------------|----------------------|------------|
| Ref.  | Item             |                      |            |
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|   |                  |                      |            |
|   |                  |                      |            |
| MED DESIGN ASSOCIATES LTD.  |                  |                      |            |
| Innovative House, 25, Mark Street, Valletta, Malta.   |                  |                      |            |
| Tel: (356) 21 22807   |                  |                      |            |
| Fax: (356) 21 24757   |                  |                      |            |
| e-mail: info@medesign.com.mt  |                  |                      |            |
| Client: Anthony Fenech  |                  |                      |            |
| EASYSSELL KIA MALTA LTD   |                  |                      |            |
| Mdina Road, Qormi.  |                  |                      |            |
| Project: Demolition of existing warehouses. Excavation of site. Ext. int. alterations to existing car storage, car showroom & offices (Class 4A). Construction of a new car showroom, offices (Class 4A), car service area & 5 levels of car parking abutting Triq l-Imdina & Sqaq ta' Barnaw. Fixing of signs. |                  |                      |            |
| Midkno Road, Qormi.   |                  |                      |            |
| Project Architect: Charles Buhagiar A+CE  |                  |                      |            |
| Drawing Title: Proposed Floor Level -2  |                  |                      |            |
| File No.: 28196   | Drawn by: A      | Drawn by: 28196-A(6) | Checked: A |
| Scale: 1:125  | Date: 18.12.2017 | Drawn by: IV         | Checked: A |





FLOOR LEVEL -1/ CARS SERVICE  
PROPOSED  
SCALE 1:150

- GROSS FLOOR AREA : 2267 sq.m
- NO. OF SCISSOR LIFTS: 14
- NO. OF 4 POINT LIFTS: 2

TO CONSTRUCT  
TO DEMOLISH  
PROPOSED LEVELS 00.000  
EXISTING LEVELS 00.000

| PROPOSED TREES            |
|---------------------------|
| ONE TREE (Class 400mm)    |
| HOBBY TREE (Class 400mm)  |
| CITRUS TREE (Class 400mm) |

- EXCAVATION LINE
- LANDSCAPING - GRASS
- VEHICLE TRAJECTORY

| Revisions | Ref.                                    | Item | Int.    | Date |
|-----------|---|------|---------|------|
| 1.        | Connecting Levels & Expanding Body Shop | ZV   | 27.1.17 |      |

**MED**  
DESIGN ASSOCIATES LTD.  
Hercules House, St. Mark Str., Valletta, Malta.  
Tel: (356) 21 22007  
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e-mail: info@medesign.com.mt

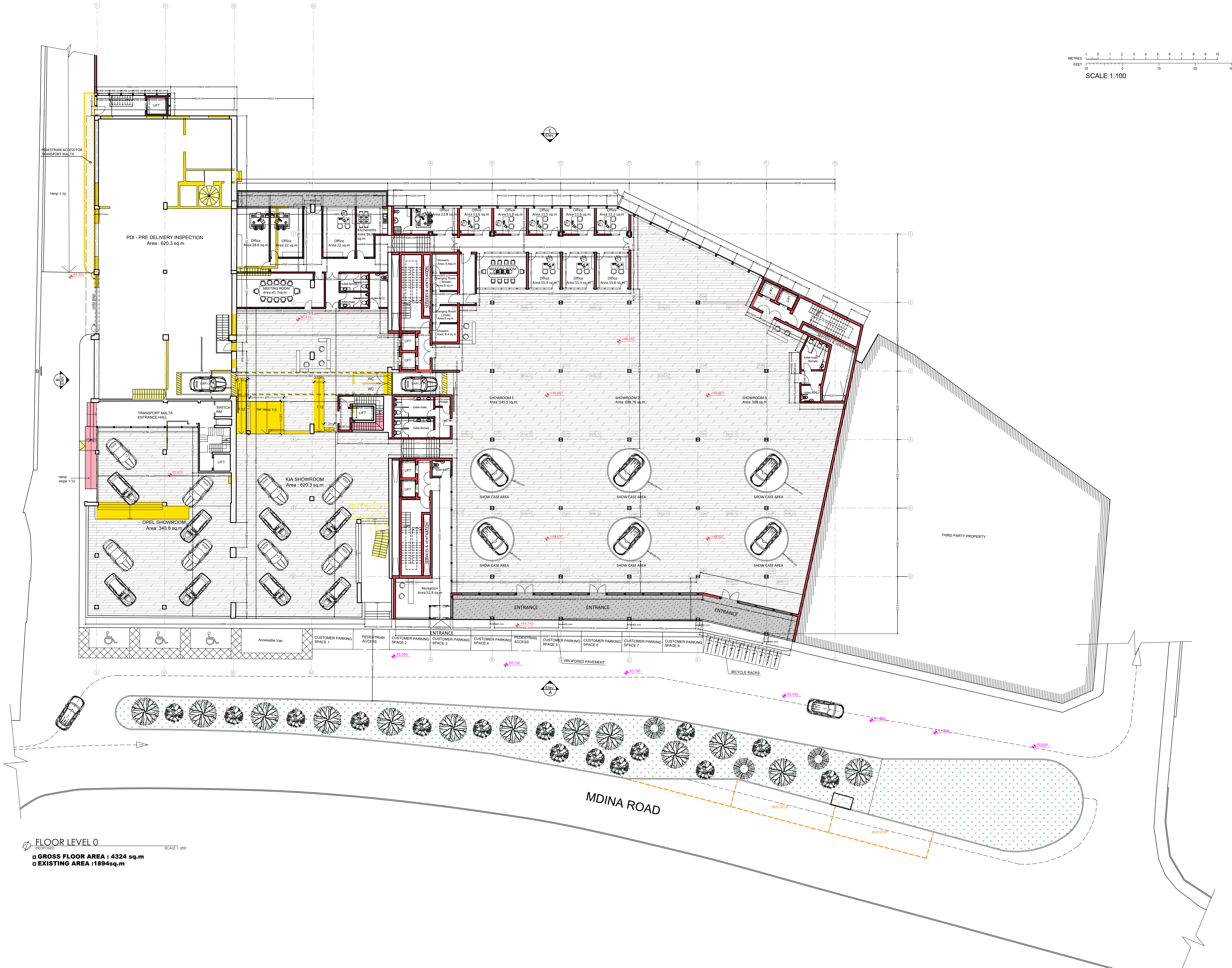
Client:  
**Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

Project:  
Demolition of existing warehouses. Excavation of site.  
Ext. & int alterations to existing car storage, car  
showrooms & offices (Class 4A). Construction of a new  
car showrooms, offices (Class 4A), car service area  
& 5 levels of car parking abutting Triq l-Hindna  
& Sqajq ta' Barnaw. Fixing of signs.

Project Architect:  
**Charles Buhagiar A+CE**  
Drawing Title:  
**Proposed Floor Level -1**

| File No.   | Draw No.   | Scale    |
|------------|------------|----------|
| 28196      | 28196-A(7) | 1:150    |
| Date:      | Drawn by:  | Checked: |
| 18.12.2017 | ZV         |          |





EXCAVATION LINE

LANDSCAPING - GRASS

VEHICLE TRAJECTORY

PROPOSED TREES

|  |                                   |
|--|-----------------------------------|
|  | CIVIC TREE (Other unspecified)    |
|  | ROSEMARY PLUM (Other unspecified) |
|  | CITRUS (Other unspecified)        |

PROPOSED LEVELS

EXISTING LEVELS BASED ON SURVEY

EXISTING ABSOLUTE LEVELS FROM PLANNING AUTHORITY

Revisions

| Ref. | Item                    | Int. | Date     |
|------|-------------------------|------|----------|
| 1    | FRONT GARDEN AND LEVELS | ZV   | 26.10.17 |

**MED**  
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Hercules House, St. Mark Str., Valletta, Malta  
Tel: (356) 21 232957  
Fax: (356) 21 241573  
e-mail: info@medesign.com.mt

Client:  
**Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road, Qormi.

Project:  
Demolition of existing warehouses. Excavation of site. Ext & int alterations to existing car storage, car showrooms & offices (Class 4A). Construction of a new car showroom, offices (Class 4A), car service area & 5 levels of car parking abutting Triq l-Mdina & Sqqa ta' Barrow. Fencing of signs.

Project Architect:  
**Charles Buhagiar A+CE**

Drawing Title:  
**Proposed Floor Level 0**

File No.:  
**28196**

Dwg No.:  
**28196-A(8)**

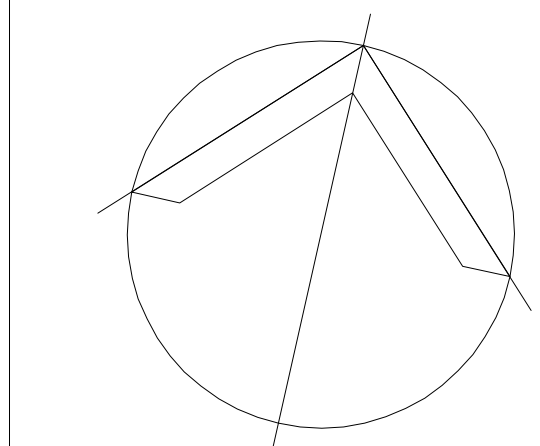
Scale:  
1:200

Date:  
30.10.2017

Drawn by:  
ZV

Checked:





|  |                                     |
|--|-------------------------------------|
| PROPOSED TREES                                   |                                     |
|  | OAK TREE<br>(No symbol)             |
|  | ROSEMARY<br>Tree<br>(Rosemary tree) |
|  | CITRUS<br>Tree<br>(Citrus tree)     |
| PROPOSED LEVELS                                  |                                     |
| EXISTING LEVELS BASED ON SURVEY                  |                                     |
| EXISTING ABSOLUTE LEVELS FROM PLANNING AUTHORITY |                                     |

| Revisions | Ref. | Item | INT. | Date |
|-----------|------|------|------|------|
|           |      |      |      |      |
|           |      |      |      |      |
|           |      |      |      |      |

**MED**  
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Hercules House, St. Mark Str., Valletta, Malta.  
Tel: (356) 21 22255  
Fax: (356) 21 24753  
e-mail: info@meddesign.com.mt

Client: **Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

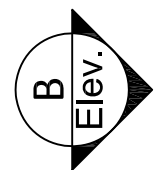
Project: Demolition of existing warehouses. Excavation of site. Ext. & int. alterations to existing car storage, car showrooms & offices (Class 4A). Construction of a new car showroom, offices (Class 4A), car service area & 5 levels of car parking abutting Triq l Imidina & Sqaa ta' Barnaw. Fixing of signs.

Project Architect: **Charles Buhagiar A+CE**

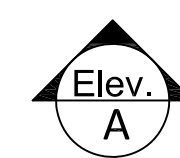
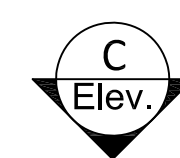
Drawing Title: **PROPOSED BLOCK PLAN**

|           |       |          |             |
|-----------|-------|----------|-------------|
| File No:  | 28196 | Draw No: | 28196-A(11) |
| Scale:    | 1:200 | Date:    | 18.12.2017  |
| Drawn by: | ZV    | Checked: |             |

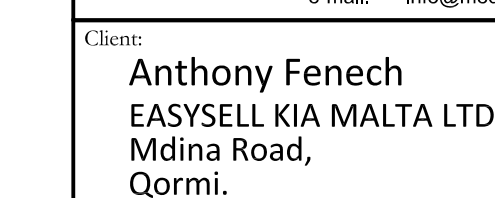




- ❑ **PROPOSED ROOF AREA : 2162 sq.m**
- ❑ **EXISTING ROOF AREA : 1836 sq.m**

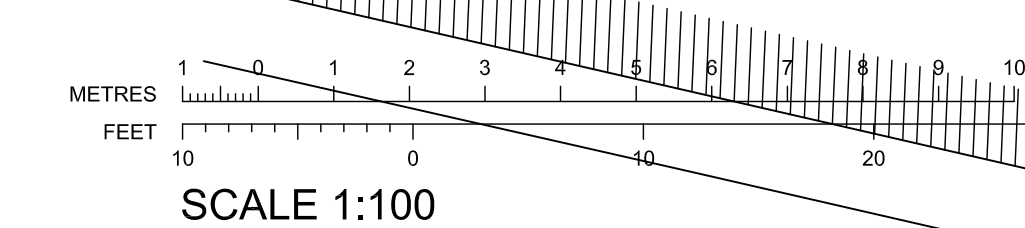


| Revisions |       |       |       |
|-----------|-------|-------|-------|
| Ref.      | Item. | Init. | Date. |
|           |       |       |       |
|           |       |       |       |
|           |       |       |       |
|           |       |       |       |



Malina Road, Qormi  
Project Architects:  
**Charles Buhagiar A+CE**

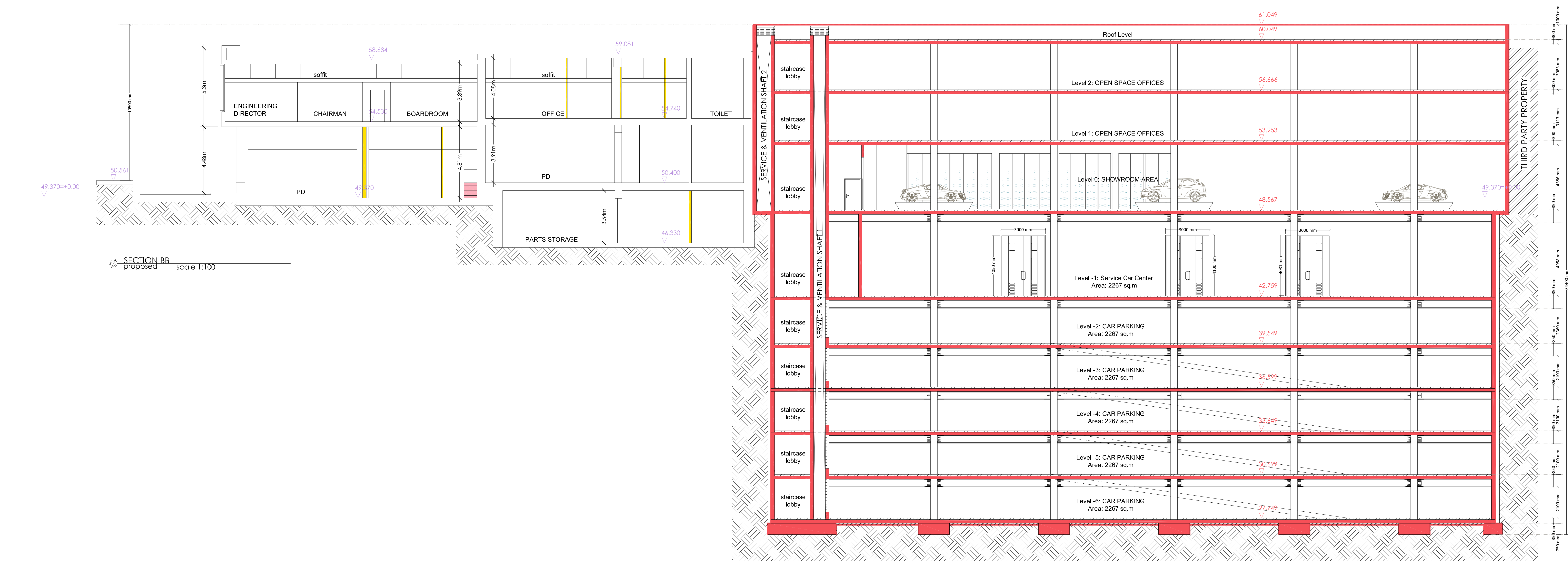
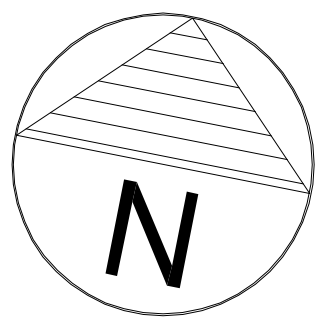
|            |            |             |          |  |  |
|------------|------------|-------------|----------|--|--|
| Plate      |            |             |          |  |  |
| File No. : |            | Drug No. :  |          |  |  |
| 28196      |            | 28196-A(11) |          |  |  |
| Scale:     | Date:      | Drawn by:   | Checked: |  |  |
| 1:100      | 14.08.2017 | ZV          |          |  |  |











Revisions

| Ref. | Item | Int. | Date |
|------|------|------|------|
|      |      |      |      |
|      |      |      |      |
|      |      |      |      |
|      |      |      |      |

**MED**  
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Tel: (356) 21 22267  
Fax: (356) 21 24573  
e-mail: info@medesign.com.mt

Client:

**Anthony Fenech**  
**EASYSSELL KIA MALTA LTD**  
Mdina Road,  
Qormi.

Project:

Demolition of existing warehouses. Excavation of site.  
Ext & int alterations to existing car storage, car  
showrooms & offices (Class 4A). Construction of a new  
car showroom, offices (Class 4A), car service area  
& 5 levels of car parking abutting Triq l-Mdina  
& Sqajja' l-Barnaw. Fixing of signs.

Project Architect:

**Charles Buhagiar A+CE**

Drawing Title:

**Proposed Section AA**

Path

| File No.     | Sheet No. | Dwg. No.           | Revision |
|--------------|-----------|--------------------|----------|
| <b>28196</b> | <b>A</b>  | <b>28196-A(19)</b> | <b>1</b> |

Scale: 1:100      Date: 08.11.2016      Drawn by: ZV      Checked:

## ANNEX 3 – Photos of Existing Stage of Development



















# ANNEX 4 – Reconstruction of Existing Building

## Estimated Project Construction Costs

|             |       |        |                  |
|-------------|-------|--------|------------------|
| Demolishing | 1     | 25,000 |                  |
| Excavation  | 4,560 | 82,080 |                  |
|             |       |        | € <b>107,080</b> |

|              |       |                    |
|--------------|-------|--------------------|
| Foundations  |       | 150,000            |
| Basement     | 760   | 247,845            |
| Ground Floor | 1,894 | 617,657            |
| First Floor  | 1,894 | 617,657            |
| Roof         | 1,894 | 44,118             |
|              |       | € <b>1,677,277</b> |

[illegible]

|  |              |       |                  |
|--|--------------|-------|------------------|
|  | Basement     | 760   | 17,703           |
|  | Ground Floor | 1,894 | 286,769          |
|  | First Floor  | 1,894 | 286,769          |
|  | Roof         | 1,894 | 22,059           |
|  |              |       | <b>€ 613,301</b> |

|                        |         |           |
|------------------------|---------|-----------|
| Façade Glazed cladding | 150,000 |           |
| Façade Finishes        | 100,000 |           |
| Landscaping            | 15,000  |           |
|                        |         | € 265,000 |

|       |   |        |          |
|-------|---|--------|----------|
| Lifts | 1 | 70,000 |          |
|       |   |        | € 70,000 |

|                         |         |
|-------------------------|---------|
| Management Fees         | 142,749 |
| Planning Authority Fees | 58,474  |

€ **379,302**

|                    |                      |          |                  |
|--------------------|----------------------|----------|------------------|
| <b>Grand Total</b> | <b>excluding VAT</b> | <b>€</b> | <b>4,117,969</b> |
|--------------------|----------------------|----------|------------------|

# ANNEX 5 – Construction Cost of Extension To Date

## ANNEX 5

### Estimated Valuation to Date - KIA

|                          |        |         |           |                  |
|--------------------------|--------|---------|-----------|------------------|
| Excavation               | 53,725 | 18      | 967,050   |                  |
| Demolishing              | 25000  | 1       | 25,000    |                  |
|                          |        |         | 992,050   | 992,050          |
| Construction             |        |         |           |                  |
| Reservoirs               |        | 250,000 | 250,000   |                  |
| Foundations              |        |         | 132,017   |                  |
| Level -6                 | 2,267  | 163     | 369,521   |                  |
| Level -5                 | 2,267  | 163     | 369,521   |                  |
| Level -4                 | 2,267  | 163     | 369,521   |                  |
| Level -3                 | 2,267  | 163     | 369,521   |                  |
| Level -2                 | 2,267  | 163     | 369,521   |                  |
| Level -1                 | 2,267  | 163     | 369,521   |                  |
| Level +0                 | 2,040  | 163     | 332,569   |                  |
| Level +1                 | 2,040  | 163     | 332,569   |                  |
| Level +2                 | 2,040  | 163     | 332,569   |                  |
| ient on Back Road Access |        |         | 850,000   |                  |
|                          |        |         | 4,446,850 | 4,446,850        |
| M&E                      |        |         | 1,279,247 |                  |
| Lifts                    |        |         | 221,400   |                  |
| Finishes                 |        |         | 830,388   |                  |
| Façade Finishes          |        |         | 127,500   |                  |
| Façade Cladding          |        |         | 700,000   |                  |
| Lanscaping               |        |         | 75,000    |                  |
|                          |        |         | 3,233,535 | 3,233,535        |
| Management Costs Fees    |        |         | 435,112   |                  |
| PA fees                  |        |         | 267,579   |                  |
|                          |        |         | 702,691   | 702,691          |
|                          |        |         |           | <b>9,375,126</b> |

## ANNEX 6 – Valuation Analysis

ANNEX 6

VALUATION ANALYSIS: EASYSELL

| TEN YEAR PERIOD VALUATION ANALYSIS |  |         |           |           |           |           |           |           |           |           |           |
|------------------------------------|--|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                    | Year                                   | 1       | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         | 10        |
| Section 2                          | Expected Yearly return                 |         |           |           |           |           |           |           |           |           |           |
|                                    | Rental Steams before Tax               | 403,788 | 415,902   | 428,015   | 440,492   | 453,333   | 466,548   | 480,148   | 494,144   | 508,548   | 523,373   |
|                                    | Maintenance Costs (10% of rental fee)  | 40,379  | 41,590    | 42,802    | 44,049    | 45,333    | 46,655    | 48,015    | 49,414    | 50,855    | 52,337    |
|                                    | Equipment life expectancy costs        |         |           |           |           |           |           |           |           |           | (500,000) |
|                                    | Building operational maintenance costs | @ 0.5%  | (73,470)  | (77,144)  | (81,001)  | (85,051)  | (89,304)  | (93,769)  | (98,457)  | (103,380) | (108,549) |
|                                    | Less income Tax                        |         | (129,744) | (133,122) | (136,435) | (139,822) | (143,277) | (146,802) | (150,397) | (154,062) | (157,799) |
|                                    | Net Yearly Return                      |         | 240,953   | 247,226   | 253,380   | 259,669   | 266,086   | 272,632   | 279,308   | 286,116   | 293,055   |
|                                    |  |         |           |           |           |           |           |           |           |           | (24,873)  |
|                                    | PV of €1 at                            | 6.00%   | 0.943     | 0.890     | 0.840     | 0.792     | 0.747     | 0.705     | 0.665     | 0.627     | 0.592     |
|                                    | NPV                                    |         | 227,314   | 220,030   | 212,743   | 205,682   | 198,835   | 192,195   | 185,756   | 179,513   | 173,459   |
|                                    | Cumulative NPV                         | €       | 227,314   | 447,344   | 660,087   | 865,769   | 1,064,604 | 1,256,798 | 1,442,554 | 1,622,067 | 1,795,526 |
|                                    |  |         |           |           |           |           |           |           |           |           | 1,781,636 |

|                                       |            |
|---------------------------------------|------------|
| Summary                               | €          |
| Value of Land                         | 6,869,580  |
| Construction & Finishing of Building  | 14,694,079 |
| Total Discounted Income Streams       | 1,781,636  |
| Current Value of Business Investments | 23,345,295 |

Med Design Associates  
30/04/2019



# ANNEX 7 – Construction Costs of Completed Extension

# ANNEX 7

## KIA Centre - New Extension

### Estimated Project Construction Costs

#### Demolishing & Excavation

|             |        |         |                  |
|-------------|--------|---------|------------------|
| Demolishing | 1      | 25,000  |                  |
| Excavation  | 53,725 | 967,050 |                  |
|             |        |         | € <b>992,050</b> |

#### Construction

|                              |       |         |
|------------------------------|-------|---------|
| Foundations                  | 2,267 | 132,017 |
| Reservoirs                   |       | 250,000 |
| Level -6                     | 2,267 | 369,648 |
| Level -5                     | 2,267 | 369,648 |
| Level -4                     | 2,267 | 369,648 |
| Level -3                     | 2,267 | 369,648 |
| Level -2                     | 2,267 | 369,648 |
| Level -1                     | 2,267 | 369,648 |
| Level +0                     | 2,267 | 369,648 |
| Level +1                     | 2,267 | 369,648 |
| Level +2                     | 2,267 | 369,648 |
| Roof                         | 2,267 | 105,614 |
| External Roadways and Bridge |       | 850,000 |

€ **4,664,465**

#### Services (Electrical, Mechanical, ELV & Air-conditioning)

|          |       |         |
|----------|-------|---------|
| Level -6 | 2,267 | 52,807  |
| Level -5 | 2,267 | 52,807  |
| Level -4 | 2,267 | 52,807  |
| Level -3 | 2,267 | 52,807  |
| Level -2 | 2,267 | 52,807  |
| Level -1 | 2,267 | 105,614 |
| Level +0 | 2,267 | 369,648 |
| Level +1 | 2,267 | 369,648 |
| Level +2 | 2,267 | 369,648 |
| Roof     | 2,267 | 26,403  |

€ **1,504,997**

#### Finishes

|          |       |         |
|----------|-------|---------|
| Level -6 | 2,267 | 52,807  |
| Level -5 | 2,267 | 52,807  |
| Level -4 | 2,267 | 52,807  |
| Level -3 | 2,267 | 52,807  |
| Level -2 | 2,267 | 52,807  |
| Level -1 | 2,267 | 52,807  |
| Level +0 | 2,267 | 105,614 |
| Level +1 | 2,267 | 264,034 |
| Level +2 | 2,267 | 264,034 |
| Roof     | 2,267 | 26,403  |

€ **976,928**

**External Works**

|                        |         |
|------------------------|---------|
| Façade Glazed cladding | 700,000 |
| Façade Finishes        | 150,000 |
| Landscaping            | 75,000  |

€ **925,000**

**Other Works**

|       |   |         |
|-------|---|---------|
| Lifts | 6 | 246,000 |
|-------|---|---------|

€ **246,000**

|                                     |    |   |         |
|-------------------------------------|----|---|---------|
| <b>Contingency</b>                  | 5% | € | 403,569 |
| <b>Substation &amp; Trenchworks</b> |    |   | 143,000 |

|                                |         |
|--------------------------------|---------|
| <b>Management Fees</b>         | 452,521 |
| <b>Planning Authority Fees</b> | 267,579 |

€ **1,266,670**

|                    |               |                     |
|--------------------|---------------|---------------------|
| <b>Grand Total</b> | excluding VAT | € <b>10,576,109</b> |
|--------------------|---------------|---------------------|

## ANNEX 8 – Combined Rental Income Streams

**ANNEX 8**

| <b>Total Income Streams when fully rented</b> |       | Year 1           | Year 2           | Year 3           | Year 4           | Year 5           | Year 6           | Year 7           | Year 8           | Year 9           | Year 10          |
|---|-------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Current Rented                                |       | 1,224,224        | 1,227,322        | 1,116,225        | 1,114,604        | 1,114,604        | 1,114,604        | 1,170,334        | 1,170,334        | 1,170,334        | 1,228,851        |
| Remaining Area (sq m)                         | 1,190 | 142,800          | 147,084          | 151,497          | 156,041          | 160,723          | 165,544          | 170,511          | 175,626          | 180,895          | 186,322          |
| Car park (@ €250/space)                       |       | 49,500           | 50,985           | 52,515           | 54,090           | 55,713           | 57,384           | 59,106           | 60,879           | 62,705           | 64,586           |
|   |       | <b>1,416,524</b> | <b>1,425,391</b> | <b>1,320,236</b> | <b>1,324,735</b> | <b>1,331,039</b> | <b>1,337,532</b> | <b>1,399,950</b> | <b>1,406,839</b> | <b>1,413,934</b> | <b>1,479,758</b> |

# ANNEX 9 – Valuation Analysis of Combined Existing & Completed Extension Building



ANNEX 9

VALUATION ANALYSIS: EASYSELL (Combined Properties)

| TEN YEAR PERIOD VALUATION ANALYSIS |  |        |           |           |           |           |           |           |           |           |           |           |
|------------------------------------|--|--------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                    | Year                                   |        | 1         | 2         | 3         | 4         | 5         | 6         | 7         | 8         | 9         | 10        |
| Section 1                          | Expected Yearly return                 |        |           |           |           |           |           |           |           |           |           |           |
|                                    | Rental Steams before Tax               |        | 1,416,524 | 1,425,391 | 1,320,236 | 1,324,735 | 1,331,039 | 1,337,532 | 1,399,950 | 1,406,839 | 1,413,934 | 1,479,758 |
|                                    | Maintenance Costs (10% of rental fee)  |        | 141,652   | 142,539   | 132,024   | 132,474   | 133,104   | 133,753   | 139,995   | 140,684   | 141,393   | 147,976   |
|                                    | Equipment life expectancy costs        |        |           |           |           |           |           |           |           |           |           | (500,000) |
|                                    | Building operational maintenance costs | @ 0.8% | (117,553) | (123,430) | (129,602) | (136,082) | (142,886) | (150,030) | (157,532) | (165,408) | (173,679) | (182,363) |
|                                    | Less income Tax                        |        | (504,218) | (505,575) | (462,930) | (462,394) | (462,440) | (462,439) | (483,845) | (483,740) | (483,577) | (330,880) |
|                                    | Net Yearly Return                      |        | 936,406   | 938,925   | 859,727   | 858,732   | 858,817   | 858,816   | 898,569   | 898,374   | 898,071   | 614,492   |
|                                    | PV of €1 at 6.00%                      |        | 0.943     | 0.890     | 0.840     | 0.792     | 0.747     | 0.705     | 0.665     | 0.627     | 0.592     | 0.558     |
|                                    | NPV                                    |        | 883,402   | 835,640   | 721,844   | 680,196   | 641,758   | 605,431   | 597,600   | 563,651   | 531,567   | 343,129   |
|                                    | Cumulative NPV                         | €      | 883,402   | 1,719,042 | 2,440,885 | 3,121,082 | 3,762,840 | 4,368,271 | 4,965,870 | 5,529,522 | 6,061,089 | 6,404,217 |

|                                       |            |
|---------------------------------------|------------|
| Summary                               | €          |
| Value of Land                         | 6,869,580  |
| Construction & Finishing of Building  | 14,694,079 |
| Total Discounted Income Streams       | 6,404,217  |
| Current Value of Business Investments | 27,967,876 |

Med Design Associates  
30/04/2019



**MED**

D E S I G N   A S S O C I A T E S  
L T D.

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Tel: (356) 21 232 957

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e-mail: [info@medesign.com.mt](mailto:info@medesign.com.mt)

site: [www.medesign.com.mt](http://www.medesign.com.mt)

30<sup>th</sup> April 2019

**The Directors**

Center Parc Holdings Ltd

Qormi

**Valuation Report for the  
Center Parc Complex, Qormi Road/Triq it Tigrija, Qormi**

**1. Scope of Valuation**

In accordance with your instructions, the undersigned has carried out a Valuation of the Center Parc Complex, at the said address, which detailed report is herewith submitted.

The Valuation has been carried out by the undersigned, as an external valuer in terms of, and with regard given to, the UK Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The Valuation was based on direct knowledge of the site, and its potential, as well as on such inspections and investigations as are, in the professional judgment of the undersigned, appropriate and possible in the current circumstances. The valuation relies on information provided by the Directors, and their professional advisors, as far as concerns tenure, privileges, charges and other related matters. The Valuation is nevertheless based on the assumption that no harmful or hazardous materials have been used in the construction of the existing property, or have since been incorporated, and that there is no contamination in or from the ground.

The undersigned has relied on the floor areas taken up from the plans as provided by the owners.

**2. Location and Brief Description of the property**

The property for the purposes of this valuation is located in between Hal Qormi Road and Tigrija Road, Qormi. The site is bounded on the North side by Hal Qormi Road and on the west side by Tigrija Road.

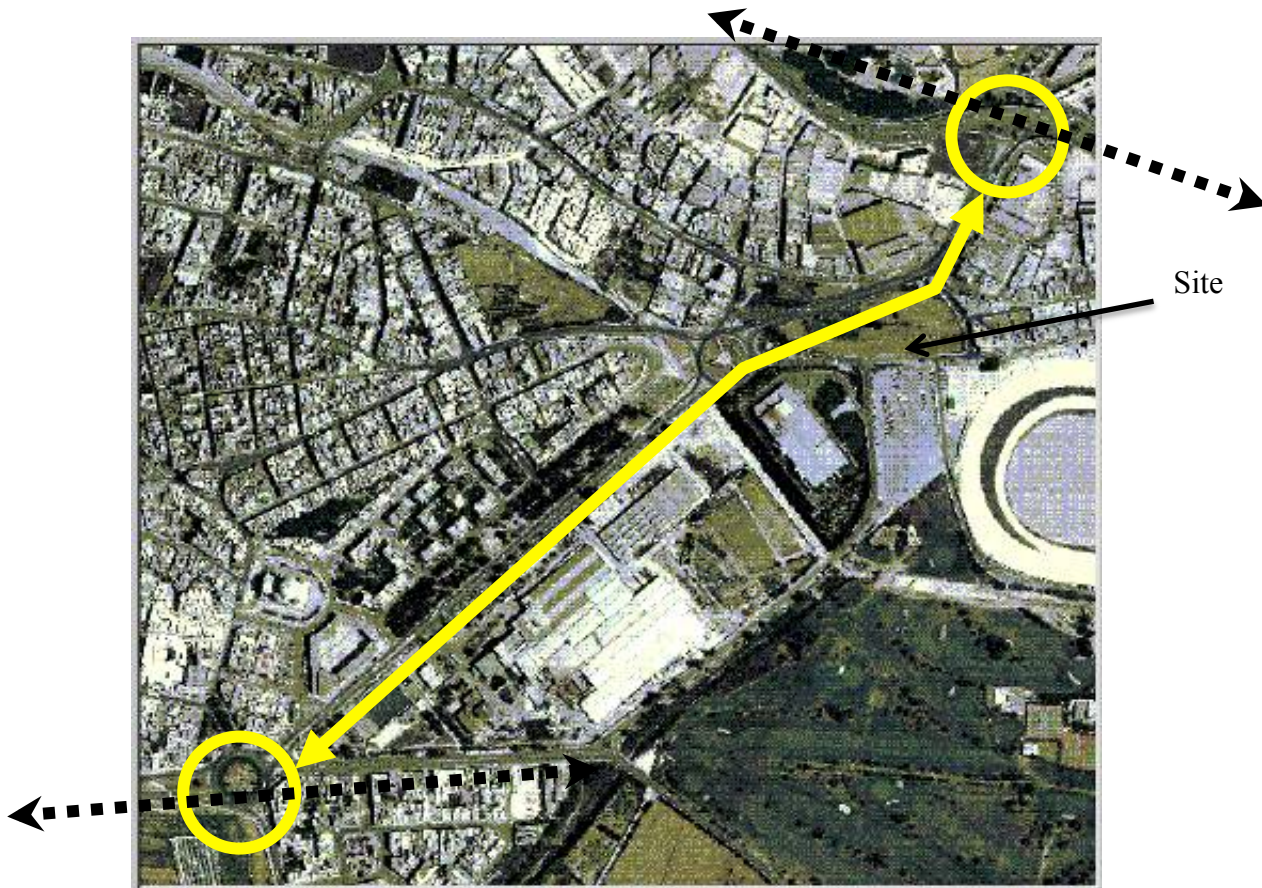
The site covers approximately 9,560 square meters of land. The main façades faces Hal Qormi Road and also Triq It Tigrija

The site has recently become a regional commercial Center with commercial developments opening recently such as

- Pavi Supermarket
- Lidl
- Kiabi







**Figure 2**

#### **4. Site History**

The site was previously an open undeveloped land which within its grounds contained a number of archeological findings, namely

- An old farmhouse
- Foundation remains of a mill room
- Cart Ruts
- Old tomb

These findings have all been recorded and with the acceptance of the Superintendence of Cultural Heritage will be preserved as specified in the Planning Authority Permit

#### **5. Development of the Site**

##### Development Permits

This site was originally zoned for the use as a Home for the Elderly. However a planning control application PC 51/16 was submitted to change the use of the whole site to a commercial use. This application was approved and hence the site is now zoned for commercial use.

This site is therefore considered a prime commercial site where all the basic infrastructural services are available. This property is not subject to ground rent i.e. freehold. The only other limitation imposed by the zoning of this site is that the level of the roof of any proposed development cannot exceed the level of Triq Hal Qormi.

A development permit has been issued to excavate the site to a level circa two meters above sea level, to dismantle the old mill room and the farmhouse by hand, to store all the material resulting from the dismantling in a secure place and in an orderly manner such that these structures can be re-erected once the development is completed. The location of these structures have been approved in planning permit PA 5444/16 dated 23<sup>rd</sup> June, 2017 (Refer to **Annex 1 for Permit and Approved Plans**).

A development application was then submitted on 18<sup>th</sup> May 2016 to construct two levels of basement garages, one full floor for commercial use and another receded floor for commercial use (PA 5491/16). The permit PA5491/16 was issued on the 25<sup>th</sup> October 2018. (Refer to **Annex 2 for Permit and Approved Plans**).

Subsequent application has been submitted for alterations and additions PA reference Tracking 218253.

#### Allowable Development

In accordance with the Planning Authority Permit PA5491/16 issued permits mentioned above, the site is being developed as follows:

- Level -2 Car Park for 264 cars
- Level -1 Car Park for 245 cars
- Level 0 Commercial Retail 6,715 square meters
- Level 1
  - Commercial Retail 3,347 square meters
  - External car park (29 cars) and landscaping
- Level 2 Landscaped roof incorporating the reconstruction of the Farmhouse
- Lifts and Stairs
  - A series of large lifts and staircases provide access from the lower car parking floors areas to the upper car parking areas.
  - Two escalators interconnect level 0 with level 1
  - A travelator gives access from the car park at level -1 to level 0 (entrance level)

Plans of the complex are included in **Annex 2**. Photos of the property under construction are included in **Annex 3**.

## **6. Possible Future Development**

Recently the Planning Authority has launched the Review of the 2006 Central Malta Local Plan for Qormi, as amended in 2013 and 2017.

The aim of the review is to amend the provisions of policy QO05 and planning control applications 15 of 2009 and 51 of 2016 related to the maximum allowable height of buildings and delete the condition that the roof of the building below the level of Triq Hal Qormi (arterial road) should be allocated for soft landscaping to enable the increase of the allowable building heights to 11.4 m above the upper road level.

This signifies that if this review is approved the property would gain an additional developable area of over 28,000 square meters. Given that this review is has just completed the public consultation stage,



that is there is there is no approval, no allowance has been taken into account into the value of the land.



**Image of the Project When Completed**

## **7. Project Execution**

The scope of the project as permitted by the Planning Permit is to develop the site into a commercial shopping Center with a total rentable area of 9,818 square meters. Two floors of underground parking are being provided which will service two floors of rentable retail spaces.

Currently the following tenants have confirmed their presence within the complex

- Decathlon 3418 sq m
- Gallarija Darmanin 954 sq m
- Dizz Group 2674 sq m
- Intercomp 210 sq m
- Café Cuba 431 sq m
- The Entertainer 354 sq m
- Camilleri Group 476 sq m
- International Retail Group 1301 sq m

The building shall be serviced by an integrated system of mechanical, electrical and air-conditioning systems throughout. A substation is included within the development to provide the necessary electrical Power from Enemalta

The level of finishes being contracted for the façade and the internal common areas are high in terms of floor, wall and ceiling treatments. General ambience of the premises shall lively and externally all areas are fully landscaped.

The complex is expected to be completed by third quarter of 2019.

## **8. Valuation Analysis**

This Valuation is based on the open market value for its existing use. An open market value represents an opinion of the best price for which the sale of an interest in a property would have



been completed unconditionally for a cash consideration on the date of the valuation. An open market valuation assumes

- (i) that there is a willing seller;
- (ii) that the interest being valued would have been, prior to the transaction, properly marketed;
- (iii) that the state of the market, level of values and other circumstances are consistent over the period of the valuation;
- (iv) that no account is taken of any additional bid by a prospective purchaser with a special interest;
- (v) and that both parties to the transaction act knowledgeably, prudently and without compulsion.

An existing use value follows on the definition of the open market value, with the added assumptions that

- (a) the property can be used, for the foreseeable future, only for the existing use, and
- (b) that vacant possession is provided on completion of the sale of all parts occupied by the business as has been specifically approved in accordance with the Development Permits issued by Planning Authority.

In the assessment of the valuation of the property, consideration has been taken of the development carried out on the site and the proposed uses in terms of commercial retail use, the layout and the level of the final building product and the location of the property in terms of ease of access on a regional level and the superficial area with special reference to the provision of car parking facilities.

## **9. The Property in its Current State**

The site is currently under construction and the following works have to date been executed:

- Level -2 90% constructed
- Level -1 80% constructed
- Level +0 80% constructed
- Level +1 80% Constructed

Mechanical and electrical works have already commenced at levels -2 & -1.

Refer to **Annex 3** for photos of existing progress,

Due to the location of the site and the permitted development, the value of the property is based on

- The value of the land when purchased in 2015 amounted to five million euro (€5,000,000). At that stage the property could only be developed as an old peoples home. Subsequently in October 2018, a permit was issued for a commercial Center as indicated above. Given the current development potential, the land has now been valued at €11,600,000 which is based at an average land value of €1,215 per square meter given its location.
- The value of the complex construction costs to date amount to €7,170,524 Refer to **Annex 4** for Cost Breakdown.

Total value of land and building to date €18,770,534.

