

SUMMARY NOTE

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

Dated 30 October 2017

In respect of an issue of €12,750,000 3.75% Unsecured Bonds 2027
of a nominal value of €100 per Bond issued at par by

BORTEX GROUP FINANCE PLC

a public limited liability company registered in Malta with registration number C 82346

Guaranteed by

BORTEX GROUP HOLDINGS COMPANY LIMITED

a private limited liability company registered in Malta with registration number C 4863

ISIN: MT0001641209

Prospective investors are to refer to the Guarantee contained in Annex A of the Securities Note forming part of the Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in this Summary Note, the Registration Document and the Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by Bortex Group Holdings Company Limited.

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


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

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

APPROVED BY THE DIRECTORS OF THE ISSUER



Peter Borg



Karen Bugeja



Peter Borg & Karen Bugeja for and on behalf of:
Christine Demicoli, David Debono, Emanuel Ellul & Joseph Cachia

Legal Advisers

MAEMPELS



Sponsor, Manager & Registrar



IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION ABOUT BORTEX GROUP FINANCE PLC IN ITS CAPACITY AS ISSUER, BORTEX GROUP HOLDINGS COMPANY LIMITED IN ITS CAPACITY AS GUARANTOR, THEIR SUBSIDIARIES, AFFILIATES AND THE BUSINESS OF THE GROUP, AND INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) 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 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015) (THE “**REGULATION**”); 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, 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 SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS SUMMARY NOTE 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 ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR AND MAKES NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS 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 SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

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

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE 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 THE 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 (THE “**PROSPECTUS DIRECTIVE**”) OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, TO 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 COMPANIES ACT. APPLICATION HAS ALSO BEEN MADE TO THE MALTA STOCK EXCHANGE FOR THE BONDS TO BE ADMITTED TO ITS OFFICIAL LIST.

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

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER’S OR GUARANTOR’S WEBSITES OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S OR GUARANTOR’S WEBSITES DO NOT FORM PART OF THE 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.

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

ALL THE ADVISERS TO THE ISSUER AND THE GUARANTOR HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN 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.

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 THEREIN.

This Summary Note is prepared in accordance with the requirements of the Regulation.

Summaries are made up of disclosure requirements known as ‘Elements’. These elements are numbered in Sections A – E (A.1 – E.7) in the relative disclosure requirement checklist. This Summary Note contains all the Elements required to be included in a summary in connection with the securities being issued pursuant to the Prospectus and the 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 being issued pursuant to the Prospectus and the 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 this Summary Note with the mention of ‘*not applicable*’.

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

1 SECTION A – INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

- i. this Summary Note is being provided to convey the essential characteristics and risks associated with the Issuer, the Guarantor and the securities being offered pursuant to the Prospectus. This part is merely a summary and, therefore, should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary Note alone in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor;
- ii. 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 legal proceedings are initiated; and
- iii. civil liability attaches only to those persons who have tabled this Summary Note, including any translation thereof, and who applied for its notification, but only if this 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 investors when considering whether to invest in such securities.

A.2 Consent required for use of the Prospectus during the Issue Period by Authorised Intermediaries: prospective investors are hereby informed that:

- i. for the purposes of any subscription for Bonds by Authorised Intermediaries during the Issue Period and any subsequent resale, placement or other offering of Bonds by Authorised Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of the Prospectus (and accepts responsibility for the information contained herein in accordance with the terms hereof) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only: (a) in respect of Bonds subscribed for through Authorised Intermediaries during the Issue Period; (b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and (c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus;
- ii. **in the event of a resale, placement or other offering of Bonds by an Authorised Intermediary, said Authorised Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such is made;** and
- iii. any new information with respect to Authorised 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.bortexgroupholdings.com.

2 SECTION B – ISSUER AND GUARANTOR

B.1 The legal and commercial name of the Issuer is Bortex Group Finance plc (registration number C 82346).

The legal and commercial name of the Guarantor is Bortex Group Holdings Company Limited (registration number C 4863). Until 28 September 2017 the Guarantor was registered under the name Borchild Limited and upon said date changed its name to Bortex Group Holdings Company Limited.

B.2 The Issuer was registered in Malta in terms of the Act on 30 August 2017 as a public limited liability company and is domiciled in Malta.

The Guarantor was registered in Malta in terms of the Act on 6 February 1980 as a private limited liability company. The Guarantor is domiciled in Malta.

B.4b The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer.

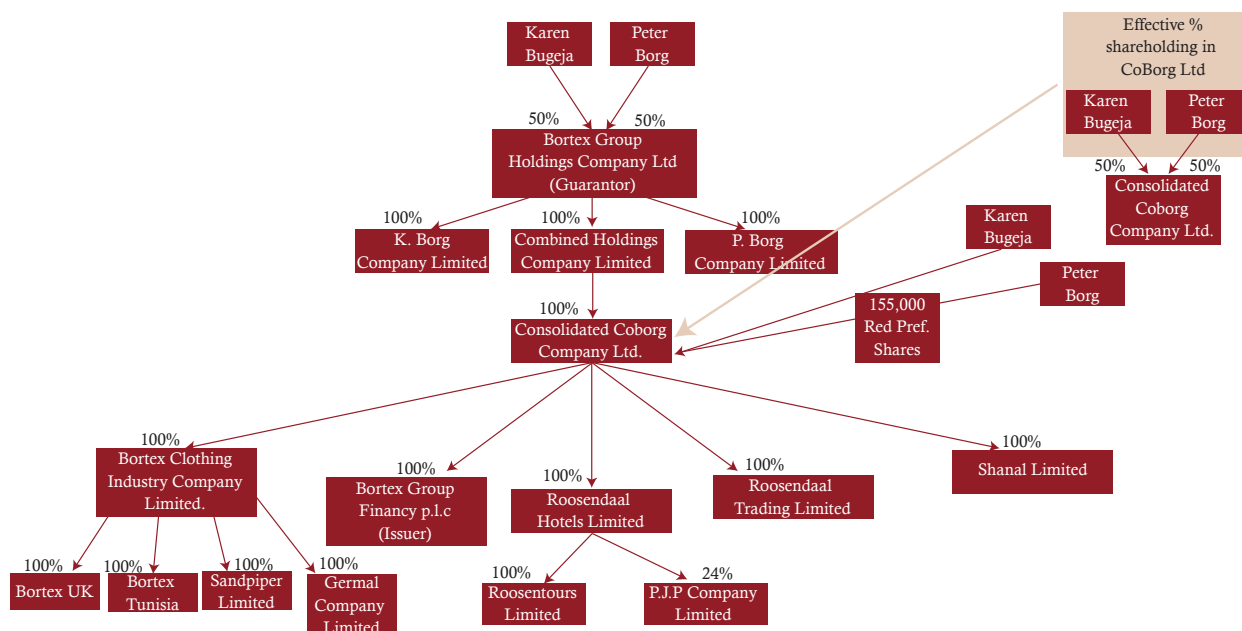
The principal object of the Guarantor is to purchase, acquire, hold and deal in any shares, debentures, stocks, bonds or other securities issued by any company or association, solely for and on behalf of the company. The Guarantor is also empowered in terms of its Memorandum and Articles of Association to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person, including any parent, subsidiary, related company or joint venture, in such manner as may be necessary for carrying out the company's objects or any of them, even by the hypothecation of the Guarantor's property, whether present or future.

The Guarantor is the parent company of the Group, which is principally engaged, through several subsidiaries that operate in various jurisdictions, in the business of manufacturing garments for its own label, Gagliardi, and other private labels, marketing and retailing garments; and developing high quality property developments, as well as owning and managing hotels and residential properties in Malta.

The Group's operations are, and have been for a number of years, divided into two principal segments – garment manufacturing and retailing on the one hand; and property development and hotel operations on the other. Although the core business of the Group knows its origins in the garment manufacturing sector, and the eventual retailing of those garments, it has also established itself in the hospitality sector and more recently has moved into the boutique hotel sector, through the refurbishment of a historical property in Valletta, Malta, intended to open its doors in 2018.

B.5

The Issuer is, except for one share which is held by Mr Peter Borg and another share held by Ms Karen Bugeja, a fully-owned subsidiary of the Guarantor, which latter entity is the parent company of the Group. The Issuer is a special purpose vehicle set up to act as a financing company for the needs of the Group and, as such, it is dependent on the business prospects and operating results of Group entities. As the holding company of the Group, the Guarantor is, likewise, ultimately dependent on the operations and performance of its subsidiaries. The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



- B.9 *Not Applicable:* the Registration Document does not contain any profit forecasts or estimates.
- B.10 *Not Applicable:* the Issuer was registered and incorporated on 30 August 2017 and since incorporation to the date of the Prospectus no financial statements have been prepared.
- B.12 The Issuer was set up on 30 August 2017 and since incorporation to the date of the Prospectus no financial statements have been prepared. There has not been any significant change in the financial or trading position of the Issuer which has occurred since the Company's date of incorporation. The Guarantor's historical financial information for the three financial years ended 31 October 2014, 2015 and 2016, as audited by PricewaterhouseCoopers, is set out in the audited consolidated financial statements of the Guarantor. Such audited consolidated financial statements are available at the Issuer's registered office.
- There were no significant changes to the financial or trading position of the Guarantor or the Group since the end of the financial period to which the Guarantor's afore-mentioned last audited consolidated 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 potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.
- Extracts of the historical consolidated financial information of the Guarantor referred to above are set out below:

Guarantor's Condensed Income Statement	FY14	FY15	FY16
	€'000	€'000	€'000
Revenue	25,091	21,722	20,621
Cost of sales	(18,284)	(14,662)	(13,486)
Gross Profit	6,807	7,060	7,136
Operating costs	(5,790)	(6,376)	(6,603)
Operating Profit	1,017	684	532
Other income	286	409	46
Finance costs (net of finance income)	(164)	(181)	(229)
Profit before tax	1,139	912	349
Tax	(27)	(57)	(47)
Profit for the period	1,112	855	302

Guarantor's Condensed Consolidated Statement of Comprehensive Income	FY14	FY15	FY16
	€'000	€'000	€'000
Profit for the year	1,112	855	302
Other comprehensive income			
<i>Items that will not be classified to profit or loss:</i>			
Revaluation surplus, net of deferred tax	-	-	4,623
Movement in deferred tax liability on revaluation	-	132	8
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Gains from changes in fair value	12	176	15
Reclassifications for net gains included in profit/loss upon disposal	(80)	(271)	-
Currency translation differences	-	98	(240)
Total comprehensive income for the year	1,044	990	4,708

