

MIDI p.l.c.
 a public limited company incorporated under the laws of Malta,
 company registration number C 15836

Issue of:
€50,000,000 4% Secured Bonds 2026
ISIN: MT0000421223

SUMMARY NOTE

Dated 28 June 2016

This document is a Summary Note issued pursuant to the provisions of Chapter 4 of the Listing Rules of the Listing Authority and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended. This Summary Note should be read in conjunction with the Registration Document containing information about the Issuer dated 28 June 2016 and the Securities Note dated 28 June 2016.

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

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

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

APPROVED BY THE DIRECTORS



Alec A. Mizzi Joseph Bonello David G. Curmi David Demarco Joseph A. Gasan Alan Mizzi Mark Portelli Joseph Said

Manager & Registrar Legal Advisers Security Trustee Sponsor

BOV
 Bank of Valletta

MAMO TCV
 ADVOCATES

CSB
 GROUP

CHARTS
 WEALTH MANAGEMENT • CORPORATE BROKERS

IMPORTANT INFORMATION

This Summary Note constitutes part of a prospectus and contains information in relation to the Issuer, MIDI p.l.c., its business and the securities being issued in terms of the Prospectus. This document includes information given in compliance with: (a) the Companies Act (Cap. 386 of the laws of Malta) and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended; and (b) the rules and regulations applicable to the admission of securities on the Official List of the Malta Stock Exchange.

No broker, dealer, salesman or other person has been authorised by the Issuer or its Directors to issue any advertisement or to give any information or to make any representations in connection with the 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, its Directors, or advisers.

The Directors of the Issuer confirm that where information included in the Prospectus has been sourced from a third party, such information has been accurately reproduced, and as far as the Directors of the Issuer are aware and are able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

It is the responsibility of any person in possession of this document to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for any securities that may be issued by the Issuer should inform themselves as to the legal requirements of applying for any such securities and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile.

All the advisers to the Issuer have acted and are acting exclusively for the Issuer in relation to the Prospectus and have no contractual, fiduciary or other obligation or responsibility towards any other person. None of the advisers accept any responsibility to any investor or any other person whomsoever in relation to the contents of, and any information contained in, the Prospectus, its completeness or accuracy or any other statement made in connection therewith.

The contents of the Issuer's website or any website directly or indirectly linked to the Issuer's website do not form part of this document. Accordingly no reliance ought to be made by any investor on any information or other data contained in such websites as the basis for a decision to invest in any financial instruments and securities issued by the Issuer.

The value of investments can rise or fall and past performance is not necessarily indicative of future performance. If you need advice with respect to the Bond Issue, you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta).

A copy of this document has been submitted to the Listing Authority and the Malta Stock Exchange, and has been duly filed with the Registrar of Companies. Application has been made to the Listing Authority for the approval of the Prospectus and for the admission of the Issuer's Bonds on a regulated market. Application has also been made to the Malta Stock Exchange, for the Bonds to be admitted to the Official List of the Malta Stock Exchange.

This document and all agreements, acceptances and contracts resulting therefrom shall be governed by and construed in accordance with the laws of Malta, and any person acquiring any bonds pursuant to the Prospectus shall submit to the jurisdiction of the Maltese courts, without limiting in any manner the right of the Issuer to bring any action, suit or proceeding, in any other competent jurisdiction, arising out of or in connection with any purchase of Bonds, or agreement, acceptance or contract resulting herefrom, or the prospectus as a whole. Statements made in this document are, except where otherwise stated, based on the law and practice currently in force in Malta and are subject to changes thereto.

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

DEFINITIONS

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

Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Issuer or to any of the other Authorised Financial Intermediaries;
Application Form	the forms of application for the subscription for the Bonds;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex II of the Securities Note;
Bond(s) or Secured Bond(s)	the four per cent (4%) secured bonds due 27 July 2026 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of fifty million euro (€50,000,000);
Bonds 2016/18	the EUR Bonds 2016/18 and GBP Bonds 2016/18;
Bond Conditions	the terms and conditions applicable to the Bonds a summary of which is set out in section E.3 of this Summary Note;
Bond Exchange Programme	the bond exchange programme a summary of which is set out in Element E.3 of this Summary Note;
Bondholder	a holder of the Bonds;
Bond Issue	the issue of the Bonds;
Bond Issue Price or Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Commission Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended;
Companies Act	the Companies Act (Cap. 386 of the laws of Malta);
Company; Issuer or MIDI	MIDI p.l.c., a company registered in Malta with registration number C 15836;
CSD	the Central Securities Depository of the Malta Stock Exchange, having its address at Malta Stock Exchange, Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Current Shareholders	shareholders of the Issuer as at the Cut-Off Date;