## 10. The Property with Reference to its full potential when completed



Internal Image of completed project

Based on the location of the site and the permitted development, the a valuation of the complex has been carried out based on the following. **Refer to Annex 7, Valuation Analysis.**

- The value of the land when purchased in 2015 amounted to five million euro (€5,000,000). At that stage the property could only be developed as an old peoples home. Subsequently in October 2018, a permit was issued for a commercial Center as indicated above. Given the current development potential, the land has now been valued at €11,600,000 which is based at an average land value of €1,215 per square meter given its location.
- Land value estimated to increase by 5% per year
- The estimated construction costs when completed amounting to €9,515,317, see **Annex 5**, for a a more detailed breakdown;
- The present day capitalization of revenue derived from rental income streams (increasing at an average of 3% per year) from the retail utilization of the areas being developed as a retail complex. The rental values are based on actual rates being currently leased to prospective tenants. Refer to **Annex 6** for breakdown of rental streams.

### Certification

In view of all the above assumptions, the potential commercial use of the property, and taking into consideration current land prices, I consider the open market value of the site at Center Parc, Qormi Road/Tigrija Road, Qormi when completed, which is currently held on a freehold basis comprising of site measuring an area of 9,560 square meters, to be equivalent to **twenty nine**

**million, two hundred and forty five thousand, nine hundred and ninety eight euro (€29,245,998).**

This valuation has been carried out according to the condition and state of the property and the Area Planning Policies as at 30<sup>th</sup> April 2019. This value has been derived assuming that there are no onerous or unusual outgoings or encumbrances of which we have no knowledge and that the premises are covered with all the valid necessary permits and licences for its operation.

#### **11. Other Considerations**

- The open market value of the property may vary according to future changes in the trading potential or the actual level of trade as compared with the information and assumptions considered in this valuation.
- No allowance has been made for outstanding loans, and other charges and interests or intra-group leases that may exist in respect of the property.
- It has been assumed that freehold and leasehold properties can be transferred to third party purchasers.
- No allowance has been made for any existing or proposed local legislation relating to the taxation of the property asset.
- It has been assumed that any existing financing and contractual arrangements can continue uninterrupted.
- The flexibility of the building fabric.

#### **12. Hypothecary Charges**

None

#### **13. Final Note**

Finally I would like to note that having taken all reasonable care to ensure that such is the case, the information contained herein is to the best of my knowledge in accordance with the facts and contains no omission likely to affect its value.

Yours Sincerely



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Perit Charles Buhagiar  
Architect & Civil Engineer  
Obo Medesign Associates Ltd



# ANNEX I – Permit PA5444/I6 Permit & Approved Plans

Centre Parc Holdings Ltd. Attn: Paul Caruana  
Timehouse,  
Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug. ZBG 2712

Date: 17 May 2017  
Our Ref: PA/05444/16

Application Number: PA/05444/16  
Application Type: Full development permission  
Date Received: 17 August 2016  
Approved Documents: PA 5444/16/1 - Site Plan  
PA 5444/16/77A - Existing Overall Plan  
PA 5444/16/78A - Proposed Overall Demolition, Dismantling and Road Widening Plan  
PA 5444/16/79A - Existing Plans, Sections and Elevations of Farmhouse  
PA 5444/16/80A - Proposed Elevation Plan and Temporary Boundary Wall Plan  
PA 5444/16/81A - Proposed Site Sections  
PA 5444/16/82A - Proposed Elevations of Temporary Boundary Wall  
PA 5444/16/83A - Proposed Excavation Plan of Reservoir  
PA 5444/16/84A - Plan, Section and Elevations of Historic Millroom  
PA 5444/16/85A - Proposed Part Demolition Plans, Section and Elevations of Farmhouse

and supporting documents:

PA 5444/16/1C - Millroom Method Statement  
PA 5444/16/86A - Excavation Management Plan

Location: Site at ( fields), Triq Hal-Qormi c/w, Triq It- Tigrija, Qormi, Malta  
Proposal: To sanction removal of existing soil for archaeological investigation as per terms of conditions 12 of PC 15/09. Proposed demolition of existing rubble walls and accretions to farmhouse, excavation of site, dismantling and relocation of historical structure and construction of temporary boundary wall.

**Development Planning Act, 2016**  
**Full Development Permission**

The Planning Authority hereby grants development permission in accordance with the application and documents described above, subject to the following conditions:

1 a) This development permission is valid for a period of FIVE (5) YEARS from the date of  
PA/05444/16 Print Date: 23/06/2017

publication of the decision in the press but will cease to be valid if the development is not completed by the end of this validity period.

b) This permission relates only to the development as specifically indicated on the approved drawings. This permission does not sanction any other illegal development that may exist on the site.

c) Copies of all approved drawings and documents shall be available for inspection on site by Planning Authority officers at all reasonable times.

d) The development shall be carried out in complete accordance with the approved drawings, documents and conditions of this permission. Where a matter is not specified, then the conditions of this permission and of Development Control Design Policy, Guidance and Standards 2015 shall apply.

e) Before any part of the development hereby permitted commences, the enclosed green copy of this development permission shall be displayed on the site. This must be mounted on a notice board, suitably protected from the weather and located not more than 2 metres above ground level at a point on the site boundary where it is clearly visible and can be easily read from the street. The copy of the permission must be maintained in a good condition and it shall remain displayed on the site until the works are completed.

f) A Commencement Notice is to be submitted to the Planning Authority, by the perit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, **if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised** - Article 72(4) of the Development Planning Act (2016).

g) All building works shall be erected in accordance with the official alignment and official/existing finished road levels as set out on site by the Planning Authority's Land Surveyor. The Setting Out Request Notice must be submitted to the Land Survey Unit of the Planning Authority when the setting out of the alignment and levels is required.

h) Where an officially schemed street, within the development zone, bordering the site is unopened or unformed, it shall be opened up and brought up to its proper, approved and official formation levels prior to the commencement of any development hereby being permitted.

i) The development shall be carried out in accordance with the provisions of the Environmental Management Construction Site Regulations, Legal Notice 295 of 2007 (or subsequent amendments). Any hoarding shall be erected in accordance with Schedule 2 of the same Regulations.

j) New development on vacant or redeveloped sites shall be provided with a water cistern to store rainwater run-off as required by the Energy Performance of Buildings Regulations (2012) [published through Legal Notice 376 of 2012 and any amendments thereto].

k) No steps, ramps or street furniture are to be constructed on or encroached onto the public pavement or road.



l) Any doors and windows, the lower edge of which is less than 2m above road level, and any gates shall not open outwards onto a public pavement or road.

- 2 This permission is subject to a Bank Guarantee to the value of **EUR 24,227 (twenty-four thousand, two hundred and twenty-seven euro)** to ensure that the street is properly restored in accordance with the Environmental Management Construction Site Regulations, 2007 (Legal Notice 295 of 2007). The bank guarantee shall only be released after the perit submits a post-construction condition report together with photographs evidencing compliance with this condition, accompanied by clearance from the Local Council. The clearance from the Local Council is to be endorsed by the Mayor and the Executive Secretary of the Local Council. This guarantee shall be forfeited if, after 3 months from the date of notification by the Authority of a notice to effect the remedial works, these are not carried out. Its forfeiture shall not, however, preclude the applicant from adhering to all the conditions contained in this development permission.

3 **Conditions imposed and enforced by other entities**

A. Where construction activity is involved:

(a) The applicant shall:

**(i) Appoint a Project Supervisor for the Design Stage and a Project Supervisor for the Construction Stage** and any such appointment shall be terminated, changed or renewed as necessary. The same person may be appointed to act as project supervisor for both the design and construction stage, if that person is competent to undertake the duties involved and

**(ii) Keep a health and safety file** prepared by the Project Supervisor for the Design Stage.

(b) When the construction works related to this application are scheduled to last longer than thirty working days and on which more than twenty workers are occupied simultaneously, or on which the volume of work is scheduled to exceed five hundred person-days, the project supervisor **shall communicate a prior notice to the Occupational Health and Safety Authority (OHSA) at least four calendar weeks before commencement of works.**

(c) The Project Supervisor for the Design Stage shall **draw up a health and safety plan** which sets out the occupational health and safety rules applicable to the construction activities concerned, outlining the measures to ensure cooperation between different contractors and shall also include specific measures concerning occupational risks that may be present at this site.

B. Where the development concerns a change of use to a place of work, the applicant shall obtain a Perit's declaration that the building conforms to the requirements of L.N. 44 of 2002.

C. Where the development concerns a place of work:

The applicant shall:

(i) Obtain a Perit's declaration that the necessary requirements arising out of L.N. 44 of 2002 have been included in the plans and drawings; and

(ii) Obtain a Perit's declaration that the building conforms to the requirements of L.N. 44 of 2002.

D. The development is to strictly adhere to the 'Design Guidelines on fire safety for buildings in Malta' to ensure that all Fire Safety measures and provisions are addressed as indicated in the Design Guidelines on Fire Safety for Buildings in Malta, published by the DCID in 2004, (or other relevant standard, provided it is approved by the Civil Protection Department), Policies, and the Laws and Regulations of Malta.

E. Prior to laying of water and wastewater services in the road, the development shall comply with the requirements of Legal Notice 29/10 Part III (Roads in inhabited Areas) Clause 12.

F. In the event of an accidental discovery in the course of approved works, any cultural heritage feature discovered should not be damaged or disturbed and the Superintendence is to be immediately informed of such discovery. Any cultural heritage features discovered are to be investigated, evaluated and protected in line with the Cultural Heritage Act 2002 (CAP 445). The discovery of cultural heritage features may require the amendment of approved plans.

In terms of Article 72(3) of the Development Planning Act, 2016, the execution and validity of this permission is automatically temporarily **suspended** and no works as approved by the said development permission may commence before the lapse of the time period established in Article 13 of the Environment and Planning Review Tribunal Act and subsequently will remain so suspended if the Tribunal so decides in accordance with the Environment and Planning Review Tribunal Act.

Where the approved drawings and/or documents are dimensioned, then the declared dimensions shall prevail over the actual size as depicted on the approved drawings and/or documents.

Developers are advised to check the invert level to the sewer main with the Water Services Corporation as they would have to make their own arrangements where a gravity service connection is not possible. In these cases, the architect has to indicate the solutions envisaged and to indicate on the plan what needs to be carried out and obtain approval from WSC. Developers are further reminded that connection of storm water into main sewers is not allowed.

If the declaration of ownership, as contained in the application form, is determined as incorrect by a Court of Law, then the said Court of Law can declare this development permission as null and void. This development permission does not remove or replace the need to obtain the consent of the land/building owner to this development before it is carried out. Furthermore, it does not imply that consent will necessarily be forthcoming nor does it bind the land/building owner to agree to this development. Where the land/building is owned or administered by the Government of Malta a specific clearance and agreement must be obtained for this development from the Land and/or Estate Management Departments.

This development permission is granted saving third party rights. This permission does not exonerate  
PA/05444/16 Print Date: 23/06/2017

the applicant from obtaining any other necessary permission, license, clearance or approval required from any Government department, local council, agency or authority, as required by any law or regulation.

This development permit does not authorise any storage of substances listed in Occupational Health and Safety Authority Act (Cap. 424) - Control of Major Accident Hazards Regulations, 2003, as amended, in quantities that would render this site an establishment within scope of these regulations. The storage and handling of said substances may require a new or amended development permission in line with current policies and regulations.

For any non-residential uses hereby being approved, prior to commencement of any works on site or any eventual permitted change of use, the applicant shall be required to contact the Environment and Resources Authority to obtain any necessary operational permit or registration. This requirement does not apply to Class 2B, 2C, 4A and 4B uses as listed in the Development Planning (Use Classes) Order 2014, or its subsequent amendments.

**This decision is being published on 31 May 2017.**

Marthese Debono  
Secretary Planning Commission (Development Permissions)



## **Notes to Applicant and Perit**

### **Right for reconsideration**

Where applicable, you have a right to submit a request for reconsideration to the Authority in terms of regulation 14 of Legal Notice 162 of 2016.

### **Right for appeal**

You have a right to submit an appeal, against the decision, to the Environment and Planning Review Tribunal in terms of Article 13 of the Environment and Planning Review Tribunal Act, 2016.

### **Time limits**

Requests for reconsideration or appeals must be made within 30 days from the publication of the decision notification in the local press as required by regulation 14(1) of Legal Notice 162 of 2016.

### **Fees to submit a request for reconsideration or appeal**

In either case, there is a fee to be paid which should accompany the request for reconsideration or the appeal. The fees are as follows:

For reconsideration - 3% of the Development Permit Fee paid in respect of the original application, subject to a minimum of €69.88.

For appeal - 5% of DPF (Development Permit Fee) paid in respect of the original application, subject to a minimum of €150 + €50 administrative fee (LN 112 of 2016).

### **Submission of request for reconsideration or appeal**

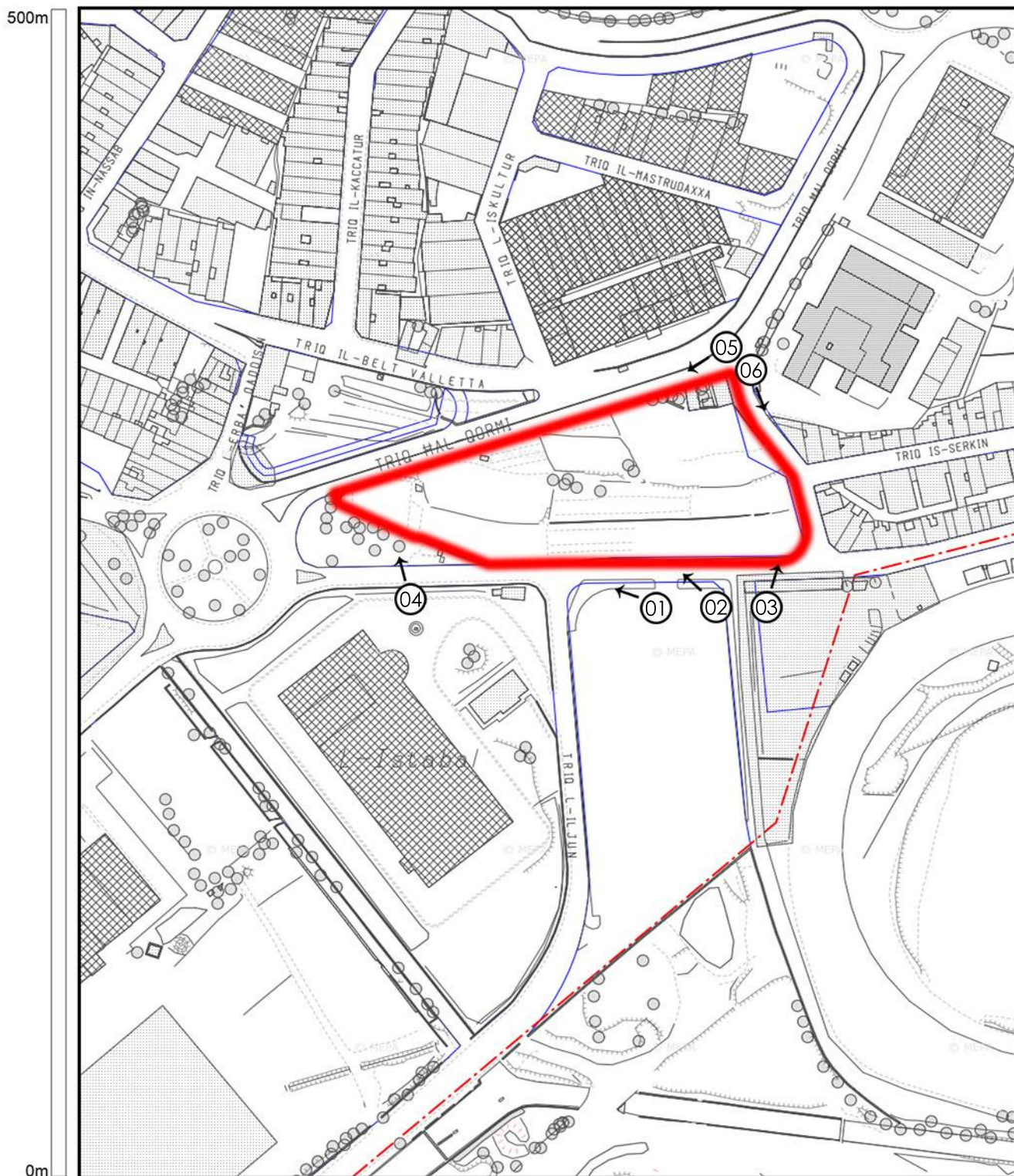
With regards to requests for reconsideration, Form PA 4/16 must be used for submission. All fields of the Form must be filled in as appropriate. Requests for reconsideration can only be submitted electronically.

With regards to appeals, as required by Article 13 of the Environment and Planning Review Tribunal Act, 2016, the submission must include the detailed grounds for appeal and the requests being made by the appellant. Appeals must be submitted physically at the offices of the Environment and Planning Review Tribunal, St. Francis Ditch, Floriana.

# Important Notice

**In view of the provisions of Article 72(4) of the Development Planning Act (2016), a Commencement Notice is to be submitted to the Planning Authority, by the perit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised.**

-PADCN-



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0m 400m

**MEPA - [www.mepa.org.mt](http://www.mepa.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: Tuesday, September 01, 2015

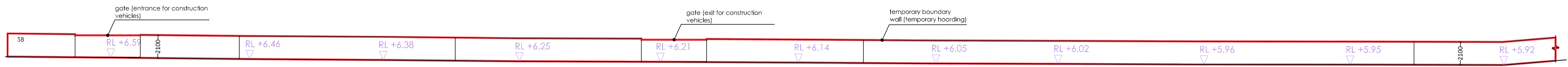
Not to be used for interpretation or scaling of scheme alignments  
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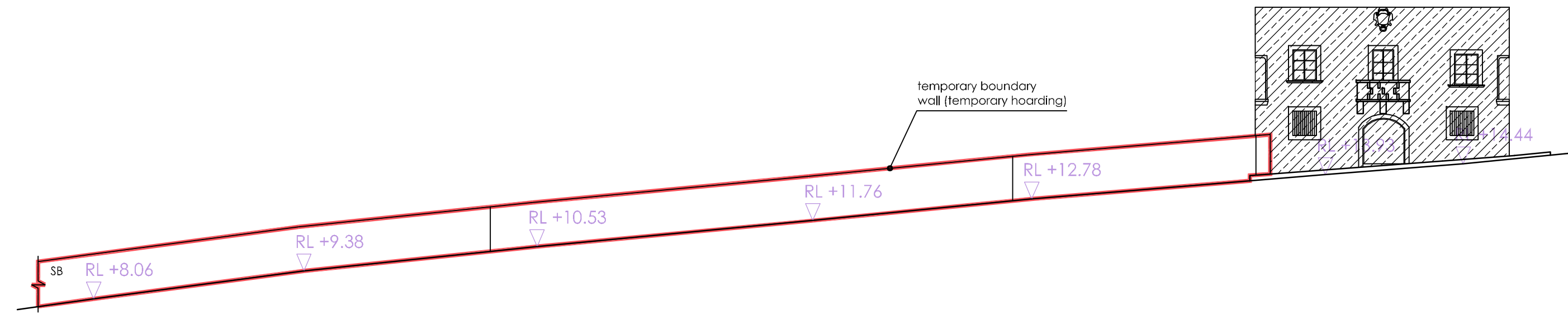
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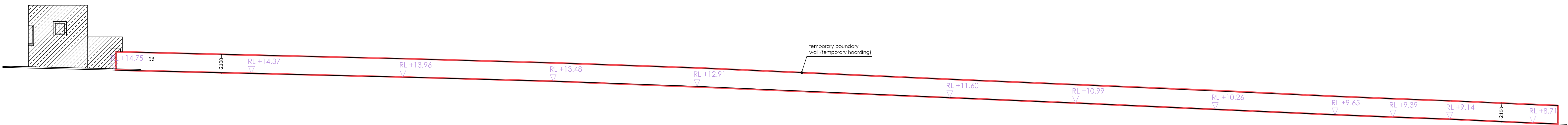




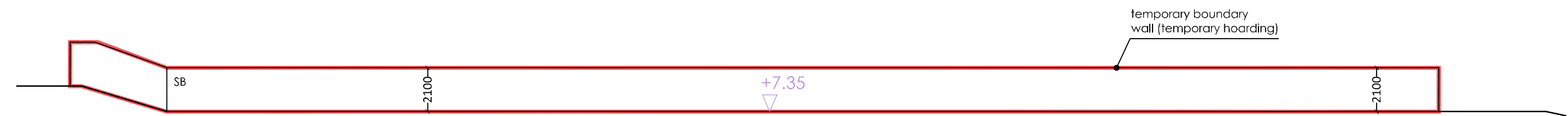
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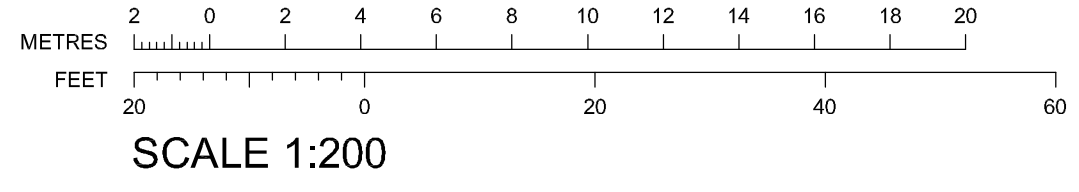
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Fax: (356) 21 24573  
e-mail: info@medesign.com.mt

Client: **PAUL CARUANA**  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug. Z8G 2712

Project:  
To sanction removal of existing soil for archaeological investigation as per terms of conditions 12 of PC 15/09.  
Proposed demolition of existing rubble walls and accretions to farmhouse, excavation of site, dismantling and relocation of historical structure and construction of temporary boundary wall.

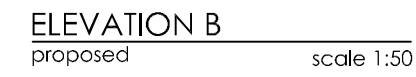
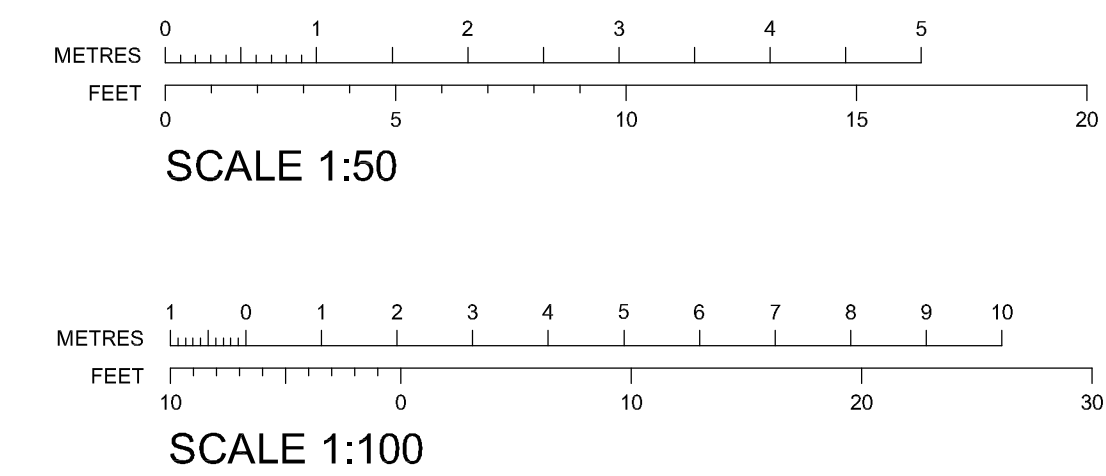
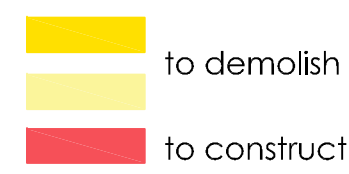
Project Address:  
Triq Huk-Quorra, c/w Triq A-Tigrijn, Quorra

Drawing Title:  
**PROPOSED ELEVATIONS OF TEMPORARY BOUNDARY WALL.**

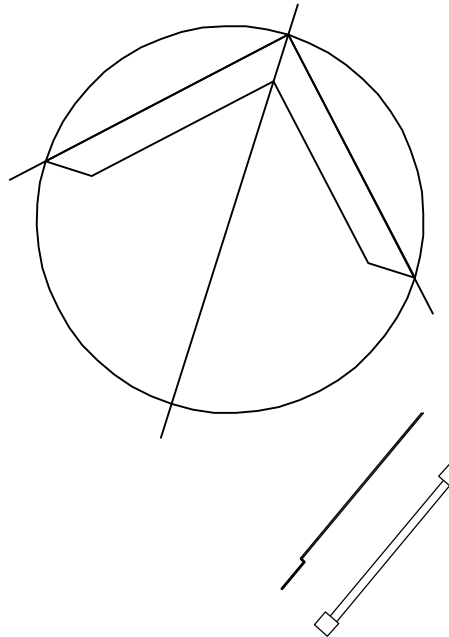
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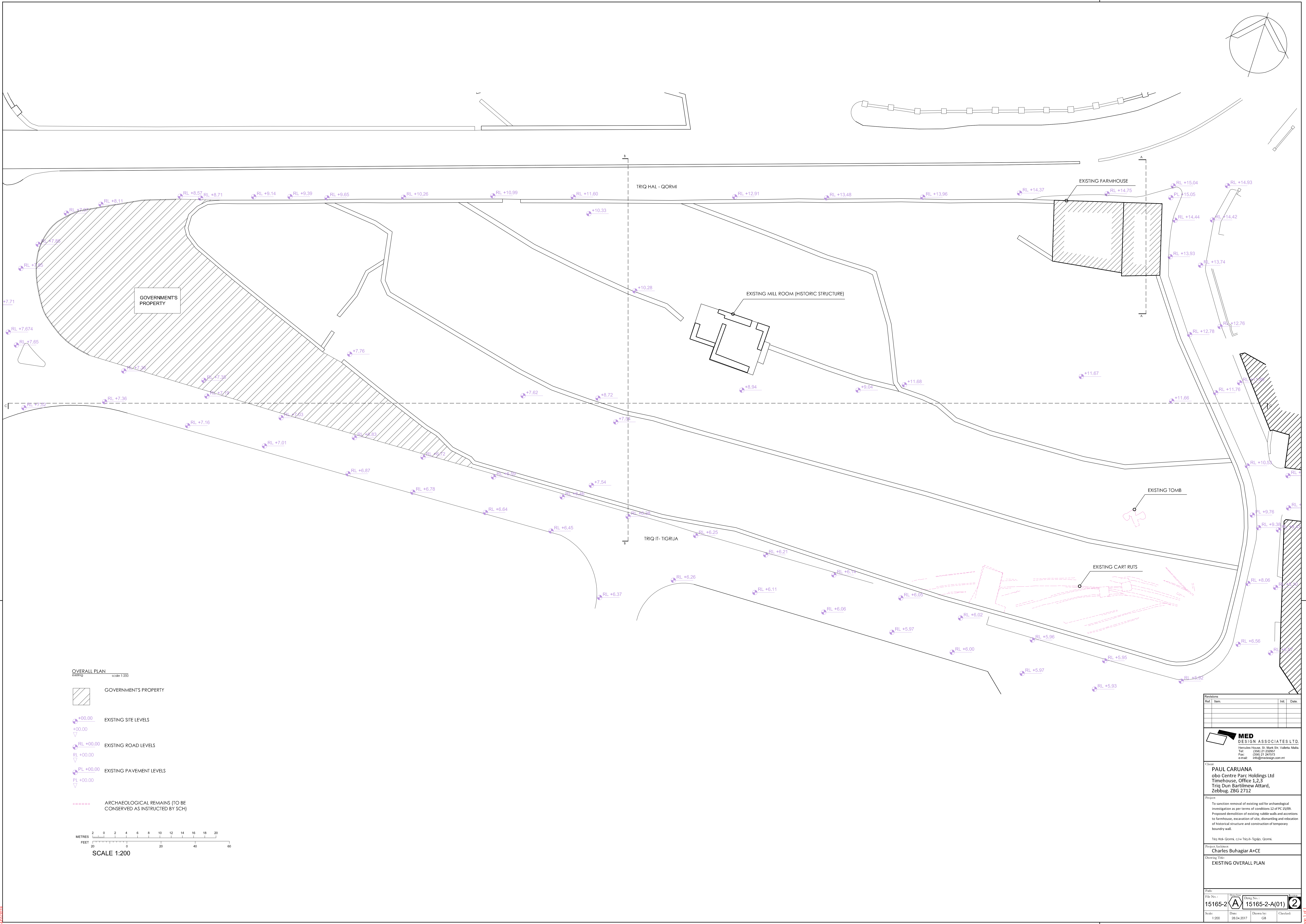


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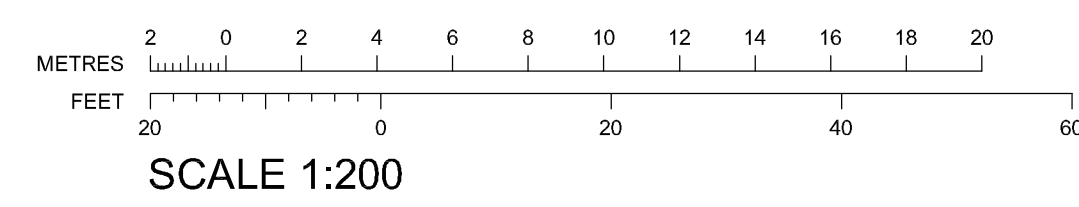




OVERALL PLAN  
drawing

scale 1:200

- GOVERNMENT'S PROPERTY
- EXISTING SITE LEVELS
- EXISTING ROAD LEVELS
- EXISTING PAVEMENT LEVELS
- ARCHAEOLOGICAL REMAINS (TO BE CONSERVED AS INSTRUCTED BY SCH)



Revisions

| Ref | Item | Int. | Date |
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Client:

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To sanction removal of existing soil for archaeological investigation as per terms of conditions 12 of PC 15/09.  
Proposed demolition of existing rubble walls and accretions to farmhouse, excavation of site, dismantling and relocation of historical structure and construction of temporary boundary wall.

Project Address:

Triq Huk-Qormi, c/o Triq Il-Tigrlja, Qormi

Designing Firm:

**Charles Buhagiar A+CE**

Drawing Title:

**EXISTING OVERALL PLAN**

File No.:

15165-2

File No.:

15165-2-A(01)

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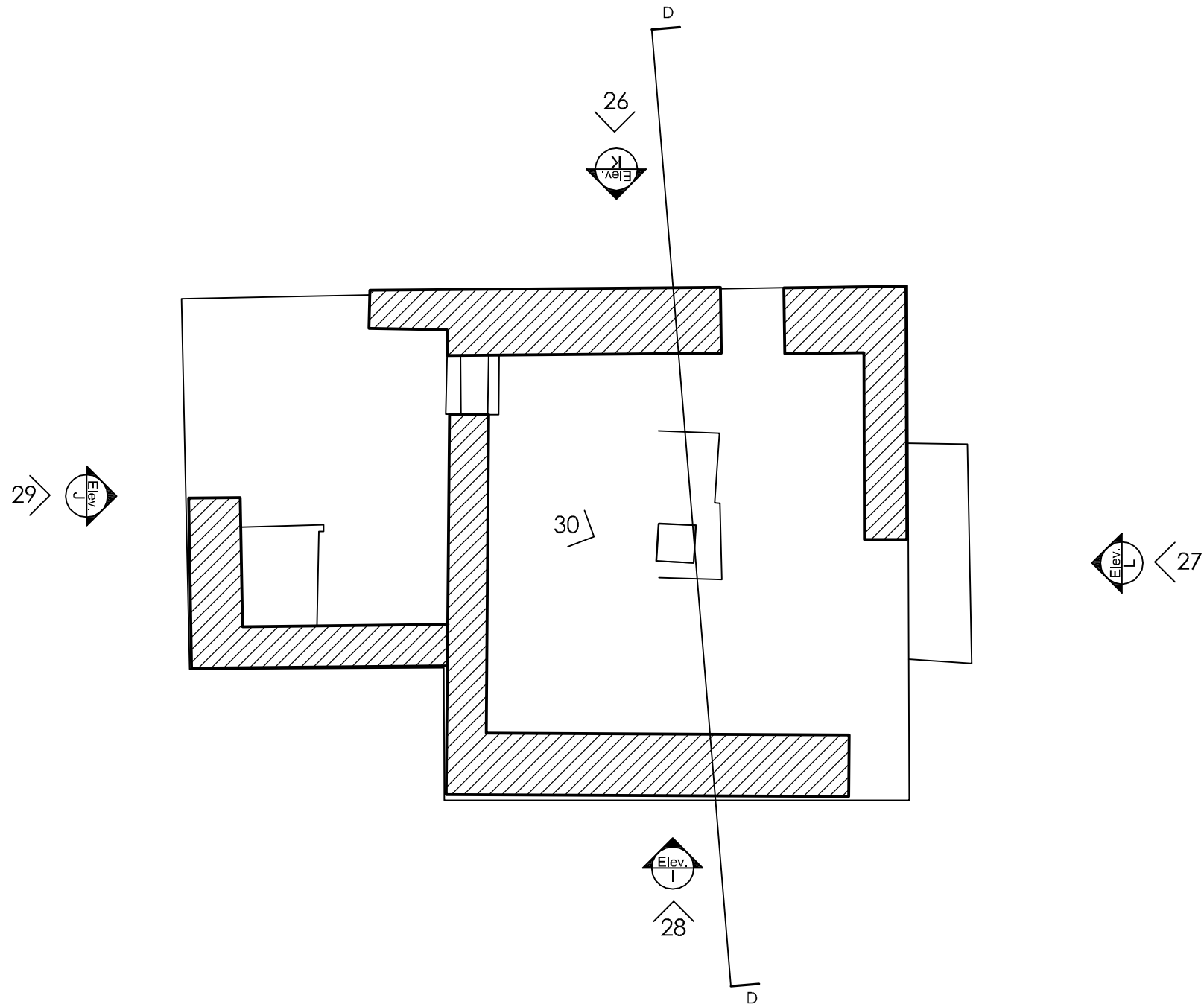
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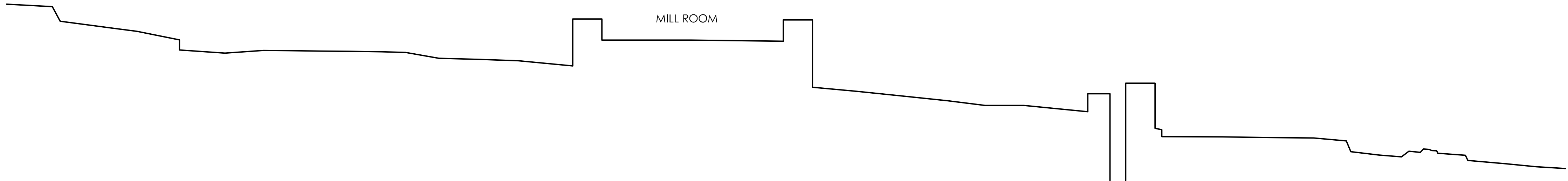
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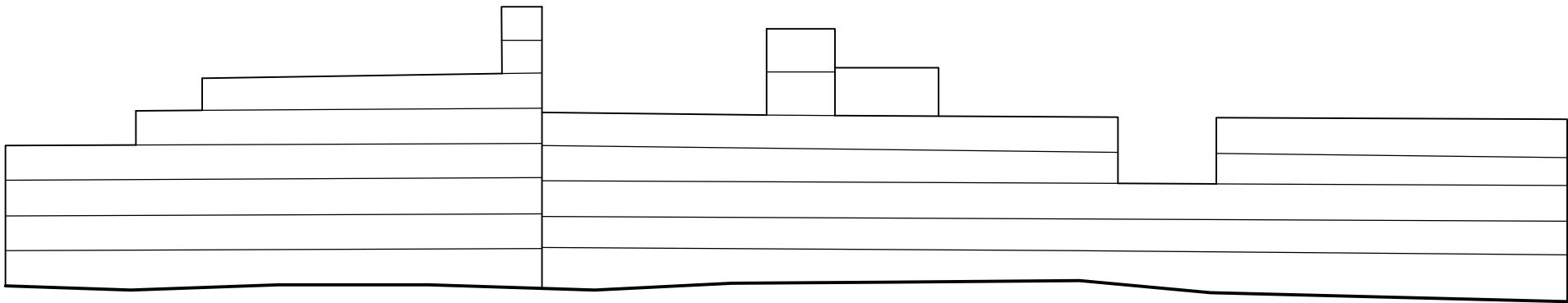
Page 1 of 1



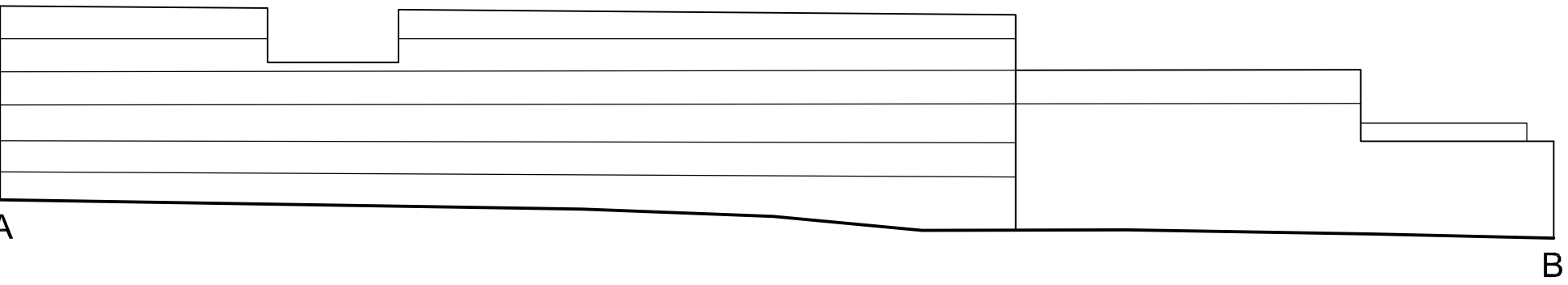
MILL ROOM PLAN  
existing scale 1:100



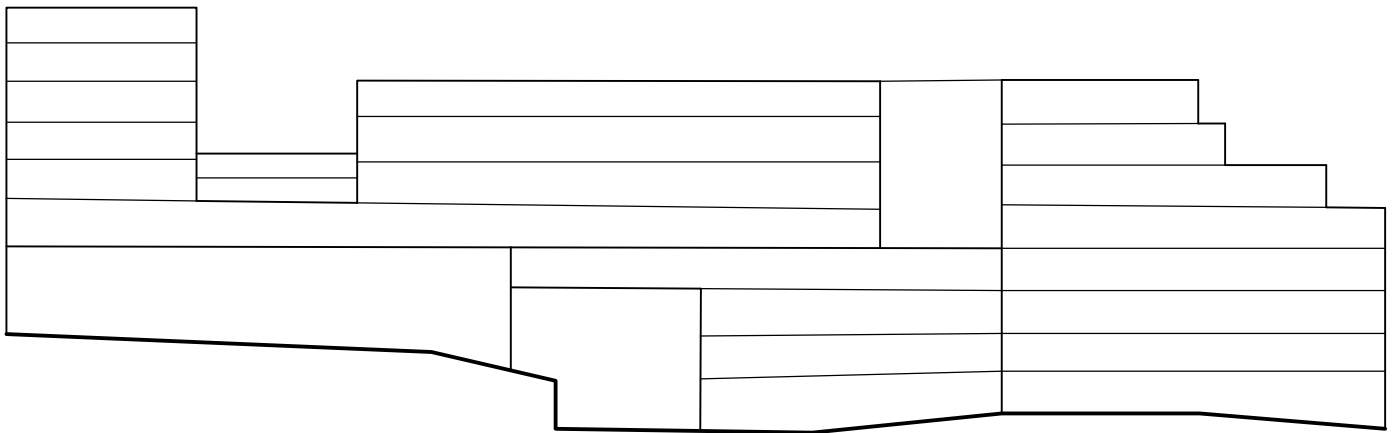
SECTION D  
existing scale 1:100



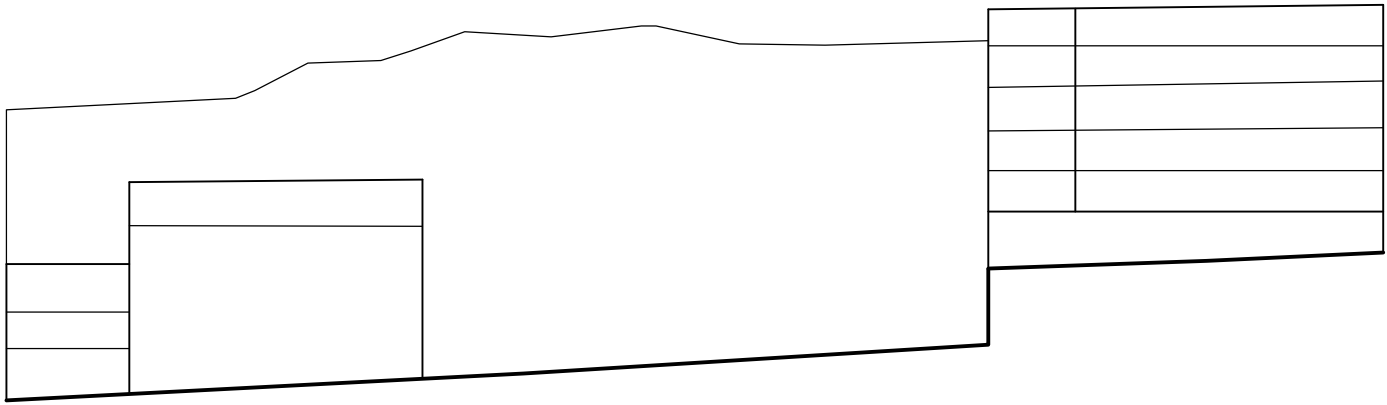
ELEV I  
existing scale 1:50



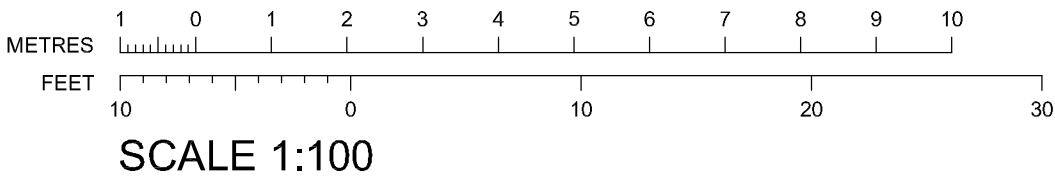
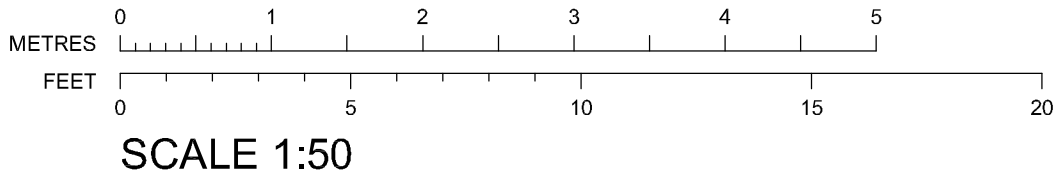
ELEV K  
existing scale 1:50