Guarantor's Condensed Consolidated Statement of Financial Position	31-Oct-14	31-Oct-15	31-Oct-16
	€'000	€'000	€'000
ASSETS			
Non-current assets	14,785	15,173	19,230
Current assets	16,026	19,656	20,949
Non-current assets classified as held for sale	1,916	243	258
Total assets	32,727	35,072	40,437
EQUITY			
Total equity	23,151	23,960	28,055
LIABILITIES			
Non-current liabilities	3,136	2,543	3,783
Current liabilities	6,440	8,569	8,598
Total liabilities	9,576	11,112	12,381
Total equity and liabilities	32,727	35,072	40,437

Guarantor's Condensed Consolidated Cash Flow Statement	FY14	FY15	FY16	Total FY14-FY16
	€'000	€'000	€'000	€'000
Cash flows from operating activities	3,097	(3,086)	1,900	1,911
Cash flows (used in)/from investing activities	(545)	462	(1,199)	(1,282)
Cash flows (used in)/from financing activities	(192)	(649)	227	(614)
Movement in cash and cash equivalents	2,360	(3,273)	928	15
Opening cash and cash equivalents	(4,014)	(1,635)	(4,854)	(4,014)
Effects of currency translation on cash and cash equivalents	19	53	(99)	(26)
Closing cash and cash equivalents	(1,635)	(4,854)	(4,024)	(4,024)

Extracts from the unaudited interim consolidated financial information of the Guarantor for the six months ended 30 April 2016 and 30 April 2017 are set out below:

Guarantor's Consolidated Income Statement for the six months ended	30-Apr-16	30-Apr-17
	€'000	€'000
Revenue	10,820	9,808
Cost of sales	(7,257)	(6,478)
Gross Profit	3,563	3,330
Operating costs	(3,161)	(3,925)
Operating Profit	402	(594)
Other income	(2)	(0)
Finance costs (net of finance income)	(99)	(69)
Profit before tax	301	(664)
Tax (expense)/income	(23)	1,497
Profit for the period	278	833

Guarantor's Consolidated Statement of Financial Position as at	31-Oct-16	30-Apr-17
	€'000	€'000
ASSETS		
Non-current assets	19,230	19,902
Current assets	20,949	22,143
Non-current assets classified as held for sale	258	255
Total assets	40,437	42,300
EQUITY		
Total equity	28,055	28,830
LIABILITIES		
Non-current liabilities	3,783	4,117
Current liabilities	8,598	9,354
Total liabilities	12,381	13,471
Total equity and liabilities	40,437	42,300

Guarantor's Consolidated Cash Flow Statement for the six months ended	30-Apr-16	30-Apr-17
	€'000	€'000
Cash flows from operating activities	569	475
Cash flows used in investing activities	(400)	(561)
Cash flows from financing activities	851	253
Movement in cash and cash equivalents	1,020	167
Cash and Cash equivalents at beginning of interim period	(4,854)	(4,024)
Effects of currency translation on cash and cash equivalents	(113)	(56)
Cash and Cash equivalents at end of interim period	(3,948)	(3,913)

- B.13 In the short to medium term future the Group intends to invest in each of the following proposed projects: (i) refurbishment and extension of the newly branded Hotel 1926 in Sliema, Malta; (ii) development of TEN Apartments in Sliema, Malta; (iii) international retail expansion strategy, particularly via the opening of Gagliardi retail outlets overseas; (iv) development of a mixed-use complex in Mriehel, Malta; (v) redevelopment of the Group's existing retail outlet in Mosta, Malta; and (vi) refurbishment of PJP Boutique Suites in Valletta, Malta, which property is currently being extensively refurbished as an 8-roomed boutique hotel. The Group intends to raise funds for the financing and refinancing of these projects partially through the Bond Issue, with the remaining capital expenditure being funded by bank finance and own funds.

Save for the above, the Group is not party to any other material investments, and has not entered into or committed for any principal investments subsequent to 31 October 2016, being the date of the latest audited consolidated financial statements of the Guarantor, and the Guarantor is not aware of any recent events which are, to a material extent, relevant to the evaluation of its solvency.

- B.14 The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to members of the Group. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the businesses of Group entities, comprising the business of garment manufacturing, retail, real estate development and hospitality.

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company. The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future the projects identified in Element B.13 immediately above, as well as other projects that may be undertaken by its subsidiary companies.

The Guarantor is the parent company of the Group, the operations of which have, to date, been largely divided into two principal segments – garment manufacturing and retailing on the one hand; and property development and hotel operations on the other.

- B.15 The Issuer was set up and established to act as a finance company. In terms of its Memorandum of Association, the main object for which the Issuer is constituted is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests.

The Guarantor, as the parent company of the Group, is principally engaged, through several subsidiaries that operate in various jurisdictions, in the business of manufacturing garments for its own label, Gagliardi, and other private labels, marketing and retailing garments; and developing high quality property developments, as well as owning and managing hotels and residential properties in Malta. In terms of its Memorandum of Association, the Guarantor is, amongst other things, empowered to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person, including any parent, subsidiary, related company or joint venture, in such manner as may be necessary for carrying out the company's objects or any of them, even by the hypothecation of the Guarantor's property, whether present or future.

- B.16 The Issuer's current authorised and issued share capital is €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up. The Guarantor holds 249,998 ordinary shares of €1 each, Mr Peter Borg holds 1 ordinary share of €1 and Ms Karen Bugeja holds 1 ordinary share of €1.

The authorised and issued share capital of the Guarantor is €46,587.46 divided into (i) 5,100 ordinary shares of €2.329373 each, fully paid up and held by Mr Peter Borg, (ii) 5,100 ordinary shares of €2.329373 each, fully paid up and held by Ms Karen Bugeja, (iii) 4,900 ordinary shares of €2.329373 each, fully paid up and held by P.Borg Company Ltd (C 13314) and (iv) 4,900 ordinary shares of €2.329373 each, fully paid up and held by K.Borg Company Limited (C 13315).

The Issuer and the Guarantor are, therefore, ultimately owned as to 50% by Mr Peter Borg and as to 50% by Ms Karen Bugeja.

- B.17 *Not Applicable:* neither the Issuer nor the Guarantor have sought the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.

- B.18 For the purposes of the Guarantee, the Guarantor stands surety with the Issuer and irrevocably and unconditionally undertakes to affect the due and punctual performance of all the payment obligations undertaken by the Issuer under the Bonds if the Issuer fails to do so. Accordingly, until such time as the Bonds remain in issue, the Guarantor undertakes to pay on an on-going basis, interest which may become due and payable during the term of the Bonds and the principal amount of the Bonds on the Redemption Date should the Issuer default in paying the Bondholders under the Bonds. The Guarantor's obligations under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

3 SECTION C - SECURITIES

- C.1 The Issuer shall issue an aggregate of €12,750,000 in unsecured Bonds 2027 having a nominal value of €100 per Bond, subject to a minimum subscription of €2,000 in Bonds and multiples of €100 thereafter. The Bonds will be issued in fully registered form and will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds will have the following ISIN number MT0001641209. The Bonds shall bear interest at the rate of 3.75% per annum and shall be repayable in full upon maturity unless they are previously re-purchased and cancelled. The Bond Issue is guaranteed by the Guarantor.

- C.2 The Bonds are denominated in Euro (€).
- C.5 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.
- C.8 Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to: (i) the payment of interest; (ii) the payment of capital; (iii) ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: *“the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank pari passu, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer and the Guarantor, present and future”*; (iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and (v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.
- The Group's indebtedness as at 30 April 2017 amounted in aggregate to €8.2 million (€7.5 million at 31 October 2016), including bank loans and overdrafts. The relative bank borrowings are secured by privileges and hypothecs and, therefore, the indebtedness being created by the Bonds ranks after these bank borrowings. The Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.
- C.9 The Bonds shall bear interest from and including 1 December 2017 at the rate of 3.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 1 December 2018 (covering the period 1 December 2017 to 30 November 2018). For Bonds issued at the Bond Issue Price, 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 3.75%. The Bonds will mature on 1 December 2027.
- The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.
- C.10 *Not Applicable*: there is no derivative component in the interest payments on the Bonds.
- C.11 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 30 October 2017. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 4 December 2017 and trading is expected to commence on 5 December 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

4 SECTION D – RISKS

Holding of a bond involves certain risks. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations, as well as all the other information contained in the Prospectus before deciding to acquire the Bonds. Prospective investors are warned that by investing in the Bonds they may be exposing themselves to significant risks that may have the consequence of losing a substantial part or all of their investment.

The Prospectus contains statements that are, or may be deemed to be, "forward-looking statements", which relate to matters that are not historical facts and which may involve projections of future circumstances. These forward-looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's and Guarantor's respective directors. No assurance is given that the future results or expectations will be achieved.

In so far as prospective investors seek advice from Authorised Intermediaries concerning an investment in the Bonds, Authorised Intermediaries are to determine the suitability of prospective investors' investment in the Bonds in the light of said prospective investors' own circumstances. The Bonds may not be a suitable investment for all investors. In

particular, Authorised Intermediaries should determine whether each prospective investor: (i) 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; (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his/her/its particular financial situation, an investment in the Bonds and the impact the Bonds will have on his/her/its overall investment portfolio; (iii) 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; (iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.