Cut-Off Date	close of business on 24 June 2016 (trading session of 22 June 2016);
Emphyteutical Deed	the public deed in the records of Notary Vincent Miceli of 15 June 2000 whereby the GOM, acting through the Land Department granted the Company the Emphyteutical Grant;
Emphyteutical Grant	the temporary emphyteutical concession of the Emphyteutical Land for a period of ninety nine years commencing from 15 June 2000 made by the GOM to the Company by virtue of the Emphyteutical Deed;
Emphyteutical Land	the immovable property comprising Tigné Point and Manoel Island forming the subject-matter of the Emphyteutical Grant;
EUR Bonds 2016/18	the €31,702,900 7% bonds 2016-2018 (ISIN: MT0000421207) issued by the Issuer pursuant to a prospectus dated 5 December 2008;
Euro or €	the lawful currency of the Republic of Malta;
Existing Holders	existing holders of the Bonds 2016/18 as held on the Cut-Off Date;
GBP Bonds 2016/18	the £7,214,300 7% bonds 2016-2018 (ISIN: MT0000421215) issued by the Issuer pursuant to a prospectus dated 5 December 2008;
GOM	the Government of Malta;
Group or MIDI Group	the Issuer and the subsidiary companies of the Issuer and the term “Group Company” shall be construed accordingly;
Initial Security Interest	has the meaning set out in Element C.8 of this Summary Note
Interest Payment Date	27 July of each year, between 2017 and the year in which the Bonds are redeemed (both years included), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day;
Issue Date	expected on 3 August 2016;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
Listing Rules	the listing rules issued by the Listing Authority;
Malta Stock Exchange or MSE	the Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Manoel Island	the divided portion of land at Manoel Island, limits of Gzira, comprised within the Emphyteutical Land as shown bordered in red on the plan Land Drawing letter ‘L’ letter ‘D’ one hundred and seventy four letter ‘A’ bar ninety nine (LD174A/99) attached to the Emphyteutical Deed;
MFSA	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);

Offer or Bond Offer	the invitation to subscribe for Bonds contained in the Prospectus;
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Preferred Applicants	Existing Holders and Current Shareholders as at the Cut-Off Date, excluding their spouses and dependents;
Preferred Applicants Offer Period	the period between the 1 July 2016 and 18 July 2016 during which the Bonds are on offer to Preferred Applicants;
Public Offer Period	the period between the 4 July 2016 and 20 July 2016 (or such earlier date as may be determined by the Issuer) during which the Bonds are on offer to the general public;
Prospectus	collectively this Summary Note, the Registration Document and the Securities Note, all dated 28 June 2016, as such documents may be amended, updated, replaced and supplemented from time to time;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as subsequently amended;
Redemption Date	27 July 2026;
Redemption Value	the nominal value of each Bond;
Registration Document	the registration document issued by the Issuer dated 28 June 2016, forming part of the Prospectus;
Securities Note	the securities note issued by the Issuer dated 28 June 2016, forming part of the Prospectus;
Security Interest	the Initial Security Interest as may be varied or reduced from time to time in terms of clauses 8 and 9 of the Trust Instrument and any other security which may be held in trust for the Bondholders as beneficiaries under the terms of the Trust Instrument, including any undertaking, guarantee, mandate, pledge, title, transfer, grant, privilege or hypothec or the placing of property in possession or control of the Security Trustee with rights of retention and sale;
Security Trustee	CSB Trustees & Fiduciaries Limited having company registration number C 40390 and its registered office at Vincenti Buildings, 28/19 Strait Street, Valletta VLT 1432, Malta, licensed by the MFSA to act as trustee and provide general corporate fiduciary services, or any other duly authorised person as may be appointed to act as security trustee in terms of the Trust Instrument;
Summary Note	this document in its entirety;
Tigné Point	the divided portion of land at Tigné Point, Sliema, comprised within the Emphtetical Land as shown bordered in red on the plan Land Drawing letter 'L' letter 'D' one hundred and seventy five letter 'A' bar ninety nine (LD175A/99) attached to the Emphyteutical Deed;
Trust Instrument	the agreement signed between the Issuer and the Security Trustee dated 24 June 2016.

SECTION A – INTRODUCTION AND WARNINGS

A.1	<p>This Summary Note forms part of the Prospectus containing information concerning the Issuer and the Bonds. This summary is intended to briefly convey the essential characteristics of, and risks associated with, the Issuer and the Bonds. You should carefully take into consideration the following criteria for evaluation of this summary:</p> <ul style="list-style-type: none">• The summary should be read as merely an introduction to the Prospectus;• Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole;• Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and• Civil liability attaches to the Issuer which has tabled this summary as part of the Prospectus but only if the summary is shown to be misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.
A.2	<p>The Issuer and the Directors consent to the use of this Prospectus (and accept responsibility for the information contained therein) with respect to any subsequent resale or final placement of Bonds by any Authorised Financial Intermediaries, in circumstances where there is an offer of securities to the public which requires the publication of a prospectus in terms of the Prospectus Directive, provided this is limited only:</p> <ol style="list-style-type: none">i. to any resale or final placement of Bonds taking place in Malta; andii. to any resale or final placement of Bonds taking place within the period of 60 days from the date of the Prospectus. <p>In the event of a resale or final placement of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale or final placement at the time such is made.</p> <p>Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of the Prospectus will be made available through a company announcement which will also be made available on the Issuer’s website: www.midimalta.com</p>