ELEV J  
existing scale 1:50



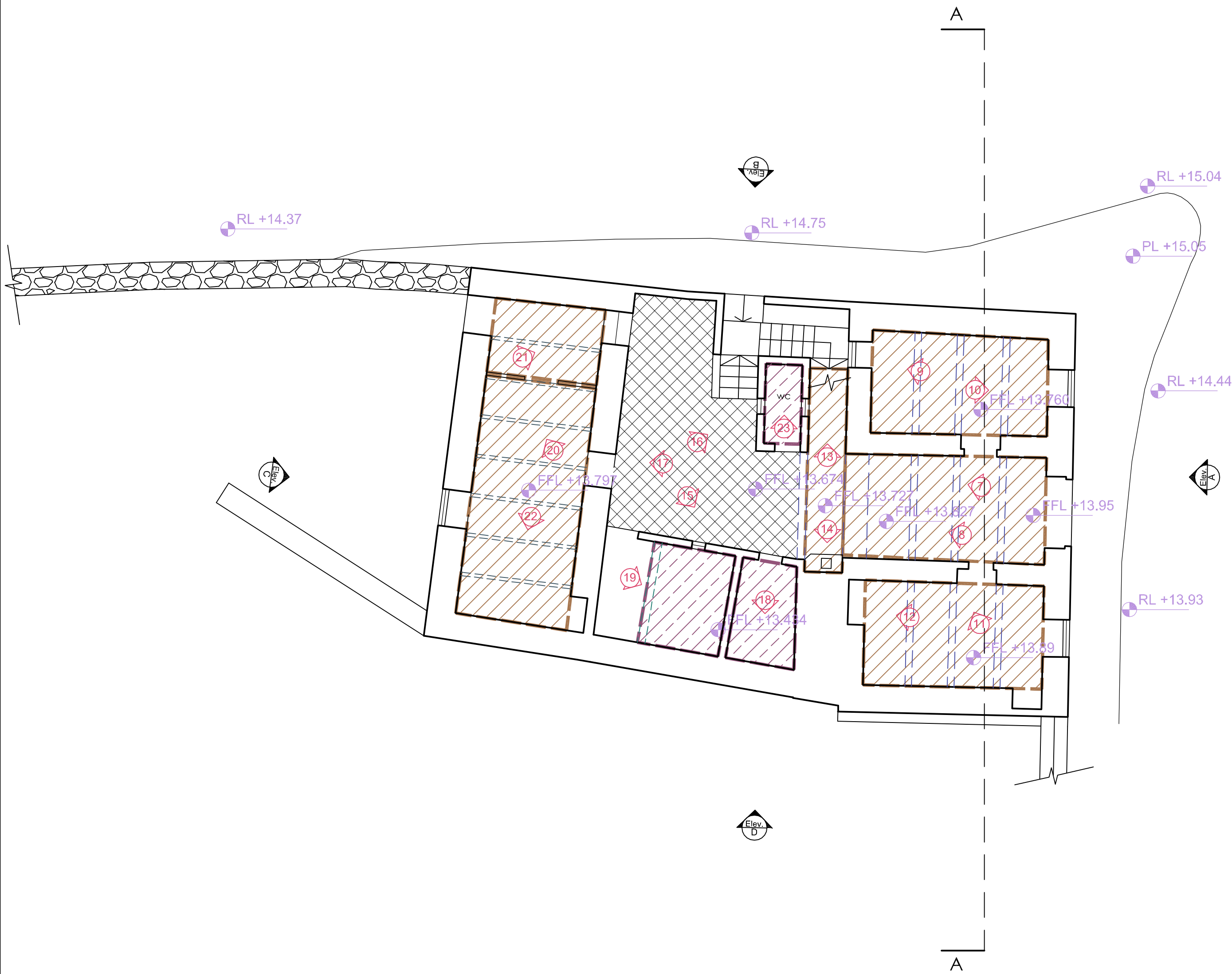
ELEV L  
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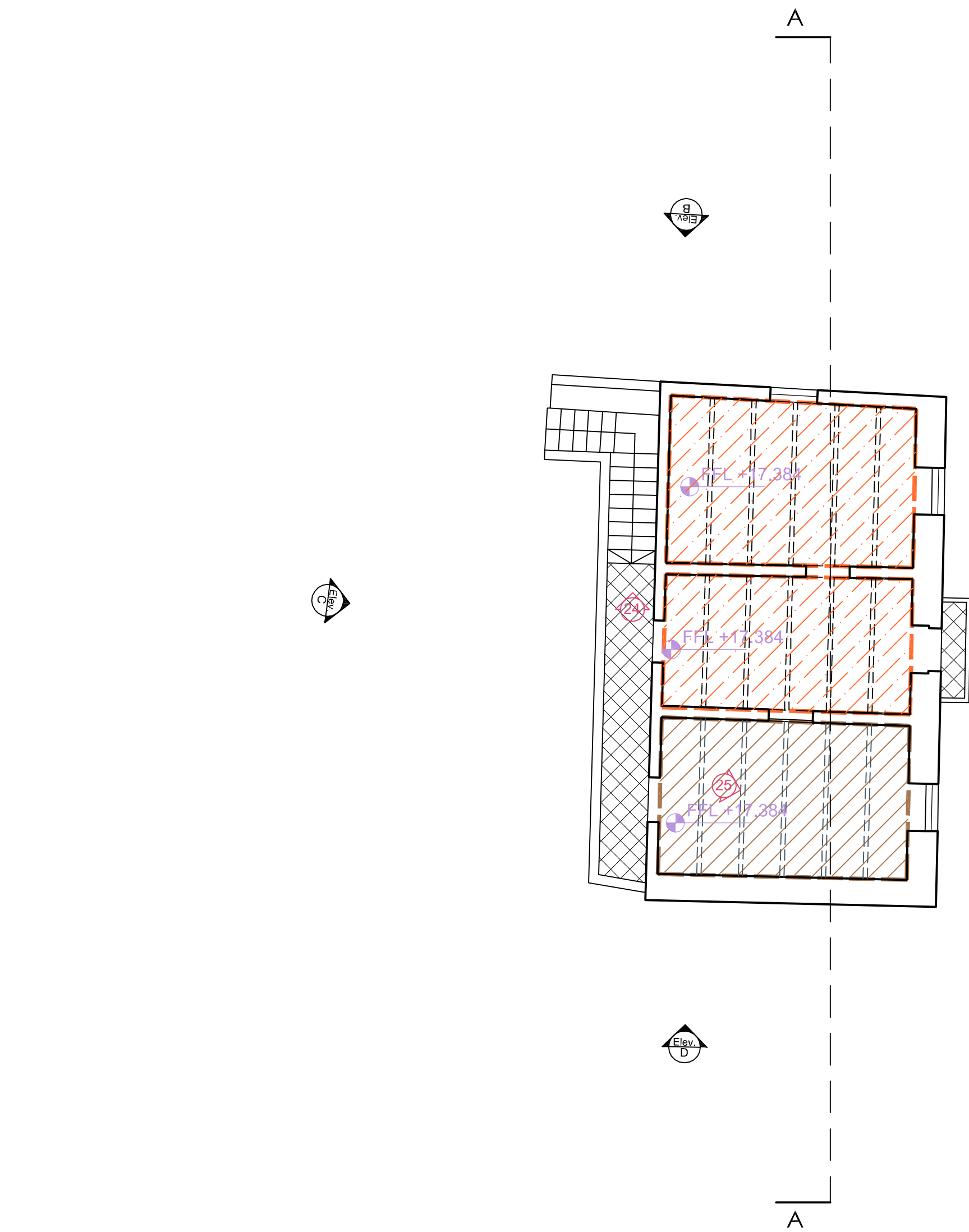
30 PHOTOGRAPHIC REFERENCE

|   |   |                                 |   |
|---|---|---------------------------------|---|
| Revisions   |   |                                 |   |
| Ref.  | Item.   | Init.                           | Date.                                     |
|   |   |                                 |   |
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| <div><b>MED</b><br/>DESIGN ASSOCIATES LTD.<br/>Hercules House, St. Mark Str., Valletta, Malta.<br/>Tel: (356) 21 23257<br/>Fax: (356) 21 24723<br/>e-mail: info@medesign.com.mt</div>  |   |                                 |   |
| Client<br><b>PAUL CARUANA</b><br>obo Centre Parc Holdings Ltd<br>Timehouse, Office 1.2.3<br>Triq Dun Bartilmew Attard,<br>Zebbug. ZBG 2712  |   |                                 |   |
| Project<br>To sanction removal of existing wall for archaeological investigation as per terms of conditions 12 of PC 15/09. Proposed demolition of existing rubble walls and accretions to farmhouse, excavation of site, dismantling and relocation of historical structure and construction of temporary boundary wall.<br><small>Titli Hall, Gormi, c/w Triq B. Tigris, Gormi.</small> |   |                                 |   |
| Project Architect<br><b>CHARLES BUHAGIAR A+CE</b>   |   |                                 |   |
| Drawing Title<br><b>EXISTING MILL ROOM PLANS,<br/>SECTION &amp; ELEVATIONS</b>  |   |                                 |   |
| Path  |   |                                 |   |
| File No<br><b>15165</b>   | <div><div>Draw Issue</div><div><b>A</b></div></div> | Drawg No.<br><b>15165-A(09)</b> | <div><div>Revision</div><div></div></div> |
| Scale<br>1:50, 1:100  | Date<br>28.04.2017                                  | Drawn by<br>GB                  | Checked                                   |

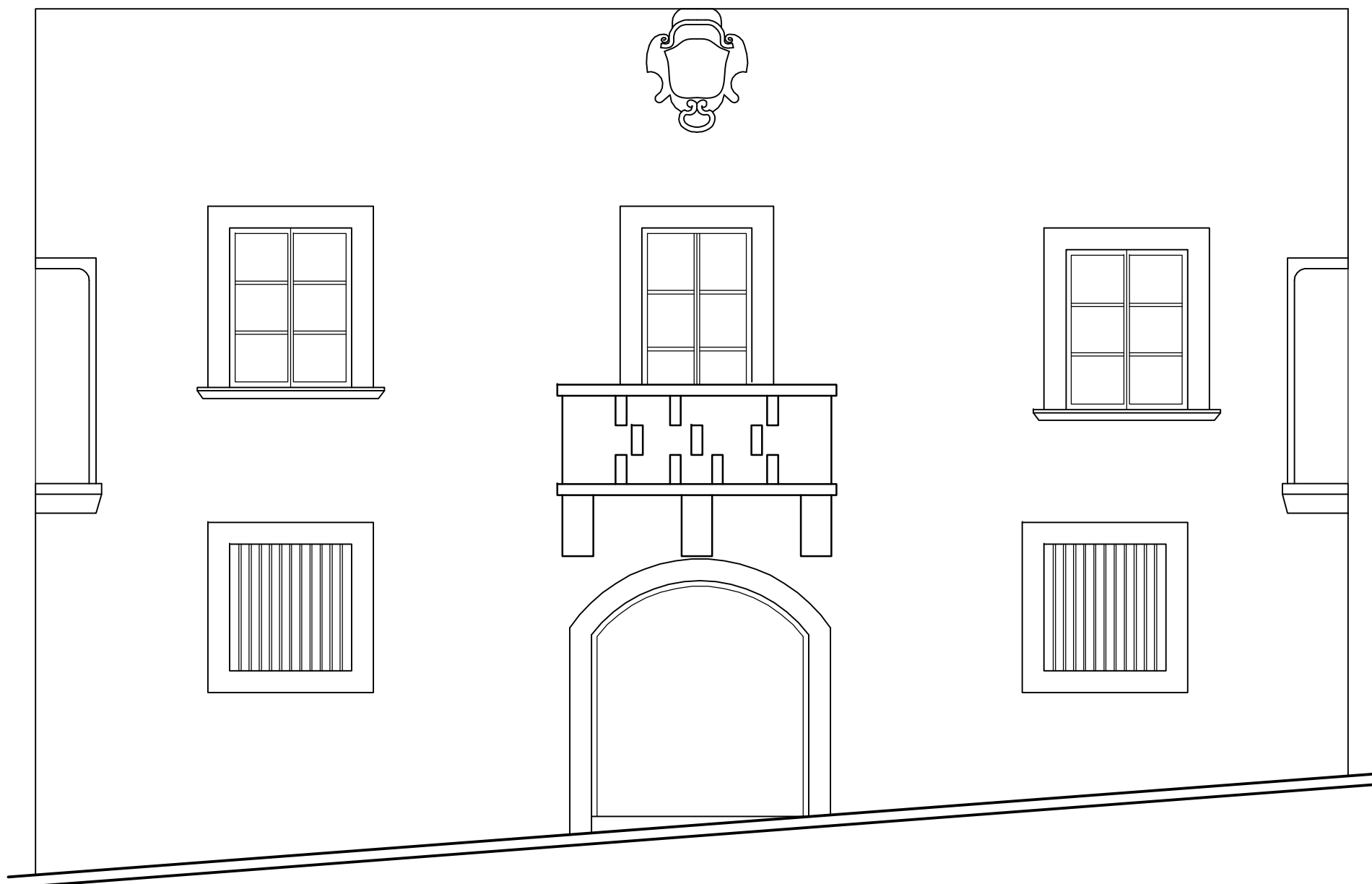




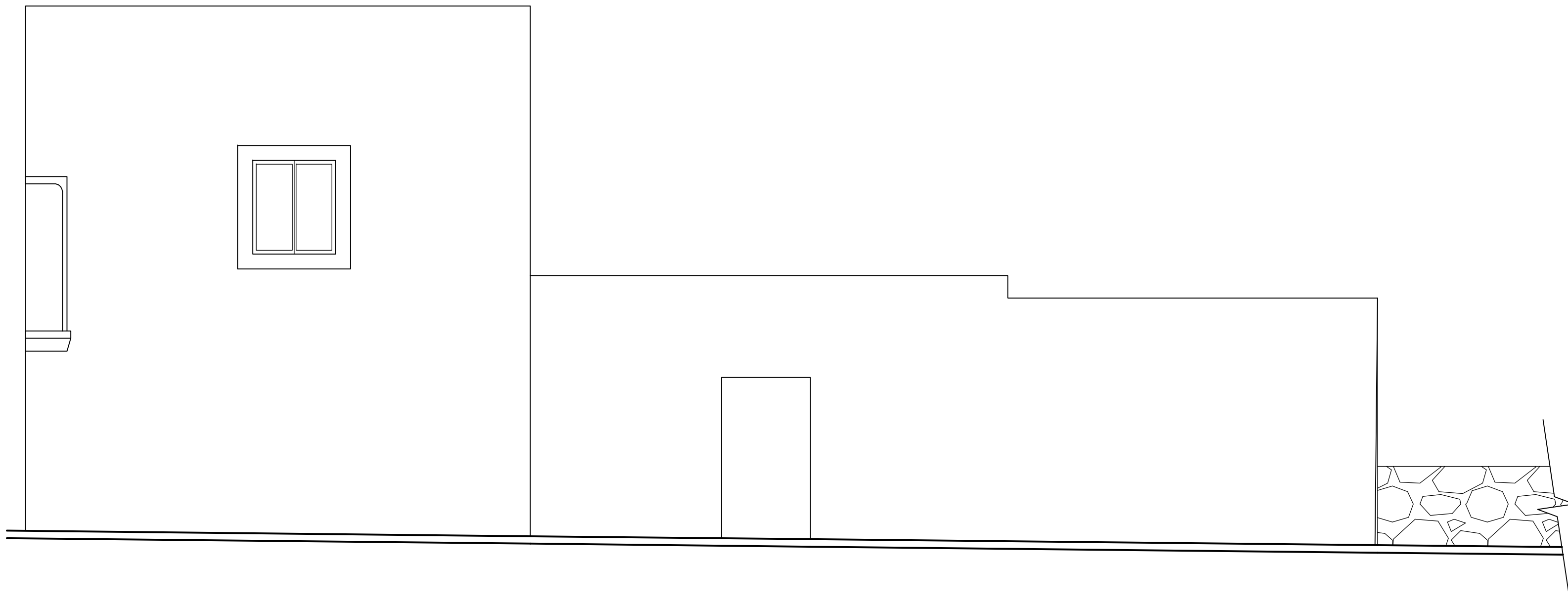
GROUND FLOOR PLAN  
existing scale 1:100



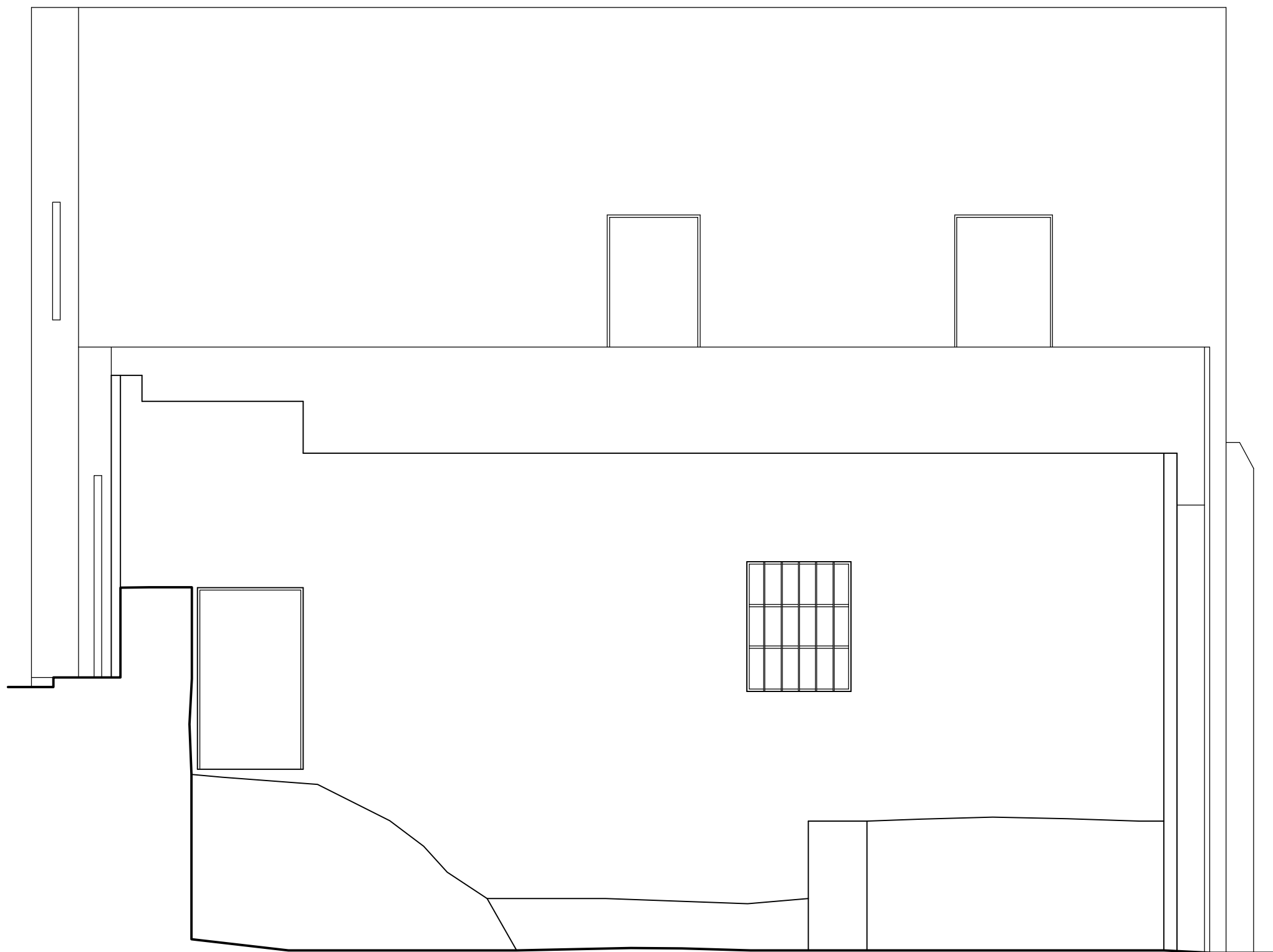
FIRST FLOOR PLAN  
existing scale 1:100



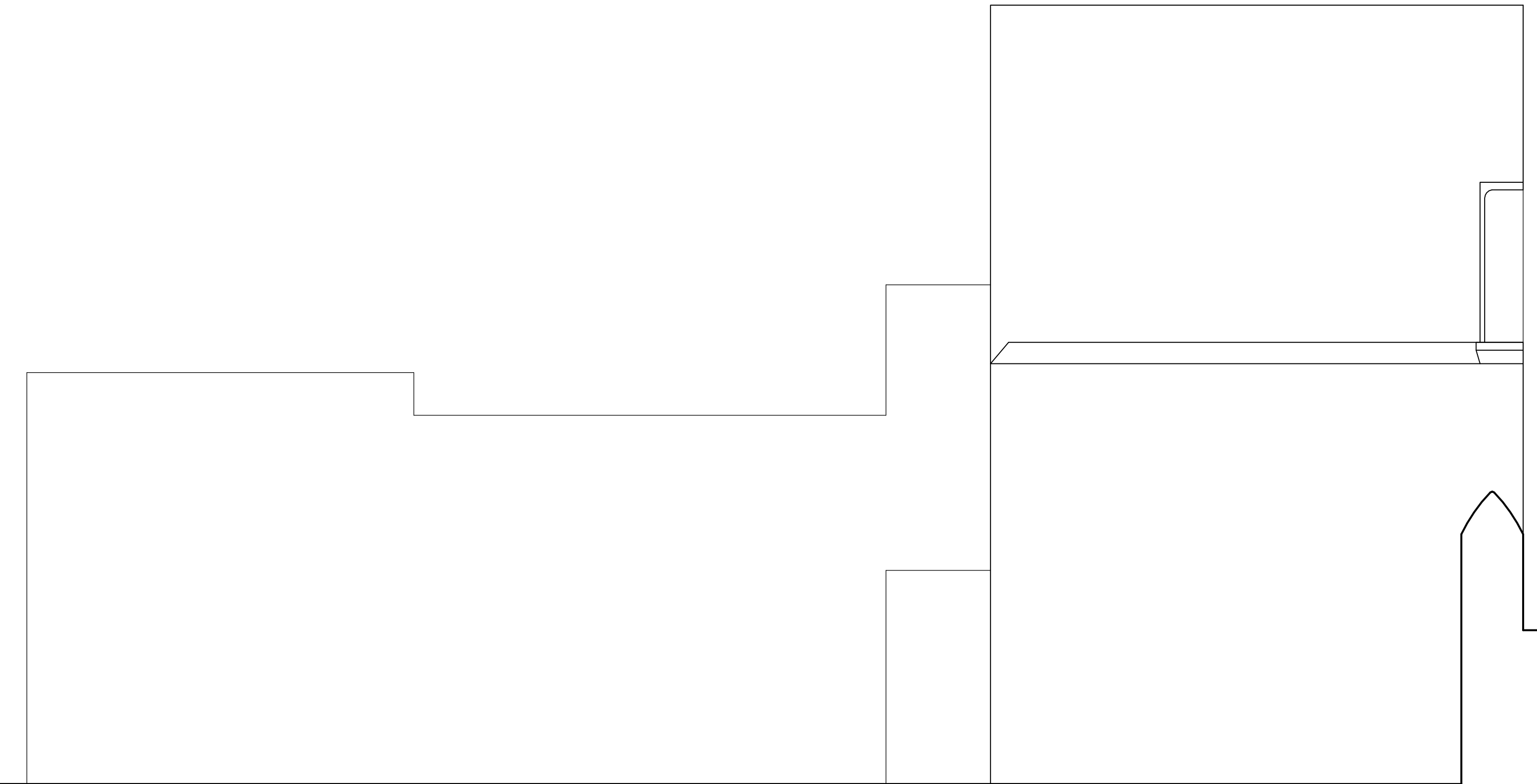
ELEVATION A  
existing scale 1:50



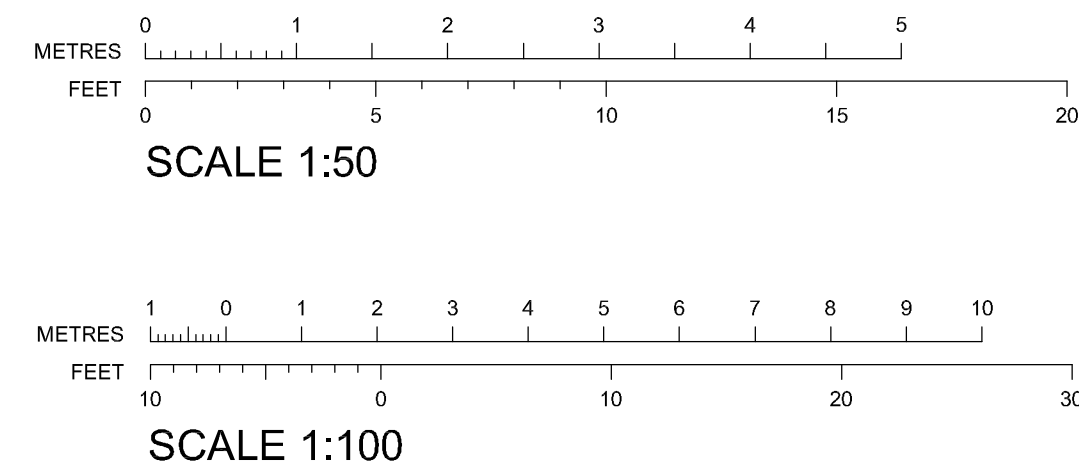
ELEVATION B  
existing scale 1:50



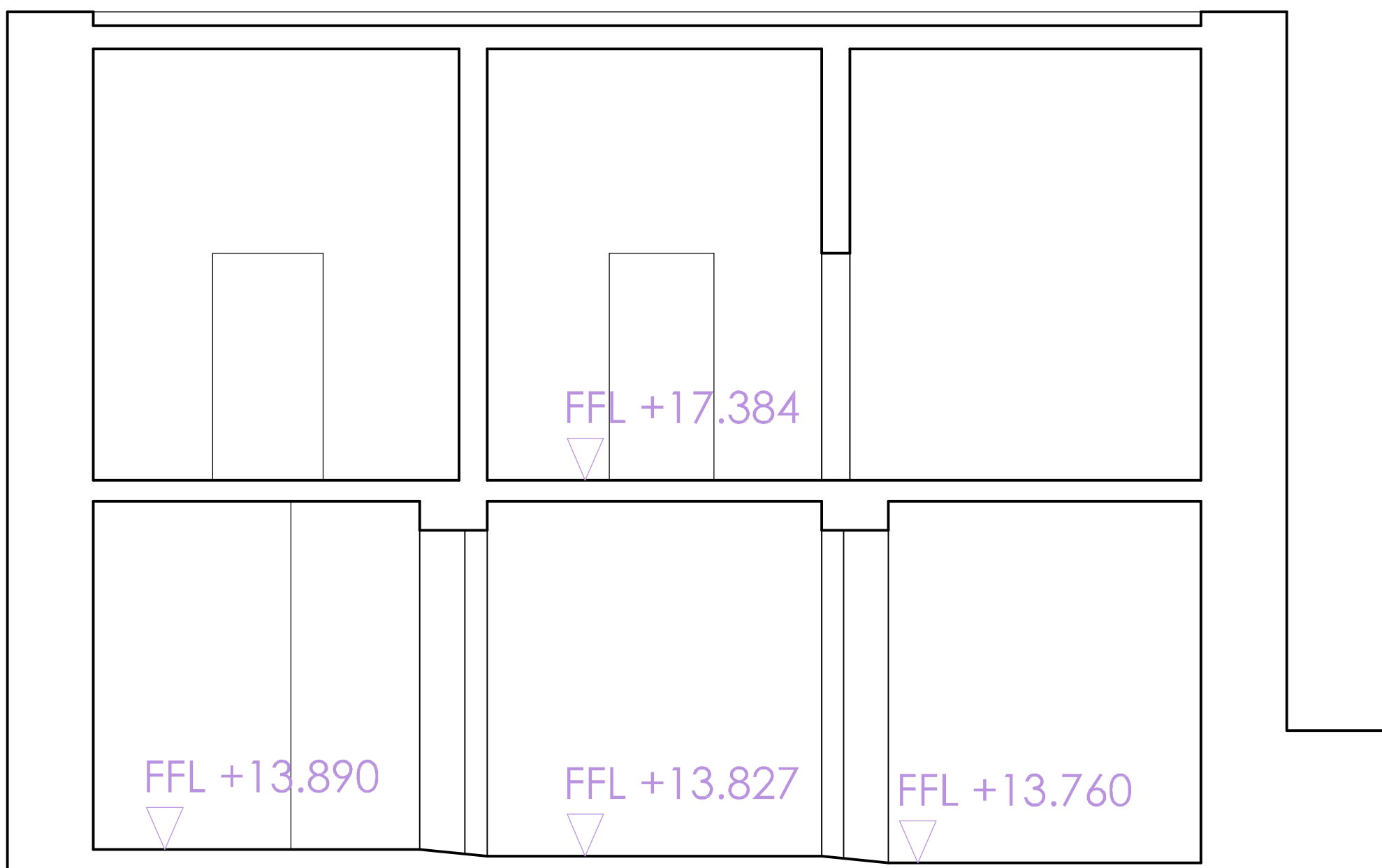
ELEVATION C  
existing scale 1:50




ELEVATION D  
existing scale 1:50



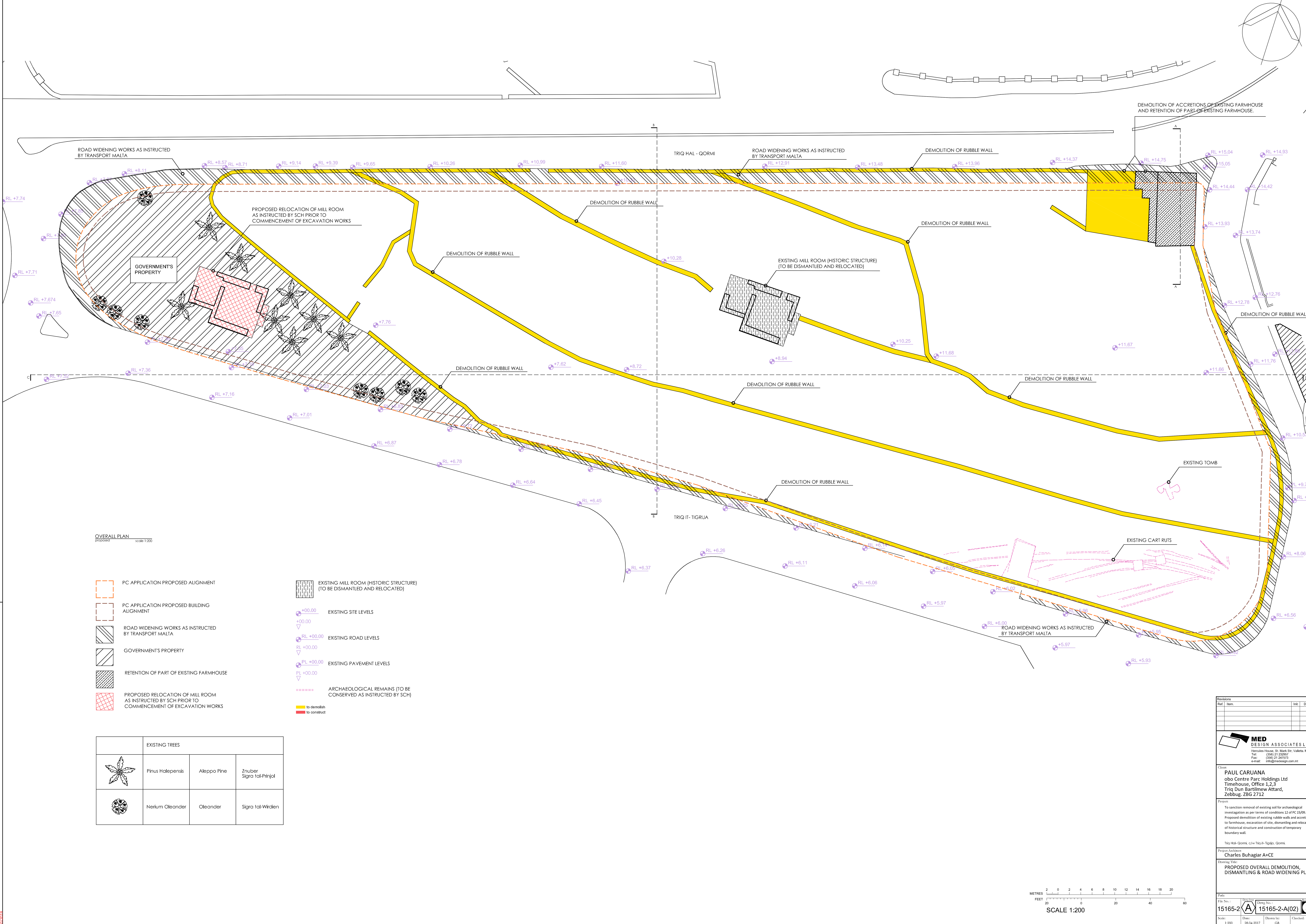
- FFL +00.00 EXISTING FINISHED FLOOR LEVELS
- FFL +00.00
- RL +00.00 EXISTING ROAD LEVELS
- RL +00.00
- PL +00.00 EXISTING PAVEMENT LEVELS
- PL +00.00
- XOROK
- CONCRETE SLABS
- ROOMS COULD NOT NOT BE ACCESSED
- RSJ
- CONCRETE BEAM
- STONE ARCHES
- PHOTOGRAPHIC SURVEY



SECTION AA  
existing scale 1:50

|   |               |           |            |
|---|---------------|-----------|------------|
| Revisions   |               | Int.      | Date       |
| Rev.  | Item          |           |            |
|   |               |           |            |
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|   |               |           |            |
| <br>HERCULES HOUSE, ST. MARK STR., VALLETTA, MALTA<br>Tel: (356) 21 22897<br>Fax: (356) 21 247573<br>e-mail: info@medesign.com.mt  |               |           |            |
| Client:<br><b>PAUL CARUANA</b><br>obo Centre Parc Holdings Ltd<br>Timehouse, Office 1,2,3<br>Trio Dun Bartlemow Attard,<br>Zebbug, ZBG 2712   |               |           |            |
| Project:<br>To sanction removal of existing soil for archaeological investigation as per terms of conditions 12 of PC 15/09.<br>Proposed demolition of existing rubble walls and accretions to farmhouse, excavation of site, dismantling and relocation of historical structure and construction of temporary boundary wall.<br>Tiqq Wob- Qormi, c/o Tqg B- Tqgqqs, Qormi. |               |           |            |
| Project Architect:<br><b>Charles Buhagiar A+CE</b>  |               |           |            |
| Drawing Title:<br><b>EXISTING PLANS, SECTION &amp; ELEVATIONS OF FARMHOUSE.</b>   |               |           |            |
| Path:   |               |           |            |
| File No.:   | Drawing No.:  |           | Sheet No.: |
| 15165-2   | 15165-2-A(03) |           | 2          |
| Scale:  | Date:         | Drawn by: | Checked:   |
| 1:50, 1:100   | 28.04.2017    | GB        |            |



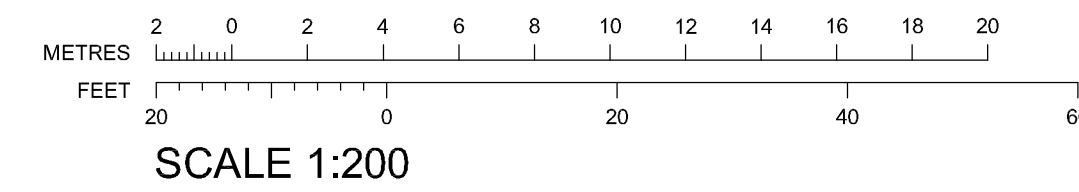


OVERALL PLAN  
Proposed  
Scale 1:200

- PC APPLICATION PROPOSED ALIGNMENT
- PC APPLICATION PROPOSED BUILDING ALIGNMENT
- ROAD WIDENING WORKS AS INSTRUCTED BY TRANSPORT MALTA
- GOVERNMENT'S PROPERTY
- RETENTION OF PART OF EXISTING FARMHOUSE
- PROPOSED RELOCATION OF MILL ROOM AS INSTRUCTED BY SCH PRIOR TO COMMENCEMENT OF EXCAVATION WORKS

- EXISTING MILL ROOM (HISTORIC STRUCTURE) (TO BE DISMANTLED AND RELOCATED)
- EXISTING SITE LEVELS
- EXISTING ROAD LEVELS
- EXISTING PAVEMENT LEVELS
- ARCHAEOLOGICAL REMAINS (TO BE CONSERVED AS INSTRUCTED BY SCH)
- to demolish
- to construct

| EXISTING TREES |                  |             |                          |
|----------------|------------------|-------------|--------------------------|
|                | Pinus Halepensis | Aleppo Pine | Znuber Sagra tal-Prinjol |
|                | Nerium Oleander  | Oleander    | Sagra tal-Wirdien        |



Revisions

| Ref. | Item | Int. | Date |
|------|------|------|------|
|      |      |      |      |
|      |      |      |      |
|      |      |      |      |

MED

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Hermes House, 31 Mark St, Valletta, Malta  
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Fax: (356) 21 24973  
e-mail: info@medesign.com.mt

Client:

PAUL CARUANA  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug, Z8G 2712

Project:

To sanction removal of existing soil for archaeological investigation as per terms of conditions 12 of PC 15/09.  
Proposed demolition of existing rubble walls and accretions to farmhouse, excavation of site, dismantling and relocation of historical structure and construction of temporary boundary wall.