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

D.2 Essential information on the key risks specific to the Issuer, the Guarantor, the Group and its business:
 Since the Issuer was incorporated on 30 August 2017, it 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 Group companies. The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Accordingly, the risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

The operations of the Group and its operating results are subject to a number of factors that could adversely affect its business and financial condition, some of which are beyond the Group's control:

- i. The Group has a long trading history in the garment manufacturing and retail industries, as well as in real estate developments that consist principally of hotels and residential property. All of said industries globally are characterised by strong and increasing competition. Severe competition in certain countries and changes in economic and market conditions could adversely affect the Group's business and operating results;
- ii. The health of the retail market may be affected by a number of factors, including, *inter alia*, consumer demand, tastes, preferences, trends, inflation, fluctuation in interest rates, exchange rates, direct and indirect taxation, regulations, energy and fuel costs, unemployment, wage rates, availability of credit, government spending and budget priorities, and other general market and economic conditions. Adverse factors could cause customers and potential customers to postpone or reduce spending on products or services or put downward pressure on prices, which could have an adverse effect on the Group's business, results of operations or cash flows, consequently adversely impacting the Issuer;
- iii. The Group competes with store-based retailers, as well as e-commerce and online retailers, for customers, employees, locations and other important aspects of its retail business. This level of competition may increase, which may limit the future ability of the Group to maintain its market share and revenue level;
- iv. The retail and fashion industry is subject to rapidly evolving fashion trends and shifting consumer demands. The success of each brand sold by Group entities and, in turn, the success of the Group's outlets in Malta, is dependent upon both the priority customers place on fashion and the Group's ability to anticipate, identify and capitalise upon emerging fashion trends. If the Group fails to anticipate, identify or react appropriately, or in a timely manner, to fashion trends, the Group's outlets could experience reduced customer acceptance of their products, resulting in decreased sales volumes and lower product margins;
- v. Tunisia, from where the Group operates part of its garment manufacturing business, is regarded as being susceptible to political, economic or social risks not normally encountered in more developed countries. Accordingly, the Group is, in part, susceptible to the political and economic risks that may from time to time influence Tunisia's prospects. Negative political or economic factors and trends in or affecting Tunisia could have a material impact on the business of the Group;
- vi. The Group may not be able to realise the benefits it expects from investments made in its properties under development for reasons including cost overruns, insufficiency of resources to complete the projects, sale or rental transactions not being effected at the prices and within the timeframes envisaged, or delays or refusals in obtaining the necessary planning permissions or other building and other required permits and authorisations;

- vii. The Group may not be able to obtain the capital it requires for development or improvement of existing or new investments on commercially reasonable terms, or at all, besides exposure to risks associated with increases in borrowing costs or decreases in loan funding, also taking into account the need, from time to time, for the Group's properties to undergo renovation, refurbishment or other improvements;
- viii. The Group may be exposed to environmental liabilities attaching to real estate property, such as costs for the removal, investigation or remediation of any hazardous or toxic substances that may be located on or in, or which may have migrated from, a property owned or occupied by it, which costs may be substantial;
- ix. The value of the Group's property portfolio may fluctuate as a result of factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, and interest and inflation rate fluctuations. The valuation of property and property-related assets is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which valuations are carried out. There is no assurance that valuations of Group properties and property-related assets will reflect actual market values that could be achieved upon a sale;
- x. The hotel industry may be adversely affected by natural disasters, terrorist activity and war, which could directly or indirectly affect travel patterns and reduce the number of business and leisure travellers and reduce the demand for hotel accommodation at the Group's hotels;
- xi. The Group's financial gearing levels will increase further to the Bond Issue. The Group's gearing ratio (net debt / total funding), which stood at 19.1% as at 31 October 2016, would increase to a peak of 35.1% as at 31 October 2018. The increase in the level of financial gearing gives rise to all risks typically associated with higher leverage, including lower asset cover and lower debt service cover levels;
- xii. In view of the fact that the Group is, in part, a property holding organisation, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions;
- xiii. All industries, including the manufacturing, retail, hospitality and real estate industries, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit;
- xiv. If one or more of the key personnel of the Group were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Group's business, financial condition and results of operations; and
- xv. Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the businesses in which the Group operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer.

D.3

Essential information on the key risks specific to the Bonds:

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

- i. The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Bonds, including the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds and the level, direction and volatility of market interest rates, generally. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all;
- ii. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds;

- iii. A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different;
- iv. No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time;
- v. The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under the said Bonds by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference with all other present and future unsecured obligations of the Issuer and the Guarantor. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer and the Guarantor. In view of the fact that the Bonds are being guaranteed by the Guarantor, Bondholders are entitled to request the Guarantor to pay both the interest due and the principal amount under the said Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor is directly linked to the financial position and solvency of the Guarantor;
- vi. Even after the Bonds are admitted to trading on the MSE, 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. Moreover, the Listing Authority 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 MSE. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds;
- vii. In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Bonds it shall call a meeting of Bondholders. The provisions relating to meetings of Bond holders permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority; and
- viii. The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules, the Companies Act and the Regulation in effect as at the date of the 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 the Prospectus.

5

SECTION E – OFFER

E.2b

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €12,400,000, will be used by the Issuer for the following purposes, in the following amounts and order of priority: (i) an amount of €5,400,000 of the net Bond Issue proceeds shall be advanced, pursuant to a loan agreement, by the Issuer to Roosendaal Hotels Limited in connection with the refurbishment and extension of the Hotel 1926 and beach club development project in Sliema, Malta; (ii) an amount of €800,000 of the net Bond Issue proceeds shall be advanced, pursuant to a loan agreement, by the Issuer to Roosendaal Trading Limited in connection with the redevelopment of the Group's existing retail outlet in Mosta, Malta, including the extension of existing retail areas and the addition of a catering establishment; (iii) an amount of €2,000,000 of the net Bond Issue proceeds shall be advanced, pursuant to a loan agreement, by the Issuer to Roosendaal Trading Limited in connection with the development of a plot of land in Mriehel, Malta into a mixed-use complex with a Bortex outlet on the lower levels and office space on the upper levels; (iv) an amount of €1,800,000 of the net Bond Issue proceeds shall be advanced, pursuant to loan agreements, by the Issuer to Group companies for the purpose of part-funding the opening of Gagliardi retail outlets in a number of overseas territories in line with the Group's international retail expansion strategy, particularly concerning the internationalisation of its own private Gagliardi label; (v) an amount of €1,400,000 of the net Bond Issue proceeds shall be used to carry into effect a repayment and refinancing of part of the Group's existing bank facilities taken out in connection with the financing of properties owned by the Group, thereby freeing the Group of part of its secured debts owed to third party institutions; and (vi) the remaining balance of the net Bond Issue proceeds in an amount of €1,000,000 shall be used for the Group's general corporate funding requirements in Malta, including operational costs. In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

E.3 The Bonds are open for subscription to Preferred Applicants and to Authorised Intermediaries through an Intermediaries' Offer.

The Issuer has reserved an aggregate amount of Bonds amounting to €500,000 for subscription by Preferred Applicants. The remaining balance of €12,250,000 of Bonds is being reserved for subscription by Authorised Intermediaries participating in the Intermediaries' Offer. In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of €12,250,000 (or a higher amount in the event that the aggregate amount of €500,000 reserved for the Preferred Applicants is not fully taken up) as aforesaid during the Intermediaries' Offer. In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will bind itself to subscribe for, a number of Bonds subject to the Bonds being admitted to trading on the Official List. Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading.

In the event that the aggregate amount of €500,000 reserved for the Preferred Applicants is not fully taken up, such unutilised portion shall also become available for subscription by Authorised Intermediaries through an Intermediaries' Offer. In the event that subscriptions by Preferred Applicants exceed the reserved portion of €500,000, the unsatisfied excess amounts of such Applications will automatically participate in the amount of Bonds available for subscription in the Intermediaries' Offer.

Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries (which include the Sponsor, Manager & Registrar) during the Issue Period. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. The Issuer will determine and announce the allocation policy for the Bonds within 5 Business Days of the closing of the Issue Period. The results of the offer, including the allocation policy, will be announced through a company announcement. It is expected that allotment letters will be dispatched to Bondholders within 5 Business Days of the date of the announcement of the allocation policy.

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

1. Form, Denomination and Title

The Bonds will be issued in fully registered form in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

2. Redemption and Purchase

Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with accrued interest) on 1 December 2027. Subject to the provisions of this paragraph, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold.

3. Payments

Payment of the principal amount of the Bonds will be made within 7 days of the Redemption Date in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time. Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business 15 days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be effected within 7 days of the Interest Payment Date.

4. Events of Default

The Securities Note sets out a list of events of default the occurrence of which would result in the Bonds becoming immediately due and repayable at their principal amount, together with accrued interest.

5. Further Issues

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

6. Meetings of participation Bondholders

The Issuer may, 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 Bondholders' meeting.

7. Governing Law and Jurisdiction

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

- E.4 Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor, Manager & Registrar) and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has a material interest in the Bond Issue.
- E.7 Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with this Bond Issue are estimated not to exceed €350,000 and shall be borne by the Issuer.

6 EXPECTED TIMETABLE

1	Application Forms made available	1 November 2017
2	Preferred Applicants offer period	9 November 2017 (from 08:30 CET) - 14 November 2017 (by 12:00 CET)
3	Intermediaries' Offer period	15 November 2017 (from 08:30 CET) - 30 November 2017 (by 12:00 CET)
4	Announcement of basis of acceptance	1 December 2017
5	Issue date of the Bonds	1 December 2017
6	Commencement of interest	1 December 2017
7	Expected date of admission of the Bonds to listing	4 December 2017
8	Expected dispatch of allotment advices and refunds (if any)	5 December 2017
9	Expected date of commencement of trading in the Bonds	5 December 2017

The Issuer reserves the right to close the offer of Bonds before 30 November 2017 at 12:00 CET in the event that the Bonds are fully subscribed prior to said date and time. In such eventuality the events set out in step 5 and in steps 7 to 9 above shall be brought forward, although the number of workings days between the respective events shall not also be altered.

REGISTRATION DOCUMENT

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015.

Dated 30 October 2017

In respect of an issue of €12,750,000 3.75% Unsecured Bonds 2027
of a nominal value of €100 per Bond issued at par by

BORTEX GROUP FINANCE PLC

a public limited liability company registered in Malta with registration number C 82346

Guaranteed by

BORTEX GROUP HOLDINGS COMPANY LIMITED

a private limited liability company registered in Malta with registration number C 4863

ISIN: MT0001641209

Prospective investors are to refer to the Guarantee contained in Annex A of the Securities Note forming part of the Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Summary Note, 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 Bonds and the Guarantee provided by Bortex Group Holdings Company Limited.

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

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

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

APPROVED BY THE DIRECTORS OF THE ISSUER



Peter Borg



Karen Bugeja



Peter Borg & Karen Bugeja for and on behalf of:
Christine Demicoli, David Debono, Emanuel Ellul & Joseph Cachia

Legal Advisers

MAEMPELS



Sponsor, Manager & Registrar



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IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON BORTEX GROUP FINANCE PLC IN ITS CAPACITY AS ISSUER AND BORTEX GROUP HOLDINGS COMPANY LIMITED IN ITS CAPACITY AS GUARANTOR IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES ISSUED BY THE LISTING AUTHORITY, THE COMPANIES ACT, 1995 (CHAPTER 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS, AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, 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 SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS OR ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR AND MAKES NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS 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 SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF 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 LEGAL ADVISERS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISERS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE 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 THE 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 (THE “**PROSPECTUS DIRECTIVE**”) OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, TO 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 COMPANIES ACT.