SECTION B – THE ISSUER

B.1	The legal and commercial name of the Issuer is MIDI p.l.c. (registration number C 15836).
B.2	The Issuer is incorporated and domiciled in Malta. It is a public limited liability company duly registered in terms of the Companies Act. It operates under the Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta.
B.4b	At the time of publication of this Summary Note, the Issuer considers that generally the Group will be subject to the normal business risks associated with the development and disposal of immovable property in Malta and does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of its business and that of the Group, at least with respect to the current financial year.

	The Tigné Point development faces competition from other high end mixed-use projects in Malta that offer a mix of residential units, offices and/or retail space. Following the launch of approximately half of the apartments from the Q2 phase in March 2016, the Company is satisfied with the level of interest and demand for high-end residential property at Tigné Point.																
	With respect to revenue generated by the Company from the rental of commercial properties at Tigné Point, namely the retail and catering establishments situated at Pjazza Tigné and the two (2) foreshore restaurants located within the T12 Clubhouse at Tigné Point, which are at present fully occupied, management is primarily involved in the upkeep of said properties in order to retain current tenants and attract prospective clients at better rates in the eventuality of expiring lease agreements.																
B.5	The Issuer is the parent company of the MIDI Group. The subsidiary companies of the MIDI Group comprise: Tigné Contracting Limited (C 28438), Tigné Point Marketing Limited (C 30073), T14 Investments Limited (C 63982) and Solutions & Infrastructure Services Limited (C 38866) (" SIS "). Furthermore, T14 Investments Limited holds a 50% shareholding in Mid Knight Holdings Limited (C 65838).																
B.9	Not applicable: The Prospectus does not contain any profit forecasts or estimates.																
B.10	Not applicable: The audit reports on the audited historical financial statements of the Issuer, described in Element B.12 below, do not contain qualifications.																
B.12	<p>The historical financial information for the three financial years ended 31 December 2013, 31 December 2014 and 31 December 2015 as audited by PricewaterhouseCoopers is set out in the annual statutory financial statements of the Issuer. The audited financial statements are available at the Issuer's registered office.</p> <p>There has been no material adverse change in the prospects of the Issuer since the date of the latest published audited financial statements. There were no significant changes to the financial or trading position of the Issuer since 31 December 2015, being the end of the financial year to which the last audited financial statements of the Issuer relate.</p> <p>Extracts of the above-mentioned historical financial information are set out below:</p>																
	<table border="1"> <thead> <tr> <th>MIDI p.l.c. Income Statement for the year ended 31 December</th> <th>2013 €'000</th> <th>2014 €'000</th> <th>2015 €'000</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>7,797</td> <td>13,311</td> <td>41,043</td> </tr> <tr> <td>Operating profit/(loss)</td> <td>1,186</td> <td>(393)</td> <td>13,123</td> </tr> <tr> <td>(Loss)/profit before tax</td> <td>(1,461)</td> <td>(2,152)</td> <td>9,919</td> </tr> </tbody> </table>	MIDI p.l.c. Income Statement for the year ended 31 December	2013 €'000	2014 €'000	2015 €'000	Revenue	7,797	13,311	41,043	Operating profit/(loss)	1,186	(393)	13,123	(Loss)/profit before tax	(1,461)	(2,152)	9,919
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MIDI p.l.c. Balance Sheet as at 31 December			
	2013	2014	2015
	€'000	€'000	€'000
ASSETS			
Non-current assets	34,552	47,437	57,832
Current assets	<u>144,368</u>	<u>144,232</u>	<u>129,630</u>
Total assets	<u>178,920</u>	<u>191,669</u>	<u>187,462</u>
EQUITY			
Capital and reserves	<u>62,394</u>	<u>60,428</u>	<u>71,248</u>
LIABILITIES			
Non-current liabilities	76,258	71,477	71,841
Current liabilities	<u>40,268</u>	<u>59,764</u>	<u>44,373</u>
	<u>116,526</u>	<u>131,241</u>	<u>116,214</u>
Total equity and liabilities	<u>178,920</u>	<u>191,669</u>	<u>187,462</u>
<p>Revenue increased in 2015 from €13.3 million (in 2014) to €41.0 million, primarily reflecting contracts signed for the sale of 38 Q1 apartments and delivery thereof to their respective owners. After accounting for an increase in fair value of investment property of €4.9 million (2014: nil) and an impairment charge on goodwill (in relation to the acquisition of SIS) of €0.4 million (2014: nil), the Issuer recorded a profit after tax of €9.9 million as compared to a loss of €2.2 million in 2014.</p>			