Project Address:

Triq Huk-Qormi, c/w Triq It-Tigrija, Qormi

Designing Firm:

Charles Buhagiar A+CE

Project Title:

PROPOSED OVERALL DEMOLITION, DISMANTLING & ROAD WIDENING PLAN

File No.:

15165-2

Draw No.:

15165-2-A(02)

Scale:

1:200

Date:

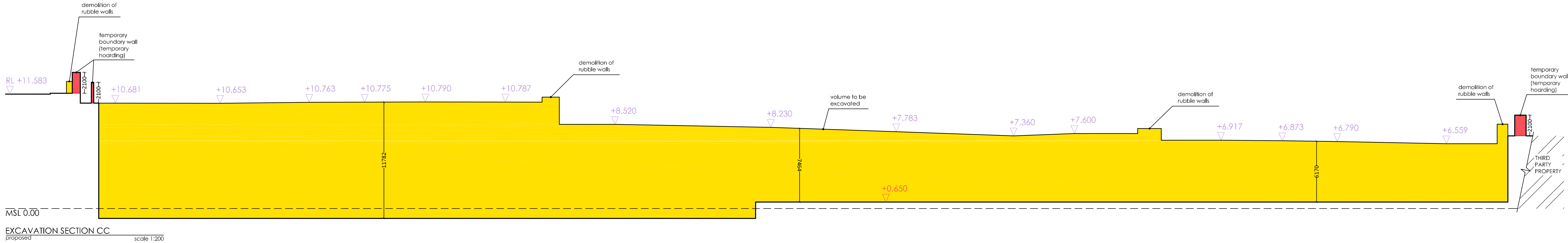
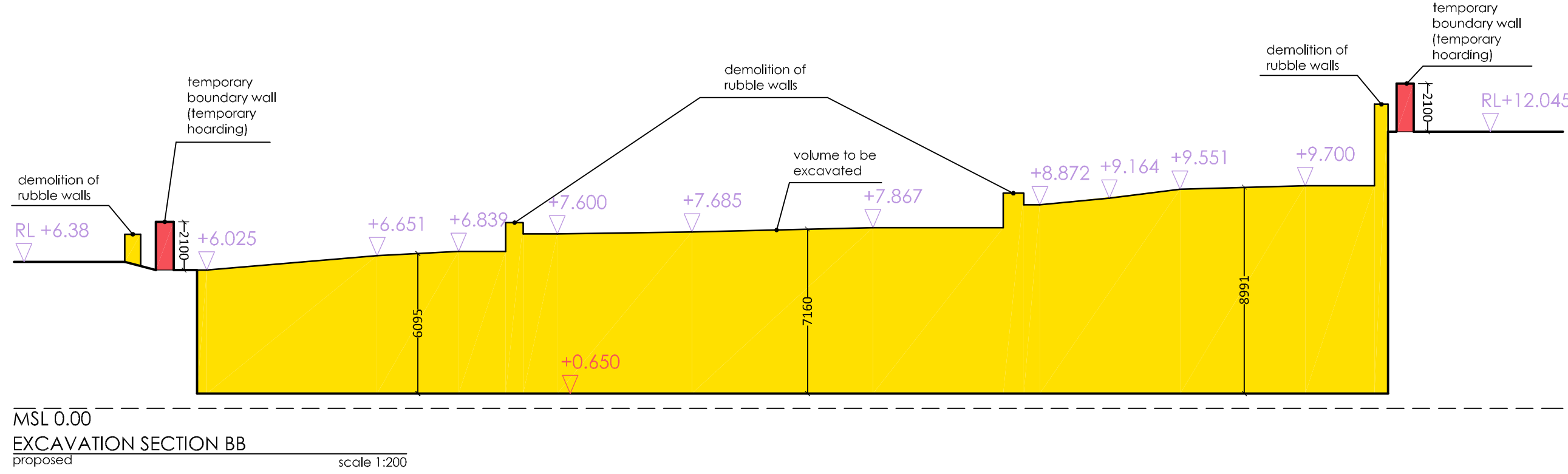
28.04.2017

Drawn by:

GB

Checked:





GOVERNMENT'S PROPERTY  
(THIRD PARTY PROPERTY)

EXISTING SITE LEVELS

+00.00

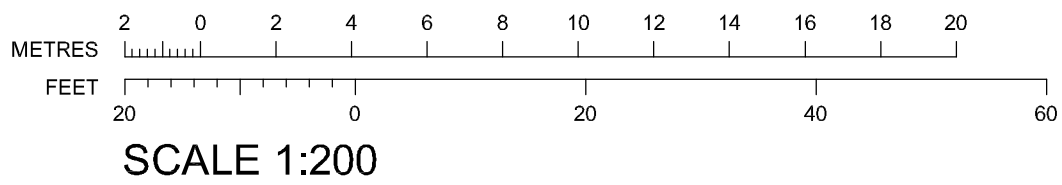
EXISTING ROAD LEVELS

RL +00.00

PROPOSED LEVELS

+00.00

to demolish  
to construct



| Revisions |       |       |       |
|-----------|-------|-------|-------|
| Ref.      | Item. | Init. | Date. |
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Client  
**PAUL CARUANA**  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug. ZBG 2712

Project To sanction removal of existing soil for archaeological investigation as per terms of conditions 12 of PC 15/09. Proposed demolition of existing rubble walls and accretions to farmhouse, excavation of site, dismantling and relocation of historical structure and construction of temporary boundary wall.  
Triq Wal-Qormi, c/w Triq It-Tigrija, Qormi.  
Project Architect  
**CHARLES BUHAGIAR A+CE**

Drawing Title  
**PROPOSED SITE SECTIONS**

| File No |  | Drawn by   |  | Checked       |  |
|---------|--|------------|--|---------------|--|
| 15165-2 |  | A          |  | 15165-2-A(06) |  |
| Scale   |  | Date       |  | Revision      |  |
| 1:200   |  | 28.04.2017 |  | GB            |  |

# ANNEX 2 – PA5491/16 Permit and Approved Plans



Mr Paul Caruana

Date: 5 November 2018  
Our Ref: PA/05491/16

Application Number: PA/05491/16  
Application Type: Full development permission  
Date Received: 18 May 2016  
Approved Documents: PA 5491/16/1 - Site Plan  
PA 5491/16/21M - Existing Mill Room Plans  
PA 5491/16/112J - Proposed Excavation Plan  
PA 5491/16/112N - Proposed Part Demolition Plan  
PA 5491/16/182A - Demolition, Relocation & Road Widening Plan  
PA 5491/16/195A - Proposed Level +0.800  
PA 5491/16/195B - Proposed Level +3.450  
PA 5491/16/195G - Proposed Sections & Details  
PA 5491/16/195H - Proposed Reservoirs  
PA 5491/16/195J - Proposed Security Residence Plans  
PA 5491/16/214A - Proposed Level +6.200  
PA 5491/16/214B - Proposed Level +10.850  
PA 5491/16/214C - Proposed Overall Plan  
PA 5491/16/214D - Proposed Elevation & Sections  
PA 5491/16/214E - Proposed Storm Water Management Plan

Supporting documents

PA 5491/16/112T - Tombs & Cart Ruts Restoration Method Statement  
PA 5491/16/156A - CRPD Accessibility Audit  
PA 5491/16/157A - Water Services Corporation  
PA 5491/16/207A - Construction Management Plan  
PA 5491/16/262A - Environment and Resources Authority  
PA 5491/16/210A - Fire Safety, Ventilation, Fumes Emissions & Noise Mitigation Report

Location: Site at ( fields), Triq Hal-Qormi c/w, Triq it-Tigrija, Qormi, Malta  
Proposal: To excavate site, construct 2 levels of underground parking, construct level of retail and DIY space with ancillary facilities and construct receded first floor of retail space and offices (Class 4A & 4B). The proposal includes road widening works as instructed by Transport Malta as well as demolition of existing farmhouse affected by road widening works, conservation of archaeological remains and relocation of historic building as instructed by SCH. To sanction extra excavations from that approved in PA 5444/16.

## Development Planning Act, 2016 Full Development Permission

The Planning Authority hereby grants development permission in accordance with the application and documents described above, subject to the following conditions:

- 1 This permission is subject to a planning gain to the value of **EUR 210,000 (two hundred and ten thousand euro)** towards the Urban Improvement Fund. The funds raised from the planning gain shall be used to fund the public open space indicated on Map PC 51/16/48B. The planning gain is not refundable and the funds shall be utilized as required and directed by the Planning Authority. The remaining funds will be allocated to the UIF funds of the Locality.
- 2 The layout of the roof space indicated in drawing PA 5491/16/214C is not being approved. A more detailed layout of this roof space shall be submitted for Planning Authority approval. The scheme shall include provision for the following:
  - a) proposals for new tree and shrub planting, earth mounding and seeding, fencing and other measures to screen operational areas and buildings;
  - b) details of the species, size, number and location of all new trees and shrubs;
  - c) treatment proposed for all hardened surfaces;
  - d) timetable within which the scheme shall be carried out;
  - e) programme of maintenance for a period of not less than five (5) years.
- 3 A Bank Guarantee of **EUR 50,000 (fifty thousand euro)** is to be deposited to ensure the submission of a Method Statement for the relocation and reconstruction of the mill-room and the farmhouse, prior to the commencement of works on same.

No relocation and reconstruction works on the shall commence prior to the approval of the Method Statement by the Superintendent of Cultural Heritage. The bank guarantee shall only be released after that the Superintendent of Cultural Heritage have certified that the works were carried out in line with the Method Statement.

In the event that the applicant fails to submit the above, then the bank guarantee shall be immediately forfeited and would have to be topped up. Its forfeiture would not, however, preclude the applicant from adhering to all the conditions contained in this development permission.
- 4 The Bank Guarantee imposed in condition 2 of PA 5444/16 to the value of **EUR 24,227 (twenty-four thousand, two hundred and twenty-seven euro)**, to ensure that the street is properly restored in accordance with the Environmental Management Construction Site Regulations, 2007 (Legal Notice 295 of 2007) shall be extended to cover this development permission.

The bank guarantee shall only be released after the perit submits a post-construction condition report together with photographs evidencing compliance with this condition, accompanied by clearance from the Local Council. The clearance from the Local Council is to be endorsed by the Mayor and the Executive Secretary of the Local Council. This guarantee shall be forfeited if, after 3 months from the date of notification by the Authority of a notice to effect the remedial works, these are not carried out. Its forfeiture shall not, however, preclude the applicant from adhering to all the conditions contained in this

development permission.

- 5 The development hereby permitted shall be subject to Final Compliance (Completion) Certification, verifying that the development has been carried out in full accordance with the approved drawings, documents and conditions imposed in this development permission, except where such conditions are enforced by other entities. Prior to the issue of any compliance certificate on any part of this development, the applicant shall submit to the Planning Authority, in relation to that part of the building:

(i) clearance from the Commission for the Rights of Persons with Disability verifying that the development fully satisfies the accessibility standards and/or any conditions imposed by the Commission in supporting document PA 5491/16/156A.

*Note: Should a partial compliance certificate be requested, a Bank Guarantee of **EUR 50,000** shall apply to ensure that CRPD clearance is obtained*

(ii) certification from a qualified engineer confirming that the development fully satisfies the requirements specified in supporting document PA 5491/16/210A.

- 6 a) The conditions imposed and enforced by the Water Services Corporation are at supporting document PA 5491/16/157A. The architect/applicant is required to contact the Water Services Corporation, throughout the implementation of the development hereby approved, to ensure conformity with the imposed conditions. A copy of the relative correspondence issued by the Water Services Corporation shall be submitted to the Planning Authority accordingly.

b) The conditions imposed and enforced by the Environment & Resources Authority are at supporting document PA 5491/16/262A. The architect/applicant is required to contact the Environment & Resources Authority, throughout the implementation of the development hereby approved, to ensure conformity with the imposed conditions. A copy of the relative correspondence issued by the Environment & Resources Authority shall be submitted to the Planning Authority accordingly. **The executable version of the permit may be issued once the Green Transport Plan is submitted and acknowledged by ERA.**

- 7 No services shall be located on the roof of the building/s or within the public urban open space. These shall be clustered together and placed within the 'area dedicated for services' as indicated approved drawing PA 5491/16/195A.

- 8 The approved premises shall be used as indicated on the approved drawings or as limited by any condition of this permission. If a change of use is permitted through the Development Planning (Use Classes) Order, 2014 (or its subsequent amendments), and it is not restricted by a condition of this permission, approval from the Commission for the Rights of Persons with Disability may still be required. Reference needs to be made to PA Circular 3/10 (with the exception of Appendix A), PA Circular 2/14 and their subsequent amendments.

- 9 Where a loading bay is indicated on the approved drawings, loading and unloading shall take place solely within the premises, and not from/on the public pavement or street.



- 10 The communal parking areas shall only be used for the parking of vehicles and shall be kept available at all times for staff, other visitors, and customers. The parking areas shall be adequately lit and sign-posted, and the parking bays properly demarcated in accordance with the standards set out in the Development Control Design Policy, Guidance and Standards 2015. The use of the parking areas for storage, industrial, or commercial activity is prohibited.
- 11 a) The façade(s) of the building shall be constructed in local un-rendered and unpainted stone, except where other materials/finishes are indicated on the approved drawings.
- b) All the apertures and balconies located on the façade(s) of the building shall not be in gold, silver or bronze aluminium.
- 12 a) This development permission is valid for a period of FIVE (5) YEARS from the date of publication of the decision in the press but will cease to be valid if the development is not completed by the end of this validity period.
- b) This permission relates only to the development as specifically indicated on the approved drawings. This permission does not sanction any other illegal development that may exist on the site.
- c) Copies of all approved drawings and documents shall be available for inspection on site by Planning Authority officers at all reasonable times.
- d) The development shall be carried out in complete accordance with the approved drawings, documents and conditions of this permission. Where a matter is not specified, then the conditions of this permission and of Development Control Design Policy, Guidance and Standards 2015 shall apply.
- e) Before any part of the development hereby permitted commences, the enclosed green copy of this development permission shall be displayed on the site. This must be mounted on a notice board, suitably protected from the weather and located not more than 2 metres above ground level at a point on the site boundary where it is clearly visible and can be easily read from the street. The copy of the permission must be maintained in a good condition and it shall remain displayed on the site until the works are completed.
- f) A Commencement Notice is to be submitted to the Planning Authority, by the perit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, **if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised** - Article 72(4) of the Development Planning Act (2016).
- g) All building works shall be erected in accordance with the official alignment and official/existing finished road levels as set out on site by the Planning Authority's Land Surveyor. The Setting Out Request Notice must be submitted to the Land Survey Unit of the Planning Authority when the setting out of the alignment and levels is required.

- h) Where an officially schemed street, within the development zone, bordering the site is unopened or unformed, it shall be opened up and brought up to its proper, approved and official formation levels prior to the commencement of any development hereby being permitted.
- i) It is the responsibility of the permit holder to ensure that development is carried out in accordance with the provisions of the Environmental Management Construction Site Regulations, Legal Notice 295 of 2007 (or subsequent amendments). Any hoarding shall be erected in accordance with Schedule 2 of the same Regulations.
- j) New development on vacant or redeveloped sites shall be provided with a water cistern to store rainwater run-off as required by the Energy Performance of Buildings Regulations (2012) [published through Legal Notice 376 of 2012 and any amendments thereto].
- k) No steps, ramps or street furniture are to be constructed on or encroached onto the public pavement or road.
- l) Any doors and windows, the lower edge of which is less than 2m above road level, and any gates shall not open outwards onto a public pavement or road.
- m) Where present, window grilles (including 'pregnant' windows), sills, planters and other similar elements which are part of or fixed to the facade of buildings, the lower edge of which is less than 2 metres above road level, shall not project more than 0.15 metres from the facade over a public pavement or street.
- n) Air conditioning units shall not be located on the facades of the building which are visible from the street or a public space.
- o) There shall be no service pipes, cables or wires visible on the front elevation or on any other elevations of the building which are visible from the street or public space.

13 **Conditions imposed and enforced by other entities**

A. Where construction activity is involved:

(a) The applicant shall:

(i) appoint a Project Supervisor for the Design Stage and a Project Supervisor for the Construction Stage and any such appointment shall be terminated, changed or renewed as necessary. The same person may be appointed to act as project supervisor for both the design and construction stage, if that person is competent to undertake the duties involved; and

(ii) keep a health and safety file prepared by the Project Supervisor for the Design Stage.

(b) When the construction works related to this application are scheduled to last longer than thirty working days and on which more than twenty workers are occupied simultaneously, or on which the volume of work is scheduled to exceed five hundred person-days, the project supervisor shall communicate a prior notice to the Occupational Health and Safety Authority (OHSA) at least four calendar weeks before commencement of works.

(c) The Project Supervisor for the Design Stage shall draw up a health and safety plan which sets out the occupational health and safety rules applicable to the construction activities concerned, outlining the measures to ensure cooperation between different contractors and shall also include specific measures concerning occupational risks that may be present at this site.

B. Where the development concerns a change of use to a place of work, the applicant shall obtain a Perit's declaration that the building conforms to the requirements of L.N. 44 of 2002.

C. Where the development concerns a place of work:

The applicant shall:

(i) obtain a Perit's declaration that the necessary requirements arising out of L.N. 44 of 2002 have been included in the plans and drawings; and

(ii) obtain a Perit's declaration that the building conforms to the requirements of L.N. 44 of 2002.

D. The development is to strictly adhere to the 'Design Guidelines on fire safety for buildings in Malta' to ensure that all Fire Safety measures and provisions are addressed as indicated in the Design Guidelines on Fire Safety for Buildings in Malta, published by the DCID in 2004, (or other relevant standard, provided it is approved by the Civil Protection Department), Policies, and the Laws and Regulations of Malta.

E. Prior to laying of water and wastewater services in the road, the development shall comply with the requirements of Legal Notice 29/10 Part III (Roads in inhabited Areas) Clause 12.

F. In the event of an accidental discovery in the course of approved works, any cultural heritage feature discovered should not be damaged or disturbed and the Superintendence is to be immediately informed of such discovery. Any cultural heritage features discovered are to be investigated, evaluated and protected in line with the Cultural Heritage Act 2002 (CAP 445). The discovery of cultural heritage features may require the amendment of approved plans.

14 Interpretation panels shall be installed to identify the location of the cart ruts and tomb.

In terms of Article 72(3) of the Development Planning Act, 2016, the execution and validity of this permission is automatically temporarily **suspended** and no works as approved by the said development permission may commence before the lapse of the time period established in Article 13 of the Environment and Planning Review Tribunal Act and subsequently will remain so suspended if the Tribunal so decides in accordance with the Environment and Planning Review Tribunal Act.

Where the approved drawings and/or documents are dimensioned, then the declared dimensions shall prevail over the actual size as depicted on the approved drawings and/or documents.

Developers are advised to check the invert level to the sewer main with the Water Services Corporation as they would have to make their own arrangements where a gravity service connection is not possible. In these cases, the architect has to indicate the solutions envisaged and to indicate on the plan what needs to be carried out and obtain approval from WSC. Developers are further



reminded that connection of storm water into main sewers is not allowed.

If the declaration of ownership, as contained in the application form, is determined as incorrect by a Court of Law, then the said Court of Law can declare this development permission as null and void. This development permission does not remove or replace the need to obtain the consent of the land/building owner to this development before it is carried out. Furthermore, it does not imply that consent will necessarily be forthcoming nor does it bind the land/building owner to agree to this development. Where the land/building is owned or administered by the Government of Malta a specific clearance and agreement must be obtained for this development from the Land and/or Estate Management Departments.

This development permission is granted saving third party rights. This permission does not exonerate the applicant from obtaining any other necessary permission, license, clearance or approval required from any Government department, local council, agency or authority, as required by any law or regulation.

This development permit does not authorise any storage of substances listed in Occupational Health and Safety Authority Act (Cap. 424) - Control of Major Accident Hazards Regulations, 2003, as amended, in quantities that would render this site an establishment within scope of these regulations. The storage and handling of said substances may require a new or amended development permission in line with current policies and regulations.

For any non-residential uses hereby being approved, prior to commencement of any works on site or any eventual permitted change of use, the applicant shall be required to contact the Environment and Resources Authority to obtain any necessary operational permit or registration. This requirement does not apply to Class 2B, 2C, 4A and 4B uses as listed in the Development Planning (Use Classes) Order 2014, or its subsequent amendments.

**This decision is being published on 14 November 2018.**

Joseph Borg  
Board Secretary  
Planning Board

## **Notes to Applicant and Perit**

### **Right for reconsideration**

Where applicable, you have a right to submit a request for reconsideration to the Authority in terms of regulation 14 of Legal Notice 162 of 2016.

### **Right for appeal**

You have a right to submit an appeal, against the decision, to the Environment and Planning Review Tribunal in terms of Article 13 of the Environment and Planning Review Tribunal Act, 2016.

### **Time limits**

Requests for reconsideration or appeals must be made within 30 days from the publication of the decision notification in the local press as required by regulation 14(1) of Legal Notice 162 of 2016.

### **Fees to submit a request for reconsideration or appeal**

In either case, there is a fee to be paid which should accompany the request for reconsideration or the appeal. The fees are as follows:

For reconsideration - 3% of the Development Permit Fee paid in respect of the original application, subject to a minimum of €69.88.

For appeal - 5% of DPF (Development Permit Fee) paid in respect of the original application, subject to a minimum of €150 + €50 administrative fee (LN 112 of 2016).

### **Submission of request for reconsideration or appeal**

With regards to requests for reconsideration, Form PA 4/16 must be used for submission. All fields of the Form must be filled in as appropriate. Requests for reconsideration can only be submitted electronically.

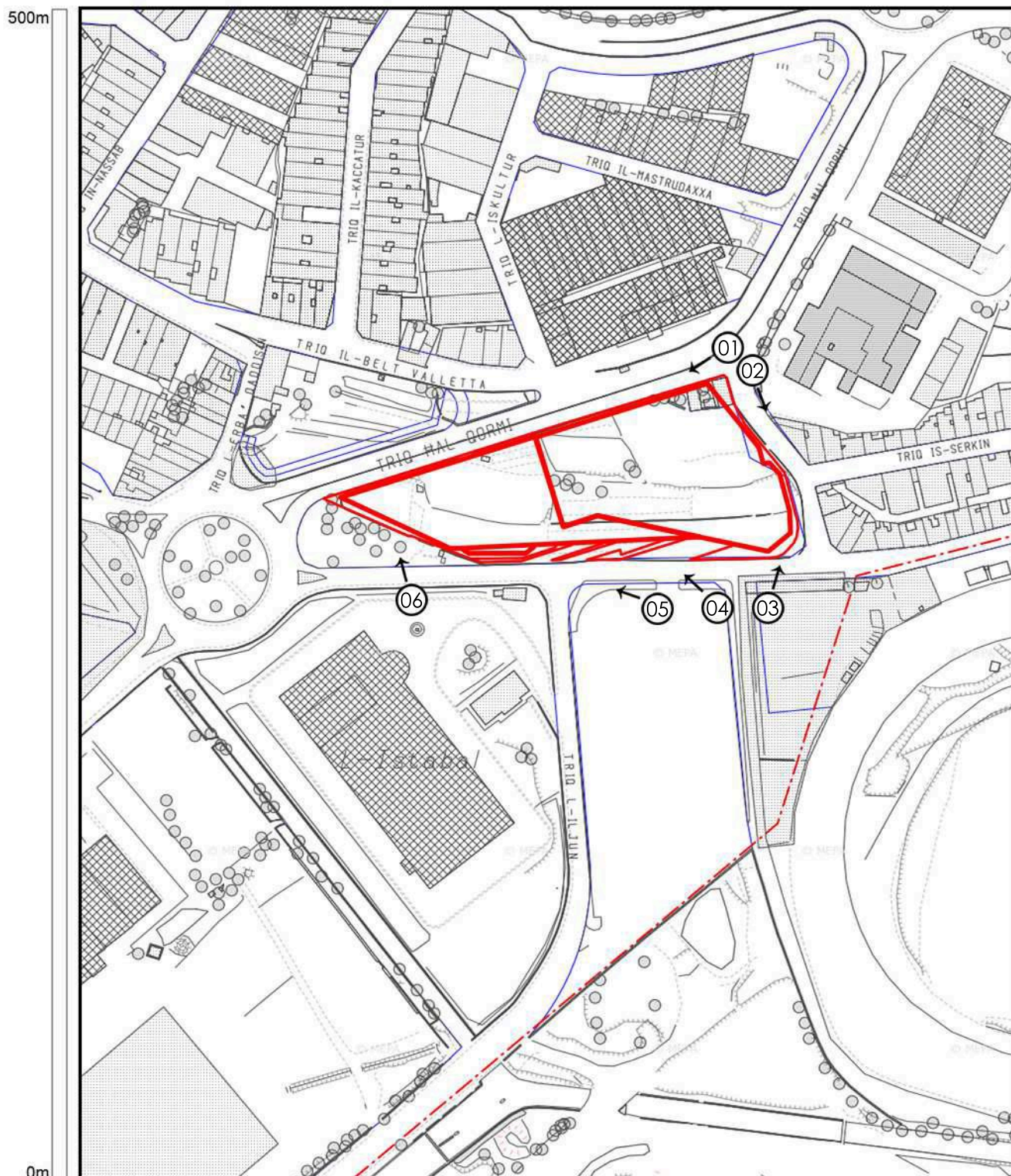
With regards to appeals, as required by Article 13 of the Environment and Planning Review Tribunal Act, 2016, the submission must include the detailed grounds for appeal and the requests being made by the appellant. Appeals must be submitted physically at the offices of the Environment and Planning Review Tribunal, St. Francis Ditch, Floriana.

# Important Notice

**In view of the provisions of Article 72(4) of the Development Planning Act (2016), a Commencement Notice is to be submitted to the Planning Authority, by the perit on behalf of the applicant, at least FIVE DAYS prior to the date of commencement of works or utilisation of the permission. Failure to submit the Commencement Notice (with all fields correctly completed) or failure to submit it within the required timeframe shall invalidate the Notice and shall result in the imposition of fines according to Schedule D of Legal Notice 277 of 2012, or its amendments, or its replacements. In addition, if the applicant fails to submit the Commencement Notice or the Commencement Notice submitted is invalid, the relative permission shall be considered as never having been utilised.**

-PADCN-





Min Easting 53239.02, Min Northing 70627.24, Max Easting 53639.02, Max Northing 71127.24

0m

400m

**MEPA - [www.mepa.org.mt](http://www.mepa.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: Tuesday, September 01, 2015

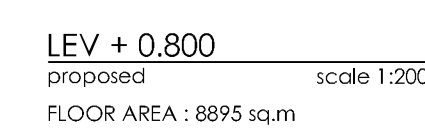
Not to be used for interpretation or scaling of scheme alignments  
Copyright © MEPA - Malta Environment & Planning Authority. Not for resale.




PROPOSED







SCALE 1:200





**MED**  
DESIGN ASSOCIATES LT

Hercules House, St. Mark Str, Valletta, Ma  
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Fax: (356) 21 247573  
e-mail: info@meddesign.com.mt

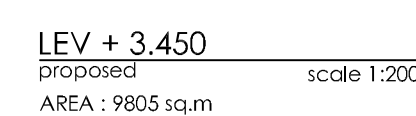
Client: **PAUL CARUANA**  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug. ZBG 2712

**Project:** To excavate site, construct 2 levels of underground parking, const. 11 levels of retail & DIY space with ancillary facilities & const. needed 1st floor of retail space & offices (class 4A & 4B). The proposal includes road widening works as instructed by TM, the part demolition, dismantling & relocation of exist. farmhouse affected by road widening works, conservation of archaeological remains & dismantling & relocation of historic structure as instructed by SDO. Trg Hol-Gomri, c/w Trg il-Tigrijo, Gomri.

|                    |                       |
|--------------------|-----------------------|
| Project Architect: | Charles Buhagiar A+CE |
| Drawing Title:     | PROPOSED LEV +0.800   |

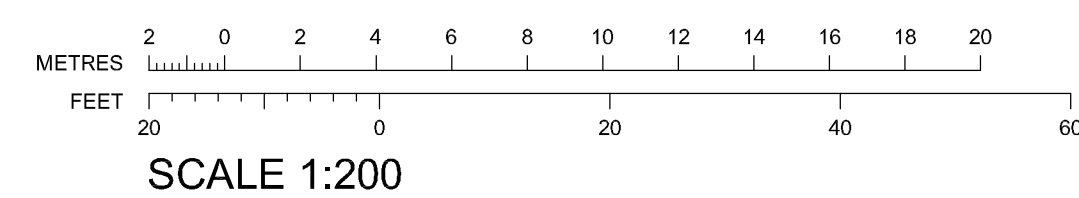
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| 15165     |  | 15165-A(03) |  |
| Scale:    | Date:   | Drawn by:   | Checked:  |
| 1:200     | 1.6.03.18   | CB          |   |






 FFL +00.00 PROPOSED FINISHED FLOOR LEVELS

FFL +00.00



 **MED**  
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Tel: (356) 21 232657  
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e-mail: [info@medesign.com.mt](mailto:info@medesign.com.mt)

Client: **PAUL CARUANA**  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug. ZBG 2712

**Project:**

To excavate site, construct 2 levels of underground parking, construct 1 level of retail & DIY space with ancillary facilities & construct, re-excavate 1st floor of retail space & offices (class 4A & 4B). The proposal includes road widening works as instructed by TM, the part demolition, dismantling & relocation of exist. farmhouse affected by road widening works, conservation of archaeological remains & dismantling & relocation of historic structure as instructed by SOH.

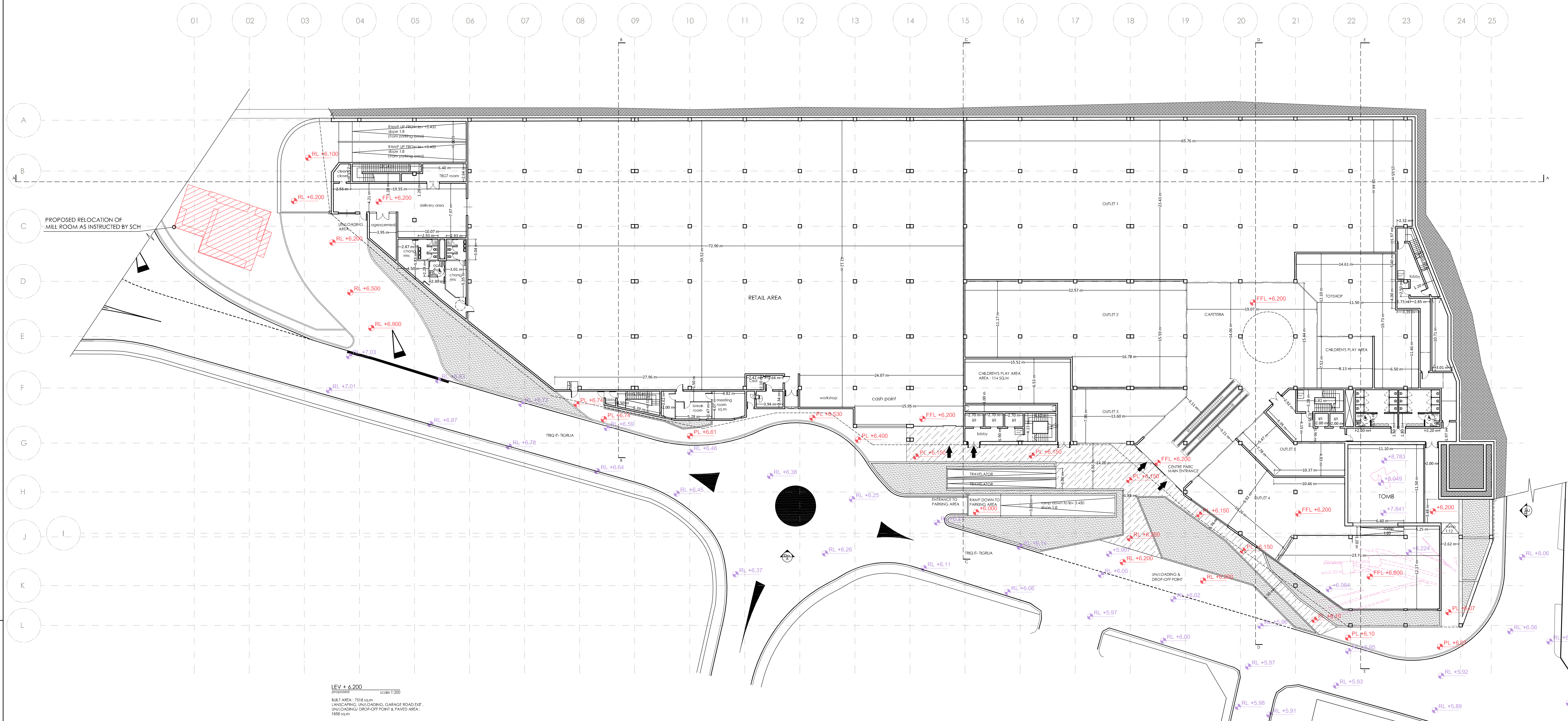
Triq Hol-Qormi, c/w Triq il-Tigrijo, Qormi.

Project Architect:  
**Charles Buhagiar A+CE**

Drawing Title:  
PROPOSED LEV +3.450

|           |          |             |           |
|-----------|----------|-------------|-----------|
| Path:     |          |             |           |
| File No.: | Design:  | Drawg. No.: | Revision: |
| 15165     | A        | 15165-A(04) | 7         |
| Scale:    | Date:    | Drawn by:   | Checked:  |
| 1:200     | 14.02.18 | CS          |           |





LEV + 6.200  
proposed  
scale 1:200

BUILT AREA: 7518 sq.m  
LANDSCAPING, UNLOADING, GARAGE ROAD EIT.  
UNLOADING/ DROP-OFF POINT & PAVED AREA:  
1858 sq.m

PROPOSED RELOCATION OF MILL ROOM  
(AS INSTRUCTED BY SCH)

ARCHAEOLOGICAL REMAINS (TO BE  
CONSERVED AS INSTRUCTED BY SCH)

PROPOSED ROAD LEVELS  
RL +00.00

PROPOSED PAVEMENT LEVELS  
PL +00.00

PROPOSED FINISHED FLOOR LEVELS  
FFL +00.00

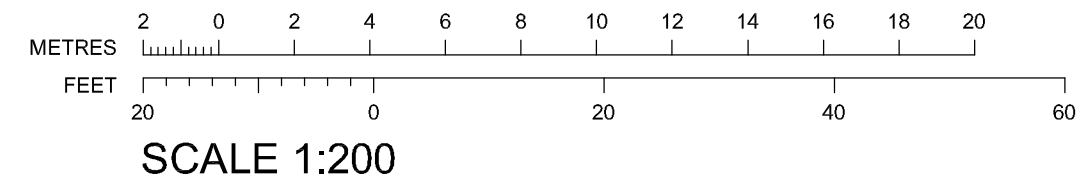
EXISTING SITE LEVELS  
+00.00

EXISTING ROAD LEVELS  
RL +00.00

EXISTING PAVEMENT LEVELS  
PL +00.00

NON-SLIP CONCRETE FLOORING

GRASS



| Revisions | Ref. | Item | Int. | Date |
|-----------|------|------|------|------|
|           |      |      |      |      |
|           |      |      |      |      |
|           |      |      |      |      |

**MED**  
DESIGN ASSOCIATES LTD.  
Hemlock House, 31 Main St., Valletta, Malta  
Tel: (356) 21 22987  
Fax: (356) 21 24573  
e-mail: info@medesign.com.mt

Client:  
**PAUL CARUANA**  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug, Z8G 2712

Project:  
To excavate site, construct 2 levels of underground parking, const. 3 lev. of retail & DFF space with ancillary facilities & const. re-roofed 3rd floor of retail space & offices (class AA & AB). The proposal includes road widening works as instructed by TML, the part demolition, dismantling & relocation of exist. farmhouse affected by road widening works, conservation of archaeological remains & dismantling & relocation of historic structure as instructed by SCH. Triq Misk-Qormi, obo Triq Misk-Tigraja, Qormi.

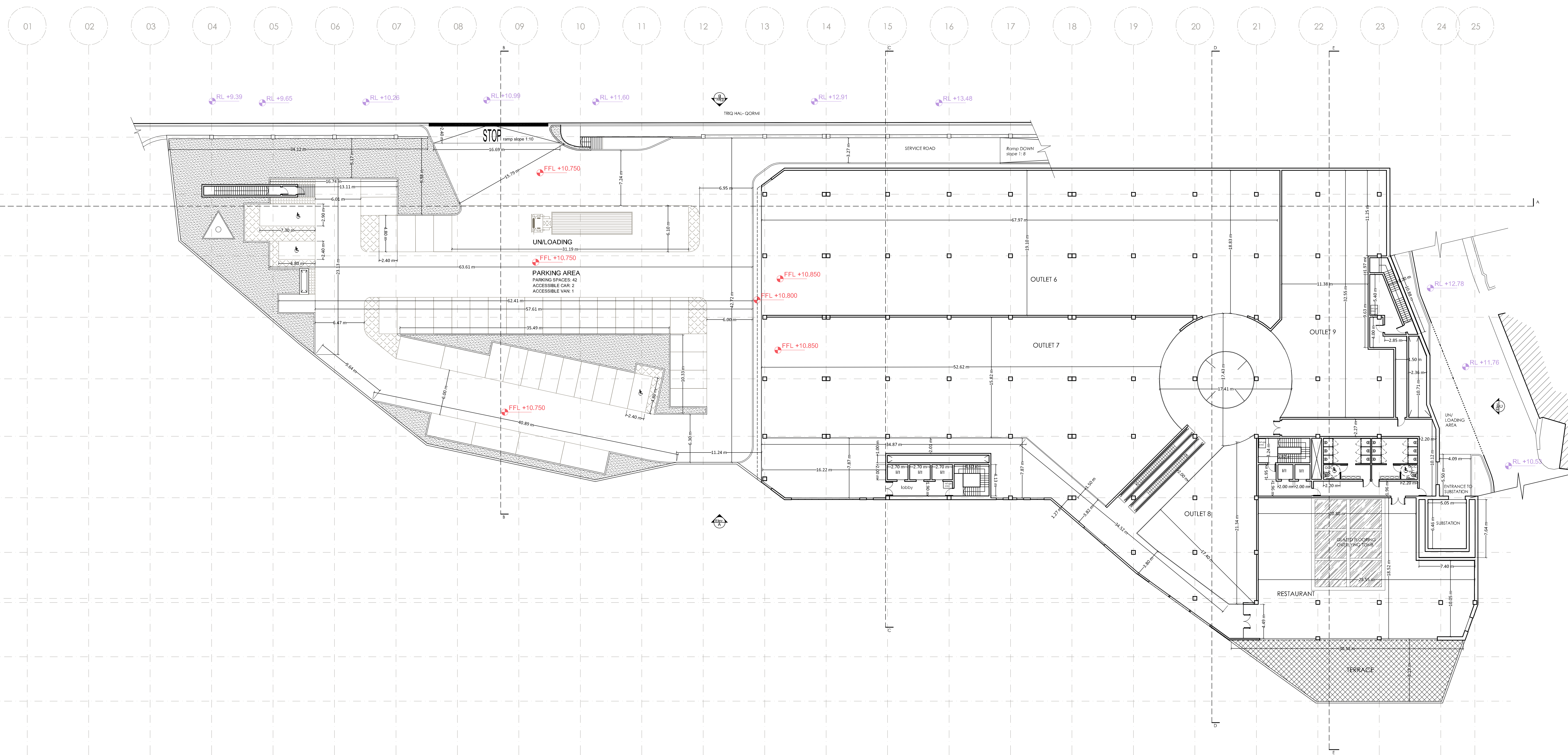
Project Architect:  
**Charles Buhagiar A+C+E**

Drawing Title:  
**PROPOSED LEV +6.200**












| File No. | Sheet No. | Drawing No. | Revision |
|----------|-----------|-------------|----------|
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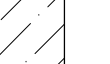
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Date: 27.04.18  
Drawn by: GB  
Checked:





LEV + 10.850  
proposed scale 1:200  
BUILT AREA : 4748 sq.m  
LANDSCAPING & PARKING AREA : 3025 sq.m

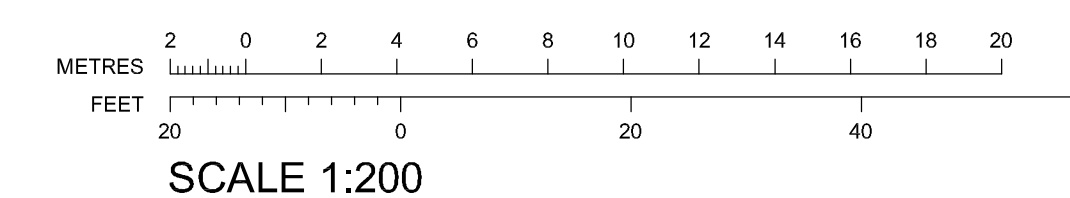
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| <br> | <b>PROPOSED PAVEMENT LEVELS</b>       |
| <br> | <b>PROPOSED FINISHED FLOOR LEVELS</b> |
| <br> | <b>EXISTING SITE LEVELS</b>           |
| <br> | <b>EXISTING ROAD LEVELS</b>           |
| <br> | <b>EXISTING PAVEMENT LEVELS</b>       |



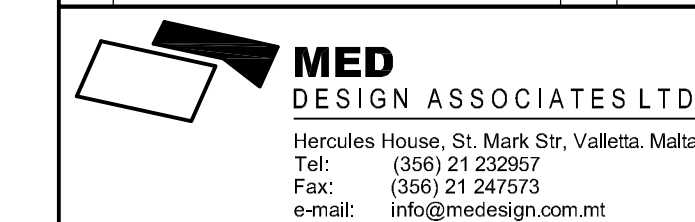
NON-SLIP CONCRETE FLOORING

TACTILE PAVING

LANDSCAPING



| Revisions |       |       |       |
|-----------|-------|-------|-------|
| Ref.      | Item. | Init. | Date. |
|           |       |       |       |
|           |       |       |       |
|           |       |       |       |
|           |       |       |       |
|           |       |       |       |





Client: **PAUL CARUANA**  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug. ZBG 2712

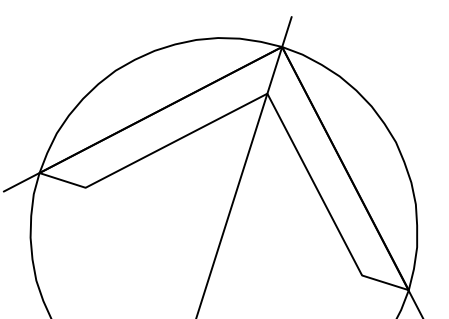
**Project:** To excavate site, construct 2 levels of underground parking, construct 1 level of retail & DIY space with ancillary facilities & construct needed 1st floor of retail space & offices (class 4A & 4B). The proposal includes road widening works as instructed by TM, the part demolition, dismantling & relocation of exist. farmhouse affected by road widening works, conservation of archaeological remains & dismantling & relocation of historic structure as instructed by SOH. Triq Hoi-Qormi, c/w Triq il-Tigrijo, Qormi.

Project Architect:  
**Charles Buhagiar A+CE**

Drawing Title:  
PROPOSED LEV +10.850

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| File No.: | Drawn by:   | Drawn No.:  | Revision  |
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| Scale:    | Date:   | Drawn by:   | Checked:  |
| 1:200     | 22.04.18  | CS          |   |





 **MED**  
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e-mail: [info@medesign.com.mt](mailto:info@medesign.com.mt)

**PAUL CARUANA**  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug. ZBG 2712

To excavate site, construct 2 levels of underground parking, const. 1 level of retail & DIN space with ancillary facilities & const. recessed 1st floor of retail space & offices (class 4A & 4B). The proposal includes road widening works as instructed by TM, the part demolition, dismantling & relocation exist. farmhouse affected by road widening works, conservation of archaeological remains & dismantling & relocation of historic structure as instructed by SCH.

Triq Hah-Qomri, c/w Triq it-Tigrijo, Qomri.