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

ALL THE ADVISERS TO THE ISSUER AND GUARANTOR NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING “*ADVISERS TO THE ISSUER AND GUARANTOR*” IN SUB-SECTION 4.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR 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.

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

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

1 DEFINITIONS

In this Registration Document the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

“Act” or “Companies Act”	the Companies Act, 1995 (Chapter 386 of the laws of Malta);
“Authorised Intermediaries”	all the licensed stockbrokers and financial intermediaries listed in Annex D of the Securities Note forming part of the Prospectus;
“Bond/s”	the €12,750,000 unsecured bonds 2027 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 3.75% per annum. The Bonds are guaranteed by Bortex Group Holdings Company Limited;
“Bondholder”	a holder of Bonds;
“Bond Issue”	the issue of the Bonds;
“Bortex Clothing Industry Company Ltd”	Bortex Clothing Industry Company Limited, a company registered under the laws of Malta with company registration number C 2371 and having its registered office at A 11, Industrial Estate, Marsa MRS 3000, Malta;
“Bortex Tunisia”	Bortex Tunisia SARL, a company registered under the laws of Tunisia with company registration number 719248PAM000 and having its registered office at B.P. 93, Rue Amman KM13, Z.I. Ezzahra 2034, Tunisia;
“Bortex UK”	Bortex Clothing Industry Company Limited, a company registered under the laws of England with company registration number 01394397 and having its registered office at Kingly Brookes, 415 Linen Hall, 162-168 Regent Street, London W1B 5TE, United Kingdom;
“Company” or “Issuer”	Bortex Group Finance plc, a company registered under the laws of Malta with company registration number C 82346 and having its registered office at 32, Hughes Hallet Street, Sliema SLM 3142, Malta;
“CAGR”	compound annual growth rate;
“Directors” or “Board”	the directors of the Issuer whose names are set out in sub-section 4.1 of this Registration Document;
“EBITDA”	earnings before interest, tax, depreciation and amortization;
“Euro” or “€”	the lawful currency of the Republic of Malta;
“Exchange” or “Malta Stock Exchange” or “MSE”	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 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;
“Financial Analysis Summary”	the financial analysis summary dated 30 October 2017 compiled by the Sponsor, Manager & Registrar in line with the applicable requirements of the Listing Authority policies and which is intended to summarise the key financial data set out in the Prospectus appertaining to the Issuer and the Guarantor, a copy of which is set out in Annex C of the Securities Note forming part of the Prospectus;
“Group” or “Bortex Group”	the Guarantor (parent company) and any subsidiary and associated company or entity, including the Issuer, in which the Guarantor has a controlling interest, as further described in sub-section 5.2 of this Registration Document, principally involved in the business of garment manufacturing, retail, real estate development and hospitality;

“Guarantee”	the suretyship of the Guarantor in terms of the guarantee contained in Annex A of the Securities Note forming part of the Prospectus and as described in Element B.18 of the Summary Note forming part of the Prospectus;
“Guarantor”	Bortex Group Holdings Company Limited, a company registered under the laws of Malta with company registration number C 4863 and having its registered office at ‘St. Therese’, Hughes Hallet Street, Sliema SLM 3142, Malta. Bortex Group Holdings Company Limited is the parent company of the Group;
“K.Borg Company Limited”	K.Borg Company Limited, a company registered under the laws of Malta with company registration number C 13315 and having its registered office at ‘St. Therese’, Hughes Hallet Street, Sliema SLM 3142, Malta;
“Listing Authority”	the board of governors, acting as the Listing Authority under the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta);
“Listing Rules”	the listing rules issued by the Listing Authority, as may be amended from time to time;
“Malta Stock Exchange Bye-Laws”	the Malta Stock Exchange plc bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time;
“Memorandum and Articles of Association” or “M&As”	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
“MFSA”	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Chapter 330 of the laws of Malta);
“Official List”	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
“P.Borg Company Ltd”	P.Borg Company Limited, a company registered under the laws of Malta with company registration number C 13314 and having its registered office at A 11, Industrial Estate, Marsa MRS 3000, Malta;
“P.Borg & Son Holdings Limited”	P.Borg & Son Holdings Limited, a company registered under the laws of Malta with company registration number C 70434 and having its registered office at A 11, Industrial Estate, Marsa MRS 3000, Malta;
“P.J.P. Company Limited”	P.J.P. Company Limited, a company registered under the laws of Malta with company registration number C 76599 and having its registered office at 32, Hughes Hallet Street, Sliema SLM 3142, Malta;
“Prospectus”	collectively the Summary Note, this Registration Document and the Securities Note, all dated 30 October 2017, 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 may be amended from time to time;
“Redemption Date”	1 December 2027;
“Registration Document”	this registration document in its entirety issued by the Issuer dated 30 October 2017, forming part of the Prospectus;

“Regulation”	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
“Roosendaal Hotels Limited”	Roosendaal Hotels Limited, a company registered under the laws of Malta with company registration number C 3112 and having its registered office at ‘St. Therese’, Hughes Hallet Street, Sliema SLM 3142, Malta;
“Roosendaal Trading Limited”	Roosendaal Trading Limited, a company registered under the laws of Malta with company registration number C 4265 and having its registered office at A 12, Industrial Estate, Marsa MRS 3000, Malta;
“Securities Note”	the securities note issued by the Issuer dated 30 October 2017, forming part of the Prospectus;
“Shanal Limited”	Shanal Limited, a company registered under the laws of Malta with company registration number C 26194 and having its registered office at A 11, Industrial Estate Marsa MRS 3000, Malta;
“Sponsor, Manager & Registrar”	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE; and
“Summary Note”	the summary note issued by the Issuer dated 30 October 2017, forming part of the Prospectus.

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- a) words importing the singular shall include the plural and vice-versa;
- b) words importing the masculine gender shall include the feminine gender and vice-versa;
- c) the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative.

2

RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

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

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

2.1 Forward-looking statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's and Guarantor's strategies and plans relating to the attainment of their respective objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and Guarantor's control.

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

Accordingly, the Issuer and Guarantor caution prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or Guarantor with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

Prospective investors are advised to read the Prospectus in its entirety and, in particular, the sections entitled "Risk Factors" for a further discussion of the factors that could affect the Issuer's and/or Guarantor's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Prospectus may not occur. All forward-looking statements contained in the Prospectus are made only as at the date hereof. The Issuer, Guarantor and their respective directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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

2.2 Risks relating to the Issuer's reliance on the Group

The Issuer was incorporated on 30 August 2017 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 Group companies.

The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations of Group companies have a direct effect on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

Specifically, the Issuer is principally dependent, including for the purpose of servicing interest payments on the Bonds and the repayment of the principal amount on Redemption Date, on income derived from dividends receivable from Group companies and the receipt of interest payments and loan repayments from Group companies.

The interest payments and loan repayments to be affected by Group companies are subject to certain risks. More specifically, the ability of Group companies to affect payments to the Issuer will depend on the cash flows and earnings of such Group companies, which may be restricted: by changes in applicable laws and regulations; by the terms of agreements to which they are or may become party; or by other factors beyond the control of the Issuer and/or Guarantor. The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and repayment of principal when due.

2.3 Risks relating to the Group and its business

2.3.1 General

Whilst the Issuer and Guarantor are registered in Malta, some of the Group's operations, business interests and activities are presently located in or conducted from overseas; principally, the United Kingdom and Tunisia.

The Group has a long trading history in the garment manufacturing and retail industries, as well as in real estate developments that consist principally of hotels and residential property. All of said industries globally are characterised by strong and increasing competition. Severe competition in certain countries and changes in economic and market conditions could adversely affect the Group's business and operating results.

The Group's operations and the results of its operations are subject to a number of factors that could adversely affect the Group's business, many of which are common to the manufacturing, retail, hotel and real estate industry and are beyond the Group's control.

2.3.2 Risks relating to general retail market conditions

The health of the retail market may be affected by a number of factors, including, inter alia, consumer demand, tastes, preferences, trends, inflation, fluctuation in interest rates, exchange rates, direct and indirect taxation, regulations, energy and fuel costs, unemployment, wage rates, availability of credit, government spending and budget priorities, and other general market and economic conditions. These are particularly accentuated as concerns the Group owing to the size of the Maltese market, which market is central to the success of the Group's retail business. Adverse factors could cause customers and potential customers to postpone or reduce spending on products or services or put downward pressure on prices, which could have an adverse effect on the Group's business, results of operations or cash flows, consequently adversely impacting the Issuer.

As set out in further detail in sub-section 5.2.3 below, a key driver of the projected growth in the Group's turnover and profit relates to the planned continued internationalisation of the Gagliardi brand, whereby the Group intends to increase its international presence in the distribution of Gagliardi over the next few years. This is an area that inherently carries a higher element of execution risk in terms of the achievement of the Group's projected results. The Group will be accessing new markets that are highly competitive and where Gagliardi still has limited brand recognition. The attainment or otherwise of the Group's projected results will also depend on the Group's ability to identify the right countries and the right retail locations to implement its expansion plans. The failure to achieve the expected growth pursuant to said expansion plans could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group.

2.3.3 Competition

The Group already operates in highly competitive markets and this level of competition may increase, which may limit the future ability of the Group to maintain its market share and revenue level. The Group competes with store-based retailers, as well as e-commerce and online retailers, for customers, employees, locations and other important aspects of its retail business. Current and potential competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial, technical, marketing and other resources than the Group. Some of these competitors may be able to respond more quickly, engage in more extensive promotional activities, offer more attractive pricing and terms to their customers and adopt more aggressive pricing policies. There can be no assurance that the Group will be able to maintain or increase its market share and to compete effectively with current or future competitors or that the competitive pressures will not consequently have a material adverse effect on Group's business, financial condition, operational performance and, accordingly, on the Issuer's and Guarantor's ability to fulfil their respective obligations under the Bonds.

2.3.4 Group's ability to anticipate trends and respond to changing consumer preferences

The retail and fashion industry is subject to rapidly evolving fashion trends and shifting consumer demands. Accordingly, the success of each brand sold by Group entities and, in turn, the success of the Group's outlets in Malta, is dependent upon both the priority customers place on fashion and the Group's ability to anticipate, identify and capitalise upon emerging fashion trends. If the Group fails to anticipate, identify or react appropriately, or in a timely manner, to fashion trends, the Group's outlets could experience reduced customer acceptance of their products. These factors could result in decreased sales volume and lower product margins, and could have a material adverse effect on the Group's results of operations. Consequently, the Group's inability to understand and adapt to the conditions and developments in the retail market may adversely affect the Group's business and operational results.