B.13	Not applicable: no recent events particular to the Issuer are to a material extent relevant to the evaluation of the Issuer's solvency.
B.14	The Issuer is the parent company of the Group. It is not dependent upon other entities within the Group.
B.15	The principal activity of the Company is the development and disposal of immovable property situated in Malta at Tigné Point, Sliema and Manoel Island, Limits of Gzira. MIDI operates principally in the high-end segment of the property market in Malta.
B.16	To the extent known to the Issuer, no shareholder owns or controls, directly or indirectly, the Issuer.
B.17	Not applicable: The Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Secured Bonds issued by the Issuer.

SECTION C – SECURITIES

C.1	<p>The Issuer is issuing bonds for an aggregate principal amount of €50,000,000, having a nominal value of €100 per Bond, subject to a minimum subscription of €2,000 and integral multiples of €100 thereafter. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.</p> <p>On admission to trading, the Bonds will have ISIN number MT0000421223. The Bonds shall bear interest at the rate of 4% per annum and shall be repayable in full upon maturity unless they are previously re-purchased and cancelled.</p>
C.2	The Bonds are denominated in euro (€).

C.5	The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.
C.8	<p>There are no special rights attached to the Bonds other than the right of the Bondholders to: the payment of capital and interest; the benefit of the Security Interest through the Security Trustee; attend, participate in and vote at meetings of Bondholders; and enjoy all such other rights attached to the Bonds emanating from the Prospectus.</p> <p>The Bonds shall constitute the general, direct, unconditional and secured obligations of the Issuer. They shall at all times rank <i>pari passu</i> without any priority or preference among themselves. They shall rank subsequent to any other prior ranking indebtedness of the Company, if any. In accordance with the provisions of the Trust Instrument, the Bonds shall be secured by the Security Interest held by the Security Trustee for the benefit of the Bondholders and in that respect only shall rank in preference to other present and future unsecured obligations of the Issuer, if any.</p> <p>Prior to the issue and allotment of the Bonds, the Bonds shall be secured by the Initial Security Interest. The Initial Security Interest shall consist of the following:</p> <ul style="list-style-type: none"> (i) the special hypothec to be constituted by the Issuer in favour of the Security Trustee by virtue of a deed of hypothec for the amount of fifty million euro (€50,000,000), and interest and costs thereon over immovable property of the Issuer comprising commercial premises (€25.5 million), car parking spaces (€19.7 million), storage rooms (€1.9 million) and properties earmarked for development (€0.6 million). (ii) the pledge of 11,699,999 shares in T14 Investments Limited (C 63982), having a value of €11.7 million, to be constituted by the Company in favour of the Security Trustee by virtue of the pledge agreement for the principal amount of the Bonds or any amount outstanding and any interest thereon. <p>The Initial Security Interest which consists of the pledge of 11,699,999 shares in T14 Investments Limited will be first ranking with respect to the said shares.</p> <p>Following the publication of a number of deeds of postponement, waiver, reduction and/or cancellation of general hypothecs and/or special hypothecs, and following the publication of the relative deed of hypothec, the Initial Security Interest over the immovable property indicated above shall rank after the following: (a) the security interest which the GOM retained in its capacity as the holder of the <i>directum dominium</i> over the Emphyteutical Land, as security for the payment of ground rent which security interest follows the transfer of land; and (b) any security interest which may arise by operation of law. The Initial Security Interest over the immovable property will also rank after the general hypothecs granted by the Issuer in favour of purchasers of property on the deeds of sale, over all the Issuer's property present and future in warranty of peaceful possession.</p> <p>Moreover, security interests granted by the Company to secure facilities made available by HSBC Bank Malta p.l.c. to SIS ("SIS Banking Facilities") and the obligations of the Company in terms of a cross currency interest rate swap instrument entered into between Bank of Valletta p.l.c. and the Company ("SWAP Instrument") shall also rank prior to the Initial Security Interest over the immovable property until such time as: (i) the amount of <i>circa</i> €1,500,000, shall be transferred by the Security Trustee for and upon the release of the security interest, registered in favour of HSBC Bank Malta p.l.c., granted by the Company to secure the SIS Banking Facilities; and (ii) the amount of <i>circa</i> €2,200,000 shall be transferred by the Security Trustee for and upon the cancellation of the security interest, registered in favour of Bank of Valletta p.l.c., securing the obligations of the Company in terms of the SWAP Instrument.</p> <p>The rights of the Bondholders may in certain circumstances be limited by the discretion of the Security Trustee, particularly in relation to the "Events of Default" described in Element E.3 and the variation or reduction of the Security Interest.</p>