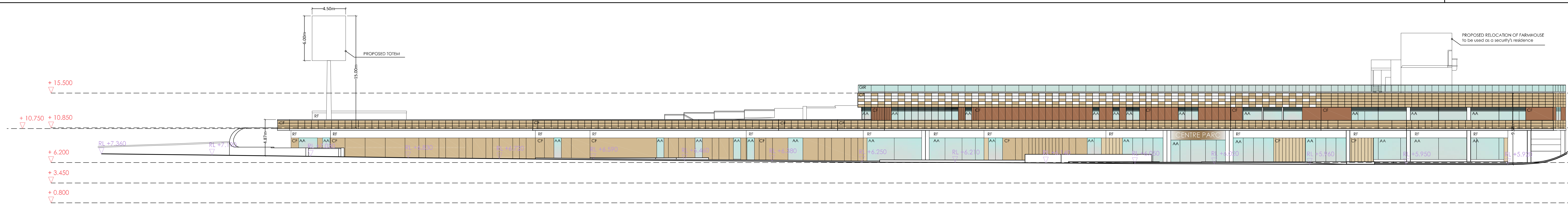
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| Project Architect: | Charles Buhagiar A+CE |
|--------------------|-----------------------|

PROPOSED OVERALL PLAN

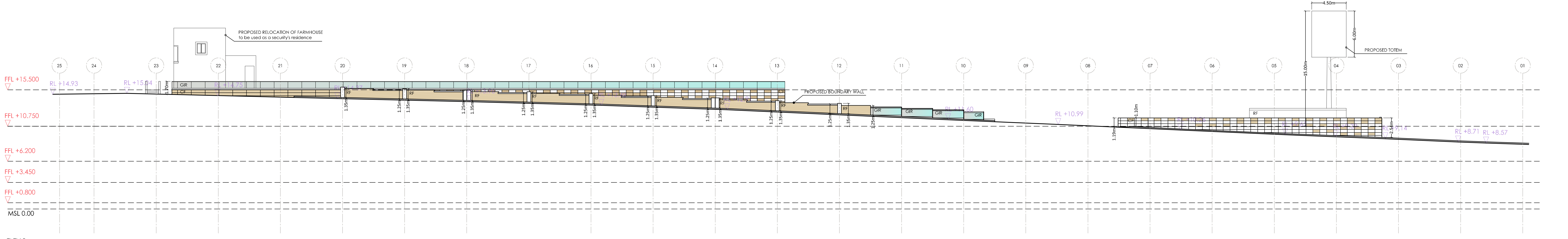
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| Scale:<br>1:200            | Date:<br>27.04.18      | Drawn by:<br>G8                  | Checked:             |

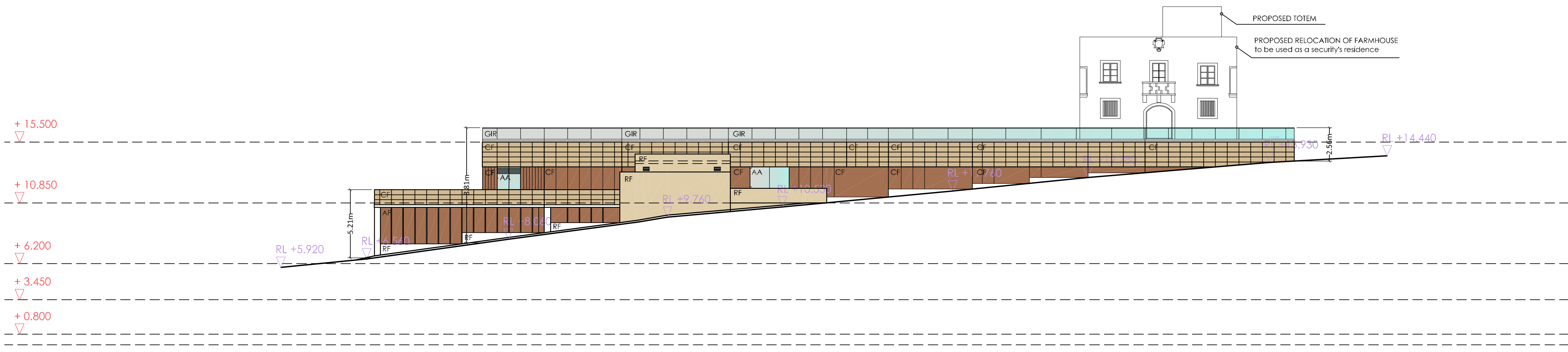




ELEV A  
proposed  
scale 1:200



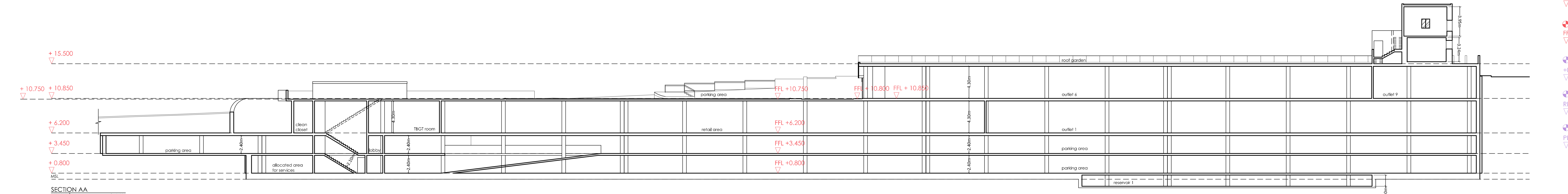
ELEV B  
proposed  
scale 1:200



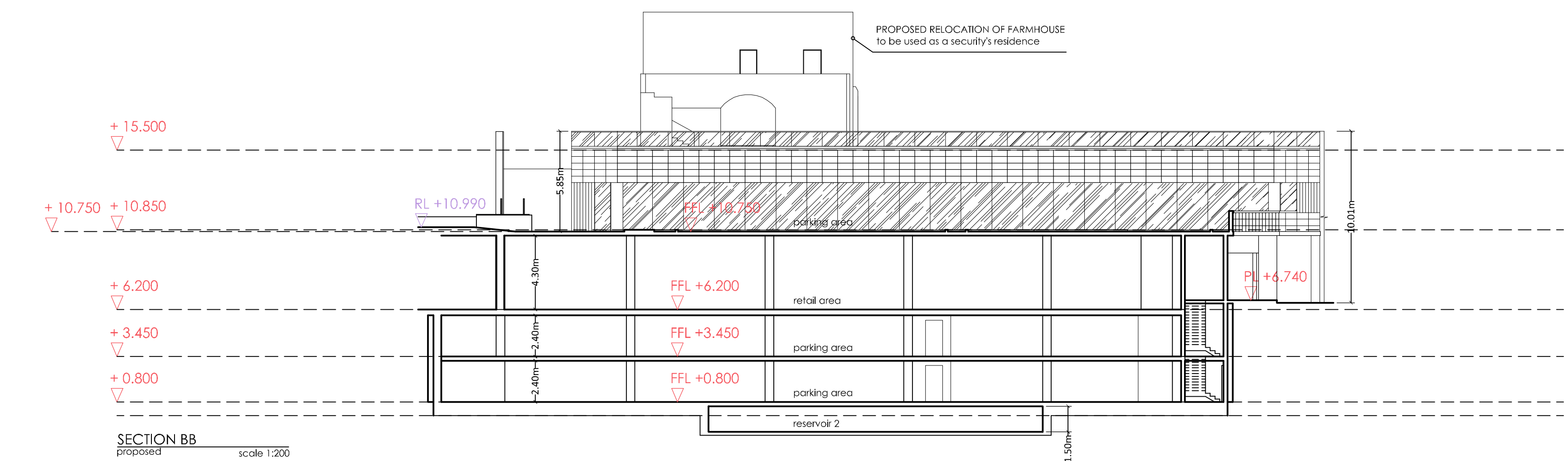
ELEV C  
proposed  
scale 1:200

RF - RENDERED FINISH  
CF - CLADDING FINISH  
AA - ALUMINIUM APERTURE  
GR - GLASS IRON RAILING  
AP - ALUMINIUM PANELS

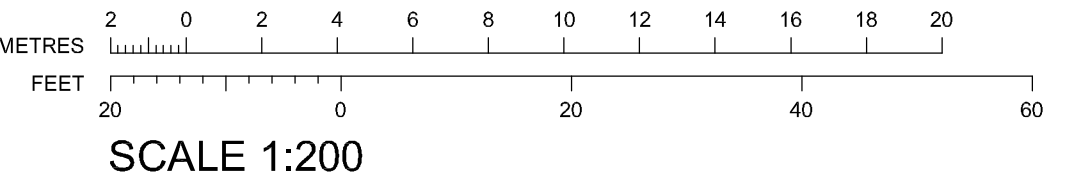
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- PL +00.00 PROPOSED PAVEMENT LEVELS
- FFL +00.00 PROPOSED FINISHED FLOOR LEVELS
- +00.00 EXISTING SITE LEVELS
- RL +00.00 EXISTING ROAD LEVELS
- PL +00.00 EXISTING PAVEMENT LEVELS



SECTION AA  
proposed  
scale 1:200



SECTION BB  
proposed  
scale 1:200



| Revisions | Ref. | Item | Int. | Date |
|-----------|------|------|------|------|
|           |      |      |      |      |
|           |      |      |      |      |
|           |      |      |      |      |

**MED**  
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Hemlock House, 31 Mark St., Valletta, Malta  
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e-mail: info@medesign.com.mt

Client: **PAUL CARUANA**  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug, Z8G 2712

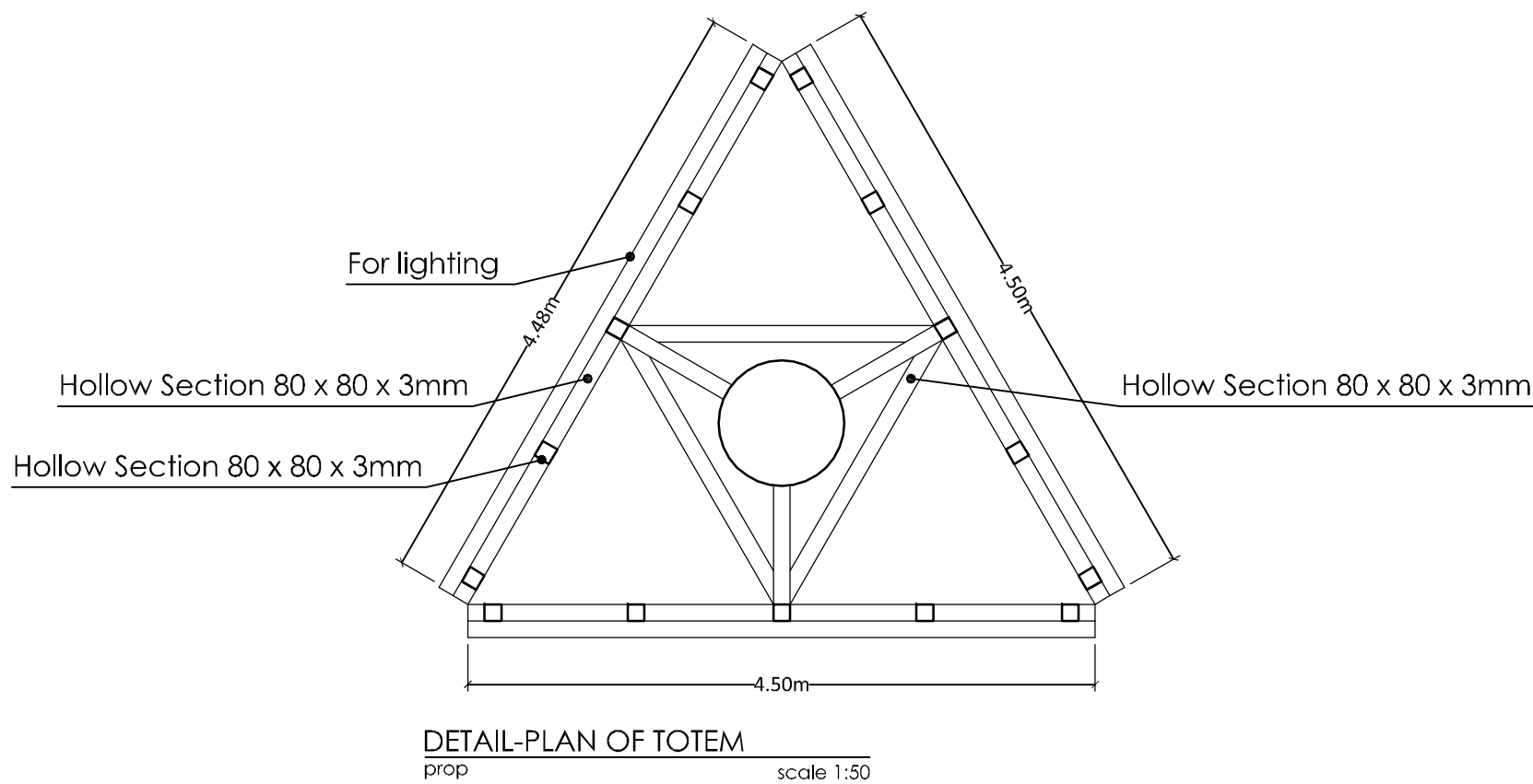
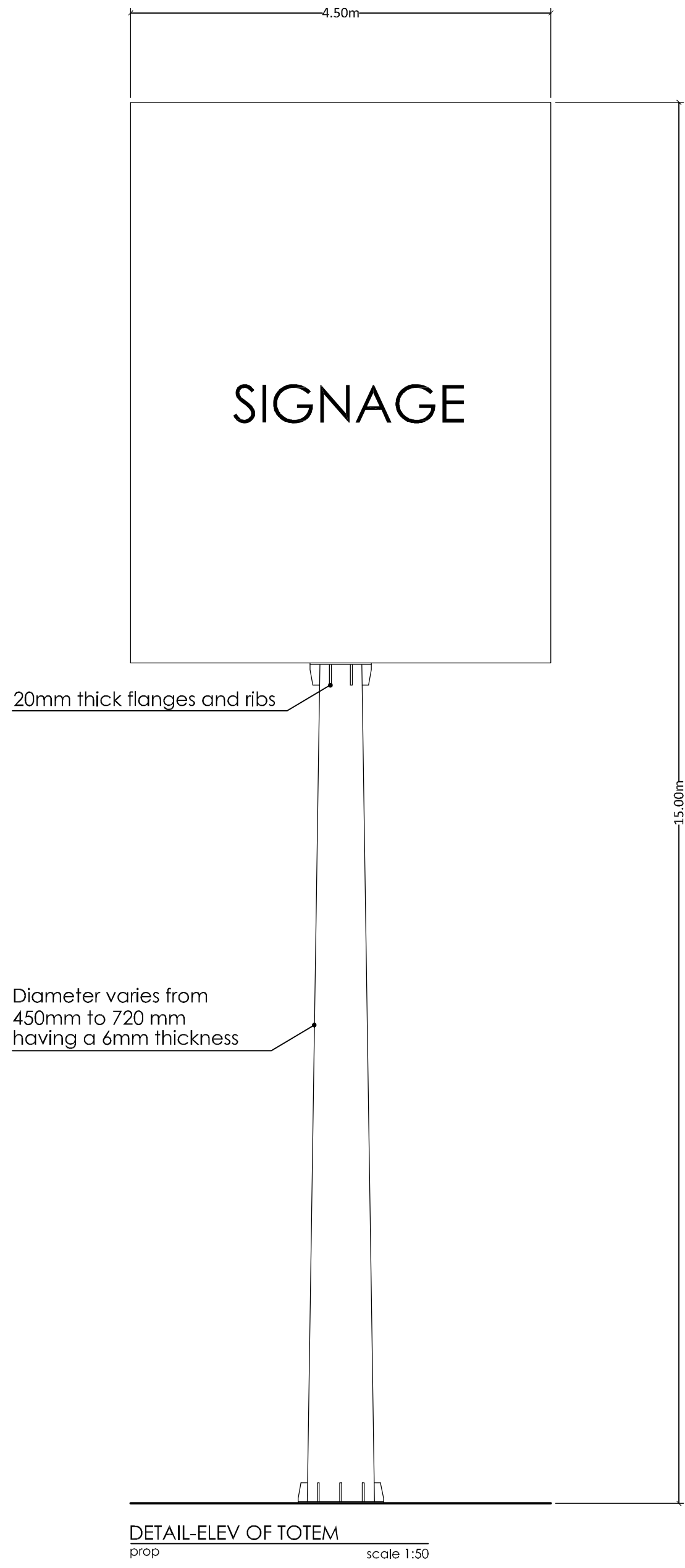
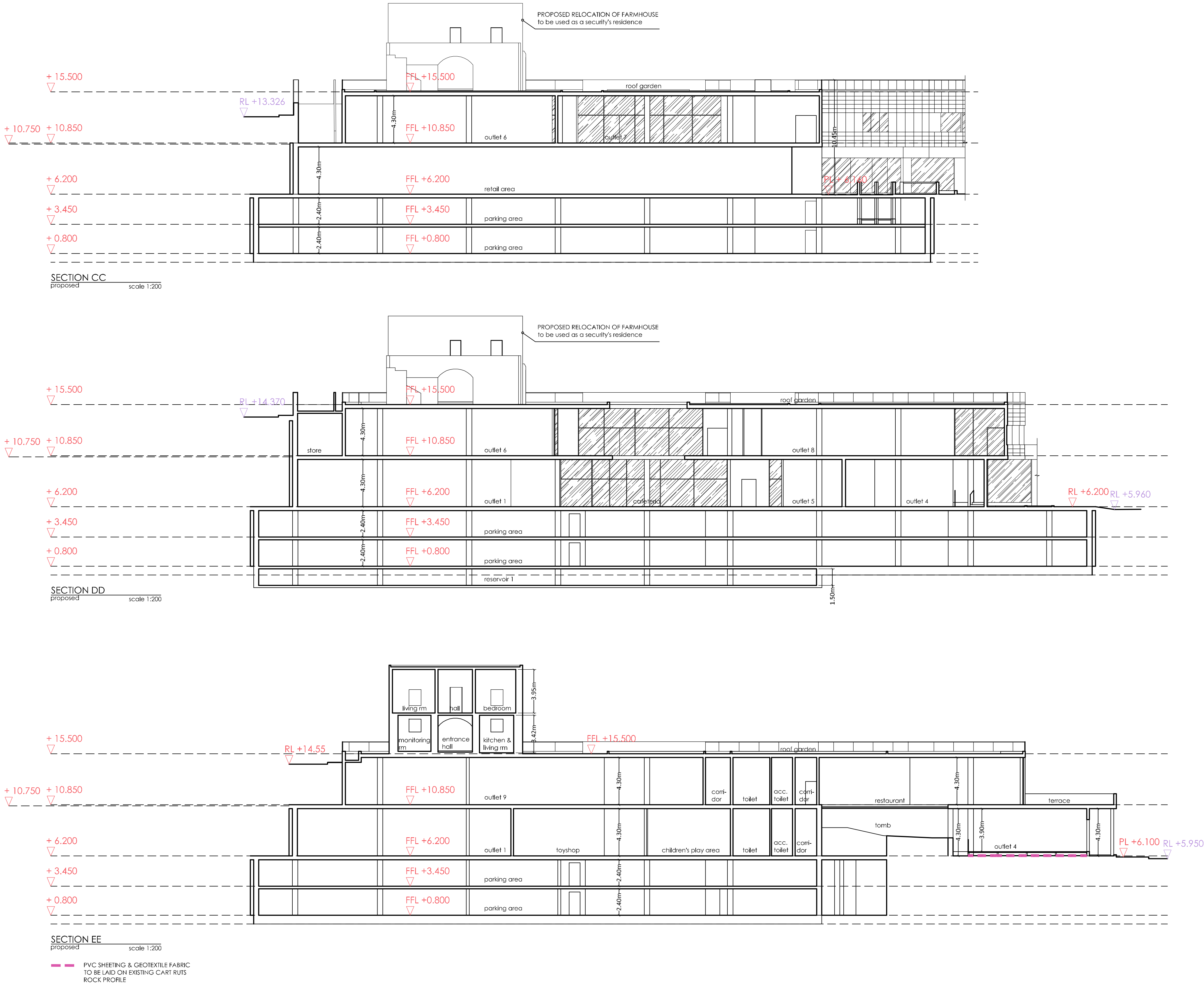
Project:  
To excavate site, construct 2 levels of underground parking, const. 1 lev. of retail & DIY space with ancillary facilities & const. recessed 1st floor of retail space & offices (class 4A & 4B). The prop. includes road widening works as instructed by TM & as well as the demol. of exist. farmhouse affected by road widening works, conservation of archaeological remains & relocation of historic building as instructed by SOK, Triq Mija Gorm, C/ta Triq Mija Gorm.

Project Architect:  
**Charles Buhagiar A+C**

Drawing Title:  
**PROPOSED ELEVATIONS & SECTIONS**

| File No. | Sheet No. | Drawn No.   |
|----------|-----------|-------------|
| 15165    | A         | 15165-A(08) |

Scale: 1:200 Date: 27.04.18 Drawn by: GB Checked:



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CF - CLADDING FINISH  
AA - ALUMINIUM APERTURE  
GIR - GLASS IRON RAILING  
AP - ALUMINIUM PANELS

RL +00.00 PROPOSED ROAD LEVELS

PL +00.00 PROPOSED PAVEMENT LEVELS

FFL +00.00 PROPOSED FINISHED FLOOR LEVELS

+00.00 EXISTING SITE LEVELS

RL +00.00 EXISTING ROAD LEVELS

PL +00.00 EXISTING PAVEMENT LEVELS

| Revisions |      |      |      |
|-----------|------|------|------|
| Ref.      | Item | Int. | Date |
|           |      |      |      |
|           |      |      |      |
|           |      |      |      |

**MED**  
DESIGN ASSOCIATES LTD.  
Hemel Hempstead, St. Mark St., Welwyn, Herts.  
Tel: (0464) 21 22287  
Fax: (0464) 21 24573  
e-mail: info@medesign.com.uk

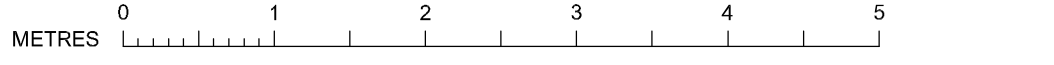
Client: **PAUL CARUANA**  
obo Centre Parc Holdings Ltd  
Timehouse, Office 1,2,3  
Triq Dun Bartilmew Attard,  
Zebbug. Z8G 2712

Project:  
To excavate site, construct 2 levels of underground parking, const. 1 lev. of retail & DIY space with ancillary facilities & const. recessed 1st floor of retail space & offices (class 4A & 4B). The prop. includes road widening works as instructed by TM & as well as the demol. of exist. farmhouse affected by road widening works, conservation of archaeological remains & relocation of historic building as instructed by SOK, Tqg Hqs-Qorm, C/taq Hqs-Qorm.

Project Address:  
Charles Buhagiar A+CE

Drawing Title:  
PROPOSED SECTIONS & TOTEM DETAILS

| File No.         | Sheet No.      | Drawing No.  | Revision |
|------------------|----------------|--------------|----------|
| 15165            | A              | 15165-A(09)  | 6        |
| Scale: AS STATED | Date: 14.03.18 | Drawn by: GB | Checked: |











## ANNEX 3 – Photos of Existing Stage of Development



















## ANNEX 4 – Construction Costs To Date

**ANNEX 4****Estimated Construction Costs to Date**

---

**Estimated Construction Costs to Date**

|             |       |    |           |
|-------------|-------|----|-----------|
| Excavation  | 78000 | 18 | 1,404,000 |
| Demolishing | 50000 | 1  | 50,000    |

---

1,454,000

## Construction

## Foundations

80,000

Level -2 7120 145 1,112,400

Level -1 7120 145 1,112,400

Level +0 6300 145 993,500

Level +1 3825 145 634,625

---

3,932,925

M&amp;E 98,268

Down payment Escalators &amp; lifts 166,065

**Development Costs To Date**

5,651,258

**Other Costs**

Planning Authority 323,097

Professional Fees 401,707

Duty Fees 250,000

Bank Interest Capitalization 318,922

Insurance Costs 15,540

Planning Gain 210,000

---

1,519,266

**Current Value of Property**

-

---

**7,170,524**

---



## ANNEX 5 – Construction Cost of Completed Project

## ANNEX 5

### Estimated Project Construction Costs

#### Demolishing & Excavation

|             |        |           |                    |
|-------------|--------|-----------|--------------------|
| Demolishing | 1      | 50,000    |                    |
| Excavation  | 87,000 | 1,044,000 |                    |
|             |        |           | € <b>1,094,000</b> |

#### Construction

|                       |       |           |                    |
|-----------------------|-------|-----------|--------------------|
| Extra for foundations |       | 400,000   |                    |
| Basement -2           | 8,359 | 1,212,055 |                    |
| Basement -1           | 9,506 | 1,378,370 |                    |
| Ground Floor          | 8,083 | 1,172,035 |                    |
| First Floor           | 4,880 | 707,600   |                    |
| Roof                  | 4,600 | 92,000    |                    |
|                       |       |           | € <b>4,962,060</b> |

#### Services (Electrical, Mechanical, ELV & Air-conditioning)

|                |       |         |                  |
|----------------|-------|---------|------------------|
| Basement -2    | 8,890 | 62,124  |                  |
| Basement -1    | 9,850 | 68,833  |                  |
| Ground Floor   | 7,660 | 356,860 |                  |
| First Floor    | 4,800 | 223,620 |                  |
| Roof           | 4,600 | 53,576  |                  |
| External areas | 3,400 | 39,599  |                  |
|                |       |         | € <b>804,612</b> |

#### Finishes

|              |       |         |                  |
|--------------|-------|---------|------------------|
| Basement -2  | 8,890 | 41,416  |                  |
| Basement -1  | 9,850 | 45,889  |                  |
| Ground Floor | 7,660 | 178,430 |                  |
| First Floor  | 4,800 | 111,810 |                  |
| Roof         | 4,600 | 107,151 |                  |
|              |       |         | € <b>484,696</b> |

#### External Works

|                        |      |         |                  |
|------------------------|------|---------|------------------|
| Façade Glazed cladding | 8000 | 372,700 |                  |
| Façade Finishes        | 8000 | 186,350 |                  |
| Landscaping            |      | 75,000  |                  |
|                        |      |         | € <b>634,050</b> |

#### Other Works

|            |   |         |                  |
|------------|---|---------|------------------|
| Travelator | 2 | 200,000 |                  |
| Lifts      | 5 | 350,000 |                  |
|            |   |         | € <b>550,000</b> |

Substation 150,000

Management Fees 302,803

Planning Authority Fees 323,096

Planning Gain Fees 210,000

€ **985,899**

#### Grand Total

excluding VAT

€ **9,515,317**

## ANNEX 6 – Rental Streams



**Annex 6**

**Rentable Areas**

|                            |       |                  |
|----------------------------|-------|------------------|
| Decathlon                  | 3,418 |                  |
| Gallarija Darmanin         | 954   |                  |
| Dizz Group                 | 2,674 |                  |
| Intercomp                  | 210   |                  |
| Café Cuba                  | 431   |                  |
| The Entertainer            | 354   |                  |
| Camilleri Group            | 476   |                  |
| International Retail Group | 1,301 |                  |
|                            | 9,818 | <b>1,629,806</b> |

# ANNEX 7 – Valuation Analysis

## ANNEX 7

### VALUATION ANALYSIS: Center Parc

| TEN YEAR PERIOD VALUATION ANALYSIS     |                               |           |              |              |              |              |              |              |              |              |              |
|--|-------------------------------|-----------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|  | Year                          | 1         | 2            | 3            | 4            | 5            | 6            | 7            | 8            | 9            | 10           |
| <b>Section 1</b>                       | <b>Expected Yearly return</b> |           |              |              |              |              |              |              |              |              |              |
| Rental Streams before Tax              | 1,629,806                     | 1,629,806 | 1,678,700.18 | 1,729,061.19 | 1,780,933.02 | 1,834,361.01 | 1,889,391.84 | 1,946,073.60 | 2,004,455.81 | 2,064,589.48 | 2,167,818.95 |
| Maintenance Costs (10% of rental fee)  |                               | 162,981   | 167,870      | 172,906      | 178,093      | 183,436      | 188,939      | 194,607      | 200,446      | 206,459      | 216,782      |
| Equipment life expectancy costs        |                               |           |              |              |              |              |              |              |              |              | (500,000)    |
| Building operational maintenance costs | @ 2.5%                        | (237,883) | (249,777)    | (262,266)    | (275,379)    | (289,148)    | (303,606)    | (318,786)    | (334,725)    | (351,461)    | (369,034)    |
| Less income Tax                        |                               | (544,216) | (558,878)    | (573,895)    | (589,276)    | (605,027)    | (621,154)    | (637,663)    | (654,562)    | (671,855)    | (530,448)    |
| Net Yearly Return                      |                               | 1,010,687 | 1,037,916    | 1,065,806    | 1,094,371    | 1,123,622    | 1,153,572    | 1,184,232    | 1,215,615    | 1,247,732    | 985,118      |
| PV of €1 at 6.00%                      |                               | 0.943     | 0.890        | 0.840        | 0.792        | 0.747        | 0.705        | 0.665        | 0.627        | 0.592        | 0.558        |
| NPV                                    |                               | 953,479   | 923,741      | 894,871      | 866,844      | 839,636      | 813,222      | 787,582      | 762,692      | 738,530      | 550,085      |
| Cumulative NPV                         | €                             | 953,479   | 1,877,220    | 2,772,091    | 3,638,935    | 4,478,571    | 5,291,793    | 6,079,375    | 6,842,066    | 7,580,597    | 8,130,682    |

|  |                   |
|--|-------------------|
| Summary                                      | €                 |
| Value of Land                                | 11,600,000        |
| Construction & Finishing of Building         | 9,515,317         |
| Total Discounted Income Streams              | 8,130,682         |
| <b>Current Value of Business Investments</b> | <b>29,245,998</b> |

Med Design Associates  
30/04/2019



## ANNEX 8 – Images of Completed Development

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This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with Commission Regulation (EC) No 809/2004 of the 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as duly amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation 862/2012 of 4 June 2012, Commission Delegated Regulation 621/2013 of 21 March 2013, Commission Delegated Regulation (EU) No 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) 2015/1604 of 12 June 2015 and Commission Delegated Regulation (EU) 2016/301 of 30 November 2015.

## SECURITIES NOTE

Dated 3<sup>rd</sup> June 2019

Issue of €20,000,000 3.75% Secured Bonds 2029 by



### TUM FINANCE PLC

A public limited liability company registered in Malta with company registration number C 91228

jointly and severally guaranteed and secured by Easysell Limited a private limited liability company registered in Malta with company registration number C 9778

ISIN MT0002271204

Prospective investors are to refer to the Guarantee contained in Annex 1 of the Securities Note and section 1 of the Registration Document for a description of the Guarantee. Reference should also be made to the section 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 Bond Issue and the Guarantee

Legal Advisors



Sponsor & Registrar



Manager



This Securities Note is issued pursuant to the requirements of the Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Tum Finance plc. Application has been made for the admission to listing and trading of the Bonds on the official list of the Malta Stock Exchange. The Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE BONDS AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENT IS IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT. THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS 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 INSTRUMENT. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE BONDS OF THE 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 Board of Directors of Tum Finance plc

Anthony  
Fenech

Silvan  
Fenech

Matthew  
Fenech

Stanley  
Portelli

Mario  
Vella

William  
Wait

## IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON TUM FINANCE PLC IN ITS CAPACITY AS ISSUER (THE 'ISSUER') OF €20,000,000 SECURED BONDS OF A NOMINAL VALUE OF €100 PER BOND, ISSUED AT PAR AND BEARING INTEREST AT 3.75% PER ANNUM, PAYABLE ANNUALLY ON 27<sup>TH</sup> JUNE OF EACH YEAR (THE 'BONDS'). THE ISSUER SHALL REDEEM THE BONDS ON SUCH DATE IN 2029 UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER, EASYSSELLIMITED AS GUARANTOR (THE 'GUARANTOR') AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

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

**THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THIS 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.**

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF AN OFFER OR INVITATION TO SUBSCRIBE FOR THE BONDS: BY ANY PERSON IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR IN WHICH THE PERSON MAKING THE OFFER OR INVITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE SUCH RESTRICTIONS.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR THE BONDS 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 THE BONDS TO BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF APPLYING FOR ANY SUCH BONDS AND ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE. SAVE THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS DESCRIBED IN THE SECURITIES NOTE OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION APPLIES ARTICLE 3.2 OF THE SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO 'QUALIFIED INVESTORS' (AS DEFINED IN THE SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE. A COPY OF THE PROSPECTUS 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 THE PROSPECTUS 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 GUARANTOR NAMED IN THE REGISTRATION DOCUMENT IN SECTION 3.2 UNDER THE HEADING 'ADVISORS' HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR, AS THE CASE MAY BE, IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS. THE CONTENTS OF ANY WEBSITE OF ISSUER OR GUARANTOR OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO ISSUER OR GUARANTOR 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 INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS.**

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>1. DEFINITIONS</b>   | <b>4</b>  |
| <b>2. RISK FACTORS</b>  | <b>6</b>  |
| 2.1 <i>General Risk Factors</i>   | 6         |
| 2.2 <i>Risk Factors Specific to the Bonds</i>   | 7         |
| <b>3. RESPONSIBILITIES</b>  | <b>9</b>  |
| 3.1 <i>Issuer's Responsibility for the Securities Note</i>  | 9         |
| 3.2 <i>Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries</i> | 9         |
| <b>4. KEY INFORMATION ABOUT THE BOND ISSUE</b>  | <b>10</b> |
| 4.1 <i>Reasons for the Offer, and Use of Proceeds</i>   | 10        |
| 4.2 <i>Expected Time Table of the Bond Issue</i>  | 12        |
| 4.3 <i>Offer Statistics</i>   | 13        |
| 4.4 <i>Interest of Natural/Legal Persons involved in the Issue</i>  | 13        |
| 4.5 <i>Conditions of the Bonds</i>  | 13        |
| 4.6 <i>Proceeds for Payment to Subsidiaries and Creation of Security</i>  | 21        |
| 4.7 <i>Guarantee and Security</i>   | 22        |
| 4.8 <i>Undertakings by an Applicant for the Bonds</i>   | 22        |
| 4.9 <i>Data Protection</i>  | 24        |
| <b>5. TAXATION</b>  | <b>25</b> |
| 5.1 <i>General</i>  | 25        |
| 5.2 <i>Malta Tax on Interest</i>  | 25        |
| 5.3 <i>Exchange of Information</i>  | 26        |
| 5.4 <i>Maltese Taxation on Capital Gains on Transfer of the Bonds</i>   | 26        |
| 5.5 <i>Duty on Documents and transfers</i>  | 26        |
| <b>6. PLAN FOR DISTRIBUTION AND RELATED MATTERS</b>   | <b>26</b> |
| 6.1 <i>Subscription and Sale</i>  | 26        |
| 6.2 <i>Sale in Territories other than the Islands of Malta</i>  | 26        |
| <b>7. EXPERTS AND ADVISERS</b>  | <b>27</b> |
| 7.1 <i>Statement of Experts</i>   | 27        |
| 7.2 <i>Advisers</i>   | 27        |
| <b>ANNEX 1 - GUARANTEE</b>  | <b>28</b> |
| <b>ANNEX 2 - APPLICATION FORM</b>   | <b>32</b> |
| <b>ANNEX 3 – AUTHORISED FINANCIAL INTERMEDIARIES</b>  | <b>34</b> |
| <b>ANNEX 4 - FINANCIAL ANALYSIS SUMMARY</b>   | <b>35</b> |



## 1. DEFINITIONS

Words and expressions and capitalized terms used in this Securities Note shall, except where the context otherwise requires, have the same meaning given to them in the Registration Document. Otherwise, unless the context otherwise requires, the following capitalized terms shall have the following meanings:-

|  |  |
|--|--|
| <b>‘Act’</b>                           | the Companies Act, Chapter 386 of the Laws of Malta;   |
| <b>‘Applicant’</b>                     | the applicant applying for the issue and allotment of the Bonds in its favour;   |
| <b>‘Application Form’</b>              | the application form to be completed by an Applicant for the Bonds, a specimen of which is attached to the Securities Note as Annex 2;   |
| <b>‘Business Day’</b>                  | a day (other than a Saturday, Sunday or public holiday) in Malta;  |
| <b>‘Change of Control’</b>             | occurs when a person or persons acting together, acquire control of the Issuer or the Subsidiaries’ Holding or any one of the Subsidiaries, where control means (i) the acquisition or control of more than fifty per cent of the shares carrying voting rights; or (ii) the right to appoint and/or remove all or the majority of the members of the board of directors of the Issuer or the Subsidiaries’ Holding and/or the Subsidiaries, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights in the company, contract or otherwise; |
| <b>‘Change of Control Notice’</b>      | has the meaning assigned to it in section 4.5.13 under the heading ‘Change of Control Event’;  |
| <b>‘Change of Control Period’</b>      | thirty (30) days following the date on which a Change of Control Notice is given to Bond Holders as required pursuant to section 4.5.13 under the heading ‘Change of Control Event’;   |
| <b>‘Change of Control Put Date’</b>    | shall be the date falling one hundred and eighty (180) days after the expiry of the Change of Control Period;  |
| <b>‘Change of Put Exercise Notice’</b> | has the meaning assigned to it in section 4.5.14 under the heading ‘Redemption, Purchase and Cancellation’;  |
| <b>‘Closing Date’</b>                  | date from which interest starts to run/end of Offer Period;  |
| <b>‘Conditions’</b>                    | means the terms and conditions set out in section 4.5 under the heading ‘Conditions of the Bonds’;   |
| <b>‘CSD’</b>                           | Central Securities Depository of the Exchange regulated pursuant to the Financial Markets Act (Chapter 345 of the laws of Malta) having its address at Garrison Chapel, Castille Place, Valletta VLT 1063;   |
| <b>‘Event of Default’</b>              | any event of default referred to in section 4.5.18 under the heading ‘Event of Default’;   |
| <b>‘Force Majeure’</b>                 | an event or circumstance which is beyond the control and without the fault or negligence of the Issuer and/or Guarantor and which by the exercise of reasonable diligence the party affected was unable to prevent;  |
| <b>‘GDPR’</b>                          | Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) as the same may be duly amended from time to time;  |
| <b>‘Indebtedness’</b>                  | means any present or future indebtedness (whether being principal, interest or other amounts but excluding any indebtedness owed to another member of the Group or to the Parent Company);   |
| <b>‘Interest Payment Date’</b>         | means the 27 <sup>th</sup> June of each year up to Maturity Date;  |
| <b>‘Interest Period’</b>               | the period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Payment Date;  |
| <b>‘Issuer’s Loan’</b>                 | the loan of thirteen million two hundred and fifty thousand Euro (€13,250,000) that the Issuer shall grant from the proceeds of the Bond Issue to the Subsidiaries’ Holding pursuant to a loan agreement dated 3 <sup>rd</sup> June 2019 which loan shall be subject to those terms and conditions contained therein, a summary of which is referred to in section 4.1.1. under the heading ‘Main Proceeds’;   |
| <b>‘Maturity Date’</b>                 | 27 <sup>th</sup> June 2029;  |
| <b>‘Record Date’</b>                   | fifteen (15) Business Days in Malta before the due date for relevant payment;  |

**‘Regulation’**

Commission Regulation (EC) No 809/2004 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 from time to time.

**‘Subscription Agreement’**

means the agreement concluded by the Issuer with each of the Sponsor and the Manager dated 3<sup>rd</sup> June 2019 wherein each of the Sponsor and the Manager have agreed to subscribe or procure subscribers for the Bonds at their nominal value.

**Unless otherwise appearing from the context:-**

- a. Words importing the singular shall include the plural and vice-versa;
- b. Words importing the masculine gender shall include 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

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 ON THE MATURITY DATE UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND CANCELLED.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW AND IN THE REGISTRATION DOCUMENT. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE RISK FACTORS CONTAINED IN THE PROSPECTUS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

THE ORDER IN WHICH THE INDIVIDUAL RISKS ARE PRESENTED BELOW IS NOT INTENDED TO PROVIDE AN INDICATION OF THE LIKELIHOOD NOR THE SEVERITY OR SIGNIFICANCE OF INDIVIDUAL RISKS.

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

### 2.1 General Risk Factors

#### 2.1.1 Forward Looking Statements

This Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as 'anticipates', 'believes', 'estimates', 'expects', 'intends', 'may', 'plans', 'projects', 'will', 'would' or similar words. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Group's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. No assurance is given that the future results or expectations will be achieved.

#### 2.1.2 Suitability of Investments

Each potential investor of the Bonds must determine the suitability of his investment in the light of his own circumstances. The Bonds may not be a suitable investment for all investors.

Prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Chapter 370 of the Laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular such advice should be sought with a view to ascertaining that each prospective investor:

- a. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference in the Prospectus or any applicable supplement;
- b. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- c. understands thoroughly the terms of the Bonds and is familiar with the behavior of any relevant indices and financial markets; and
- d. is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear applicable risks.



## 2.2 Risk Factors Specific to the Bonds

### 2.2.1 Liquidity of the Bond Market

A liquid market for the Bonds may not develop, or if it does, it may not continue. Application has been made to the Exchange and to trading on its regulated market. The fact that the Bonds are listed will not necessarily lead to greater liquidity. In an illiquid market, an investor is subject to the risk that it will not be able to sell the Bonds at any time at fair market prices.

### 2.2.2 Redemption Before Maturity

If the Bonds are redeemed prior to Maturity Date, an investor is exposed to the risk of a lower yield than expected.

### 2.2.3 Dependence of Market Price on Various External Factors

The development of the market price of the Bonds will depend on various factors, including but not limited to changes of market interest rate levels, overall economic developments, inflation rates, the lack of demand for the Bonds, etc. Bond Holders are therefore exposed to the risk of an unfavourable development of the market price of their Bonds which will affect the Bond Holders if they sell the Bonds prior to Maturity Date. If a Bond Holder decides to hold the Bonds until Maturity Date, the Bonds will be redeemed at the amount set out in this Securities Note.

### 2.2.4 Creditworthiness of the Group

If any of the risks regarding the Issuer and the Group materialize, the likelihood that the Issuer will be in a position to fully perform all obligations under the Bonds when they fall due decreases, and therefore the market value of the Bonds may suffer. In addition, even if the Issuer is able to fully perform all obligations under the Bonds when they fall due, market participants could nevertheless have a different perception. In addition, the market participants' estimation of the creditworthiness of corporate debtors in general or debtors operating in the same business as the Group could adversely change. If any of these risks occur, third parties may only be willing to purchase the Bonds at a lower price than before the materialization of said risk. Such circumstances may cause the value of the Bonds to decrease.

### 2.2.5 Independent Credit Rating

The Issuer has not sought, neither does it intend to seek the credit rating of an independent agency, and there has been no assessment by any independent rating agency of the Bonds.

### 2.2.6 Currency Risk

The Bonds are denominated in Euro. If such currency represents a foreign currency to a Bond Holder, such Bond Holder is particularly exposed to the risk of changes in currency exchange rates which may affect the yield of such Bonds. In addition, government and monetary authorities may impose exchange controls that could adversely affect an applicable currency exchange rate. As a result, Bond Holders may receive less interest or principal than expected, or no interest or principal at all.

### 2.2.7 Market Value of the Bonds Dependent on Market Interest Rates

The Bonds have a fixed rate of interest which carries the risk that the prices of the Bonds can fall as a result of changes in the interest rate on the market. If the nominal interest rate of a security is fixed for the entire duration of such security, the current interest rate on the capital markets typically changes on a daily basis. As the market interest rate changes, the price of a security with a fixed interest rate also changes, but in the opposite direction. If the market interest rate increases, the price of a security with a fixed interest rate typically falls until the yield of such security approximately equals the market interest rate. If the market interest rate decreases, the price of a fixed interest rate security typically increases, until the yield of such security is approximately equal to the market interest rate. If the Bond Holder holds the Bonds until Maturity Date and the interest rate does not change, changes of the market interest rate will be irrelevant as the Bonds will be redeemed at a fixed redemption amount.