2.3.5 Reliance on franchise arrangements

Besides being engaged in the sale of its own brands, the Group's retail and fashion business is presently also focused on the franchise arrangements pursuant to which the Group is responsible for the sale of brands such as Gant, Lacoste and Ralph Lauren. The termination of such franchise arrangements for any of the aforesaid brands would have a material adverse effect on the Group's operations and income. The Group is, therefore, reliant on maintaining a good relationship with each of the franchise owners to ensure continuity of the respective franchise arrangements.

Furthermore, the success of the marketing, distribution and retail of the said brands' merchandise in Malta is susceptible to the success and reputation of the respective brand internationally, which is beyond the control of the Group.

As the respective franchisors remain the sole and exclusive proprietors of the trademarks and names (logos, images and the like), the Group is exposed to the risk of litigation and the corresponding costs related to their misuse or misapplication.

2.3.6 Risks relating to the political, economic and social environment of Tunisia, from where the Group operates part of its garment manufacturing business

Tunisia is regarded as being susceptible to political, economic or social risks not normally encountered in more developed countries. Accordingly, the Group is, in part, susceptible to the political and economic risks that may from time to time influence Tunisia's prospects. Negative political or economic factors and trends in or affecting Tunisia could have a material impact on the business of the Group.

Any unexpected changes in the political, social, economic or other conditions in Tunisia may have an adverse effect on the operations and financial results of the Group and on any investments made by the Group.

Prospective investors should also note that emerging markets present economic and political conditions which differ from those of the more developed markets and could possibly present less social, political and economic stability, which could render investment in such markets more risky than investments in more developed markets.

The Group's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in emerging markets. Specific country risks that may have a material impact on the Group's

business, operating results, cash flows and financial condition include: acts of warfare and civil clashes; political, social and economic instability; government intervention in the market, including tariffs, protectionism and subsidies; changes in regulatory, taxation and legal structures; exchange control and rules on expropriation, nationalisation and/or confiscation of assets; difficulties and delays in obtaining permits and consents for operations and developments; inconsistent governmental action and/or lack or poor condition of infrastructure.

The Tunisian legal and judicial system may be different from that which some investors may be more familiar with in certain civil and common law jurisdictions, and investors in Malta may consider such a system as not providing, in various aspects, the level of comfort for investment which they are used to under the Maltese legal system or other civil and common law jurisdictions, and, accordingly, they may consider that the Group may face difficulties in enforcing its legal rights relating to its investments made in Tunisia.

2.3.7 The Group may not be able to realise the benefits it expects from investments made in its properties under development

The Group's business, through subsidiaries or associated entities, consists in part of the acquisition, development and, in certain cases, operation of real estate projects, comprising hotels, residences and retail spaces. Property acquisition and real estate development projects are subject to a number of specific risks, many of which are beyond the Group's control, including: the risk of cost overruns; insufficiency of resources to complete the projects; general industry trends, including the cyclical nature of the real estate market; sale or rental transactions not being effected at the prices and within the timeframes envisaged; changes in local market conditions, such as an oversupply of similar properties or a reduction in demand for real estate; shortages and/or price increases in raw materials or other construction inputs, such as, among others, cement, steel, energy and other utilities; acts of nature that may damage the properties or delay their development; higher interest costs; and the erosion of revenue generation. If these risks were to materialise they would have an adverse impact on the Group's revenue generation, cash flows and financial performance.

Renovating, refurbishing or otherwise improving existing properties to maintain the desired standards, and acquiring and developing new and commercially viable properties, is key to the Group's business and growth strategy. The development and/or improvement of the Group's properties in the future presents a number of risks, including: market disruption or oversupply, which may result in the Group being unable to achieve appropriate room rates or sell / let residential units at the prices it anticipates, potentially requiring changes in the Group's pricing strategy that could result in significant losses or charges; and construction delays, cost overruns, lender financial defaults or "acts of God" such as earthquakes, hurricanes, floods or fires, which could increase overall project costs or result in project cancellations.

The Group is also exposed to the risk of delays or refusals in obtaining the necessary planning permissions or other building and other required permits and authorisations, which is a risk commonly associated with property development projects.

Furthermore, the Group is subject to various counter-party risks, including the risk of counter-parties, such as contractors and sub-contractors engaged in the demolition, excavation, construction and finishing of developments in which the Group may be involved, and prospective lessors and/or purchasers, defaulting on their obligations with the Group. Such parties (which may include both third parties as well as related parties) may default or fail to perform on their obligations to the Group due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control.

If such risks, many of which are common to the real estate industry, were to materialise, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

The Group's ability to realise the full benefits that it expects from investments made in properties will depend, in turn, on its ability to assess and minimise these risks in an efficient and cost-effective manner. No assurance can be given that the Group will be able to deal with these risks in an efficient and cost-effective manner.

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

The Group's ability to implement its business strategies is dependent upon, amongst other things, its ability to generate sufficient funds internally and to access financing at acceptable costs. No assurance can be given that sufficient financing for its current and future investments will be available on commercially reasonable terms or within the timeframes required by the Group, also taking into account the need, from time to time, for the Group's properties to undergo

renovation, refurbishment or other improvements. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future investments. Failure to obtain, or delays in obtaining, the capital required to complete current or future developments on commercially reasonable terms, including increases in borrowing costs or decreases in loan funding, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

2.3.9 The Group may be exposed to environmental liabilities attaching to real estate property

Group companies may become liable for the costs of removal, investigation or remediation of any hazardous or toxic substances that may be located on or in, or which may have migrated from, a property owned or occupied by it, which costs may be substantial. Group companies may also be required to remove or remediate any hazardous substances that they may cause or knowingly permit at any property that they own or may in future own. Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a real estate investment, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injury or other damages. These environmental liabilities, if realised, could have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.10 Fluctuations in property values

Property values are affected by and may fluctuate, inter alia, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's property portfolio may also fluctuate as a result of other factors outside the Group's control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, and interest and inflation rate fluctuations.

The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values. The valuation of property and property-related assets is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which valuations are carried out. Accordingly, there can be no assurance that the valuations of Group properties and property-related assets referred to in the Prospectus will reflect actual market values that could be achieved upon a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

2.3.11 The hotel industry could be adversely affected by natural disasters, terrorist activity and war

Natural disasters, the spread of contagious disease, industrial action, travel-related accidents, terrorist activity and war, and the targeting of hotels and popular tourist destinations in particular, have, in the past, had a significant negative impact on the hotel industry globally and such events could have a similarly negative impact on the industry in the future.

Events such as the afore-mentioned could directly or indirectly affect travel patterns and reduce the number of business and leisure travellers and reduce the demand for hotel accommodation at the Group's hotels. In addition, concerns about air travel safety could substantially decrease the overall amount of air travel, including premium business travel, which is generally associated with the highest average daily rates at hotels. Such a decrease could have an adverse impact on occupancy levels in hotels owned and/or operated by the Group.

The local incoming tourism industry is impacted by economic conditions in the countries from which Malta's tourism is sourced, by economic and political conditions in competing destinations, by the availability of air travel capacity and connections to the Maltese Islands and by the continued growth in global tourism, particularly from the Far East, that impacts overall hotel occupancy across all European destinations. Adverse movements in the overall balance of these factors could negatively affect the Group's performance and the achievement of its projected results. Additionally, the tourism industry is inherently cyclical and, following the relative peak in this industry's performance which has now extended for a number of years, a relative downturn could potentially be experienced by the industry in the coming years.

Furthermore, actual or threatened war, terrorist activity, political unrest, civil strife and other geopolitical uncertainty may also reduce overall demand for business and leisure travel. The occurrence of any of these events or increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group.

2.3.12 Increase in financial gearing further to the Bond Issue

The Group's financial gearing levels will increase further to the Bond Issue. The Group's gearing ratio (net debt / total funding), which stood at 19.1% as at 31 October 2016, would increase to a peak of 35.1% as at 31 October 2018. The increase in the level of financial gearing gives rise to all risks typically associated with higher leverage, including lower asset cover and lower debt service cover levels.

2.3.13 Liquidity risk

In view of the fact that the Group is, in part, a property holding organisation, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions. These factors could have an adverse effect on the Group's financial condition and results.

2.3.14 Risks relating to fluctuations in exchange rates and other regional economic developments

The Group's operations are in part exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables and borrowings that are denominated in a currency other than the Euro. As a result, exchange gains and losses may arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies.

The Group can be impacted by transaction risk, being the risk that the currency of the costs and liabilities of Group companies fluctuates in relation to the Euro (being the reporting currency of all Group companies), which fluctuation may adversely affect the Group's operating performance.

2.3.15 Litigation risk

All industries, including the manufacturing, retail, hospitality and real estate industries, are subject to legal claims, with and without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Group's future cash flow, results of operations or financial condition.

2.3.16 Reliance on key senior personnel and management

The Group's growth since inception is, in part, attributable to the efforts and abilities of key personnel of the Group. If one or more of these individuals were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have an adverse effect on the Group's business, financial condition and results of operations.

In common with many businesses, the Group will be relying heavily on the contacts and expertise of its senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Issuer's business.

Furthermore, the expected increase in the scale of the Group's operations (as set out in further detail in sub-section 5.2.3 below) will necessitate a shift in its overall management and control structures. The Group will be taking on the management of an increased number of retail outlets and a larger hotel operation. Management's ability to adapt to these changes will inevitably have a bearing on the extent to which the Group achieves its targets.

2.3.17 The Group's insurance policies

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

2.3.18 Other risks

The Group is subject to taxation, planning, environmental and health and safety laws and regulations, including regulations relating to planning permissions. As with any business, the Group is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted; and in relation to other factors over which the Group has no control, such as catastrophic events, terrorist attacks and other acts of war or hostility, all of which could have an adverse effect on the business, financial condition and profitability of the Group. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of Group companies.

3 PERSONS RESPONSIBLE

This Registration Document includes information prepared in compliance with the Listing Rules of the Listing Authority for the purpose of providing Bondholders with information with regard to the Issuer and the Guarantor. Each and all of the Directors whose names appear in sub-section 4.1 of this Registration Document accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the directors of the Issuer and Guarantor, who have taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer and of the Guarantor hereby accept responsibility accordingly.