C.9	<p>The Bonds shall bear interest from and including 27 July 2016 at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 27 July 2017 (covering the period 27 July 2016 to 26 July 2017), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 4%. Redemption shall take place on 27 July 2026.</p> <p>The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.</p>
C.10	Not applicable: there is no derivative component in the interest payments on the Bonds.
C.11	<p>The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 28 June 2016.</p> <p>Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange.</p> <p>The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 03 August 2016, and trading is expected to commence on 04 August 2016.</p>

SECTION D – RISKS

D.2	<p>The Issuer is subject to a number of risks which could have an adverse affect on its business and the business of the Group, the value of its assets and results of operations. These risks include but are not limited to those risks which are discussed below:</p> <ol style="list-style-type: none"> 1. There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Issuer’s control, and which could adversely affect the economic performance and value of the Issuer’s real estate properties under development. 2. The Issuer 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. 3. The real estate market in Malta is very competitive in nature. An increase in supply and/or a reduction in demand in the property segments in which the Issuer operates may cause sales of units to sell at prices which are lower than are being anticipated by the Issuer or that sales of such units are in fact slower than is being anticipated. The occurrence of any of these events will have a significant adverse impact on the Issuer’s business and financial condition. 4. The Issuer relies upon third-party service providers for the construction and completion of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Issuer’s expectations and in accordance with their contractual obligations. 5. Prospective purchasers may default on their obligations with the Issuer. 6. The successful completion of development at Tigné Point and the prospective development of Manoel Island may be impacted by the Issuer’s relationship with GOM, in terms of obligations falling upon both parties in terms of the Emphyteutical Deed. 7. The Issuer may be exposed to interest rate risk. 8. The Issuer’s growth is in part attributable to the efforts and abilities of the members of its management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, the Issuer might not be able to replace them within the short term, which could have a material adverse effect on the Issuer’s business, financial condition and results of operations. 9. The Issuer may not be able to obtain the capital it requires for development on commercially reasonable terms. 10. The Issuer’s business may be adversely impacted by delays or refusals in obtaining planning permissions. Any future development is subject to any planning policies that might apply from time to time.
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	<p>11. Failure by the Issuer to substantially complete the entire development by 31 March 2023 will result in penalties (article 8.1.4 of the Emphyteutical Deed). Should the delay persist for more than three years the GOM shall have the right to rescind the Emphyteutical Deed and article 21 regarding dissolution of the Emphyteutical Deed shall apply. GOM shall also have the right to dissolve the Emphyteutical Deed should the Issuer fail to make three annual payment of groundrent or owes by way of groundrent a sum equal in amount to three yearly payments (article 21.1.1 of the Emphyteutical Deed).</p> <p>12. The Issuer is susceptible to adverse conditions in the commercial rental market.</p> <p>13. The Issuer is dependent on tenants fulfilling their obligations.</p> <p>14. The Issuer is subject to termination of lease agreements.</p> <p>15. The Issuer may be subject to increases in operating and other expenses.</p> <p>16. No assurance can be given that the Issuer's current insurance coverage would be sufficient to cover all potential losses.</p>
D.3	<p>An investment in the Bonds involves certain risks including, but not limited to those described below:</p>
	<p>1. There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to re-sell his Bonds at or above the Bond Issue Price or at all. A public trading market depends on a number of factors over which the Issuer has no control.</p>
	<p>2. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.</p>
	<p>3. The Bonds are based on applicable laws and regulations 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 law or administrative practice after the date of this Prospectus.</p>
	<p>4. The Bond Conditions contain provisions for calling meetings of Bondholders in the event that the Issuer wishes to amend any of the Bond Conditions. These provisions permit defined majorities to bind all Bondholders.</p>
	<p>5. Moreover, an investor in the Bonds will bear certain risks relating to the Security Interest according to the ranking of the relative Security Interest.</p> <p>(i) There are in place security interests protecting third party interests; in respect of the special hypothec (forming part of the Initial Security Interest) enjoyed by the Bonds, third party interests have been registered which will rank in priority to Bondholders against the assets of the Issuer for so long as such security interests remain in effect, as further described in Element C.8 above. For instance, since the GOM's privilege for payment of ground rent on the Emphyteutical Land ranks before the hypothecs granted as Initial Security Interest, in the event that there are insufficient funds to pay secured creditors, the GOM will be paid ahead of the Bondholders to the extent of any outstanding ground rent payable.</p> <p>(ii) By acquiring the Bonds the Bondholder is considered to be bound by the terms of the Trust Instrument as if he had been a party to it. The Trust Instrument contains a number of provisions, which the investors ought to be aware of prior to acquiring the Bonds and, therefore, investors ought to be familiar with the provisions of the Trust Instrument.</p>