#### 2.2.8 Changes in Circumstances

No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time. If such changes take place, they could have an adverse effect on the market price for the Bonds.

#### 2.2.9 Subsidiaries' Inability to Generate Sufficient Cash Flows

The Issuer's ability to make scheduled payments on, or to refinance its obligations with respect to its indebtedness, including the Bonds, will depend on its Subsidiaries' financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond its control. If the Subsidiaries are unable to generate sufficient cashflow to satisfy the Issuer's debt obligations, the Issuer may have to undertake alternative financing plans, such as refinancing or restructuring its debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Refinancing may not be possible, it may be difficult to sell any assets or, if assets are sold, lower than expected proceeds may be realised from those sales, or additional financing may not be able to be obtained in acceptable terms, if at all. The Subsidiaries' inability to generate sufficient cashflows to satisfy Issuer's debt obligations, or to refinance its indebtedness on commercially reasonable terms, would materially and adversely affect its financial condition and results of operations and its ability to satisfy its obligations under the Bonds.

#### 2.2.10 Insufficient Proceeds

The Bonds will be secured by a first ranking special hypothec over the Secured Asset as part of the Security. The amount to be received upon an enforcement of the said special hypothec would be dependent on numerous factors affecting the value of the Secured Asset at the time of its enforcement. In the event of Guarantor's liquidation, bankruptcy or similar proceedings, the proceeds from the enforcement of the special hypothec over the Secured Asset may not be sufficient to repay the obligations under the Bonds.

The value of the Secured Asset in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors. By its nature, portions of the Secured Asset may be illiquid and may have no readily realisable market value. In the event of a liquidation, bankruptcy or similar proceeding, the proceeds from any sale or liquidation of the Secured Asset may not be sufficient to pay the Issuer's obligations under the Bonds, and other *pari passu* claims.

#### 2.2.11 No Direct Enforcement of the Guarantee or the Security

The Guarantee and the Security that will secure the obligations of the Issuer under the Bonds will not be directly granted to the Bond Holders but will be granted in favour of the Security Trustee. The Security Trust Deed provides that only the Security Trustee has the right to enforce the Guarantee and the Security. As a consequence Bond Holders will not have direct security interests and will not be entitled to take direct enforcement action in respect of the Guarantee and the Security. The Security Trust Deed provides that the Security Trustee may take enforcement action in its discretion if an Event of Default is continuing. The Security Trustee may take action to enforce the Guarantee and the Security at its discretion at any time after the Security has become enforceable, but shall not be bound to take action unless seventy five per cent (75%) in nominal value of the Bond Holders duly request, in which case the Security Trustee is bound to take action. Bond Holders are therefore dependent on third parties in order to be able to indirectly enforce the Guarantee and the Security.

#### 2.2.12 Preferences at Law

Notwithstanding that the Security in relation to the Guarantor shall rank first over the Secured Asset, and shall rank with priority over present and future unsecured obligations of the Guarantor, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of the Guarantor which may rank with priority or preference to the Security.

#### 2.2.13 Conditions to which the Bond Issue is Subject

The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the official list of the Exchange by no later than 28<sup>th</sup> June 2019 and on the Security being constituted in favour of the Security Trustee. In the event that either of the aforesaid conditions is not satisfied, the Security Trustee shall return the Bond Issue proceeds to the Bond Holders.

#### 2.2.14 Changes to Conditions

In the event that the Issuer wishes to amend any Conditions it shall call a meeting of the Bond Holders in accordance with the provisions of section 4.5.24 of this Securities Note under the heading 'Meetings of Bond Holder, Modification & Waivers, Substitution'. Since the Bonds provide for meetings of Bond Holders where decisions are taken based on the vote of seventy five (75) % in nominal Value of the Bonds outstanding, a Bond Holder is subject to the risk of being outvoted by a majority resolution of the Bond Holders or being bound by a decision of a meeting that he elected not to attend. Such majority resolutions are binding on all Bond Holders. In addition, certain rights of Bond Holders against the Issuer or the Guarantor under the Conditions may be amended or reduced or even cancelled under such a resolution.

#### 2.2.15 Change in Law

The Conditions of the Bonds are based on Maltese Law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in applicable law or administrative practice after the date of this Prospectus.

#### 2.2.16 Discontinuation of Listing

Even after the Bonds are admitted to trading on the Exchange, the Issuer is required to remain in compliance with certain requirements relating *inter alia* to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. The Listing Authority also has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the Exchange. Any such trading suspensions or listing revocations/discontinuations could have a material adverse effect on the liquidity and value of the Bonds.

### 3. RESPONSIBILITIES

#### 3.1 Issuer's Responsibility for the Securities Note

This Securities Note includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer and Guarantor. All of the Directors, whose names appear under the heading 'Directors of the Issuer' in section 3.1.1 of the Registration Document, accept responsibility for the information contained in the Securities Note.

To the best of the knowledge and belief of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in the Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

All representations and other statements made in the Prospectus are made by the Issuer, and the Directors take sole responsibility for all such representations and statements. The persons whose names appear under the heading 'Advisers' in section 3.2 of the Registration Prospectus have advised and assisted the Issuer and the Guarantor in the preparation of this Securities Note, but none make any representation or statements, unless otherwise expressly stated in the Prospectus, and each of them disclaims any responsibility for any representations and other statements made in the Prospectus.

The Issuer has authorized the Bond Issue by means of a resolution of its board of directors dated 26 March 2019.

#### 3.2 Consent required in connection with the use of the Prospectus by the Authorised Financial Intermediaries

The Issuer has entered into the Subscription Agreements with the Authorised Financial Intermediaries. It is the intention of such Authorised Financial Intermediaries to accept subscriptions for the Bonds from applicants up to Closing Date. For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries up to Closing Date, and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under EU Directive 2003/71/EC of the European Parliament and of the Council as regards information in prospectuses as well as



the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as duly amended, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- i. in respect of Bonds subscribed for through Authorised Financial Intermediaries up to the Closing Date;
- ii. to any resale or placement of Bonds taking place in Malta; and
- iii. to any resale or placement of Bonds taking place within the period of sixty (60) days from the date of the Prospectus.

None of the Issuer, the Sponsor, the Registrar or the Manager or any of their respective advisors take any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or placement of Bonds.

Other than as set out above, none of the Issuer, the Sponsor, the Registrar or the Manager has authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer, the Sponsor, the Registrar or the Manager and none of the Issuer, the Sponsor, the Registrar or the Manager has any responsibility or liability for the actions of any person making such offers.

Investors should enquire whether an intermediary is considered to be an Authorised Financial Intermediary in terms of the Prospectus. If the investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, it should obtain legal advice.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with the Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer, the Sponsor, the Registrar or the Manager. The Issuer does not accept responsibility for any information not contained in the Prospectus.

**In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary will provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.** Any resale, placement or other offering of Bonds to an investor by an Authorised Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such resale, placement or other offering to provide the investor with that information and none of the Issuer, the Sponsor, the Registrar or the Manager has any responsibility or liability for such information.

**Any Authorised Financial Intermediary using this Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of sixty (60) days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale, placement or other offering in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.**

Any new information with respect to Authorised Financial Intermediaries unknown at the time of approval of this Securities Note will be made available through a company announcement through the MSE which will also be made available on the Issuer's website [www.tuminvest.com](http://www.tuminvest.com).

## 4. KEY INFORMATION ABOUT THE BOND ISSUE

### 4.1 Reasons for the Offer, and Use of Proceeds

#### 4.1.1 Main Proceeds

The proceeds from the Bond Issue, amounting to twenty million Euro (€20,000,000), after deduction of fees and other expenses incurred in connection with the Bond Issue which are expected to be in the region of four hundred thousand Euro (€400,000), will be used as follows:-

- a. the Issuer will subscribe to the Preference Shares in the Subsidiaries' Holding. The exact amount of the Preference Shares will be determined following the Bond Issue and will be the amount of the Bond proceeds (that is twenty million Euro €20,000,000) less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000), which is the amount that will be granted on loan to Center Parc (see paragraph (b) below), less the costs of the Bond Issue, which are expected to be in the region of four hundred thousand Euro (€400,000). Depending on the actual costs of the Bond Issue, the capital to be invested as Preference Shares is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000).

From the capital received by the Subsidiaries' Holding following the issuance and allotment of the Preference Shares (which as stated above is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000), the Subsidiaries' Holding will grant on loan the sum of four million five hundred thousand Euro (€4,500,000) to the Guarantor for the purpose of repaying the Guarantor's Original Debt as well as financing any outstanding development costs relating to the Secured Asset for its completion;

The balance of proceeds received by the Subsidiaries' Holding through the issuance and allotment of the Preference Shares (following the grant of the loan to Guarantor as stated in the preceding paragraph) which is expected to be in the region of one thousand eight hundred and fifty thousand Euro (€1,850,000), shall be used by it as general working capital;

- b. the Issuer shall grant the Issuer's Loan to the Subsidiaries' Holding. The Subsidiaries' Holding will use the proceeds from the Issuer's Loan to grant the same amount, namely the sum of thirteen million two hundred and fifty thousand Euro (€13, 250, 000) on loan to Center Parc for the purpose of repaying Center Parc's Original Debt and to finance any development costs relating to the Center Parc Property.

As a result of the above, the Subsidiaries will settle all liabilities with the Bank as lender leaving the Guarantor's Property and the Center Parc Property free and unencumbered, save, in so far as concerns Guarantor's Property, a special privilege securing the ground rent over the Secured Asset.

The Security Trustee shall ensure that the proceeds of the Bond issue are utilised for the purposes aforementioned.

Interest on the Bond will be paid from the interest earned by the Issuer on the Preference Shares it holds in the Subsidiaries' Holding and on the Issuer's Loan. The principal on the Bonds shall likewise be repaid from the redemption of the Preference Shares and the repayment of the Issuer's Loan. These will in turn be funded from rental income generated by Center Parc which will be utilized by Center Parc to pay the loan granted to it by the Subsidiaries' Holding, and from rental income generated by the Guarantor which it will distribute as dividends in favour of the Subsidiaries' Holding as its sole shareholder.

- *Terms and Conditions of the Preference Shares*

The Preference Shares shall be issued and allotted to the Issuer subject to the following terms and conditions:-

- i. as fully paid up cumulative preference shares bearing a fixed annual dividend of 3.75 %;
- ii. redeemable at par by the Subsidiaries' Holdings at any time but by not later than ten (10) years from their date of issue;
- iii. capital and interest due on the Preference Shares in a winding up or otherwise shall be paid before all other shares in the Subsidiaries' Holding including preference shares subsequently issued, but shall not be eligible to participate in any surplus of its assets;
- iv. they shall not confer a right to receive notice of or attend or vote at general meetings unless the fixed annual dividend payable on the Preference Shares is in arrears;
- v. all other applicable terms and conditions referred to in the memorandum and articles of association of the Subsidiaries' Holding.

As already stated above, the exact amount of the Preference Shares will be determined following the Bond Issue and will be the amount of the Bond proceeds less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000), which is the amount that will be granted on loan to Center Parc, less the costs of the Bond Issue, which are expected to be in the region of four hundred thousand Euro (€400,000). The capital to be invested as Preference Shares is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000).

- *Terms and Conditions of Issuer's Loan*

The Issuer's Loan which shall be granted by the Issuer to the Subsidiaries' Holding shall be subject to the payment of interest at 3.75% per cent per annum. The principal amounting to seven million two hundred and fifty thousand Euro (€7,250,000) shall be repaid in equal installments over a nine (9) year period commencing from the first Interest Payment Date; the balance of the principal amounting to six million Euro (€6,000,000) shall be repaid in a lump sum payment one (1) week prior to Maturity Date.

- *Terms and Conditions of the Loans between the Subsidiaries' Holding as lender and the Subsidiaries as Borrowers*

The Subsidiaries' Holding (as lender) has in turn entered into two (2) separate loan agreements each dated 3<sup>rd</sup> June 2019 with the Guarantor and Center Parc respectively (as borrowers). The loans have been granted for the purposes referred to in section 4.1.1 under the heading 'Main Proceeds'.

The loan granted to the Guarantor as borrower by the Subsidiaries' Holding as lender, is interest free. The principal shall be repayable on demand and in any case not later than one (1) week prior to Maturity Date. The Guarantor shall repay the loan through dividend distributions.

Pursuant to the loan agreement concluded with Center Parc as borrower and the Subsidiaries' Holding as lender, Center Parc shall pay the Subsidiaries' Holding, interest at 3.75% per annum; the principal amounting to seven million two hundred and fifty thousand Euro (€7,250,000) shall be repaid in equal installments over a nine (9) year period commencing from the first Interest Payment Date; the balance of the principal amounting to six million Euro (€6,000,000) shall be repaid in a lump sum payment one (1) week prior to Maturity Date. Center Parc shall repay the said loan through income earned from the lease of the Center Parc Property, and should such income exceed current projections, Center Parc may declare dividends that will also go towards payment of the said loan.

All receivables in the form of rent raised by Center Parc from the lease of the Center Parc Property, once completed, shall be pledged in favour of the Subsidiaries' Holding. Should the Center Parc Property be further developed in future, the pledge shall not extend to rent from lease agreements relating to the newly developed part of the property.

These loans shall be subject to the admission of the Bond Issue to listing on the official list of the Exchange and to the Guarantor granting the Security in favour of the Security Trustee pursuant to the Security Trust Deed.

- *Cancellation of Securities Granted to the Bank*

There are currently registered in favour of the Bank as lender, as security for the repayment of the Guarantor's Original Debt, the Guarantor's Original Charges. Other than for the Guarantor's Original Charges and any preferences arising at law (there is currently a special privilege securing ground rent encumbering the Secured Asset), there are no further charges over the Secured Asset. Upon repayment of the Guarantor's Original Debt through the proceeds of the Bond Issue as provided for above, the Bank as lender shall release and cancel the Guarantor's Original Charges, at which point in time the Guarantor shall grant the Security in favour of the Security Trustee for the benefit of the Bond Holders.

There are currently registered in favour of the Bank as lender as security for the repayment of Center Parc's Original Debt, the Center Parc Original Charges. Other than for Center Parc's Original Charges and any preferences arising at law, there are no further charges over the Center Parc Property. Upon repayment of the Center Parc Original Debt, through the proceeds of the Bond Issue as provided for above, the Bank as lender shall release and cancel the Center Parc Original Charges, as a result of which the Center Parc Property will be free and unencumbered.

#### 4.1.2 Expenses

Four hundred thousand Euro (€400,000) of the Bond Issue are expected to be paid out as professional fees and other costs related to publicity, advertising, printing, listing, registration, sponsorship, management, registrar fees, commissions and other miscellaneous expenses in connection with the Bond Issue.

## 4.2 Expected Time Table of the Bond Issue

|   |   |  |
|---|---|--|
| 1 | Offering period                                       | 12 <sup>th</sup> June 2019 to 26 <sup>th</sup> June 2019 |
| 2 | Commencement of interest                              | 27 <sup>th</sup> June 2019                               |
| 3 | Expected Date of Constitution of the Security         | 28 <sup>th</sup> June 2019                               |
| 4 | Expected date of admission of the Bonds to listing    | 28 <sup>th</sup> June 2019                               |
| 5 | Expected date of commencement of trading in the Bonds | 1 <sup>st</sup> July 2019                                |



The Issuer reserves the right to bring the Closing Date forward and close the offer period earlier in the event of over-subscription, in which case the events set out in the above steps may also be brought forward.

### 4.3 Offer Statistics

|                                  |   |
|----------------------------------|---|
| Amount:                          | €20,000,000   |
| Form:                            | The Bonds will be issued in fully registered and dematerialized form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD   |
| Denomination:                    | Euro (€)  |
| ISIN:                            | MT0002271204  |
| Minimum Amount per Subscription: | Minimum of €2000 and multiples of €100 thereafter   |
| Maturity Date:                   | 27 <sup>th</sup> June 2029  |
| Plan of Distribution:            | The Bonds may be subscribed by the Manager or the Sponsor for their own account or the account of their customers as better set out in section 6.1 under the heading 'Subscription and Sale'  |
| Bond Issue Price:                | €100 nominal value per Bond   |
| Status of the Bonds:             | The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank <i>pari passu</i> without any priority or preference among themselves. The Guarantor shall guarantee the Bond with respect to both principal and interest. In so far as concerns the Guarantor, the Bonds shall rank first (except for certain preferences allowed by law), over the Secured Asset, and shall rank with priority over present and future unsecured obligations of the Guarantor and with first ranking and priority over the Secured Asset |
| Listing:                         | Application has been made to the Exchange for the Bonds to be listed and traded on its official list  |
| Interest:                        | 3.75% per annum   |
| Interest Payment Date:           | yearly on the 27 <sup>th</sup> June   |
| Governing Law of the Bonds:      | Maltese Law   |
| Jurisdiction:                    | The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.  |

### 4.4 Interest of Natural/Legal Persons involved in the Issue

Save for the subscription of the Bonds by the Authorised Financial Intermediaries, the repayment to the Bank of the Center Parc's Original Debt and the Guarantor's Original Debt, and any fees payable in connection with the Bond Issue to the Sponsor, Manager and Registrar, so far as the Issuer is aware, no person involved in the Bond issue has a material interest in the Bond Issue.

### 4.5 Conditions of the Bonds

Each Bond shall be issued on the terms and conditions set out in this Securities Note and by subscribing to or otherwise acquiring the Bonds, the Bond Holders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

Each Bond forms part of an issue of 3.75% secured bonds 2029 of a nominal value of €100 per Bond issued by the Issuer up to the principal amount of €20,000,000. The issue date of the Bonds is expected to be 28<sup>th</sup> June 2019 or such earlier date as may be applied in the event the Closing Date is brought forward.

#### **4.5.1 Bond Issue Subject to Certain Events**

The issue and allotment of the Bonds is subject to: (i) the Bonds being admitted to the official list of the Exchange by no later than 28<sup>th</sup> June 2019 and (ii) the Security being constituted in favour of the Security Trustee in accordance with the provisions of the Security Trust Deed. In the event that the conditions are not satisfied within 15 days, the Issuer shall procure that all application monies received on the Bonds shall be returned without interest by direct credit to the bank account indicated in the Applicant's application for purchase of the Bonds.

#### **4.5.2 Rights Attaching to the Bonds**

A Bond Holder will have such rights as emanate from this Prospectus including the right to:-

- a. be repaid the principal amount;
- b. be paid interest on each Interest Payment Date;
- c. benefit from the Security over the Secured Asset;
- d. attend, participate in and vote at meetings of Bond Holders in accordance with the terms and conditions of the Bond Issue.

#### **4.5.3 Form**

Certificates will not be delivered to the Bond Holders in respect of the Bonds. The entitlement to the Bonds will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer by the CSD. A Bond Holder shall have the right at reasonable times to access the register of Bond Holders held at the CSD for inspecting information held in its respect. Upon request, the CSD shall issue a Bond Holder a statement evidencing the registration of the Bonds in his name.

#### **4.5.4 Denomination**

The Bonds will be issued in fully registered form without interest coupon, in denominations of integral multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by an Applicant is €2000. The Bonds shall be in Euro.

#### **4.5.5 Title**

Any person in whose name the Bonds are registered may (to the fullest extent allowed by law) be deemed and treated at all times by all persons and for all purposes (including the making of any payments), as the absolute owner of the Bond.

#### **4.5.6 Security**

The obligations of the Issuer for repayment of principal and interest under the Bonds are secured by the Guarantee and the Security granted by the Guarantor in favour of the Security Trustee for the benefit of the Security Trustee and the Bond Holders.

If an Event of Default shall occur and is continuing, the Guarantee and the Security shall become enforceable and the Security Trustee may at its discretion or, if requested in writing by at least seventy five per cent (75%) in nominal value of the Bond outstanding, in accordance with the provisions of the Security Trust Deed but at all times without having regard to the effect of such action on individual Bond Holders, enforce all or any part of the Guarantee and the Security.

#### **4.5.7 Status**

The Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference amongst themselves.

The Guarantor has secured the repayment of the principal and interest by means of the Guarantee and the Security in favour of the Security Trustee for the interests of the Bond Holders. With respect to the Guarantor, the Bonds shall rank

with priority or preference to all other present and future unsecured obligations of the Guarantor, and save for exceptions allowed by law, will have first ranking and priority over the Secured Asset.

#### **4.5.8 Listing**

Application has been made to admit the Bonds to the official list of the Exchange. The Bonds are expected to be assigned ISIN: MT0002271204.

#### **4.5.9 Registration and Transfer of the Bonds**

##### **▪ Registration**

Upon being allotted Bonds, a Bond Holder shall be registered with the CSD. A statement evidencing the registration of the Bonds is issued in his name.

In the case of joint applications, the person whose name shall be inserted in the field “Applicant” on the Application Form, or first named in the register of Bond Holders shall for all intents and purposes be deemed to be the registered holder of the Bonds and to have been so nominated by all the joint holders whose names appear in the field entitled “Additional Applicants” in the Application Form or as joint holders in the register of Bond Holders as the case may be.

Bonds subject to usufruct shall be registered in the name of the owner and the usufructuary. The usufructuary shall, for all intents and purposes, be deemed vis-à-vis the Issuer to be the holder of the Bonds and shall have the right to receive interests on the Bonds and to vote at meetings of the Bond Holders but shall not have the right to dispose of the Bonds without the bare owner’s consent, neither shall he be entitled to the principal amount, which will be paid to the owner on Maturity Date. The owner will not be allowed to dispose of the Bonds prior to Maturity Date without the consent of the usufructuary.

Bonds allocated to persons under the age of eighteen years (18) shall be registered in the name of the minor. The payment of interests and principal amount shall be paid to the parents/guardian until such time as the minor reaches majority age, when payment of interest and principal amount shall be paid to him directly, provided the Issuer has been notified in writing that the minor has attained majority age.

##### **▪ Transfer**

The Bonds are freely transferable and once admitted to the official list of the Exchange shall be transferable in accordance with the rules and regulations of the Exchange as these may change from time to time.

Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bond Holder may, upon such evidence being produced as may from time to time be required by the Issuer or the CSD, elect either to be registered himself as Bond Holder or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bonds, or procuring the transfer of the Bonds, in favour of that person.

All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

The cost and expense of effecting any registration of transfer or transmission will be borne by the transferee.

Transfers or transmissions shall not be registered for a fifteen (15) Business Day period preceding any Interest Payment Date.

#### **4.5.10 Interest**

The Bonds shall bear interest from the Closing Date at the rate of 3.75% per annum calculated by reference to the principal amount thereof and payable annually in arrears on the Interest Payment Date.

The amount of interest payable in respect of the Bonds in respect of a period which is shorter than an Interest Period shall be calculated on the basis of the number of days in the relevant period from (and including) the first day of such period to (but excluding) the last day of such period divided by the product of the number of days from (and including)



the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next Interest Payment Date and the number of Interest Periods normally ending in any year.

#### **4.5.11 Accrual of Interest**

Each Bond will cease to bear interest where such Bond is redeemed or repaid pursuant to Condition 4.5.13 or Condition 4.5.14, from the due date for redemption or repayment thereof unless, payment of the principal amount in respect of the Bonds is improperly withheld or refused, in which event interest will continue to accrue at the rate specified in Condition 4.5.10 until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bond Holder; or (ii) the day after the Security Trustee has notified the Bond Holders of receipt of all sums due in respect of all Bonds up to that day.

#### **4.5.12 Yield**

The gross yield calculated on the basis of the interest, the issue price and redemption price of the Bonds, which in both cases is the nominal value per Bond, is of 3.75%.

#### **4.5.13 Change of Control**

Within thirty (30) days following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Security Trustee and to the Bond Holders in accordance with Condition 4.5.24. Such notice shall contain a statement informing the Bond Holders of their entitlement to exercise their rights to require redemption of the Bonds pursuant to Condition 4.5.14.

The Change of Control Notice shall also specify:-

- a. all information material to the Bond Holders concerning the Change of Control;
- b. the redemption price at which the Bonds can be redeemed;
- c. the last day of the Change of Control Period;
- d. the relevant Change of Control Put Date;
- e. such other information relating to the Change of Control as the Security Trustee may require.

Following the occurrence of a Change of Control, the Bond Holder will have the right to require the Issuer to redeem the Bonds on the relevant Change of Control Put Date at a redemption price equal to that notified by the Bond Issuer in the Change of Control Notice, together with accrued and unpaid interest, if any, to and excluding the relevant Change of Control Put Date. To exercise such right the Bond Holder must deliver a Change of Put Exercise Notice consisting of those forms requested at the time by the Issuer to be filed in connection with this notice and notified during the Change of Control Period.

A Change of Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of the Change of Control Put Exercise Notice as aforesaid on the Change of Control Put Date.

#### **4.5.14 Redemption, Purchase and Cancellation**

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at par on Maturity Date. The Bonds will only be redeemed prior to the Maturity Date at the option of the Bond Holder upon a Change of Control or where acquired by the Issuer itself or a member of the Group or the Parent Company as provided for in this section.

Subject to the requirements of the Exchange on which the Bonds will be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any member of the Group or the Parent Company may at any time purchase any Bonds in the open market or otherwise at any price. Such Bonds may be held or re-sold or, at the option of the relevant purchaser, surrendered for cancellation. The Bonds so purchased, while held by or on behalf of the Issuer or any member of the Group or the Parent Company, shall not entitle the holder to vote at meetings of the Bond Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bond Holders for the purposes of Condition 4.5.24.

All Bonds which are redeemed will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any member of the Group or the Parent Company may be surrendered for cancellation and, if so surrendered, shall be cancelled.

#### **4.5.15 Payments of Principal and Interest**

Payment of principal in respect of the Bonds and payment of accrued interest payable on redemption of the Bonds (other than on an Interest Payment Date) will be made to the person in whose name the Bonds are registered at close of business on Record Date. Such payment will be made within ten (10) Business Days from Maturity Date.

Payments of interest on any Interest Payment Date will be made to the persons registered at close of business on the Record Date. Such payment will be made within ten (10) Business Days from Interest Payment Date.

Each payment in respect of the Bonds whether by way of principal or interest will be made by direct credit transfer to a Euro account maintained by the Bond Holder with a bank licensed in Malta.

Payments in respect of the Bonds may be subject to applicable tax. All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is or may become compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

#### **4.5.16 Delay in Payment**

Other than as stated in Condition 4.5.11, Bond Holders will not be entitled to any interest or other payment for any delay in receiving the amount due after the due date.

#### **4.5.17 Fractions**

When making payments to Bond Holders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

#### **4.5.18 Event of Default**

The Security Trustee may in its absolute discretion and shall, if so requested in writing by the holders of at least seventy five (75) per cent in nominal value of the Bonds outstanding, give notice in writing to the Issuer and the Guarantor that the Bonds are, and they shall accordingly thereby immediately become, due and repayable at their principal amount, together with accrued interest as at such date, if any of the following events (each an Event of Default) shall have occurred and be continuing:

- a. The Issuer fails to pay the principal amount or any interest on any of the Bonds when due and such failure continues for a period of sixty (60) days in the case of the principal and thirty (30) days in the case of the interest after written notice thereof is given by the Security Trustee to the Issuer and/or Guarantor;
- b. The Issuer and/or Guarantor does not perform or comply with any one or more of its other obligations in respect of the Bonds or the Security Trust Deed or the Guarantee or a document constituting the Security, and such default is incapable of remedy or, if (in the opinion of the Security Trustee) is capable of remedy, is not (in the opinion of the Security Trustee) remedied within thirty (30) days after the Issuer and/or Guarantor shall have received from the Security Trustee written notice of such default;
- c. If: (i) any Indebtedness of the Issuer or Guarantor becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or Guarantor fails to make any payment in respect of any Indebtedness on the due date for payment as extended by any applicable grace period; (iii) any security given by the Issuer or Guarantor for any Indebtedness is enforced; (iv) default is made by the Issuer or Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness of any other person;
- d. if: (i) an attachment, execution or other legal process is levied, enforced or sued out on or against all or any substantial part of the assets of the Issuer and/or the Guarantor and/or the Subsidiaries' Holding and is not discharged or stayed within ninety (90) days or such longer period as may be permitted by the Security Trustee in its sole discretion; or (ii) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer or the Guarantor or the Subsidiaries' Holding;
- e. any step is taken to enforce any security interest, present or future, created or assumed by the Issuer or the Guarantor or the Subsidiaries' Holding and is not stayed within sixty (60) days;

- f. bankruptcy, insolvency, voluntary or court liquidation, composition with creditors, reorganisation or similar affecting the rights of creditors generally are opened against the Issuer and/or Guarantor and/or the Subsidiaries' Holding or a provisional administrator, official receiver or liquidator is appointed in respect of the Issuer and/or Guarantor and/or Subsidiaries' Holding;
- g. the Issuer or the Guarantor admits inability to pay its debts as they fall due, or is deemed unable to pay its debts pursuant to or for the purpose of any applicable law;
- h. an order is made or a resolution is passed for the winding up or dissolution of the Issuer or the Guarantor, or the Issuer or Guarantor has passed a resolution to have itself wound up or has made an announcement or issued a notice to that effect, or the Issuer or Guarantor ceases or publicly announces an intention to cease to carry on all or substantially all of its business or operations, except in any such case: (i) any sale or transfer of all, or substantially all, of the assets of the Issuer to another entity (whether by operation of law or otherwise); (ii) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation; or (iii) in the case of a Subsidiary, whereby the undertaking and assets of the Subsidiary are transferred to or otherwise vested in the Issuer or another member in the Group;
- i. a final judgement or judgements for the payment of money exceeding two million Euro (€2,000,000) in aggregate, are rendered against the Issuer or the Guarantor, and which judgements are not, within thirty (30) days after entry thereof, discharged or stayed pending appeal, or are not discharged within thirty (30) days after the expiration of such stay;
- j. the Issuer or Guarantor substantially changes the object or nature of its business as currently carried on;
- k. any representation or warranty made or deemed to be made by or in respect of the Issuer or Guarantor is or proves to be incorrect in any material respect;
- l. any consent, permit, authorization, license or approval of, or registration with, or declaration to governmental, statutory or public bodies, or authorities or courts, required by the Issuer in connection with the Bonds or by the Subsidiaries in connection with the carrying out of their business or in connection with the Properties is not granted or if granted is substantially modified or revoked or not renewed or otherwise ceases to be in full force and effect;
- m. following a period of sixty (60) days where Issuer and/or Guarantor are affected by an event of Force Majeure;
- n. the Issuer and/or the Guarantor are in material breach of the Security Trust Deed.

An Event of Default is continuing if it has not been waived or if it has not been remedied within the period stipulated for its remedy.

#### **4.5.19 Maintenance of Unencumbered Assets**

The Issuer undertakes to procure that the Guarantor does not give any further charges over the Secured Asset even if these rank after those registered in favour of the Security Trustee for the benefit of the Bond Holders.

#### **4.5.20 Issuer's Undertakings to Transfer Proceeds**

The Issuer undertakes that it will transfer the proceeds of the Bond Issue as per 4.1 under the heading 'Reasons of the Offer and Use of Proceeds'.

#### **4.5.21 Prescription**

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within five (5) years from the date the payment with respect to which a claim is being made, becomes due.

#### **4.5.22 Meetings of Bond Holders, Modification and Waiver, Substitution**

The Security Trustee may, from time to time call meetings of the Bond Holders for the purpose of consulting with the Bond Holders or obtaining their consent on matters which in terms of the Prospectus require the approval of the Bond Holders.

A meeting of the Bond Holders may also be called by the Directors, through the Security Trustee, by giving the Security Trustee notice in writing. A meeting can also be called by ten per cent (10%) in value of Bonds outstanding.

The Security Trustee shall call meetings of Bond Holders by giving them not less than fourteen (14) days notice in advance of the meeting. The notice of the meeting will set out the time, place and date set for the meeting and the matters to be discussed thereat, giving the Bond Holders sufficient information on the matter to be discussed and decided upon.



The quorum at such meetings shall be of two (2) Bond Holders present in person or by proxy representing not less than fifty per cent (50 %) in nominal value of the Bonds outstanding. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated in the notice convening the same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Security Trustee to the Bond Holders within five (5) days from the meeting. An adjourned meeting shall be held not earlier than ten (10) days and not later than fifteen (15) days following the original meeting. At an adjourned meeting, the number of Bond Holders present, in person or by proxy, shall constitute a quorum, and only the matters specified in the notice calling the original meeting shall be discussed at such adjourned meeting.

All decisions taken at the meeting shall be approved by seventy five per cent (75%) in nominal value of the Bonds outstanding, present in person or by proxy. A decision taken in such manner is binding on all Bond Holders. The Security Trustee is also bound to act on any decision duly taken by the Bond Holders.

The Security Trustee shall chair meetings of Bond Holders.

The amendment of the Conditions (excluding the Condition in section 4.5.24 under the heading 'The Security Trustee') may only be made with the approval of Bond Holders at a meeting held for the purpose in accordance with the terms hereof.

#### **4.5.23 Enforcement**

The Security Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit, to:-

- a. enforce the provisions of the Security Trust Deed, the Prospectus and the Guarantee; and
- b. at any time after the Security has become enforceable, take action to enforce that Security in accordance with the Security Trust Deed;

but it shall not be bound to take such proceedings or any other action in relation to the Security Trust Deed, the Prospectus, the Guarantee or the Security unless it has been so directed to do so by a resolution of Bond Holders holding seventy five per cent (75%) in nominal value of the Bonds outstanding.

The Security Trustee shall not be required to take any action that would involve the Security Trustee in any personal liability or may be contrary to any applicable laws or regulations.

#### **4.5.24 The Security Trustee**

The Issuer and the Guarantor have entered into a Security Trust Deed with the Security Trustee which sets out the terms and conditions of (i) the Issuer and the Guarantor to pay the principal amount on the Bonds on Maturity Date and the interest thereon on an Interest Repayment Date, (ii) the Guarantee, the Security and the rights and interests thereon, and (iii) the rights and benefits enjoyed by the Security Trustee for the benefit of the Bond Holders under the Security Trust Deed.

Pursuant to the Security Trust Deed the Security Trustee shall act as security trustee of the Guarantee and the Security in favour of the Bond Holders. The Security Trustee shall so act until the Bonds and interest thereon shall have been paid in full.

The proceeds from the Bond Issue will be received by the Security Trustee from the Registrar, who will release the said proceeds in the following manner:-

1. such sum as shall be equal to the proceeds of the Bond Issue less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000) (which is the amount to be given on loan to Center Parc) and less the cost of the Bond Issue which is expected to be in the region of four hundred thousand (€400,000), and which sum is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000), will first be released to the Issuer. The Issuer will utilize this amount to acquire the Preference Shares in the Subsidiaries' Holding;
2. from the capital received by the Subsidiaries' Holding following the issuance and allotment of the Preference Shares, the Subsidiaries' Holding will grant the sum of four million five hundred thousand Euro (€4,500,000) to the Guarantor on loan. The balance of proceeds received by the Subsidiaries' Holding through the issuance and allotment of the Preference Shares (following the grant of the loan to Guarantor as stated in this paragraph),

which is expected to be in the region of one thousand eight hundred and fifty thousand Euro (€1,850,000), shall be used by it as general working capital;

3. the Guarantor will use the said sum to repay the Guarantor's Original Debt, as a result of which the Guarantor Property including the Secured Asset will be unencumbered (save for preferences allowed by law), at which point in time the Guarantor will grant the Security;
4. simultaneously with the constitution of the Security, the rest of the proceeds of the Bond Issue will be released to the Issuer to be granted on loan to Center Parc.

The Security Trustee shall ensure that the proceeds of the Bond issue are utilised for the purposes aforementioned. For this purpose, the Security Trustee shall be empowered to request such additional confirmations, information and documentation as it shall deem necessary.

Throughout the term of the Security Trust Deed, the Security Trustee has the power, in the interest of the Bond Holders, to request the Guarantor at the latter's expense, to do all such things that the Guarantor would have done had the Security not been created.

The consent of the Security Trustee is required for the Guarantor to sell or create other real rights over the Secured Asset. The Guarantor has itself accepted not to encumber the Secured Asset further (section 4.5.19 under the heading 'Maintenance of Unencumbered Assets' of the Securities Note).

Pursuant to the Security Trust Deed, the Security Trustee may in its absolute discretion take steps or proceedings to enforce the Security Trust Deed or waive any of its covenants and provisions. The Security Trustee will need to take enforcement action in accordance with the covenants and provisions of the Security Trust Deed were requested to do so by seventy five per cent (75%) in nominal value of the Bonds outstanding.

In the event that the Security Trustee enforces the Guarantee and/or the Security it shall use the proceeds to first settle any amounts outstanding in its favour pursuant to the Security Trust Deed by way of costs and expenses. It will then settle expenses incurred by it in enforcing the Guarantee and/or the Security pursuant to the Security Trust Deed. It will then pay outstanding interest followed by payment of principal owing on the Bonds.

The Security Trustee may at the cost of the Issuer call meetings of the Bond Holders intended to discuss matters pursuant to the Security Trust Deed or to request the Bond Holders' directions on those matters. The Security Trust Deed regulates the calling and proceedings of such meetings. The quorum for such meetings shall be of two (2) Bond Holders holding in aggregate not less than fifty (50) per cent in nominal value of Bonds outstanding. Decisions need to be taken by seventy five per cent (75%) in nominal value of Bonds outstanding.

The Security Trustee shall be paid such remuneration for the provision of services pursuant to the Security Trust Deed as shall be agreed to with the Issuer.

#### **4.5.25 Warranties and Representations**

The Issuer represents and warrants to the Bond Holders and to the Security Trustee for the benefit of the Bond Holders, who shall be entitled to rely on such representations and warranties that:

- i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title;
- ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorize the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the terms and conditions of this Prospectus; and
- iii. the Prospectus contains all relevant material information with respect to the Issuer and the Guarantor and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer and/or Guarantor, their respective businesses and financial position, the omission of which would, in the context of the issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

#### 4.5.26 Notices

All notices regarding the Bonds will be valid if sent to the address of the relevant Bond Holder as specified in the CSD. The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of the Listing Authority and the Exchange on which the Bonds will be listed and admitted to trading. Any such notice shall be deemed to have been given on the date of such publication, or if published more than once or on different dates, on the first date on which publication is made.

#### 4.5.27 Further Issues

The Issuer may, without the consent of the Bond Holders, raise further funds, from time to time, on any date by the creation and issue of further bonds, carrying the same terms and conditions in all respects (or in all respects except for the amount and date of the first payment of interest thereon, issue date and/or purchase price) as, and so that the same shall be consolidated and form a single series and rank *pari passu* with the Bonds.

Any company in the Group may, without the consent of the Bond Holders, raise further funds, from time to time on any day by the creation and issue of further bonds and on such terms as such company may decide, including the granting of security interests separate from the Security. Any such bonds shall be constituted by a separate trust deed on terms to be agreed by the relevant company and the trustee appointed in relation to such further bonds.

#### 4.5.28 Governing Law and Jurisdiction

##### ▪ Governing Law

The Security Trust Deed, the Bond Issue, the Guarantee and the Security and any non-contractual obligations arising out of or in connection therewith are governed by, and shall be construed in accordance with Maltese Law.

The Bond Issue is made in accordance with the requirements of the Listing Rules, the Act and the Regulation.

##### ▪ Jurisdiction

The Courts of Malta shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Security Trust Deed, the Bond Issue, the Guarantee and the Security including any dispute relating to non contractual obligations arising out of or in connection therewith and accordingly any legal action or proceedings arising out of or in connection with the Security Trust Deed, the Bond Issue, the Guarantee and the Security or otherwise shall be brought before the Maltese courts.

### 4.6 Proceeds for Payment to Subsidiaries and Creation of Security

The Bond Issue proceeds shall be transferred to the Security Trustee on or around Closing Date.

The Security Trustee will release such sum as shall be equal to the proceeds of the Bond Issue less the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000) (which is the amount to be given on loan to Center Parc) and less the cost of the Bond Issue which is expected to be in the region of four hundred thousand (€400,000), to the Issuer. Such sum is expected to be in the region of six million three hundred and fifty thousand Euro (€6,350,000). The Issuer will utilize this amount to acquire the Preference Shares in the Subsidiaries' Holding.

From the capital received by the Subsidiaries' Holding following the issuance and allotment of the Preference Shares (which as stated above, is expected to be in the region of six million three hundred and fifty thousand Euro €6,350,000), the Subsidiaries' Holding will grant the sum of four million five hundred thousand Euro (€4,500,000) to the Guarantor on loan.

The Guarantor will use part of the said sum to repay the Guarantor's Original Debt, as a result of which the Guarantor Property including the Secured Asset will be unencumbered (save for preferences allowed by law).

The Guarantor shall together with the Security Trustee appear on a deed with the Bank as lender to repay the Guarantor's Original Debt. The Security Trustee shall appear on the deed to effect payment. The Issuer and the Guarantor shall simultaneously appear on a deed with the Security Trustee to constitute the Security.



Following publication and registration of the Security, and upon the Bonds being admitted to the official list of the Exchange, the Security Trustee shall release the amount of thirteen million two hundred and fifty thousand Euro (€13,250,000) to the Issuer who will in turn release the said amount to Center Parc. Center Parc shall use part of the said amount to repay Center Parc's Original Debt. The Security Trustee will together with Center Parc appear on a notarial deed to release the said loan and obtain cancellation of the existing charges over the Center Parc Property.

#### 4.7 Guarantee and Security

The Bonds shall constitute the general, direct and unconditional obligations of the Issuer and shall be guaranteed in respect of interest and principal by the Guarantor pursuant to the Guarantee. The Bonds shall at all times rank *pari passu* without any priority or preference amongst themselves but, shall rank with priority or preference over all unsecured indebtedness of the Guarantor and (except for certain preferences allowed by law) with first ranking and priority over the Secured Asset.

Since the Bonds are being guaranteed by the Guarantor jointly and severally with the Issuer, the Security Trustee for the benefit of the Bond Holders shall be entitled to request the Guarantor to pay both interest and principal on the Bonds in the event Issuer fails to pay any such amount when due in terms of the Prospectus.