4 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISERS AND AUDITORS OF THE ISSUER AND GUARANTOR

4.1 Directors of the Issuer

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

Peter Borg	Rotating Chair and executive Director
Karen Bugeja	Rotating Chair and executive Director
Christine Demicoli	Executive Director
David Debono	Non-executive Director
Emanuel Ellul	Independent, non-executive Director
Joseph Cachia	Independent, non-executive Director

Mr Peter Borg, Ms Karen Bugeja and Ms Christine Demicoli occupy senior executive positions within the Group. The other three Directors, Mr David Debono, Mr Emanuel Ellul and Mr Joseph Cachia, serve on the Board of the Issuer in a non-executive capacity. Mr Emanuel Ellul and Mr Joseph Cachia are considered as independent Directors since they are free of any significant business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing Mr Ellul and Mr Cachia's independence due notice has been taken of sub-section 5.117 of the Listing Rules.

The business address of the Directors is 32, Hughes Hallet Street, Sliema SLM 3142, Malta.

The company secretary of the Issuer is Ms Alexandra Borg. The curriculum vitae of Ms Borg is set out below in sub-section 4.2.

The following are the respective *curriculum vitae* of the Directors:

Name: **Peter Borg**; Rotating Chair and executive Director

Peter Borg joined the family business in 1989. He then became Managing Director of Germal Company Limited, Sandpiper Company Limited and Valletta Light Clothing Limited, all manufacturing concerns. He took over as Managing Director of Bortex Clothing Industry in 1991 and saw the manufacturing group expand from a Malta-based private label manufacturer to a mixed portfolio business with manufacturing operations on three continents and its own chain of retail stores in Malta, as well as overseas. The 'Gagliardi' brand was developed and is sold via a combination of own stores, franchise, web and wholesale channels, worldwide. He has also served as director on the Group's Hospitality and Property Division since 1989. Peter has also been a non-executive director on the boards of Middle Sea Insurance plc and Plaza Centres plc, and is currently Deputy Chairman of Malta Enterprise and non-executive director at P. Cutajar & Co. Ltd.

Name: **Karen Bugeja**; Rotating Chair and executive Director

Karen Bugeja joined the family business in 1990. She read for a Master Degree in Business Administration and specialised in Business Finance. She joined the hospitality side of the business and became Managing Director of the Group's hotels at the time. The hospitality division is now being repositioned from having standard tourist properties to a more up market 'lean luxury concept' in Sliema and Valletta. As CEO of the Group's Hospitality and Property division, she also spearheads the property development division which is currently launching a luxury living concept in central Sliema. Karen has also served as director on the Group's manufacturing and retail boards since 1989 and on the board of Airmalta plc for four years, where she also sat on the audit committee.

Name: **Christine Demicoli**; Executive Director; CFO Hospitality and Property Operations

Christine Demicoli is a Certified Public Accountant who graduated with a Bachelor of Accountancy (Honours) from the University of Malta. She joined the Bortex Group in 1995 after two years of work experience with KPMG Malta, where she was involved in a number of auditing assignments for high-profile companies. Christine started working with the Group as the accountant for Sandpiper Limited, Germal Limited and Valletta Light Clothing Limited – all manufacturing concerns – and of Roosendaal Trading Limited, a retail company, formerly known as Technical Services & Supplies Limited. Eventually Christine was asked to assist in the finance department and in the management of the hospitality division, which led the way for her to take on the role of Chief Financial Officer for this sector of the business and of the property development division in 2002. She has served on the Group's main boards since 2015.

Name: **David Debono**; Non-Executive Director

David Debono began his management career within an international chain of hotels (Sol Melia – Suncrest) in the late 1990s and occupied senior management positions in various departments. He later held the post of group General Manager for Sunsites Limited, a company operating two hotels and a wellness centre in the northern part of Malta. During this time David also obtained Malta's first 'Tourism Authority Quality Certification' for one of the hotels. He joined the Grand Hotel Excelsior in October 2007 as Operations Director and was later appointed Director of Business Development. He joined Baystreet Holdings Limited in April 2011 as Chief Executive Officer, focusing primarily on the company's business development strategy and corporate development. In 2015, he was made responsible for the setting up of a new subsidiary with interests in the retail industry representing the Spanish brands within the Cortefiel Group. David obtained postgraduate qualifications in operations, strategic management, human resources, finance and marketing from Henley Management College in 2008. In 2011 he received his Master's degree in Business Administration from Henley Business School (University of Reading), specialising in corporate and business strategy. David is currently conducting further postgraduate research on leadership and competitive strategy.

Name: **Emanuel Ellul**; Independent, non-executive Director

Emanuel Ellul began his career as an apprentice in HM's Naval Dockyard in 1951, where he was later employed there as a tradesman. In October 1961, after winning a government scholarship, he studied politics and economics at Oxford University in the UK, before proceeding to the Trades Union Congress for a one-year study attachment at the research department. He later returned to Malta and was engaged by the General Workers Union. Emanuel then moved on to the Central Bank of Malta, where he spent 30 years rising through the ranks to Governor. In 2000, he was appointed an advisor to the Minister of Finance, where he held the role of chairman of the Government Privatisation Unit until June 2013. Over the years, Emanuel held various directorships at companies including Middlesea Valletta Life, the Malta Drydocks Corporation and Governor at MCAST. In 2013 he was appointed consultant to Petromal Company Limited and Enemed Co Ltd and, in 2015, was appointed a member of the MFSA's Resolution Committee.

Name: **Joseph Cachia**; Independent, non-executive Director

Joseph Cachia joined Bortex in 1979 after 15 years as a print media journalist and, later, with Malta Television, where he served as head of the news and current affairs department. His Bortex career spanned 33 years, during which time he was intimately involved in the Group's entire operational spectrum – from planning, production control and outsourcing overseas, to the procurement of raw materials, sales and marketing. Joseph was a pioneer in the Group's marketing division, which was expressly set up early in the 1980s by the Group's founder, Sunny Borg, to develop market strategies that would diversify the Group from a manufacturing operation solely supplying a partner company to a market-oriented enterprise. As director of sales and marketing, Joseph spearheaded the sales drive to attract clients and new business in the United Kingdom, Sweden, Italy, France, Germany, the Netherlands and the USA. Towards the end of his time at Bortex, Joseph was actively engaged in the Group's branching-out into retail trading and in the marketing of the house brand. On retiring from Bortex in 2013 Joseph joined the public service, first in the Finance Ministry and later in the Ministry for the Family, Children's Rights and Social Solidarity, where he is still serving as adviser to the ministry's permanent secretary.

4.2 Directors of the Guarantor

As at the date of this Registration Document, the board of directors of the Guarantor is constituted by the following persons:

Peter Borg	Rotating Chair and executive director
Karen Bugeja	Rotating Chair and executive director
Christine Demicoli	Executive director & Company Secretary
Alexandra Borg	Executive director
Sam Borg	Executive director
David Debono	Non-executive director

The business address of the directors of the Guarantor is 'St. Therese', Hughes Hallet Street, Sliema SLM 3142, Malta.

The company secretary of the Guarantor is Ms Christine Demicoli.

The following are the respective *curriculum vitae* of the directors of the Guarantor:

Name: **Peter Borg**; Rotating Chair and executive director

The *curriculum vitae* of Mr Borg is set out in sub-section 4.1 above.

Name: **Karen Bugeja**; Rotating Chair and executive director

The *curriculum vitae* of Ms Bugeja is set out in sub-section 4.1 above.

Name: **Christine Demicoli**; Executive director & Company Secretary

The *curriculum vitae* of Ms Demicoli is set out in sub-section 4.1 above.

Name: **Alexandra Borg**; Executive director; CFO Manufacturing and Retail Operations

Alexandra Borg joined Bortex in 1989, initially as an Accounts Executive. She obtained her FIA CPA qualifications in 1997 and eventually rose through the ranks to the role she occupies today. Alexandra has played an active part in Bortex's evolution and has helped it grow from a solely Malta-based private label garment manufacturer to one with manufacturing operations on three continents and its own branded retail operations in over 12 countries, including Malta. Besides the finance department, she also retains day-to-day responsibility for the Group's manufacturing operations in Tunisia. She was appointed director on the Guarantor's board in 2015.

Name: **Sam Borg**; Executive director; COO Manufacturing and Retail Operations

Sam Borg joined the family business in May 2011 after reading for a Bachelor of Laws at Exeter University. He started with the Group as Brand Manager for 'Gagliardi' and has been responsible for overseeing sales, marketing, business development

and design for the brand, as well as spearheading the e-commerce operations. Sam has recently been appointed COO for the manufacturing division, thus adding private label operations to his existing responsibilities. He is also the vision behind the communications and social media marketing strategies of the Group. Sam has served on the Guarantor's board since 2015 and is also a founding director on Kwotani Limited.

Name: **David Debono**; Non-executive director

The *curriculum vitae* of Mr Debono is set out in sub-section 4.1 above.

The executive directors of the Issuer and the Guarantor, on the strength of their respective knowledge and experience in the applicable business interests of the Group to which they contribute directly, occupy the senior management and key executive positions across the Group.

4.3 Advisers to the Issuer and Guarantor

Legal Advisers:

Name: Maempels
Address: 16, Sampusa Lane, Birkirkara BKR 2283, Malta

Name: GVZH Advocates
Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

Sponsoring stockbroker:

Name: Calamatta Cuschieri Investment Services Limited
Address: Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta

Financial Advisers

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Qormi QRM 3101, Malta

As at the date of the Prospectus the advisers named under this sub-heading have no beneficial interest in the share capital of the Issuer or the Guarantor. Additionally, save for the terms of engagement relative to their respective services provided in connection with the preparation of the Prospectus, no material transactions have been entered into by the Issuer or the Guarantor with any of the advisers referred to above.

The organisations listed above have advised and assisted the directors of the Issuer and the Guarantor in the drafting and compilation of the Prospectus.