SECTION E – OFFER

E.2b

The proceeds from the Bond Issue, net of expenses, are expected to amount to *circa* €49,000,000. However, the value of Bonds acquired by Existing Holders by virtue of the Bond Exchange Programme will not be paid in cash. The net proceeds will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of up to *circa* €40,832,900 of the net proceeds, less the value of the Bonds acquired through the Bond Exchange Programme, shall be used for the purpose of redeeming any Bonds 2016/18 remaining in issue as at 15 December 2016, being the first early date of redemption of the Bonds 2016/18. As at the date of the Prospectus the value of Bonds 2016/18 in issue stands at *circa* €40,832,900 (being the aggregate of €31,702,900 EUR Bonds 2016/18 and £7,214,300 (equivalent to *circa* €9,130,000) GBP Bonds 2016/18);

- (ii) the amount of *circa* €1,500,000 shall be used to obtain the release of the security interest provided by the Company to secure the SIS Banking Facilities;
- (iii) the amount of *circa* €2,200,000 shall be advanced to Bank of Valletta p.l.c. as cash collateral in order for the aforementioned bank to cancel the security interest securing the obligations of the Company in terms of the SWAP Instrument. Upon termination of the SWAP Instrument, any residual amount from the aforesaid €2,200,000 will be used for general corporate funding purposes of the Group and/or to further reduce the corporate indebtedness of the Group;
- (iv) the amount of €4,500,000 shall be used to fund various infrastructural and restoration works at Tigné Point which are deemed essential for closing off the Tigné Point project.

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

The net proceeds from the issue of the Bonds shall be held by the Security Trustee pending the fulfillment by the Issuer of the following conditions:

- (i) the publication of the deed/s pertaining to the postponements, waivers, reductions or cancellations of the general hypothecs and/or special hypothecs described in Annex III to the Securities Note and identified therein as pending postponement, waiver, reduction or cancellation, as applicable;
- (ii) the publication of the deed of hypothec forming part of the Initial Security Interest;
- (iii) the execution of the pledge agreement forming part of the Initial Security Interest; and
- (iv) the admission of the Bonds to the Official List of the MSE.

E.3

The following is a synopsis of the general terms and conditions applicable to the Bonds.

A Bondholder is deemed to have invested in the Bonds only after having received, read and understood the contents of the Bond Conditions, the Prospectus and the Trust Instrument and therefore only after having full knowledge of the information contained in the Bond Conditions, the Prospectus and the Trust Instrument and is accordingly deemed to have accepted all the terms and conditions set out in the Bond Conditions, the Prospectus and the Trust Instrument.

The Bonds are open for subscription to Existing Holders and Current Shareholders during the Preferred Applicants Period, and the general public during the Public Offer Period.

Bond Exchange Programme

Existing Holders of EUR Bonds 2016/18 applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of EUR Bonds 2016/18 at par value, subject to a minimum holding of €2,000 in Bonds. Accordingly, any Existing Holder whose holding in EUR Bonds 2016/18 is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A'.

Existing Holders of GBP Bonds 2016/18 applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of GBP Bonds 2016/18. For such purpose, the par value of each holding in GBP Bonds 2016/18 shall be converted to the equivalent value in euro at the exchange rate of €1: £0.834, rounded up to the nearest €100. In determining the aforesaid exchange rate, the Issuer was guided by the reference exchange rate published by the European Central Bank on 27 June 2016 at 15:30 hours¹. Subscriptions shall be subject to a minimum holding of €2,000 in Bonds. Accordingly, any Existing Holder whose holding in GBP Bonds 2016/18 is less than the equivalent amount of €2,000 shall be required to pay the difference in Euro together with the submission of their Application Form 'B'.

Holders of EUR Bonds 2016/18 and GBP Bonds 2016/18 shall use Application Forms 'A' and 'B' respectively, to be mailed directly by the Issuer and shall be required to submit same to Authorised Financial Intermediaries together with cleared funds, if applicable (as described below), during the Preferred Applicants Offer Period.

By virtue of the submission of the duly completed and signed Application Form, Existing Holders shall indicate their agreement to settle the consideration for the Bonds by surrendering in the Issuer's favour for cancellation all or part of the Bonds 2016/18 together with the payment of such additional amount in cash as may be required, and such Application Form shall be deemed:

	<p>(i) to confirm that all or part (as the case may be) of the said Bonds 2016/18 as indicated in the Application Form are to be transferred in the Issuer's favour for cancellation; and</p> <p>(ii) as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.</p> <p>Any Existing Holder wishing to surrender and cancel all or part of their Bonds 2016/18 in exchange of the Bonds shall only be entitled to do so during the Preferred Applicants Offer Period.</p>
	<p>Allocation Policy</p> <p>The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:</p> <p>i. An aggregate amount of Bonds equivalent to the amount of Bonds 2016/18 (<i>circa</i> €40,832,900) shall be allocated to Existing Holders applying for Bonds by way of the Bond Exchange Programme, subject to a minimum amount of €2,000 and in multiples of €100.</p> <p>ii. An aggregate amount of €2,000,000 has been reserved for subscription by Current Shareholders and shall be allocated in accordance with the allocation policy as determined by the Issuer and Registrar;</p>
	<p>iii. Following the allocation referred to in paragraphs (i) and (ii) hereof, the remaining Bonds shall be allocated to:</p> <p>(a) Existing Holders having applied for Bonds in excess of their respective holding in the Bonds 2016/18;</p> <p>(b) Current Shareholders with respect to such unsatisfied excess amount that may result from an oversubscription in the reserved portion of €2,000,000; and</p> <p>(c) Applications submitted by the general public,</p> <p>without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar.</p> <p>The Issuer will announce the allocation policy for the allotment of the Bonds through a company announcement within five (5) Business Days of the closing of the Public Offer Period.</p>
	<p>General</p> <p>Each bond forms part of a duly authorised issue of 4% Secured Bonds due 2026 having a nominal value of €100 each of the Issuer for an aggregate principal amount of €50,000,000.</p>
	<p>Form, Denomination, Title and Pricing</p> <p>The Bonds will be issued without interest coupons in denominations of integral multiples of €100 provided that on subscription they will be issued for a minimum of €2,000. On subscription, the Bonds are being offered at par, that is at €100 per Bond.</p> <p>The Bonds will be issued in dematerialised form and shall accordingly be evidenced by a book-entry in the register of Bondholders held by the CSD of the Malta Stock Exchange or as may be stipulated by the MSE Bye-Laws from time to time. A person in whose name a Bond shall be registered shall (to the fullest extent permitted by law) be treated at all times and for all purposes as the absolute owner of such Bond regardless of any notice of ownership or trust.</p>
	<p>Status and Security Interest</p> <p>The status of the Bonds and the Security Interest is described in Element C.8 of this Summary Note.</p> <p>Interest</p> <p>Details of interest payable on the Bonds is provided in Element C.9 of this Summary Note.</p>
	<p>Payments</p> <p>Payment of the principal amount (with interest accrued to the due date for redemption) as well as payment of any instalment of interest of the Bonds will be made in euro to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the due date for redemption or fifteen (15) days prior to the Interest Payment Date (as the case may be) by direct credit to an account which is denominated in euro and held with any licensed bank in Malta as specified by the Bondholder. The Issuer shall not be responsible for any charges, loss or delay in transmission. Such payment shall be effected within seven (7) days of the due date for redemption or the Interest Payment Date (as the case may be).</p>

	<p>Redemption and Purchase</p> <p>Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the due date for redemption) on 27 July 2026 (the “Redemption Date”). All Bonds purchased by the Issuer during the term of the Bonds will be cancelled forthwith and may not be reissued or resold.</p>
	<p>Events of Default</p> <p>The Security Trustee at its discretion may, and if so requested by a resolution passed by Bondholders holding not less than seventy-five per centum (75%) in nominal value of the Bonds then outstanding shall, give notice to the Issuer that the Bonds are, and they shall accordingly immediately due and repayable, at their principal amount together with accrued interest, if any of the following events (“Events of Default”) shall occur:</p>
	<p>(i) the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee; or</p>
	<p>(ii) the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Bond Conditions or in the Trust Instrument and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by the Security Trustee; or</p>
	<p>(iii) any default occurs and continues for ninety (90) days under any contract or document relating to specified relevant indebtedness of the Issuer in excess of €5,000,000 or its equivalent at any time; or</p>
	<p>(iv) there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be made or is taken for the payment of money in excess of €5,000,000 or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or</p>
	<p>(v) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or</p>
	<p>(vi) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or</p>
	<p>(vii) a provisional administrator is appointed of the whole or any part of the property of the Issuer or the Issuer ceases or threatens to cease to carry on its business or a substantial part thereof; or</p>
	<p>(viii) all, or in the sole opinion of the Security Trustee, a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government;</p>
	<p>provided that in the case of paragraphs (ii), (iii), (iv), (vii) and (viii) the Security Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of the Bondholders.</p>
	<p>Transferability of the Bonds</p> <p>The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in multiples of €100 in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any exchange or registration of transfer or transmission except for the expenses of delivery by regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Bondholder. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.</p>
	<p>Resolutions and Meetings of Bondholders</p> <p>The Issuer may, through the Security Trustee, from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which, in terms of the Prospectus, require the approval of a meeting of Bondholders and to effect any change to the applicable Bond Conditions, including any change to a material term of issuance of the Bonds or the Prospectus, or to effect a change to the Trust Instrument. The procedure to be followed is laid out in the Securities Note.</p>