The Security Trustee for the benefit of the Bond Holders may take action against the Guarantor before and even without taking action against the Issuer. The strength of the Guarantee and therefore the level of recoverability of any amounts due under the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.

The Guarantee is secured by the Security. The Security Trustee has retained the right to substitute the Secured Asset with another immovable property owned by the Group, subject to an architect's independent valuation report confirming that the value of the immovable property added to the Security is at least equal to the value of the Secured Asset.

Whilst the Security grants the Security Trustee for the benefit of the Bond Holders the right of preference and priority for repayment over the Secured Asset, there can be no guarantee that the value of the Secured Asset (or other properties as the same may be replaced from time to time as provided for in the Security Trust Deed) over the term of the Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Bonds.

Notwithstanding that the Bonds constitute the general, direct, unconditional and secured obligations of the Guarantor which shall rank prior to present and future unsecured obligations of the Guarantor, there can be no guarantee that privileges accorded to law in specific situations will not arise during the course of business of the Guarantor which may rank with priority or preference to the Security.

#### 4.8 Undertakings by an Applicant for the Bonds

The contract created by the acquisition of the Bonds shall be subject to the terms and conditions of the Prospectus, and the memorandum and articles of association of the Issuer.

By completing and delivering an Application Form, the Applicant accepts that the acquisition of the Bonds is subject to the terms and conditions of the Prospectus and the memorandum and articles of Issuer and shall further:

- a. be deemed to have had notice of all information and representations concerning and relative to the Issuer, the Guarantor and the Bonds;
- b. confirm that Applicant is not a US person as defined in the Securities Act of 1933 of the United States of America and represent that Applicant is not submitting an application on behalf or for the benefit of a US person;
- c. offer to purchase such number of Bonds equivalent to the currency amount specified in the Application Form at Bond Issue Price as stated in section 4.3 under the heading 'Other Statistics'. The Issuer reserves the right to reject an application in whole or in part, and Applicant shall agree to accept such number of Bonds in respect of which an application is accepted;
- d. in the event an Applicant is not allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund, as the case may be, of the balance of the price of the Bonds applied for but not allocated, without interests, through the Authorised Financial Intermediary, through such account as indicated by the Applicant, at the Applicant's sole risk within fifteen (15) Business Days from the date of final allocation. The Issuer and/or Registrar and/or Authorised Financial Intermediary shall not be responsible for any charges, loss or delay arising in connection with such direct credit transfer;
- e. warrant that the remittance shall be honoured on first presentation and agree that, if such remittance is not so honoured, Applicant will not be entitled to receive a registration advice, or to be registered in the register

of Bond Holders, or to enjoy any rights in respect of such Bonds unless and until Applicant makes payment in cleared funds for such Bonds and such payment is accepted by the Registrar and/or Issuer (which acceptance shall be in its absolute discretion and may be on the basis that Applicant indemnifies it/them against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of Applicant's remittance to be honoured on first presentation);

- f. acknowledge that if payment in full is not received by the relevant time stipulated in the Prospectus, the Issuer and/or Registrar may cancel the allotment and Applicant agrees to indemnify and hold harmless the Issuer, the Directors and each of the Registrar and/or Authorised Financial Intermediaries for any loss, cost or expense suffered by them as a result of Applicant's failure to pay the subscription monies by the relevant time;
- g. Applicant also warrants and declares that the monies invested pursuant to the application do not result directly or indirectly from the proceeds of any criminal activity and the investment is not designed to conceal such proceeds so as to avoid prosecution for an offence or otherwise;
- h. warrant that, in connection with Applicant's application, Applicant has observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the application in any jurisdiction and that Applicant has not taken any action which will or may result in any of the Issuer, Registrar or Authorised Financial Intermediary acting in breach of the regulatory or legal requirements or any jurisdiction in connection with the Bonds or Applicant's application;
- i. agrees to provide the Registrar and/or the Issuer or anyone of the Authorised Financial Intermediaries any additional documentation, information or declarations that it or they may require to verify Applicant's identity in accordance with current or future anti-money laundering/terrorist financing, legislation or regulation implementing tax reporting obligations under any legislation or regulation or any other such documents, information, certificates or declarations each may reasonably require in connection with the investment. Applicant acknowledges that any such delay by Applicant in providing such documentation may result in delayed processing of the application and/or delayed payment of any future redemption payments to Applicant or processing of transfer requests on Applicant's behalf. Applicant hereby holds the Issuer, the Registrar and each one of the Authorised Financial Intermediaries harmless and indemnify them against any loss arising as a result of a failure to process the application if such information has been required and has not been provided by Applicant or was inaccurate in anyway. Applicant hereby agrees to notify the Issuer or the Registrar immediately of any change in any documentation, information, declarations aforementioned and further agrees to request the redemption of Bonds in respect of which any such confirmations have become incomplete or inaccurate if requested to do so by the Issuer. Applicant agrees to notify the Issuer and/or Registrar of any change in his/her tax residency status;
- j. the Issuer and/or the Registrar and each of the Authorised Financial Intermediaries are authorized to accept and execute any instructions in respect of the Bonds to which an application relates or which may in future be acquired by Applicant which are given by Applicant in written form or by facsimile or such other means as may from time to time be permitted by the Issuer or its delegates and in the case of joint holders which are given by such means by the duly authorized joint holder (the 'Instructions'). Applicant hereby agrees to indemnify each of the Issuer and/or Registrar and/or Authorised Financial Intermediaries, and agrees to keep each one of them indemnified against any loss of any nature whatsoever arising to any of them as a result of any of them acting upon Instructions. The Issuer and/ or Registrar and/or Authorised Financial Intermediary may each rely conclusively upon and shall incur no liability in respect of any action taken upon any Instructions or any notice, consent, request or other instrument believed in good faith to be genuine and to be signed or given by properly authorized persons;
- k. confirm that in making this application Applicant is not relying on any information or representation concerning or relating to the Issuer or the Bonds other than those contained in the Prospectus or the most recent annual accounts of the Issuer and Applicant accordingly agrees that no person responsible solely or jointly for the Prospectus or any part thereof, will have any liability of any such other information or representation;
- l. hereby agrees to indemnify and hold harmless the Issuer and/or the Registrar and any of them or their authorized agents or delegates against any loss, liability, cost or expenses (including without limitation legal fees, taxes, and penalties) which may result directly or indirectly from any misrepresentation or breach of any warranty, condition, covenant or agreement contained herein or in any other document delivered by Applicant to the Issuer or any of them and shall notify the Issuer and/or Registrar immediately if any of the representations herein made are no longer accurate and complete in all respects;
- m. no person receiving a copy of the Prospectus or an Application Form in any jurisdiction other than Malta may treat the same as constituting an invitation or offer to him/her, nor should he/she in any event use the Application Form unless, in the relevant jurisdiction, such an invitation or order could lawfully be made to him/her or such Application Form could lawfully be used without contravention of any applicable legal requirements. It is the responsibility of any person outside Malta wishing to make any application to satisfy himself/herself as to the full observance of the laws of any relevant jurisdiction in connection therewith,

including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such jurisdiction and paying any issues, transfer or other taxes required to be paid in such jurisdiction;

- n. in the case of joint applicants, reference to Applicant in the terms and conditions is a reference to each of the joint applicants and liability therefore is joint and several;
- o. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- p. warrants that all applicable exchange control or other regulations (including those relating to external transactions) have been duly and fully complied with;
- q. agrees that all documents in connection with the issue of the Bonds will be sent at Applicant's own risk and may be sent by post at the address indicated by the Applicant on the relevant Application Form;
- r. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
- s. by signing the Application Form, Applicant is deemed to have been given the privacy notice required pursuant to the GDPR.

Where an Application Form is signed on behalf of another party or on behalf of a body of persons, the signatory warrants that he/she has due authority to do so and Applicant will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in the Prospectus. The signatory also undertakes to enclose the power of attorney or copy thereof duly certified by a lawyer or notary public if required to do so by the Issuer or Authorised Financial Intermediary.

#### 4.9 Data Protection

The Issuer, Registrar, CSD and the Authorised Financial Intermediaries shall hold, use, obtain, disclose and process Applicant's personal data in accordance with the GDPR. Personal data shall be processed by the Issuer, Registrar, CSD and the Authorised Financial Intermediaries for the purposes of issuing and allotting the Bonds to Applicant and administering the Bondholding on an ongoing basis and to comply with applicable legal and regulatory obligations including anti-money laundering obligations. The Issuer, Registrar, CSD and the Authorised Financial Intermediaries shall disclose Applicant's data to its delegates and agents including its service providers, where necessary, or for legitimate business interests including those of the Issuer, Registrar, CSD and the Authorised Financial Intermediaries or their service providers. Third Parties to whom data may be disclosed may be situated in jurisdictions that do not provide an adequate level of data protection and/or appropriate safeguards, in which case any such disclosure shall be made subject to applicable law. All telephone calls shall be recorded for record keeping, security and/or training purposes. Personal data may also be used for statistical analysis and market research. The information requested in the Application Form is mandatory for the purposes of the application and without which no investments can be made in Applicant's name.

Personal data can be collected directly from the Applicant and/or Bond Holder but also from third parties.

A Bond Holder or Applicant may request a copy of the personal data processed by the Issuer, the Registrar, CSD and the Authorised Financial Intermediaries or their agents by sending a written signed request to any of them at their registered address. If any personal data is found to be inaccurate or incomplete, the Bond Holder or Applicant has the right to request that this be rectified or completed, as appropriate. The Bond Holder or Applicant also has the right to object to the processing of his/her personal data in those instances allowed by law. A Bond Holder or Applicant has a right to object to the processing of his/her data for direct marketing purposes by written request to the Issuer, Registrar, CSD and the Authorised Financial Intermediaries. A Bond Holder or Applicant has the right to request erasure of his/her personal data and/or to restrict its processing



in circumstances allowed by law. A Bond Holder or Applicant may withdraw his/her consent at any time where processing is based on such consent. A Bond Holder or Applicant has the right to request data portability. A Bond Holder or Applicant has the right to lodge a complaint with the Information and Data Protection Commissioner in case he/she feels the Issuer, Registrar, CSD and the Authorised Financial Intermediaries has breached his/her rights regarding its processing of his/her data.

Personal data shall be held throughout the period a Bond Holder retains Bonds, and for such further time with respect of a Bond Holder and/or an Applicant as is required by law to protect the Bond Holder's/Applicant's interests and those of the Issuer and/or Registrar.

## 5. TAXATION

### 5.1 General

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

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

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

### 5.2 Malta Tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bond Holder that he/she/it is entitled to receive the interest gross from any withholding tax or if the Bond Holder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Chapter 123 of the laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the said Income Tax Act. Bond Holders who do not fall within the definition of a "recipient" do not qualify for the said rate and should seek advice on the taxation of such income.

This withholding tax is considered as a final tax and a Maltese resident individual Bond Holder need not declare the interest so received in his income tax return if paid net of tax. No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund.

In the case of a valid election made in writing by an eligible Bond Holder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally, in this latter case the Issuer will advise the Malta Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bond Holder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bond Holders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

### 5.3 Exchange of Information

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bond Holders) to the Commissioner for Revenue. The Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and Applicants are to consult their own independent tax advisors in case of doubt.

### 5.4 Maltese Taxation on Capital Gains on Transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, if the Bonds are held as capital assets by the Bond Holder, no income tax on capital gains is chargeable in respect of transfer of the Bonds.

### 5.5 Duty on Documents and transfers

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities. A marketable security is defined in the said legislation as “a holding of share capital in any company and any document representing the same”.

Accordingly, the Bonds should not be treated as constituting marketable securities within the meaning of the aforementioned legislation and, therefore, the transfer/transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered to be marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Chapter 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the Exchange, redemptions and transfers of the Bonds should in any case be exempt from Maltese duty.

## 6. PLAN FOR DISTRIBUTION AND RELATED MATTERS

### 6.1 Subscription and Sale

The Bonds will be distributed pursuant to the Subscription Agreement concluded by the Issuer with each of the Sponsor and the Manager.

Pursuant to the same Subscription Agreement, the Issuer has agreed to pay the Sponsor and the Manager a subscription fee, will reimburse them for certain expenses and will also indemnify them against certain liabilities incurred in subscribing to the Bonds. Each Subscription Agreement may be terminated in certain instances.

No action has been, or will be, taken in any country or jurisdiction that would, to the best of Issuer’s knowledge, permit a public offering of the Bonds, or the possession or distribution of this Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, form of application, advertisement or other offering material relating to the Bonds may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with applicable laws and regulations and all offers and sales of the Bonds by it will be made on the same terms.

### 6.2 Sale in Territories other than the Islands of Malta

The Bonds have not been and will not be registered under the Securities Act of 1933 of the United State of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S person.

No person receiving a copy of the Prospectus in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Prospectus, unless in the relevant territory such an invitation to offer could lawfully be made to such person or such Prospectus could lawfully be used without contravention of any registration or other legal requirements.

## 7. EXPERTS AND ADVISERS

### 7.1 Statement of Experts

Save for the Financial Analysis Summary, the Securities Note does not contain any statement or report attributed to any expert or adviser.

The Financial Analysis Summary has been included in the form and content as authorized by the Sponsor, who has given and has not withdrawn its consent to the inclusion of such report herein. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Securities Note 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 does not have any material interest in the Issuer.

### 7.2 Advisers

Save for the possible subscription for Bonds by the Authorised Financial Intermediaries and any fees payable to the Sponsor and Registrar in connection with the Bond Issue, so far as the Issuer is aware, no person involved in the Bond Issue has a material interest in the Bond Issue.



## ANNEX 1 - GUARANTEE

THIS DEED OF GUARANTEE is made on the 3<sup>rd</sup> day of June 2019 (the “Guarantee”)

Between

Of one part

Easysell Limited whose registered office is situated at Easysell Showroom, Mdina Road, Qormi QRM 9010, company registration number C 9778, duly represented hereon by Mr. Anthony Fenech, hereinafter referred to as the “Guarantor”

Of the other part

CSB Trustees and Fiduciaries Limited, whose registered office is situated at Level 3, Tower Business Centre, Tower Street, Swatar, Birkirkara BKR 4013, company registration number C 40390, duly represented hereon by Ms Davinia Cutajar, hereinafter referred to as the “Security Trustee”

WHEREAS

Tum Finance plc a company registered and existing under the laws of Malta with registered address at Tum Invest, Mdina Road, Qormi QRM 9010, and company registration number C 91228 (the “Issuer”), has as at date hereof issued a prospectus for the issue and allotment of €20,000,000 secured bonds of €100 nominal value each bond, at an interest rate of 3.75% per annum, to be redeemed on 27<sup>th</sup> June 2029, subject to the joint and several guarantee of the Guarantor (the “Secured Bonds”), and subject to the terms and conditions contained in the said prospectus as the same may change from time to time (hereinafter called the “Prospectus”);

It is a condition of the issue and allotment of the Secured Bonds that the Guarantor guarantees the due performance of the obligations of the Issuer under the Prospectus in favour of the Security Trustee for the benefit of the Bond Holders (as described in the Prospectus), which the Guarantor duly accepts;

The Issuer and the Guarantor have simultaneously with the issuance of the Prospectus entered into a security trust deed with the Security Trustee whereby the Security Trustee shall hold all security related to the Secured Bonds including this Guarantee for the beneficial interest of the Bond Holders.

**NOW THEREFORE** The Parties agree as follows:-

### 1. Definitions

Capitalised terms not defined in this Guarantee shall, unless the context otherwise requires, have the same meaning given to them in the Prospectus.

### 2. Guarantee

In consideration of the conditions precedent for the issuance of the Secured Bonds, and in consideration of the Bond Holders acquiring the Secured Bonds, the Guarantor shall in all respects jointly and severally with the Issuer, irrevocably and unconditionally guarantee in favour of the Security Trustee for the benefit of the Bond Holders, the due and proper performance of the Prospectus by the Issuer and the due observance and punctual performance of all obligations, duties, undertakings, covenants and conditions by or on the part of the Issuer contained therein and to be observed and performed by it, which guarantee shall extend to include any variation or addition to the Prospectus.

### 3. Indemnity

In the event of the Issuer failing to carry out, observe or perform all or any of the said obligations, duties, undertakings, covenants and conditions under the Prospectus (unless relieved from the performance of any part of the Prospectus by law or by the decision of a court or tribunal of competent jurisdiction), the Guarantor will be liable for and shall indemnify the Security Trustee against all losses, damages, costs and expenses whatsoever, which the Security Trustee may incur by reason or in consequence of any such failure of the Issuer.

#### **4. Written Demand**

The Guarantee shall be due on the Security Trustee's first written demand.

Any statements by the Security Trustee of the happening of an Event of Default that is continuing or of amounts due by the Issuer pursuant to the Prospectus or any amounts due pursuant to this Guarantee shall be binding on Guarantor save for manifest error, and the Guarantor shall have no right to delay or interrupt the enforcement of the Guarantee.

#### **5. Continuing Guarantee**

This Guarantee is a continuing guarantee and accordingly shall remain in operation until all obligations, duties, undertakings, covenants and conditions now or hereafter to be carried out or performed by the Issuer under the Prospectus shall have been satisfied or performed in full and is in addition to and not in substitution for any other security which the Security Trustee may at any time hold for the performance of such obligations and may be enforced without first having recourse to any such security and without taking any other steps or proceedings against the Issuer.

#### **6. Waiver of Defences**

The Guarantor shall not be discharged or released from this Guarantee by the occurrence of any one or more of the following:-

- i. any allowance of time, forbearance, indulgence or other concession granted to the Issuer under the Prospectus or any other compromise or settlement of any dispute between the Security Trustee and the Issuer (but so that the Security Trustee shall not pursue against the Issuer and/or a remedy contrary to the terms of any such compromise or settlement insofar as the Issuer and/or Guarantor shall have complied with such terms);
- ii. the liquidation, bankruptcy, administration, incapacity or lack of power, absence of authority or legal personality, dissolution, incapacity or any change in the name, composition or constitution of the Issuer or the Guarantor;
- iii. the release of the Issuer or the Guarantor under the terms of any composition or arrangement with any creditor or any member of the Group or the Parent Company;
- iv. the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Issuer or the Guarantor or other person or non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of the said security;
- v. any amendment, novation, supplement, extension, reinstatement (however fundamental and whether or not more onerous) or replacement of the Prospectus or Security, including any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under the Prospectus or the Security;
- vi. any unenforceability, illegality or invalidity of any obligation of the Issuer under the Prospectus or the Guarantor under the Security; or
- vii. any insolvency or similar proceedings of the Issuer or Guarantor.

#### **7. Reinstatement**

If any discharge, release or arrangement (whether in respect of the obligations of the Issuer or in respect of the Guarantor under the Security for those obligations or otherwise) is made by the Security Trustee in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation or otherwise, without limitation, then the liability of the Guarantor under this Guarantee will continue or be reinstated as if the discharge, release or arrangement had not occurred.

#### **8. Appropriations**

Until all amounts which may be or become payable by the Issuer under or in connection with the Prospectus have been irrevocably paid in full, the Security Trustee may:

- i. refrain from applying or enforcing any other moneys, security or rights held or received by the Security Trustee in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Guarantor shall not be entitled to the benefit of the same; and

- ii. hold in an interest-bearing suspense account any moneys received from the Guarantor or on account of the Guarantor's liability under the Guarantee.

## **9. Deferral of Guarantor's rights**

Until all amounts which may be or become payable by the Issuer under or in connection with the Prospectus have been irrevocably paid in full and unless the Security Trustee otherwise directs, the Guarantor will not exercise any rights which it may have by reason of performance by it or its obligations under the Prospectus or by reason of any amount being payable or liability arising under this Guarantee:

- i. to be indemnified by the Issuer;
- ii. to claim or exercise any rights of contribution from the Issuer;
- iii. to exercise its rights of subrogation and reimbursement against the Issuer;
- iv. to claim or exercise any set-off or counterclaim against the Issuer or claim or prove in competition with the Security Trustee in the liquidation of the Issuer;
- v. to bring legal or other proceedings for an order requiring the Issuer to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity pursuant to this Guarantee;
- vi. to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee under the Security Trust Deed or of any other guarantee or security taken pursuant to, or in connection with the Prospectus by the Security Trustee.

If the Guarantor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Security Trustee by the Issuer under or in connection with the Prospectus to be repaid in full on trust for the Security Trustee and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct.

## **10. Security**

In order to better guarantee the obligations undertaken by it on this Guarantee, the Guarantor shall constitute in favour of the Security Trustee for the benefit of the Bond Holders, the Security for the maximum sum set out in clause 11.

## **11. Maximum Liability**

The amount due by the Guarantor to the Security Trustee under this Guarantee shall be up to and shall not exceed €20,000,000 other than for interests due up to Maturity Date and costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee's rights arising under the Security Trust Deed and the Security against the Issuer and/or Guarantor.

## **12. No Assignment**

The Guarantor shall not be entitled to transfer, novate or assign any of its obligations under this Guarantee.

## **13. Additional Guarantee**

This Guarantee is in addition to and not in substitution for any present and future guarantee, charge or other security held by the Security Trustee for the benefit of the Bond Holders. The Security Trustee's rights under this Guarantee are in addition to and not exclusive of those provided by law.

## **14. Warranties and Representations**

The Guarantor represents and warrants now and for as long as the Guarantee shall remain in force, that:-

- i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry out its business;
- ii. it has the power, capacity and authority to grant this Guarantee and perform its obligations therein contained;
- iii. the execution, delivery and performance by the Guarantor is not inconsistent with its memorandum and articles of incorporation and applicable law;
- iv. this Guarantee constitutes valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;



- v. the execution of this Guarantee will not breach law, rule, regulation, judgement, decree or permit to which the Guarantor is or may be subject, or any agreement or other instrument to which the Guarantor is a party or is subject, or by which it or any of its property is bound;
- vi. it is not engaged in litigation, arbitration or administrative proceedings of a material nature and nor is it threatened with any such procedures;
- vii. save for any other priority and preference created by virtue of the Security, the obligations binding under this Guarantee rank at least *pari passu* with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;
- viii. all the information, verbal or otherwise tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts.

## 15. Notices

Any notice required or permitted to be given shall be in writing and may be served personally or by registered mail, return receipt requested, addressed to any of the parties at the addresses set forth above. Such notices shall be effective upon delivery.

Either party may, by like notice to the other party, at any time and from time to time, designate a different address to which notices shall be sent.

## 16. Applicable Law and Jurisdiction

This Guarantee shall be governed by and construed in accordance with Maltese Law.

In the event of any dispute relating to this Guarantee, the Parties hereto shall make every effort to settle amicably. If no settlement is reached within fifteen (15) Business Days from the date on which the dispute, controversy or claim shall have arisen, the dispute, controversy or claim shall be settled by arbitration in accordance with the provisions of Part IV of the Arbitration Act 1996 and the Arbitration Rules of the Malta Arbitration Center shall apply. There shall be one arbitrator who shall be appointed by the Chairman of the Malta Arbitration Centre in the event that the parties fail to agree on an arbitrator between them within ten (10) days from one party calling on the other for such purpose.

The Parties unconditionally and irrevocably agree to submit any dispute, controversy or claim arising out of or relating to this Guarantee, or the breach, termination or invalidity thereof to final and binding arbitration in terms of the Arbitration Act as aforementioned.

**IN WITNESS THEREOF** the Guarantor has executed this Deed of Guarantee the day and year first before written.

For and on behalf of  
Easysell Limited  
Guarantor

For and on behalf of  
CSB Trustees and Fiduciaries Ltd  
Security Trustee

## ANNEX 2 - APPLICATION FORM

### TUM Finance plc

€20,000,00 3.75% Secured Bonds 2029

### APPLICATION FORM

Application No. \_\_\_\_\_

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.

|   |   |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|---|---|--|---|--------------------------------|---------------------------------------|------------------------------------|----------------------|------------------------------------|--------------------------|--|--|-----------|-----------------------------|---|--|----------------|---------|------------|---|---|--|
| <b>A</b>  | <b>APPLICANT (see notes 2 to 7)</b>   |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|   | <input type="checkbox"/> Non-Resident   | <input type="checkbox"/> Minor (under 18)                          | <input type="checkbox"/> Corporate <input type="checkbox"/> CIS |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| <b>B</b>  | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">TITLE (Mr/Mrs/Ms/...)</td> <td style="width: 40%;">FULL NAME &amp; SURNAME / REGISTERED NAME</td> <td style="width: 35%;">LEI (if applicable)</td> </tr> <tr> <td colspan="3">ADDRESS</td> </tr> <tr> <td colspan="2"></td> <td>POST CODE</td> </tr> <tr> <td>MSE A/C NO. (if applicable)</td> <td colspan="2">I.D. CARD / PASSPORT / COMPANY REG. NO.</td> </tr> <tr> <td>E-MAIL ADDRESS</td> <td>TEL NO.</td> <td>MOBILE NO.</td> </tr> <tr> <td>Already Registered for e-Portfolio <input type="checkbox"/></td> <td>Please register me for e-Portfolio <input type="checkbox"/></td> <td>Please do NOT register me for e-Portfolio <input type="checkbox"/></td> </tr> </table> |  |   | TITLE (Mr/Mrs/Ms/...)          | FULL NAME & SURNAME / REGISTERED NAME | LEI (if applicable)                | ADDRESS              |                                    |                          |  |  | POST CODE | MSE A/C NO. (if applicable) | I.D. CARD / PASSPORT / COMPANY REG. NO. |  | E-MAIL ADDRESS | TEL NO. | MOBILE NO. | Already Registered for e-Portfolio <input type="checkbox"/> | Please register me for e-Portfolio <input type="checkbox"/> | Please do NOT register me for e-Portfolio <input type="checkbox"/> |
| TITLE (Mr/Mrs/Ms/...)                                       | FULL NAME & SURNAME / REGISTERED NAME   | LEI (if applicable)  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| ADDRESS   |   |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|   |   | POST CODE  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| MSE A/C NO. (if applicable)                                 | I.D. CARD / PASSPORT / COMPANY REG. NO.   |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| E-MAIL ADDRESS  | TEL NO.   | MOBILE NO.   |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| Already Registered for e-Portfolio <input type="checkbox"/> | Please register me for e-Portfolio <input type="checkbox"/>   | Please do NOT register me for e-Portfolio <input type="checkbox"/> |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| <b>C</b>  | <b>ADDITIONAL (JOINT) APPLICANTS (see note3)</b> (please use additional application form if space is not sufficient)  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">TITLE (Mr/Mrs/Ms/..)</td> <td style="width: 40%;">FULL NAME &amp; SURNAME</td> <td style="width: 30%;">I.D. CARD / PASSPORT NO.</td> </tr> <tr> <td>TITLE (Mr/Mrs/Ms/..)</td> <td>FULL NAME &amp; SURNAME</td> <td>I.D. CARD / PASSPORT NO.</td> </tr> </table>   |  |   | TITLE (Mr/Mrs/Ms/..)           | FULL NAME & SURNAME                   | I.D. CARD / PASSPORT NO.           | TITLE (Mr/Mrs/Ms/..) | FULL NAME & SURNAME                | I.D. CARD / PASSPORT NO. |  |  |           |                             |   |  |                |         |            |   |   |  |
| TITLE (Mr/Mrs/Ms/..)  | FULL NAME & SURNAME   | I.D. CARD / PASSPORT NO.   |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| TITLE (Mr/Mrs/Ms/..)  | FULL NAME & SURNAME   | I.D. CARD / PASSPORT NO.   |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| <b>D</b>  | <b>MINOR'S PARENTS/LEGAL GUARDIANS (See Note 4)</b> (to be completed ONLY if the Applicant is a minor)  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">TITLE (Mr/Mrs/Ms/..)</td> <td style="width: 40%;">FULL NAME &amp; SURNAME</td> <td style="width: 30%;">I.D. CARD / PASSPORT NO.</td> </tr> <tr> <td>TITLE (Mr/Mrs/Ms/..)</td> <td>FULL NAME &amp; SURNAME</td> <td>I.D. CARD / PASSPORT NO.</td> </tr> </table>   |  |   | TITLE (Mr/Mrs/Ms/..)           | FULL NAME & SURNAME                   | I.D. CARD / PASSPORT NO.           | TITLE (Mr/Mrs/Ms/..) | FULL NAME & SURNAME                | I.D. CARD / PASSPORT NO. |  |  |           |                             |   |  |                |         |            |   |   |  |
| TITLE (Mr/Mrs/Ms/..)  | FULL NAME & SURNAME   | I.D. CARD / PASSPORT NO.   |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| TITLE (Mr/Mrs/Ms/..)  | FULL NAME & SURNAME   | I.D. CARD / PASSPORT NO.   |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| <b>E</b>  | <p><b>I/We apply to purchase and acquire the amount set out below (see Notes 8 and 9)</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">                 AMOUNT IN FIGURES<br/>                 €             </td> <td style="width: 50%;">                 AMOUNT IN WORDS             </td> </tr> </table> <p>In respect of a €20,000,000 3.75% Secured Bonds 2029 issued by TUM Finance plc (minimum of €2,000 in multiples of €100 thereafter) at the Bond Issue Price (at par) as defined in the Prospectus dated the 3<sup>rd</sup> June 2019 (the "Prospectus") in terms of the Terms and Conditions as set out in the Prospectus.</p>  |  |   | AMOUNT IN FIGURES<br>€         | AMOUNT IN WORDS                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| AMOUNT IN FIGURES<br>€                                      | AMOUNT IN WORDS   |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| <b>F</b>  | <b>RESIDENT - WITHHOLDING TAX DECLARATION (see note 9 &amp; 10)</b> (to be completed ONLY if the Applicant is a Resident of Malta)  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|   | <input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest.<br><input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| <b>G</b>  | <b>NON-RESIDENT DECLARATION FOR TAX PURPOSES (see Note 12)</b> (to be completed ONLY if the Applicant is a Non-Resident)  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">TAX COUNTRY</td> <td style="width: 50%;">TOWN OF BIRTH</td> </tr> <tr> <td>T.I.N. (Tax Identification Number)</td> <td>COUNTRY OF BIRTH</td> </tr> <tr> <td>PASSPORT/NATIONAL I.D. CARD NUMBER</td> <td>ISSUE DATE</td> </tr> </table>  |  |   | TAX COUNTRY                    | TOWN OF BIRTH                         | T.I.N. (Tax Identification Number) | COUNTRY OF BIRTH     | PASSPORT/NATIONAL I.D. CARD NUMBER | ISSUE DATE               |  |  |           |                             |   |  |                |         |            |   |   |  |
| TAX COUNTRY   | TOWN OF BIRTH   |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| T.I.N. (Tax Identification Number)                          | COUNTRY OF BIRTH  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| PASSPORT/NATIONAL I.D. CARD NUMBER                          | ISSUE DATE  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| <b>H</b>  | <input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union.<br><input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|   | <b>INTEREST, REFUND AND REDEMPTION MANDATE (see Note 11)</b> (completion of this panel is mandatory)  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">BANK</td> <td style="width: 70%;">IBAN</td> </tr> </table> <p>I/We have fully understood the instructions for completing this Application Form, and am/are making this Application on the basis of the Prospectus, and subject to its Terms and Conditions (as defined therein) which have been explained to me/us, and which I/we fully accept.</p> <p>_____<br/>                 Signature/s of Applicant/s<br/>                 (All parties are to sign in the case of a joint Application)</p> <p>_____<br/>                 Financial Intermediary</p> <p>_____<br/>                 Date</p>   |  |   | BANK                           | IBAN                                  |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| BANK  | IBAN  |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
|   | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">FINANCIAL INTERMEDIARY'S STAMP</td> <td style="width: 50%;">FINANCIAL INTERMEDIARY'S CODE</td> </tr> </table>   |  |   | FINANCIAL INTERMEDIARY'S STAMP | FINANCIAL INTERMEDIARY'S CODE         |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |
| FINANCIAL INTERMEDIARY'S STAMP                              | FINANCIAL INTERMEDIARY'S CODE   |  |   |                                |                                       |                                    |                      |                                    |                          |  |  |           |                             |   |  |                |         |            |   |   |  |

## Notes on how to complete this Application Form and other information

1. The following is to be read in conjunction with the Prospectus dated 3<sup>rd</sup> June 2019 regulating the Bond Issue. In particular this Application is governed by the Terms and Conditions of Application contained in Section 4.8 of the Securities Note dated 3<sup>rd</sup> June 2019 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS.

3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals – including I.D. Card Numbers – must be given in Panels B and C but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel B) will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Secured Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form (in Panel B). Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
5. Applicants who are Non-Resident in Malta for tax purposes must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM. IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF, A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.
8. Application must be for a minimum of €2,000 and thereafter in multiples of €100. The Applicant must ensure that the relative Application Form is accompanied by payment of the full price of the amount of Bonds applied for. Payment of the amount, must be made in Euro in cleared funds to "The Registrar – TUM Finance plc". In the event that the cheque accompanying the Application Form is not honored on the first presentation the Issuer and the Registrar reserve the right to invalidate the relative Application.
9. Only Applicants who hold an official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her tax return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments.
10. In terms of Section 5<> of the Prospectus, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of 'recipient' in terms of article 41(c) of the Income Tax Act (Cap. 123 of the Laws of Malta), Interest shall be paid to such a person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Tax Act (Cap. 123 of the Laws of Malta).
11. If any Application is not accepted, after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in the Application Form. Interest or redemption proceeds will be credited to the account designated or as otherwise amended by the Bondholder/s during the term of the Bond.
12. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.  
The contents of Notes 9, 10 and 12 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
13. The Offer Period will open on the 12<sup>th</sup> June 2019 and will close on the 26<sup>th</sup> June 2019. Completed Application Forms are to be delivered to the offices of any of the Authorised Financial Intermediaries listed in Annex II of the Securities Note by not later than 12:00 of 26<sup>th</sup> June 2019. Authorised Financial Intermediaries are to submit completed Application Forms representing the total amount committed in terms of the respective Placement Agreement as mentioned in Section 8.4 of the Securities Note by latest 12:00 on 26<sup>th</sup> June 2019. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus.
14. By completing and delivering an Application Form you (as the Applicant(s)):
  - a. acknowledge that the Issuer or its duly appointed agents including the CSD and the Registrar, or the Authorised Financial Intermediary through whom the Application Form is delivered may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta) and the General Data Protection Regulation (GDPR)(EU) 2016/679 as amended from time to time;
  - b. acknowledge that the Issuer or its duly appointed agents including the CSD and the Registrar, or the Authorised Financial Intermediary (as applicable) may process such personal data for all purposes necessary for and related to the Bonds applied for; and
  - c. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by them. Any such requests must be made in writing and addressed to the Issuer, its agents, the CSD, the Registrar or the Authorised Financial Intermediary (as applicable) at their respective address as mentioned in the Prospectus. The request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.



### **ANNEX 3 – AUTHORISED FINANCIAL INTERMEDIARIES**

Calamatta Cuschieri Investment Services Ltd

Address: Ewropa Business Centre, Triq Dun Karm Birkirkara, BKR 9034

Telephone: 2568 8688

Lombard Bank Malta plc

Address: 67, Republic Street Valletta, VLT 1117, Malta

Telephone: 2558 1112

## **ANNEX 4 - FINANCIAL ANALYSIS SUMMARY**

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### **FINANCIAL ANALYSIS SUMMARY**

**Tum Finance p.l.c.**

**3<sup>rd</sup> June 2019**



The Directors  
Tum Finance p.l.c.  
Tum Invest,  
Mdina Road,  
Qormi, Malta  
QRM 9010

3<sup>rd</sup> June 2019

Dear Sirs,

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary (the “Analysis”) set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Tum Finance p.l.c. (C91228) (“the Issuer”), and Easysell Limited (C9778) (“the Guarantor”) and related companies within the group as explained in part 1 of the Analysis. The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the three years ended 31 December 2016 and 2017, and the estimated projections for the period ending 31 December 2018 has been extracted from the audited financial statements and the interim management accounts of the Guarantor respectively.
- (b) The forecast data for the financial year 2019 and the year ending 2020 have been provided by management.
- (c) Our commentary on the Issuer’s and the Guarantor’s results and financial position is based on the explanations set out by the Issuer in the Prospectus and Listing Authority Policies.
- (d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) The principal relevant market players listed in Part 3 of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed bond issue and should not be interpreted as a recommendation to invest in the Bonds. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the bonds.

Yours sincerely,



Nick Calamatta



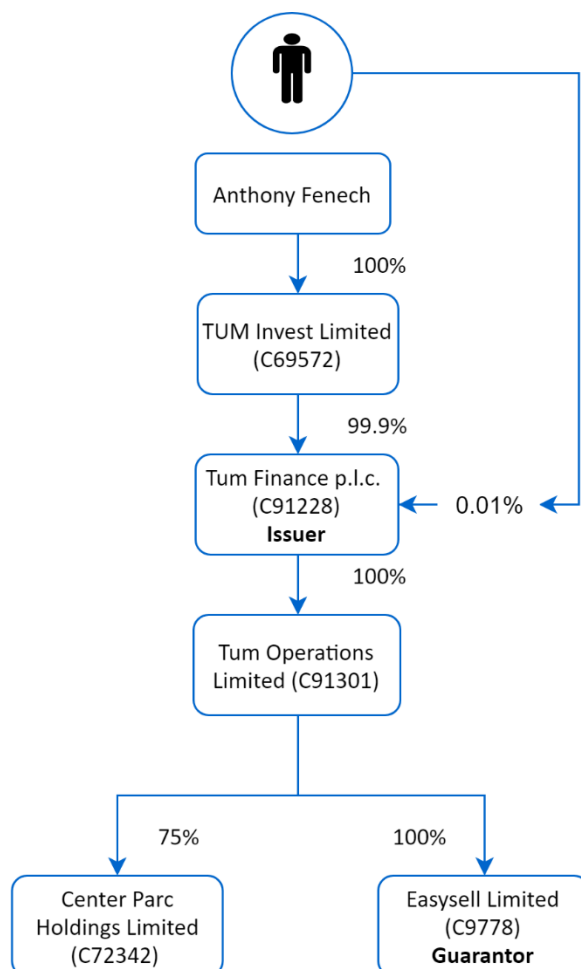
## Table of Contents

|  |    |
|--|----|
| Part 1 - Information about the Group .....                                       | 38 |
| 1.1 Issuer, Guarantor and Group's Subsidiaries Key Activities and Structure..... | 38 |
| 1.2 Directors and Key Employees.....   | 39 |
| 1.3 Major Assets owned by the Group.....   | 40 |
| 1.4 Operational Developments .....   | 40 |
| Part 2 – Historical Performance and Forecasts.....                               | 41 |
| 2.1 Guarantor' Statement of Comprehensive Income .....                           | 41 |
| 2.2 Guarantor' Statement of Financial Position .....                             | 42 |
| 2.3 Guarantor' Statement of Cash Flows .....                                     | 43 |
| 2.4 The Group's Financial Forecast .....   | 44 |
| Part 3 – Key Market and Competitor Data .....                                    | 47 |
| 3.1 General Market Conditions .....  | 47 |
| 3.2 Comparative Analysis.....  | 49 |
| Part 4 - Glossary and Definitions .....  | 51 |

## Part 1 - Information about the Group

### 1.1 Issuer, Guarantor and Group's Subsidiaries Key Activities and Structure

The Group structure is as follows:



The **“Group”** of companies consists of TUM Invest Limited being the Parent Company of the Group, the Issuer acting as the finance and holding company of the Group, Tum Operations Limited, Center Parc Holdings Limited of which the Group owns 75% and the Guarantor. The objective of the Group is to manage investment property held for rental income, in addition to acquiring and developing new properties to enhance the Group’s existing revenues.

The **“Issuer”**, Tum Finance plc (TFP), was incorporated and registered under Maltese Law as a public liability company with registered address at (Tum Finance p.l.c., Tum Invest, Mdina Road, Qormi QRM 9010) and company registration number C 91228. The issuer is, except for two ordinary shares that are held by the ultimate beneficiary owner (UBO) Anthony Fenech, a fully owned subsidiary of Tum Invest Limited, the latter being the **“Holding Company”** of the Group. The Issuer, which was set up and established to act as a finance vehicle, has an authorised share capital of €20,000,000 divided into 20,000,000 shares of one Euro (€1) each, all fully paid up.

The **“Guarantor”**, Easysell Limited (ESL), was incorporated on the 5<sup>th</sup> July 1988 and registered under Maltese Law as a private limited liability company with registered address at Tum Invest, Mdina Road, Qormi QRM 9010, Malta and company registration number C 9778. The Guarantor through Tum Operations Limited is, except for one ordinary share that is held by the Commercial Vehicles Imports Limited, a wholly owned subsidiary of the Issuer. The authorised and issued share capital of the Guarantor, as at the date of the Prospectus, is €1,164,868.50 divided into 500,000 ordinary shares of €2.329373 each share all fully paid up. The principal objective of the Guarantor is to acquire, develop and manage property primarily for commercial purposes.

Tum Operations Limited (TOL), a fully owned subsidiary of the Issuer, is a private limited liability company registered under the laws of Malta on 1<sup>st</sup> April 2019, with company registration number C89468 and registered office at Tum Invest Mdina Road, Qormi QRM 9010. Tum Operations Ltd has an authorised and issued share capital of €12,000,000 divided into 2,000,000 ordinary shares and 10,000,000 preference shares of €1 each share fully paid up. Tum Operations Ltd holds the investments in the special purpose vehicles owning the investment property assets and does not have any daily operations.

Center Parc Holdings Limited (CPL) (C72342) was incorporated on 23<sup>rd</sup> September 2015. The issuer holds seventy five per cent of the shares and voting rights in Center Parc Holdings Limited. The remaining twenty five per cent are held by another shareholder independent of the Group. Center Parc Holdings Limited was set up primarily to acquire, develop and manage property for commercial purposes and owns the Center Parc Property which is currently still under development and is expected to be completed by not later than the third quarter of 2019.

## 1.2 Major Assets owned by the Group

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a holding and financing company.