4.4 Auditors of the Issuer

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Qormi QRM 3101, Malta

The Issuer was set up on 30 August 2017 and since incorporation to the date of this Registration Document no financial statements have been prepared. The Issuer has appointed PricewaterhouseCoopers as its auditors. PricewaterhouseCoopers is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

4.5 Auditors of the Guarantor

Name: PricewaterhouseCoopers
Address: 78, Mill Street, Qormi QRM 3101, Malta

The annual statutory consolidated financial statements of the Guarantor for the financial years ended 31 October 2014, 2015 and 2016 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

5 INFORMATION ABOUT THE ISSUER AND GUARANTOR

5.1 Historical development of the Issuer

Full legal and commercial name of the Issuer:	Bortex Group Finance plc
Registered address:	32, Hughes Hallet Street, Sliema SLM 3142, Malta
Place of registration and domicile:	Malta
Registration number:	C 82346
Date of registration:	30 August 2017
Legal form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone number:	+356 21333565
Fax number:	+356 21333558
E-mail address:	companysecretary@bortexgroupfinance.com
Website:	www.bortexgroupholdings.com

The Issuer is, except for one share which is held by Mr Peter Borg and another share held by Ms Karen Bugeja, a fully-owned subsidiary of the Guarantor, which latter entity is the parent company of the Group.

The Issuer was incorporated on 30 August 2017 as a public limited liability company, registered in terms of the Companies Act with company registration number C 82346 and is domiciled in Malta, having its registered office at 32, Hughes Hallet Street, Sliema SLM 3142, Malta. The Issuer, which was set up and established to act as a finance company, has as at the date hereof an authorised and issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up. At present, the shares in the Issuer are subscribed to and held as indicated in sub-section 8.1 of this Registration Document.

The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer.

The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to members of the Group. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the businesses of Group entities, comprising the business of garment manufacturing, retail, real estate development and hospitality (further details of said entities and their respective businesses are set out in sub-section 5.2 of this Registration Document).

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company. The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future the projects set out in detail in sub-section 5.2.3 of this Registration Document, as well as other projects that may be undertaken by its subsidiary companies; and/or enabling the Group to seize new opportunities arising in the market.

The Issuer operates exclusively in and from Malta.

5.2 Historical development of the Guarantor and overview of the Group's business

5.2.1 Introduction

Full legal and commercial name of the Guarantor:	Bortex Group Holdings Company Limited
Registered address:	'St. Therese', Hughes Hallet Street, Sliema SLM 3142, Malta
Place of registration and domicile:	Malta
Registration number:	C 4863
Date of registration:	6 February 1980
Legal form:	The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act
Telephone number:	+356 21333565
Fax number:	+356 21333558
E-mail address:	companysecretary@bortexgroup.com
Website:	www.bortexgroupholdings.com

The Guarantor is a private limited liability company incorporated and registered in Malta with company registration number C 4863, having its registered office at 'St. Therese', Hughes Hallet Street, Sliema SLM 3142, Malta. The Guarantor is the parent company of the Group, holding shares in a number of subsidiary companies registered in Malta, the United Kingdom and Tunisia, primarily operating in the garment manufacturing, retail, real estate development and hospitality sectors.

The principal object of the Guarantor is to purchase, acquire, hold and deal in any shares, debentures, stocks, bonds or other securities issued by any company or association, solely for and on behalf of the company. The Guarantor is also empowered in terms of its Memorandum and Articles of Association to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person, including any parent, subsidiary, related company or joint venture, in such manner as may be necessary for carrying out the company's objects or any of them, even by the hypothecation of the Guarantor's property, whether present or future.

As at the date of this Registration Document, the Guarantor has an authorised and issued share capital of €46,587.46 divided into 20,000 ordinary shares having a nominal value of €2.329373 each, all fully paid up, and subscribed to and held as indicated in sub-section 8.2 of this Registration Document.

In the weeks preceding the publication of the Prospectus, a Group corporate restructuring exercise was carried out in order to achieve a cleaner corporate set-up, which process essentially involved the transfer for a nominal value of various insignificant holdings within the Group structure which had been in existence since the Group's inception and which no longer served any particular purpose within the Group context. Pursuant to the corporate restructuring exercise, the Guarantor, previously registered under the name Borchild Limited until 28 September 2017, changed its name to Bortex Group Holdings Company Limited.

Following the date of the Prospectus it is intended that a second phase of the afore-mentioned corporate restructuring of the Group be carried into effect in order to streamline the Group's corporate set-up further, principally through the elimination of various non-active entities forming part of the Group to be executed in virtue of upstream mergers - specifically, pursuant to such mergers Sandpiper Limited (C10308), Roosentours Limited (C 34287), Germal Company Limited (C 4291), Consolidated Coborg Company Ltd (C 4942), Combmed Holdings Company Limited (C 13359), K.Borg Company Limited (C 13315) and P.Borg Company Ltd (C 13314) will cease to exist.

The re-organisation of the Group, once finalised, and which will also involve the segregation of functions and activities carried out by the retained Group entities post the conclusion of the restructuring exercise, shall be implemented in such a manner as to attain a Group structure consisting of a single parent company, the Guarantor, holding or beneficially owning the entirety of shares in various Group subsidiary companies, whether directly or indirectly, which, in turn, carry out the business of the Group either through the operation of clothing manufacture and distribution / retail, or through the operation of activities in the real estate and hospitality sectors. Upon the completion of such steps, the holdings of the Group will be centralised within the Guarantor entity which will become the single parent company of the Group.

The Group's afore-mentioned corporate restructuring exercise shall not involve an economic transfer. The ultimate beneficial ownership of the Group shall be retained in such a way that Mr Peter Borg and Ms Karen Bugeja each continue to hold 50% ownership of the Group.

Accordingly, upon completion of the restructuring exercise as aforesaid, the Guarantor shall carry out the holding function of the Group as the Group's single parent entity, holding the entirety of shares in its immediate subsidiaries; namely, Shanal Limited (the Group's property company), Roosendaal Trading Limited and Bortex Clothing Industry Company Ltd (both entities carrying out activities of clothing manufacture and distribution, also through the direct and entirely owned subsidiary entities of Bortex Clothing Industry Company Ltd, being Bortex UK and Bortex Tunisia), and Roosendaal Hotels Limited (which carries out the Group's activities within the hospitality sector).

As the holding company of the Group, the Guarantor is ultimately dependent on the operations and performance of its subsidiaries.

5.2.2 Principal activities and markets

As stated above, the Guarantor is the parent company of the Group, which is principally engaged, through several subsidiaries that operate in various jurisdictions, in the business of manufacturing garments for its own private label, Gagliardi, and other private labels, marketing and retailing garments; and developing high quality property developments, as well as owning and managing hotel and residential properties in Malta. The Group also intends to invest in the Maltese real estate market in the immediate future. More information on current and future projects may be found in sub-section 5.2.3 below.

The Group's operations are, and have been for a number of years, divided into two principal segments – garment manufacturing and retailing on the one hand; and property development and hotel operations on the other. Although the core business of the Group knows its origins in the garment manufacturing sector, and the eventual retailing of those garments, it has also established itself in the hospitality sector and more recently has moved into the boutique hotel sector, through the refurbishment of a historical property in Valletta, Malta, intended to open its doors in 2018.

More specifically, Bortex Clothing Industry Company Ltd, a direct subsidiary of the Guarantor based in Malta, Bortex UK and Bortex Tunisia, both subsidiaries of Bortex Clothing Industry Company Ltd, carry out the design and manufacture of a vast range of formal tailoring, outerwear, casual clothing, footwear and accessories. Roosendaal Trading Limited, also a direct subsidiary of the Guarantor, is then involved in the sale and distribution of such clothing through the operation of a number of retail outlets. The business forming part of the Group's hospitality segment is carried out by Roosendaal Hotels Limited, another direct subsidiary of the Guarantor, which owns and manages the operations of the Hotel 1926 situated in Sliema, Malta (formerly the Plevna Hotel). Shanal Limited was retained as a Group entity to serve as the property company of the Group.

Garment manufacture and retail

Bortex is among Malta's longest established names in formal men's tailoring. Bortex Clothing Industry Company Ltd was set up over fifty years ago by Maltese entrepreneur Sunny Borg in October of 1964, to produce jeans and similar items of clothing. The venture went from strength to strength, until in 1971 it entered into partnership with the renowned men's fashion manufacturer, Van Gils of Holland, to produce high quality tailoring. Van Gils shares were bought by the British retail group Next plc in 1987 enabling Bortex to spread its product profile into children's and ladies' wear.

In 1991 the Next plc shares in Bortex Clothing Industry Company Ltd were wholly bought up by the Borg family – resulting in the company becoming 100% owned by Sunny Borg and his family.

Over the years the Group has diversified into other product areas such as ladies' formal garments as well as men's shirts, accessories and sportswear. The Group continues to supply the best names on European high-streets with private label products, as well as providing its own brands.

Its own label, Gagliardi, was launched in 2010 and its principal markets apart from Malta include the UK, Ireland, Russia, Serbia and Scandinavia. The retailing of the Gagliardi line is achieved through a mixture of franchising arrangements, own-stores models as well as mixed concessions. In recent years, the Group has also launched its own e-commerce platform through which its Gagliardi line is sold online, the operations of which are based in Malta.

Manufacturing for private label clients still forms a substantial portion of the Group's garment manufacturing operations, with clients based chiefly in Sweden, Switzerland and the United Kingdom. The Group's operations in this sector have been streamlined in order to cater for higher-end and higher-value products rather than mass-produced but lower-value items. The Group benefits from several long-standing relationships with established brands.

The Group now manufactures mainly overseas, retaining Malta as its headquarters. Design, marketing and other knowledge based activities are carried out on the Island. Shipments from Bortex factories in Tunisia transit in Malta on their way to some of Europe's better-end department stores, chain store groups and fashion houses.

Property development and hospitality

The Group has owned and managed a small, yet strategic, property portfolio for several decades. With the exception of a warehouse situated in Zebbug, Malta, as part of the garment operations, the properties are owned and operated by Roosendaal Hotels Limited and Roosendaal Trading Limited. As the name implies, the former is involved in the hotelier industry and currently owns and manages the Hotel Plevna in Tigne', Sliema, currently in the process of a major overhaul that will lead to its rebranding as Hotel 1926. Once re-opened in July 2018, the hotel aims to offer the highest standards of lean luxury by employing state-of-the-art guest management software and technologies. The hotel is complemented with a beach lido concession on the Qui-si-Sana foreshore, which concession is for an indefinite term tied to the operation of the hotel, and which is being upgraded in tandem with the hotel building.

A block of newly-developed luxury apartments, named 'TEN Apartments', and consisting of 18 apartments and 2 penthouses over 7 floors is currently in development, while simultaneously being marketed for sale.

The Group, through Roosendaal Hotels Limited, holds 24% of the issued share capital of P.J.P. Company Limited, with the remaining shareholding held by Ms Karen Bugeja (38%) and P.Borg & Son Holdings Limited (38%), a company in which Mr Peter Borg holds 50% of the issued share capital. In June 2016 P.J.P. Company Limited acquired a residential property situated in St. Paul's Street, Valletta, Malta which is currently being extensively refurbished and which is scheduled to open its doors in December 2017 as an 8-roomed boutique hotel situated in the heart of the city, including a rooftop terrace.