	<p>Moreover, the Security Trustee must convene a meeting of the Bondholders upon a requisition in writing signed by a Bondholder or Bondholders holding not less than twenty per cent (20%) in nominal amount of the beneficial interest in the Bonds for the time being outstanding and upon receiving such indemnity against the costs of convening and holding such meeting as it may reasonably require. Finally, the Security Trustee at any time, prior to exercising any power or discretion under the Trust Instrument, may call a meeting of Bondholders.</p> <p>Further Issues</p> <p>The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds, debentures or any other debt securities either having the same terms and conditions as the Bonds in all respects (except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Bonds or otherwise upon such terms and conditions as the Issuer may determine. Any further debt securities so issued may rank <i>pari passu</i> in all respects with the Bonds but shall not rank ahead of the Bonds.</p> <p>Governing Law and Jurisdiction</p> <p>The Bonds are governed by and shall be construed in accordance with Maltese law. Any legal action, suit or proceeding against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholders shall, upon and by submitting an Application, acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid</p>																																	
<p>E.4</p>	<p>Bank of Valletta p.l.c. holds, directly and indirectly through its 50% shareholding in MSV Life p.l.c., a substantial shareholding (that is, in excess of 10%) in the Issuer and is also acting as Manager and Registrar. Lombard Bank Malta p.l.c. is a shareholder of the Issuer. Charts Investment Management Service Limited is acting as Sponsor and Mediterranean Bank plc is a sister company of the Sponsor. Each of the aforementioned entities is included in the list of Authorised Financial Intermediaries.</p> <p>Each of the aforementioned entities has in place a 'Conflict of Interest Policy' and procedures and controls designed to identify, prevent or manage conflicts of interest. Where a conflict of interest is considered to arise, the subject entity is obliged by law to manage such conflict in the best interest of Bondholders, in line with the said internal policy, procedures and controls. Consequently, before proceeding to subscribing to any Bonds, a prospective investor shall be informed of the said conflict of interest.</p> <p>Save for the above and any fees payable in connection with the Bond Issue to Charts Investment Management Service Limited as Sponsor and Bank of Valletta p.l.c. as Manager and Registrar, so far as the Issuer is aware, no person involved in the Offer has any other interest that is material to the Offer.</p>																																	
<p>E.7</p>	<p>Professional fees, costs related to publicity, advertising, printing, listing and registration, selling commission, as well as sponsor, manager and registrar fees and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €1,000,000 and shall be borne by the Issuer.</p>																																	
	<p>Expected Timetable</p> <table border="0"> <tr> <td>1</td> <td>Application Forms mailed to Preferred Applicants</td> <td>30 June 2016</td> </tr> <tr> <td>2</td> <td>Opening of Preferred Applicants Offer Period</td> <td>01 July 2016</td> </tr> <tr> <td>3</td> <td>Application Forms available to the general public</td> <td>04 July 2016</td> </tr> <tr> <td>4</td> <td>Closing of Preferred Applicants Offer Period</td> <td>18 July 2016</td> </tr> <tr> <td>5</td> <td>Opening of Subscription Lists</td> <td>18 July 2016</td> </tr> <tr> <td>6</td> <td>Closing of Subscription Lists</td> <td>20 July 2016</td> </tr> <tr> <td>7</td> <td>Commencement of interest</td> <td>27 July 2016</td> </tr> <tr> <td>8</td> <td>Announcement of basis of acceptance</td> <td>27 July 2016</td> </tr> <tr> <td>9</td> <td>Refunds of unallocated monies</td> <td>03 August 2016</td> </tr> <tr> <td>10</td> <td>Admission to listing on the MSE and dispatch of allotment advices</td> <td>03 August 2016</td> </tr> <tr> <td>11</td> <td>Commencement of trading on the MSE</td> <td>04 August 2016</td> </tr> </table> <p>The Issuer reserves the right to close Subscriptions Lists before 20 July 2016 in the event of over-subscription, in which case the events set out in steps 8 to 9 above shall be brought forward, although the number of working days between the respective events shall not also be altered.</p>	1	Application Forms mailed to Preferred Applicants	30 June 2016	2	Opening of Preferred Applicants Offer Period	01 July 2016	3	Application Forms available to the general public	04 July 2016	4	Closing of Preferred Applicants Offer Period	18 July 2016	5	Opening of Subscription Lists	18 July 2016	6	Closing of Subscription Lists	20 July 2016	7	Commencement of interest	27 July 2016	8	Announcement of basis of acceptance	27 July 2016	9	Refunds of unallocated monies	03 August 2016	10	Admission to listing on the MSE and dispatch of allotment advices	03 August 2016	11	Commencement of trading on the MSE	04 August 2016
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