The Group, through the Guarantor owns a property that comprises a showroom, an underground floor and overlying offices situated at Mdina Road, Qormi. The property, known as Zentrum Business Centre consists of an area of 6200 square meters and is currently rented out to two tenants. Motors Inc. Limited rents the basement level, the ground floor level which is used as a showroom, and part of the first floor level which it uses as offices. Malta Public Transport rents office space at ground floor and first level floor. This property is being further developed and will include another building comprising five basement levels, a showroom at ground level, and two levels of office space once completed. The said property will be held as a security for the proposed bond issue.

The Guarantor also owns property at 66 Saint Rita Street, Sliema. This property consists of a two-bedroom townhouse purchased in 1999. It has a footprint of circa one hundred square meters on two floors. This property is currently rented out to third parties.

Center Parc Holdings Limited owns the Center Parc Property situated in Qormi, limits of Marsa, in the district known as 'Ta' Stabal', forming part of the land known as 'Ta' L-Erbgha Qaddisin' having an area of approximately 9560 square meters. The Group is set to open the Center Parc Retail Hub, a major retail destination in Qormi. This property is currently under construction whereby development and finishing work is expected to be completed by June 2019.

## 1.3 Directors and Key Employees

### Board of Directors - Issuer

As at the date of the prospectus, the Issuer is constituted by the following persons:

| Name                 | Office Designation                 |
|----------------------|------------------------------------|
| Mr. Anthony Fenech   | Chairman and Executive Director    |
| Mr. Silvan Fenech    | Executive Director                 |
| Mr. Matthew Fenech   | Executive Director                 |
| Mr. Stanley Portelli | Independent non-executive Director |
| Mr. Mario Vella      | Independent non-executive Director |
| Mr. William Wait     | Independent non-executive Director |

The business address of all of the directors is the registered office of the Issuer. Refer to section 8 of the registration document for the curriculum vitae of the Issuer's directors. Dr. Keith Farrugia is the company secretary of the Issuer.



### Board of Directors – Guarantor

As at the date of the prospectus, the Guarantor are constituted by the following persons:

| Name               | Office Designation                 |
|--------------------|------------------------------------|
| Mr. Anthony Fenech | Chairman and Executive Director    |
| Mr. Silvan Fenech  | Executive Director                 |
| Mr. Mario Vella    | Independent non-executive Director |

The business address of all of the directors is the registered office of the Issuer.

The board is composed of six directors who are responsible for the overall direction and management of the Issuer. Three executive directors are entrusted with the Issuer's day-to-day management whereas three non-executive directors, all of whom are independent of the issuer, are to provide the Issuer with direction and strategy, monitoring and supervision of its performance, while ensuring that controls and risk management systems are adequately in place. The Issuer does not have any employees of its own, and thus the day-to-day business of the Issuer has been delegated to the Parent Company and its employees.

The Guarantor has its own board of directors, which is responsible for the management, and direction of the Guarantor. Two executive directors and an independent non-executive director that also sit on the Board of the Issuer, govern the Guarantor. As is the case with the Issuer, the day-to-day business of the Guarantor has been delegated to the Parent Company and its employees.

## 1.4 Operational Developments

As described above, the Group through the Guarantor, owns a property that currently comprises a showroom, an underground floor and overlying offices situated at Mdina Road, Qormi. The Group will utilise €4.5 million out of the net bond proceeds to refinance existing loan facilities and settle any outstanding costs in respect of the development of the second building adjacent to the existing (one) building.

This property, known as Zentrum Business Center is being further developed and will include another building consisting five basement levels, a showroom at ground level, and two levels of office space once completed. Development is expected to be completed by June 2019.

The leasable area of the entire property amounts to 14,538 square meters. Lease agreements concerning the new building are concluded or are in the process of being concluded. The Guarantor has entered into an agreement with Motors Inc. Limited to lease the new showroom and three and a half floors of the new car park. Motors Inc. Limited is now expected to relocate and consolidate all its operations in the new building.

Management expect the currently uncontracted office space in the new building to be leased out on similar terms and conditions as the agreements signed with the other tenants in the same building. Management are in advance discussions with a number of prospective tenants.

As discussed above, Center Parc Holdings Limited is developing The Center Parc Retail Hub which is set to become a major retail destination in Qormi. The Group will utilise €13.25 million out of the net bond proceeds to refinance existing loan facilities and to finance any outstanding development cost on the Retail Hub currently being developed by Center Parc Holdings Limited. This property is located within an existing retail hub which includes the Pavi and Lidl supermarkets as well The Landmark retail complex.

The Center Parc Property is currently under construction and is expected to be completed and to open its doors to the public by June 2019. The property will have a leasable area of 9,818 square meters and an adjoining car park to service the retail operations.

Management of Center Parc Holdings Limited has already secured rental agreements with third party tenants for the entire leasable retail space available. Center Parc Holdings Limited will charge tenants a base rent in addition to a service fee. Moreover, a yearly rental increase is included in the tenants' respective lease agreements.

Tenants within The Center Parc Retail Hub operate in various lines of business including clothing, electronics and catering. The different units have been rented out for fixed periods ranging between three to five years. Thereafter, the said lease agreements may be further extended by the current tenants for one year periods up to a maximum number of years.

## Part 2 – Historical Performance and Forecasts

The Issuer was incorporated on 19<sup>th</sup> March 2019 and, accordingly, has no trading record or history of operations. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group, and, as such, its assets are intended to consist primarily of loans issued to the Group's fellow subsidiaries. Consequently, Tum Finance plc will issue consolidated financial figures that will capture the operations of all the companies within the Group.

For the purpose of this document, the focus is on a review of the performance of the Guarantor and the Group. The Guarantor's historical financial information for the period ended 31 December 2016 and 31 December 2017, is set out in the audited financial statements of the Guarantor section 2.1 to 2.3 of this Analysis. This section also includes the projected performance of the Guarantor for the period ending 31 December 2018. Forecasts of the Group's consolidated figures are based on management projections and are set out in section 2.4 of this Analysis.

### 2.1 Guarantor' Statement of Comprehensive Income

The Guarantor, Easysell Limited, carries on all or any of the business related to acquiring, developing and managing property primarily for commercial purposes. The audited historical performance for the period ended 31 December 2016 to 31 December 2017, in addition to the projected performance for the period ending 31 December 2018, are presented below.

| Statement of Comprehensive Income          | Dec-16<br>Audited | Dec-17<br>Audited | Dec-18<br>Forecasted |
|--|-------------------|-------------------|----------------------|
|  | €000s             | €000s             | €000s                |
| Revenue                                    | 405               | 405               | 421                  |
| Cost of sales                              | -                 | -                 | -                    |
| <b>Gross profit</b>                        | <b>405</b>        | <b>405</b>        | <b>421</b>           |
| Other operating Income / Expenses recharge | 38                | 38                | 55                   |
| Administrative expenses                    | (100)             | (66)              | (97)                 |
| <b>EBITDA</b>                              | <b>343</b>        | <b>377</b>        | <b>379</b>           |
| Depreciation and amortisation              | -                 | -                 | -                    |
| Finance costs                              | (29)              | (72)              | (133)                |
| <b>Profit before tax</b>                   | <b>314</b>        | <b>305</b>        | <b>246</b>           |
| Income Tax Expense                         | (93)              | (94)              | n/a                  |
| <b>Net Income</b>                          | <b>221</b>        | <b>211</b>        | <b>246</b>           |

| Ratio Analysis                               | Dec-16 | Dec-17 | Dec-18 |
|--|--------|--------|--------|
| Gross Profit Margin (Gross Profit / Revenue) | 100.0% | 100.0% | 100.0% |
| EBITDA Margin (EBITDA / Revenue)             | 84.7%  | 93.1%  | 90.0%  |
| Net Margin (Profit for the year / Revenue)   | 54.6%  | 52.1%  | 58.4%  |

The Guarantor generates revenue through rental income derived from the showroom and adjoining offices at the Guarantor's property in Qormi. Revenue in 2018 increased by 3.9% or from €405,000 in 2017, to €421,000 in 2018. Such increase in revenue is mainly attributable to the rental contractual increases relating to the two tenants currently occupying the property.

Administrative expenses increased by a CAGR of 1.6% due to changes in utilities, bank charges and warranty costs. Moreover, finance costs increased by 359% or €104,000 from €29,000 in 2016 to €133,000 in 2018. This upsurge in finance costs was primarily initiated as a result of higher bank borrowings to finance the extension of the Guarantor's project.

Property that is held by the Guarantor for long-term rental yields or for capital appreciation or both, is classified as investment property and is measured at fair value. Subsequently, as illustrated in the Guarantor's historical performance presented above, no depreciation costs are incurred by the Group.

Moreover, the Guarantor is taxed at a final tax rate of 15% on gross rental income from third parties and at a 35% on rental income generated from related party tenants after allowing for a 20% maintenance allowance in accordance with existing tax legislation.

As illustrated in the audited historic data presented above, both the Guarantor's EBITDA margin and net margin have continuously improved. The EBITDA margin and net margin stood at 90% and 58.4% in 2018, demonstrating an improved position from the net margin and the EBITDA margin of 2016, which stood at 84.7% and 54.6% respectively.

## 2.2 Guarantor' Statement of Financial Position

| Statement of Financial Position     | Dec-16<br>Audited | Dec-17<br>Audited | Dec-18<br>Forecasted |
|-------------------------------------|-------------------|-------------------|----------------------|
|                                     | €000s             | €000s             | €000s                |
| <b>Non-current assets</b>           |                   |                   |                      |
| Investment Property                 | 10,767            | 12,749            | 14,600               |
|                                     | <b>10,767</b>     | <b>12,749</b>     | <b>14,600</b>        |
| <b>Current assets</b>               |                   |                   |                      |
| Other receivables                   | 770               | 756               | 92                   |
| Cash and cash equivalents           | 72                | -                 | -                    |
|                                     | <b>842</b>        | <b>756</b>        | <b>92</b>            |
| <b>Total assets</b>                 | <b>11,609</b>     | <b>13,505</b>     | <b>14,692</b>        |
| <b>Equity and liabilities</b>       |                   |                   |                      |
| <b>Capital and reserves</b>         |                   |                   |                      |
| Share capital                       | 1,165             | 1,165             | 1,165                |
| Accumulated Profits / (Losses)      | (107)             | 104               | 350                  |
| FV Reserve                          | 3,990             | 3,990             | 3,990                |
| <b>Total equity</b>                 | <b>5,048</b>      | <b>5,259</b>      | <b>5,505</b>         |
| <b>Non-current Liabilities</b>      |                   |                   |                      |
| Bank loans                          | 1,346             | 2,950             | 3,727                |
| Bank Overdraft                      | 89                | 95                | 46                   |
| Shareholders Loan                   | 223               | 164               | 374                  |
| Other due to related parties        | 3,508             | 3,475             | 4,040                |
|                                     | <b>5,166</b>      | <b>6,684</b>      | <b>8,187</b>         |
| <b>Current liabilities</b>          |                   |                   |                      |
| Deferred tax liability              | 1,000             | 1,000             | 1,000                |
| Trade Payables                      | 303               | 554               | 84                   |
| Tax Liabilities                     | 92                | 8                 | (84)                 |
|                                     | <b>1,395</b>      | <b>1,562</b>      | <b>1,000</b>         |
| <b>Total liabilities</b>            | <b>6,561</b>      | <b>8,246</b>      | <b>9,187</b>         |
| <b>Total equity and liabilities</b> | <b>11,609</b>     | <b>13,505</b>     | <b>14,692</b>        |



Total assets as of 2018 mainly comprise of investment property which accounts for 99.4% of the Guarantor's total assets. An increase in value of investment property reflects investment costs incurred on the Guarantor's property, which was primarily driven by investment in the new extension. In the latter period, investment property was revalued upwards by €3.8 million, from €10.8 million in 2016 to €14.6 million as of 31 December 2018.

Furthermore, current assets in 2018 comprised only 0.6% of the Guarantor's total assets. Other receivables represent the principal component of current assets, and consist of rent due by tenants, amounts due from related parties and advance deposits paid to contractors on signing of contractual arrangements in connection with the property extension. Other receivables decreased by 88.1% or €678,000 from €770,000 in 2016 to €92,000 in 2018.

Non-current liabilities represents 89.1% of the Guarantor's total liabilities in 2018. Non-current liabilities comprise of bank borrowings, bank overdrafts, shareholders loan and other payments due to related parties. In order to finance the extension of the ESL property, bank borrowings increased by 177% or €2.4 million from €1.3 million in 2016 to €3.7 million in 2018. The latter has resulted into a Total Debt to Total Assets ratio of 56% in 2018, representing an increase of 11.5% in comparison to the previous financial year. As described in the use of proceeds, these loans will be paid-off from the proceeds of the proposed bond issue. Of note, the investment property held by the Guarantor has been financed through a €3.8 million bank loan with the remaining balance financed through shareholders' funds.

Current liabilities in 2018 represented 10.9% of the total Guarantor's liabilities. Current liabilities comprise of trade payables, deferred tax liabilities and tax liabilities respectively. Trade payables are primarily composed of amounts due to contractors on the new property development. The majority of advance deposits paid to contractors were released against works performed on the investment property, thus contributing to an overall decrease in trade payables of 85% in 2018. Deferred tax liabilities mainly refer to the tax liabilities recognised as a result of the revaluation of the ESL property.

## 2.3 Guarantor' Statement of Cash Flows

| Statement of Cash Flows                                   | Dec-16<br>Audited<br>€000s | Dec-17<br>Audited<br>€000s | Dec-18<br>Forecasted<br>€000s |
|---|----------------------------|----------------------------|-------------------------------|
| <b>Cash flows from operating activities</b>               |                            |                            |                               |
| EBITDA  | 343                        | 377                        | 379                           |
| Movement in Working Capital                               | (412)                      | 264                        | 193                           |
| Interest Expense Paid                                     | (122)                      | (72)                       | (133)                         |
| Tax Paid  | (75)                       | (177)                      | (91)                          |
| <b>Net cash flows generated from operating activities</b> | <b>(266)</b>               | <b>391</b>                 | <b>347</b>                    |
| <b>Cash flows from investing activities</b>               |                            |                            |                               |
| Capex Growth  | (702)                      | (1,981)                    | (1,851)                       |
| <b>Net cash flows (used in) investing activities</b>      | <b>(702)</b>               | <b>(1,981)</b>             | <b>(1,851)</b>                |
| <b>Cash flows from financing activities</b>               |                            |                            |                               |
| Borrowings  | 1,097                      | 1,550                      | 939                           |
| Related Party Borrowings                                  | (58)                       | (32)                       | 565                           |
| <b>Net cash flows generated from financing activities</b> | <b>1,039</b>               | <b>1,518</b>               | <b>1,504</b>                  |
| <b>Movement in cash and cash equivalents</b>              | <b>71</b>                  | <b>(72)</b>                | <b>-</b>                      |
| Cash and cash equivalents at start of year                | -                          | 72                         | -                             |
| <b>Cash and cash equivalents at end of year</b>           | <b>72</b>                  | <b>-</b>                   | <b>-</b>                      |

In 2017, EBITDA of the Guarantor improved from €0.34 million in 2016 to €0.38 million in 2018, which led to a consequent increase in the cash flow from operating activities. The latter increased from negative €0.27 million in 2016 to €0.35 million in 2018.

Movement in working capital in 2018 was primarily the result of movements in advanced payments made to contractors for the new property as well as an increase in amounts due to the said contractors once the work on the property commenced. Moreover, interest expense refers to the interest incurred on the existing credit facilities.

The Growth in CAPEX reflects the additional investment made in relation to the extension of the Guarantor's property. In 2018, part of the construction costs on the extension were financed through shareholder's loan as the respective bank facility was drawn down in full.

The closing cash and cash equivalents balance for the period between 2016 and 2018 is negatively impacted by investment undertaken relating to the extension of the ESL property.

## 2.4 The Group's Financial Forecast

| Projected Income Statement           | F2019         | P2020        |
|--------------------------------------|---------------|--------------|
|                                      | €000s         | €000s        |
| Rental Revenue                       | 1,650         | 2,998        |
| Service Revenue                      | 86            | 172          |
| <b>Total Revenue</b>                 | <b>1,736</b>  | <b>3,170</b> |
| Overheads                            | (201)         | (279)        |
| <b>EBIDTA</b>                        | <b>1,535</b>  | <b>2,891</b> |
| Depreciation and amortisation        | (30)          | (40)         |
| <b>EBIT</b>                          | <b>1,505</b>  | <b>2,851</b> |
| Fair value movement on Property      | 14,318        | -            |
| Interest income                      | -             | 1            |
| Interest expense                     | (744)         | (800)        |
| <b>Profit before tax</b>             | <b>15,079</b> | <b>2,052</b> |
| Tax                                  | (237)         | (452)        |
| Deferred tax on property revaluation | (1,577)       | -            |
| <b>Net Income</b>                    | <b>13,265</b> | <b>1,600</b> |

Annual rental revenue includes rental income from ESL and CPL. Rental revenue is projected to reach approximately €3 million in the first full twelve month period in 2020, growing by a CAGR of 2.5% annually thereafter. Moreover, the service charge is assumed to increase by a CAGR of 1.3% reaching a total of €172,000 in the first full twelve month period in 2020.

Overhead expenses include maintenance, utility, common area expenses and other administrative expenses, whereby part of these costs are recovered through the service charge recognised. These are projected to grow at an annual CAGR of 4.8% per annum.

The Group's depreciation costs are projected to amount to €30,000 and €40,000 in 2019 and 2020 respectively and remain constant thereafter. As previously discussed, there will be no depreciation costs incurred by the Guarantor. Therefore, the aforementioned depreciation costs incurred by the Group are deemed to be incurred by CPL on Property, Plant and Equipment upon the initiation of operations of The Center Parc Retail Hub in Qormi.

Following the improvements and developments on the ESL and CSL properties, fair value movement/gain on property is projected to amount to €14.3 million in 2019. Thereafter, no further property fair value movements/gains are forecasted.

The interest expense which is projected to be incurred in 2019 amounts to €744,000 and mainly relates to the interest cost of the existing loans and on the interest charge in the new Bond. The interest expenses incurred by the Group are projected to reach €800,000 in 2020 and remain constant thereafter.

Tax is projected to be incurred at a flat rate of 15% over the rental income on third party tenants and at a 35% tax rate on related party rental income after deducting a 20% maintenance allowance. Projected tax charges and refunds are based on current tax legislations.

| Projected Balance Sheet             | F2019         | P2020         |
|-------------------------------------|---------------|---------------|
|                                     | €000s         | €000s         |
| <b>Assets</b>                       |               |               |
| <b>Non-current assets</b>           |               |               |
| Operating assets                    | 57,214        | 57,214        |
|                                     | <b>57,214</b> | <b>57,214</b> |
| <b>Current assets</b>               |               |               |
| Cash and cash equivalents           | 2,644         | 4,195         |
| Tax receivable                      | 67            | 156           |
|                                     | <b>2,711</b>  | <b>4,351</b>  |
| <b>Total assets</b>                 | <b>59,925</b> | <b>61,564</b> |
| <b>Equity and liabilities</b>       |               |               |
| <b>Capital and reserves</b>         |               |               |
| Share capital                       | 17,647        | 17,647        |
| Revaluation reserve                 | 12,741        | 12,741        |
| Retained earnings                   | (1,339)       | (50)          |
| Minority interest                   | 2,863         | 3,074         |
| <b>Total equity</b>                 | <b>31,912</b> | <b>33,512</b> |
| <b>Non-current liabilities</b>      |               |               |
| Third party debt facilities         | 19,630        | 19,670        |
| Deferred tax liabilities            | 5,136         | 5,136         |
| Amounts due to TUM                  | 2,000         | 2,000         |
| Amounts due to V&C                  | 646           | 646           |
|                                     | <b>27,413</b> | <b>27,452</b> |
| <b>Current liabilities</b>          |               |               |
| Accrued interest expense            | 600           | 600           |
| <b>Total liabilities</b>            | <b>28,013</b> | <b>28,053</b> |
| <b>Total equity and liabilities</b> | <b>59,925</b> | <b>61,564</b> |

Total assets in 2019, mainly comprise of operating assets, which represents 95.5% of total assets. The latter, takes into account the implementation of additional investment with regards the ESL and CPL properties. Operating assets are deemed to remain constant over the forecasted period.

Cash and cash equivalents are anticipated to amount to €2.6 million and €4.2 million in 2019 and 2020 respectively. This increase is deemed to be in line with the additional cash received by the Group upon commencement of operations of the new developments on the ESL and CSL properties. Tax receivable listed under current assets reflects the tax refund due to TFP.

Following the first full twelve month period from the commencement of operations of the new developments in 2020, retained earnings are projected to improve and stand at negative €0.05 million from negative €1.3 million in 2019. Minority interest which relates to the twenty five per cent ownership of CPL held by another shareholder independent of the Group, are also projected to marginally increase from €2.9 million in 2019 to €3.1 million in 2020. The latter have contributed towards a projected increase in the Group's total equity of €1.6 million from €31.9 million in 2019 to €33.5 million in 2020.

In comparison, total liabilities in 2019 and 2020 are projected to amount to €28 million and €28.1 million respectively. The amounts outstanding to TUM and V&C are assumed to remain constant throughout the projection period. Third party debt in 2019 and 2020 reflects the proposed €20 million bond reported net of issue costs. Additionally, deferred tax liabilities refer to tax liabilities recognised as a result of the revaluation of the ESL and CPL properties. These are projected to amount to €5.1 million in 2019 and remain constant thereafter.



Accrued interest expense listed under current liabilities consists of the bond interest outstanding as at 31 December. Bond interest is assumed to be paid annually every March. The gearing level (Net Debt / Total Equity) in 2019 is projected to stand at 53.2%. Following the increase in total equity as described above, the gearing level will decrease to 46.2% in 2020. The return on common equity in 2019 and 2020 are projected to stand at 41.9% and 4.9% respectively. The main reason for such discrepancy relates to the assumption that unlike in 2019, no property fair value movement is projected from 2020 onwards. Furthermore, the Group's interest coverage ratio (EBITDA / Interest Paid) is projected to stand at 2.1x in 2019 and at a healthy level of 3.6x in 2020.

| Projected Cash Flows  | F2019<br>€000s | P2020<br>€000s |
|---|----------------|----------------|
| <b>Cash flows from operating activities</b>                         |                |                |
| EBITDA  | 1,535          | 2,891          |
| Movement in net working capital                                     | 44             | -              |
| Interest income received  | -              | 1              |
| Interest expense paid   | (144)          | (800)          |
| Tax paid  | (303)          | (541)          |
| <b>Net cash flows generated from operating activities</b>           | <b>1,132</b>   | <b>1,551</b>   |
| <b>Cash flows from investing activities</b>                         |                |                |
| CAPEX   | (3,546)        | -              |
| <b>Net cash flows used in investing activities</b>                  | <b>(3,546)</b> | <b>-</b>       |
| <b>Cash flows from financing activities</b>                         |                |                |
| Bond drawdown / repayment   | 19,600         | -              |
| Repayment of existing debt  | (14,448)       | -              |
| Movement in other liabilities (Tax liabilities & Capital Creditors) | (145)          | -              |
| <b>Net cash flows generated from financing activities</b>           | <b>5,007</b>   | <b>-</b>       |
| <b>Movement in cash and cash equivalents</b>                        | <b>2,593</b>   | <b>1,551</b>   |
| Cash and cash equivalents at start of year                          | 51             | 2,644          |
| <b>Cash and cash equivalents at end of year</b>                     | <b>2,644</b>   | <b>4,195</b>   |

The Group is anticipated to have a positive net cash from operations for both the projected years 2019 and 2020, which stands at €1.1 million and €1.6 million respectively. Cash from investing activities will mainly be affected in 2019, whereby outstanding capital expenditure is projected to be fully incurred and paid in 2019. No maintenance expenditure is projected, other than repairs and maintenance expenses included in overheads, as further described in this section through the Group's forecasted Income Statement analysis. Cash flows from financing activities will largely be impacted in 2019 following the receipt of the bond proceeds.

| Ratio Analysis                                       | F2019    | P2020  |
|--|----------|--------|
| <b>Profitability</b>                                 |          |        |
| Growth in Revenue (YoY Revenue Growth)               | n/a      | 81.7%  |
| EBITDA Margin (EBITDA / Revenue)                     | 88.4%    | 91.2%  |
| Operating (EBIT) Margin (EBIT / Revenue)             | 86.7%    | 89.9%  |
| Net Margin (Profit for the year / Revenue)           | 764.1%   | 50.5%  |
| Return on Common Equity (Net Income / Total Equity)  | 41.6%    | 4.9%   |
| Return on Assets (Net Income / Total Assets)         | 22.1%    | 2.6%   |
| <b>Cash Flow</b>                                     |          |        |
| Free Cash Flow (Net cash from operations - Capex)    | €(2,414) | €1,551 |
| <b>Financial Strength</b>                            |          |        |
| Gearing 1 (Net Debt / Total Equity)                  | 53.2%    | 46.2%  |
| Gearing 2 (Total Liabilities / Total Assets)         | 46.7%    | 45.6%  |
| Net Debt / EBITDA                                    | 11.1x    | 5.4x   |
| Current Ratio (Current Assets / Current Liabilities) | 4.5      | 7.3    |
| Net Debt / Net cash from operations                  | 15.01    | 9.98   |
| Interest Coverage (EBITDA / Cash interest paid)      | 2.1      | 3.6    |

## Part 3 – Key Market and Competitor Data

### 3.1 General Market Conditions

The Group is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget and their profitable operation. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and rental rates. In the event that general economic conditions and property market conditions experience a downturn, which is not contemplated in the Group's planning during development, this shall have an adverse impact on the financial condition of the Group and may therefore affect the ability of the Issuer to meet its obligations under the Bonds.

#### Economic Update<sup>1</sup>

In the third quarter of 2018, the pace of economic expansion in Malta accelerated, with real gross domestic product ("GDP") rising by 7.5% on a quarterly following a growth of 6.1% in the previous quarter. During the same period the rate of economic expansion in the euro area has moderated, with real GDP rising by 0.2% on a quarterly basis following two quarters of constant growth of 0.4%. Growth in Malta was supported by a strong increase in domestic demand, particularly private consumption. Net exports also contributed, albeit to a lesser extent. The slowdown in the euro area's GDP growth during the third quarter of 2018 reflected a negative contribution from external demand with net exports, after having a broadly neutral contribution in the previous quarter.

The Maltese labour market conditions remained favourable in the third quarter of 2018, as employment grew strongly and the unemployment rate fell compared with the preceding year, notwithstanding a further increase in labour market participation rates and rising foreign employment. At 3.7%, the unemployment rate remained below the Central Bank of Malta ("CBM") structural measure of 4.2% and thus continued to suggest a degree of tightness in the labour market.

Annual inflation based on the Harmonised Index of Consumer Prices (HICP) accelerated to 2.5% in September from 2.0% in June. The pick-up was largely driven by a higher contribution from food prices, although non-energy industrial goods and energy inflation also edged up. Inflation based on the Retail Price Index (RPI), which only takes into account purchases by Maltese households, stood at 1.6% in September, up from 1.0% three months earlier.

In 2019, real GDP growth is projected to moderate further to 5.2%<sup>2</sup>. As global demand moderates, economic growth is expected to continue relying on domestic demand, underpinned by high private and public consumption. Investment growth is expected to pick up on the back of large-scale infrastructure projects in the health, tourism and real estate sectors.

The strong economic growth sustained by the Maltese economy in recent years has contributed to a rise in the employment rate and the influx of foreign workers within the Maltese workforce. This has contributed to an increase in the demand for rental of office and commercial space in Malta. To address such growing demand, the supply of office and commercial space in Malta have considerably increased over the last couple of years. Of note, there are several traditional businesses areas in Malta. For instance, Sliema attracts many international brands and companies. Likewise, Valletta being Malta's capital city is considered as the hub for law firms and many long-established family businesses. Other traditional commercial areas include the likes of St Julian's which is popular for its sea-view offices and Floriana, which attracts businesses that want to be located in the vicinity of Valletta. In furtherance, there are also top quality commercial developments within in the proximity of the airport and in other residential areas such as Naxxar, Mosta, Mellieha and in other parts of the south of Malta. The variety of commercial and office space in Malta cater for every type of business, from start-ups to established global organisations. In this regard, numerous business centres have recently been developed, with new centres in the pipeline. These include SkyParks, The Quad, Trident Park, The Centre, Aragon House Business Centre, amongst others.

<sup>1</sup> Central Bank of Malta – Quarterly Review No.1 2019

<sup>2</sup> European Commission's Winter 2019 Economic Forecast

The retail sector in Malta has lately undergone a gradual transformation, whereby it was fragmented with small businesses and a limited number of importers, wholesalers and distributors. Subsequent to Malta's entrance in the European Union (EU) in 2004, the liberalisation of the market greatly encouraged foreign chains to set up in Malta, forcing local traders to come up with more convenient and unique distribution strategies. The 'all-under-one-roof' concept has been gaining popularity among the general public, as witnessed by the opening of a number shopping destinations in Malta such as The Point Shopping Mall, Main Street Shopping Complex and The Plaza Shopping Centre. This concept has allowed individuals to sort out their shopping under one roof rather than having to go to different retail shop in multiple locations. Growing consumer expectations have resulted into shops staying open for longer hours, instead of closing during lunch hours, as occurs in the majority of the other Mediterranean countries.

Data specifically related to commercial property in Malta is limited, thus making it more challenging to identify the exact state of this sector. Nevertheless, it is evident that Malta has over recent years completely evolved and has attracted a numerous amount of foreign companies related to sectors within the financial services, gaming and IT related fields. It is therefore apparent that the demand for good commercial property has drastically increased, whereby Malta's property sector has been dominated by a situation of demand seemingly exceeding supply. The latter has resulted into the majority of high quality commercial developments being fully let. In line with statistical data issued by the Central Bank of Malta, the number of permits relating to retail and office developments has significantly increased from 123 permits in 2009 to 719 permits in 2016.

Management has already secured rental agreements with third party tenants for all leasable retail spaces available within The Center Parc Retail Hub which is set to become a major retail destination in Qormi. This further enforces management's view as to the demand for commercial centre both from a retailer and consumer point of view.

The below table demonstrates the range of annual rental rates in Euro (€) per square meter for various localities across Malta. Data regarding rental rates of office space has been gathered from several real estate agents website as at Q1 2019.

| Area   | € per sqm yearly |
|--|------------------|
| Central areas such as Mriehel and Naxxar           | 150 – 200        |
| North East such as Ta Xbiex, Sliema and St Julians | 220 – 500        |
| Harbor Area such as Valletta and Floriana          | 200 – 300        |
| West and South such as Qormi and Luqa              | 120 – 180        |
| North Area such as Bugibba and Mellieha            | 100 – 130        |

*Source: Officespace.rent*

As demonstrated in the table above, higher rental rates generally relate to the North East Area, whereby rates vary from €220/ sqm up to €500/ sqm. Contrarily, office rental rates are regarded to be the lowest in the North Area where rates vary between €100/sqm to €130/sqm. Of note, the pricing of office spaces rental rates are attributable to the characteristics of the office block. The latter mainly comprise location, size, practical efficiency, technology and the surroundings of the building.



## 3.2 Comparative Analysis

The purpose of the table below compares the proposed debt issuance of the Group to other debt instruments with similar duration. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore different.

| Security  | Nom Value | Last Price* | Yield to Maturity | Interest coverage (EBITDA) | Total Assets | Total Equity | Total Liabilities / Total Assets | Net Debt / Total Equity | Net Debt / EBITDA | Current Ratio | Return on Common Equity | Net Margin | Revenue Growth (YoY) |
|---|-----------|-------------|-------------------|----------------------------|--------------|--------------|----------------------------------|-------------------------|-------------------|---------------|-------------------------|------------|----------------------|
|   | €000's    |             | (%)               | (times)                    | (€'millions) | (€'millions) | (%)                              | (%)                     | (times)           | (times)       | (%)                     | (%)        | (%)                  |
| 5.25% Central Business Centres plc Unsecured € 2025 S2T1    | 3,000     | 105.00      | 4.38%             | 0.3                        | 28.57        | 15.93        | 44.2%                            | 67.1%                   | 73.0              | 8.6           | -1.1%                   | -43.7%     | 47.1%                |
| 4.25% Corinthia Finance plc Unsecured € 2026                | 40,000    | 103.99      | 3.60%             | 2.6                        | 1,765.07     | 901.60       | 48.9%                            | 67.9%                   | 8.5               | 1.0           | 0.7%                    | 2.0%       | 40.0%                |
| 4% MIDI plc Secured € 2026                                  | 50,000    | 106.00      | 3.07%             | (0.9)                      | 0.24         | 0.09         | 63.2%                            | 64.7%                   | (25.3)            | 2.4           | 27.0%                   | 448.1%     | -46.5%               |
| 4% International Hotel Investments plc Secured € 2026       | 55,000    | 104.50      | 3.29%             | 2.7                        | 1,602.32     | 884.63       | 44.8%                            | 57.1%                   | 7.9               | 1.5           | 1.9%                    | 6.1%       | 53.5%                |
| 4% International Hotel Investments plc Unsecured € 2026     | 40,000    | 102.00      | 3.69%             | 2.7                        | 1,602.32     | 884.63       | 44.8%                            | 57.1%                   | 7.9               | 1.5           | 1.9%                    | 6.1%       | 53.5%                |
| 4.35% SD Finance plc Unsecured € 2027                       | 65,000    | 100.26      | 4.31%             | 5.5                        | 217.60       | 65.70        | 69.8%                            | 92.1%                   | 3.2               | 0.3           | 11.0%                   | 14.5%      | 9.3%                 |
| 4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1 | 6,000     | 103.02      | 3.96%             | 0.3                        | 28.57        | 15.93        | 44.2%                            | 67.1%                   | 73.0              | 8.6           | -1.1%                   | -43.7%     | 47.1%                |
| 3.75% Tumas Investments plc Unsecured € 2027                | 25,000    | 105.00      | 3.05%             | 7.5                        | 198.82       | 89.24        | 55.1%                            | 51.8%                   | 2.0               | 1.6           | 13.0%                   | 20.1%      | 31.4%                |
| 4% Stivala Group Finance plc Secured € 2027                 | 45,000    | 104.50      | 3.38%             | 9.5                        | 179.73       | 100.12       | 44.3%                            | 55.8%                   | 8.3               | 1.6           | 59.9%                   | 483.9%     | 29.2%                |
| 3.75% Mercury Projects Finance plc Secured € 2027           | 11,500    | 102.49      | 3.39%             | 7.7                        | 38.00        | 0.80         | 97.9%                            | 663.5%                  | 4.8               | 0.6           | 101.2%                  | 12.3%      | 261.0%               |
| 4% Exalco Finance plc Secured € 2028                        | 15,000    | 106.25      | 3.21%             | 3.7                        | 55.39        | 35.47        | 36.0%                            | 34.0%                   | 6.0               | 0.3           | 8.6%                    | 33.6%      | 24.7%                |
| 3.75% Tum Finance plc Secured € 2029 **                     | 20,000    | 100.00      | 3.75%             | 2.1                        | 60.05        | 32.08        | 46.6%                            | 53.0%                   | 11.1              | 4.5           | 41.9%                   | 773.6%     | n/a                  |
| 4.25% Mercury Projects Finance plc Secured € 2031           | 11,000    | 102.50      | 3.98%             | 7.7                        | 38.00        | 0.80         | 97.9%                            | 663.5%                  | 4.8               | 0.6           | 101.2%                  | 12.3%      | 261.0%               |
| Average ***   |           |             | 3.61%             | 4.1                        | 479.55       | 249.58       | 57.6%                            | 161.8%                  | 14.5              | 2.4           | 27.0%                   | 79.3%      | 67.6%                |

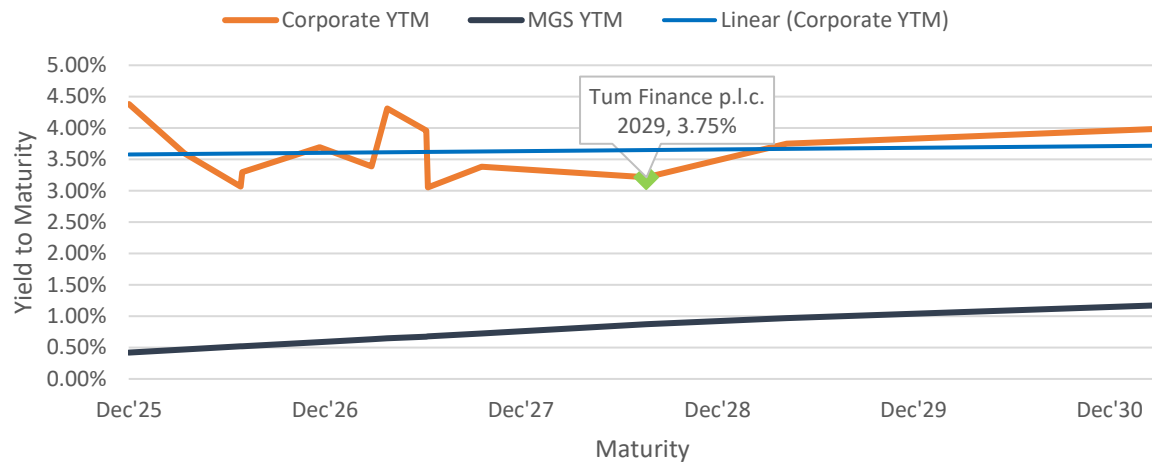
Source: Latest available audited financial statements

\* Last price as at 10/04/2019

\*\* The financial analysis of Tum Finance p.l.c. reflects the financial position of the Group for the forecasted year ended 31<sup>st</sup> December 2019.

\*\*\* Average figures do not capture the financial analysis of the Group

### Yield Curve Analysis



Source: Malta Stock Exchange, Central Bank of Malta and Calamatta Cuschieri Estimates

As at 10<sup>th</sup> April 2019, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of 7-10 years was 294 basis points. The proposed Tum Finance p.l.c. bond is being priced with 3.75% coupon issued at par, meaning a spread of 278 basis points over the equivalent MGS, and therefore at a premium to the average on the market.

## Part 4 - Glossary and Definitions

| Income Statement                          |  |
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| Revenue                                   | Total revenue generated by the Group/Company from its principal business activities during the financial year.   |
| Costs                                     | Costs are expenses incurred by the Group/Company in the production of its revenue.   |
| EBITDA                                    | EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. It reflects the Group's/Company's earnings purely from operations.   |
| Operating Profit (EBIT)                   | EBIT is an abbreviation for earnings before interest and tax.  |
| Depreciation and Amortisation             | An accounting charge to compensate for the decrease in the monetary value of an asset over time and the eventual cost to replace the asset once fully depreciated.   |
| Net Finance Costs                         | The interest accrued on debt obligations less any interest earned on cash bank balances and from intra-group companies on any loan advances.   |
| Net Income                                | The profit made by the Group/Company during the financial year net of any income taxes incurred.   |
| Profitability Ratios                      |  |
| Growth in Revenue (YoY)                   | This represents the growth in revenue when compared with previous financial year.  |
| Gross Profit Margin                       | Gross profit as a percentage of total revenue.   |
| EBITDA Margin                             | EBITDA as a percentage of total revenue.   |
| Operating (EBIT) Margin                   | Operating margin is the EBIT as a percentage of total revenue.   |
| Net Margin                                | Net income expressed as a percentage of total revenue.   |
| Return on Common Equity                   | Return on common equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing the net income by the average common equity (average equity of two years financial performance). |
| Return on Assets                          | Return on assets (ROA) is computed by dividing net income by total assets.   |
| Cash Flow Statement                       |  |
| Cash Flow from Operating Activities (CFO) | Cash generated from the principal revenue producing activities of the Group/Company less any interest incurred on debt.  |
| Cash Flow from Investing Activities       | Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Group/Company.   |
| Cash Flow from Financing Activities       | Cash generated from the activities that result in change in share capital and borrowings of the Group/Company.   |
| Capex                                     | Represents the capital expenditure incurred by the Group/Company in a financial year.  |



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| Free Cash Flows (FCF)            | The amount of cash the Group/Company has after it has met its financial obligations. It is calculated by taking Cash Flow from Operating Activities less the Capex of the same financial year.                                      |
| <b>Balance Sheet</b>             |   |
| Total Assets                     | What the Group/Company owns which can be further classified into Non-Current Assets and Current Assets.   |
| Non-Current Assets               | Assets, full value of which will not be realised within the forthcoming accounting year   |
| Current Assets                   | Assets which are realisable within one year from the statement of financial position date.  |
| Inventory                        | Inventory is the term for the goods available for sale and raw materials used to produce goods available for sale.  |
| Cash and Cash Equivalents        | Cash and cash equivalents are Group/Company assets that are either cash or can be converted into cash immediately.  |
| Total Equity                     | Total Equity is calculated as total assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.   |
| Total Liabilities                | What the Group/Company owes which can be further classified into Non-Current Liabilities and Current Liabilities.   |
| Non-Current Liabilities          | Obligations which are due after more than one financial year.   |
| Total Debt                       | All debt obligations inclusive of long and short-term debt.   |
| Net Debt                         | Total debt of a Group/Company less any cash and cash equivalents.   |
| Current Liabilities              | Obligations which are due within one financial year.  |
| <b>Financial Strength Ratios</b> |   |
| Current Ratio                    | The Current ratio (also known as the Liquidity Ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares current assets to current liabilities. |
| Quick Ratio (Acid Test Ratio)    | The quick ratio measures a Group's/Company's ability to meet its short-term obligations with its most liquid assets. It compares current assets (less inventory) to current liabilities.  |
| Interest Coverage Ratio          | The interest coverage ratio is calculated by dividing EBITDA of one period by cash interest paid of the same period.  |
| Gearing Ratio                    | The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance total assets.  |
| Gearing Ratio Level 1            | Is calculated by dividing Net Debt by Total Equity.   |
| Gearing Ratio Level 2            | Is calculated by dividing Total Liabilities by Total Assets.  |

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| Net Debt / EBITDA        | The Net Debt / EBITDA ratio measures the ability of the Group/Company to refinance its debt by looking at the EBITDA.   |
| <b>Other Definitions</b> |   |
| Yield to Maturity (YTM)  | YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price. |