Retail store management

Roosendaal Trading Limited is the principal company within the Group responsible for the operation of the Group's retail outlets for its garment sector in Malta.

The range of stores managed by said company are chiefly multi-brand stores, in which the Group's Gagliardi brand is sold alongside other brands such as Gant, Lacoste and Ralph Lauren, with which the Group has secured distribution arrangements. Roosendaal Trading Limited also operates one mono-brand store, stocking and selling the Gagliardi line exclusively – this store is situated within the MIDI complex in Sliema, Malta.

The Group plans to extend its store network, with flagship stores earmarked for the immediate future both in Sliema and Valletta (as set out in sub-section 5.2.3 below).

The following table provides a list of the principal assets and operations owned by the respective Group companies as at the date of this Registration Document:

OWNING COMPANY	NAME OF PROPERTY	LOCATION	DESCRIPTION	%OWNERSHIP
Roosendaal Hotels Limited	Hotel 1926	Sliema, Malta	Hotel management & operation	100%
Roosendaal Hotels Limited	TEN apartments	Sliema, Malta	Investment property	100%
P.J.P. Company Limited	PJP Boutique Suites	Valletta, Malta	Hotel management & operation	24%
Roosendaal Trading Limited	Bortex Retail Outlet, Mosta	Mosta, Malta	Retail Outlet	100%
Roosendaal Trading Limited	Bortex Retail Outlet, Tower Road, Sliema	Sliema, Malta	Retail Outlet	100%
Roosendaal Trading Limited	Bortex Retail Outlet, Mriehel	Mriehel, Malta	Retail Outlet	100%
Bortex Clothing Industry Company Ltd	Bortex Warehouse, Zebbug	Zebbug, Malta	Warehouse	100%

5.2.3 Investments and development & refurbishment projects in the pipeline

The most recent principal investments of the Group are described hereunder:

Refurbishment and extension of the newly branded Hotel 1926 in Sliema, Malta

The Group currently owns and operates Hotel Plevna, a 3-star hotel located in a quiet residential area off Qui-si-Sana seafront in Sliema, Malta, which consists of 100 rooms and has a concession to operate a private beach situated 200 metres from the hotel on the Qui-si-Sana foreshore. The Group is in the process of undergoing an upgrade and extension project of the hotel following which the hotel shall be formally re-branded to 'Hotel 1926'. This major renovation project is expected to upgrade the standard rating of the hotel to a 4-star spa / suite hotel. The project will involve the refurbishment of the internal spaces and the construction of 3 additional floors, together with a recessed penthouse floor, on top of the existing hotel. This will increase the hotel's room capacity by 44 rooms providing the hotel with a total room stock of 144 rooms, of which 52 will be suites, many of which boasting views of Manoel Island and Valletta. The hotel will consist of a luxury spa, restaurant, roof terrace, as well as private beach club. Works on the hotel are projected to start in November 2017, with the hotel closing down operations whilst the works are carried out. The target is for the hotel to open its doors for operations with the current refurbished rooms on the original 5 floors (100 rooms) by July 2018 in time for the summer season; the internal finishing works of the newly built 44 rooms on the 3 additional floors and the penthouse floor are expected to be completed by the end of 2018, with the hotel being fully operational by such date.

Development of TEN Apartments in Sliema, Malta

The Group intends re-developing a plot of land it owns in Hughes Hallet Street, Sliema, Malta into a 9-storey building with commercial development at the ground floor area and residential units on the rest of the floors. The block of luxury apartments will be named 'TEN Apartments'. The current plans indicate that the development will include a reception area and commercial spaces at the ground floor level, 18 residential apartments and 2 penthouses with an average area of 140m² and 170m², respectively, as well as 69 underground car parking spaces. Works on the project commenced in 2016 and the planned timelines envisage completion of construction works by November 2018, with the finishes of the apartments targeted to be completed by March 2019.

International retail expansion strategy, particularly via the opening of Gagliardi retail outlets overseas

One of the key drivers in the projected growth of the Group's turnover and profits relates to the planned continued internationalisation of the Gagliardi clothing brand. The Group currently distributes Gagliardi through wholesale and franchise arrangements principally in the United Kingdom, Ireland, Scandinavian and Eastern European countries, as well as online with the United States being the largest destination market. The Group's intention is to register a marked increase in its international presence in the next few years.

Specifically, the Group is currently targeting the opening of nine new Gagliardi outlets between 2018 and 2020 through a combination of direct investment and franchised stores, spread across Western Europe, Eastern Europe, Scandinavia and North America.

The Group's internationalisation strategy also envisages a stepped increase in e-commerce sales through increased advertising.

Development of a mixed-use complex in Mriehel, Malta

The Group has purchased a plot of land stretching over an area of approximately 438m² overlooking the Mriehel Bypass for redevelopment into a mixed-use commercial complex built across 5 floors, with a retail outlet at the lower floors and office space in the upper levels. The design also envisages 3 levels of underground car parking. The retail space will be utilised by the Group as an 'out-of-town' outlet store for all menswear proposition, whereas the office space and related car parking facilities will be leased to third parties. Construction works are well underway and target completion date for this development is by the end of the first quarter of 2018.

Redevelopment of the Group's existing retail outlet in Mosta, Malta

The Group owns a 2-storey building in Constitution Street, Mosta, Malta which is currently being used as one of the Group's retail outlets and is built on a site area of 181m², which it intends to develop into a mixed-use commercial building. The plan is for the proposed development to have 4 commercial levels, a basement for storage and ancillary uses. Part of the ground floor and top level will be used as a catering outlet from which the Group expects to generate rental income. The remaining parts of the development will be used as a commercial outlet for the Group's retail purposes. The Group plans to commence

the renovation of the site in question in January 2019, with the closure of the existing Bortex outlet located on the site – completion of this project is targeted by October 2019.

Refurbishment of PJP Boutique Suites in Valletta, Malta

The Group, through Roosendaal Hotels Limited, holds 24% of the issued share capital of P.J.P. Company Limited, which in June 2016 acquired a residential property situated in St. Paul's Street, Valletta, Malta, and which property is currently being extensively refurbished and is scheduled to open its doors in December 2017 as an 8-roomed boutique hotel situated in the heart of the city, including a rooftop terrace.

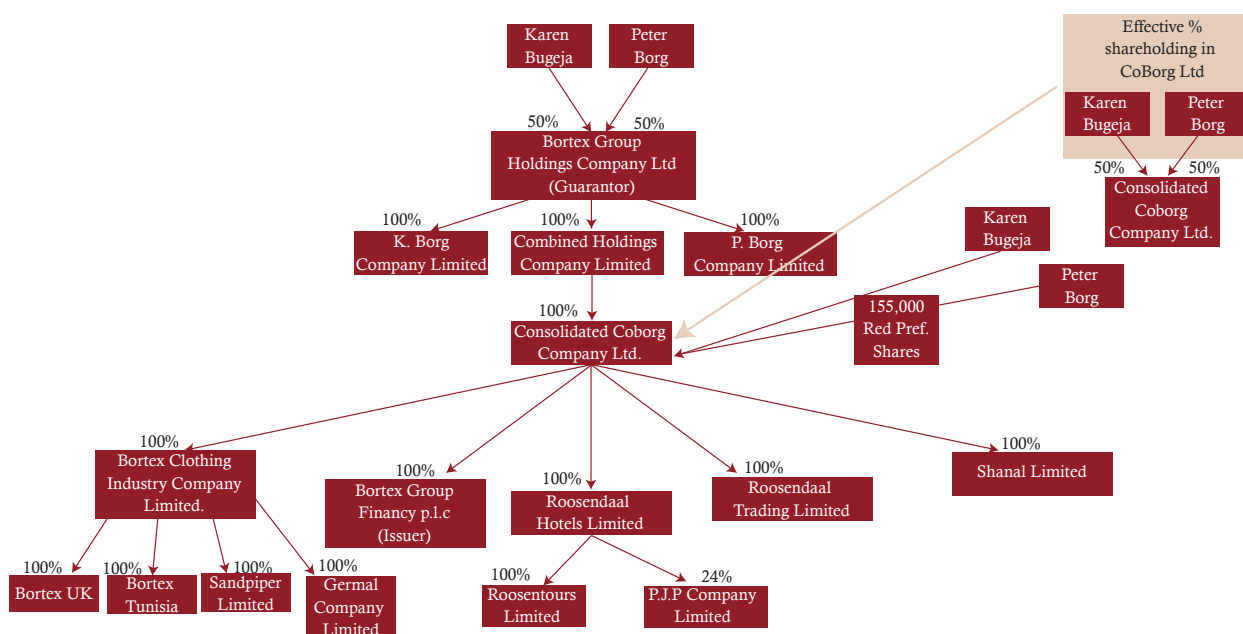
In the short to medium term future the Group intends to invest in each of the proposed projects set out above. The Group intends to raise funds for the financing of these projects partially through the Bond Issue (as set out in sub-section 5.1 of the Securities Note), with the remaining capital expenditure being funded by bank finance and own funds.

Save for the above, the Group is not party to any other principal investments, and has not entered into or committed to any material investments subsequent to 31 October 2016, being the date of the latest audited consolidated financial statements of the Guarantor.

5.2.4 Group organisational structure

As previously stated, the Issuer is, essentially, a special purpose vehicle set up to act as a financing company for the needs of the Group and, as such, it is dependent on the business prospects and operating results of Group entities. As the holding company of the Group, the Guarantor is, likewise, ultimately dependent on the operations and performance of its subsidiaries.

The organisational structure of the Group is illustrated in the diagram below as at the date of this Registration Document:



6 TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 Trend information of the Issuer

In view of the Issuer's purpose of acting as a financing company to the Group, its business is limited to the raising of capital for the financing of capital projects and the loaning of such capital to the Guarantor and/or its subsidiary companies, the collection of interest from Group entities and the settlement, in turn, of interest payable on capital raised from third parties, in the circumstances via the issue of listed bonds.

There has been no material adverse change in the prospects or in the financial or trading position of the Issuer since the date of its incorporation.

6.2 Trend information of the Group

There has been no material adverse change in the prospects or in the financial or trading position of the Guarantor since the date of its last published audited consolidated financial statements dated 31 October 2016.

At the time of publication of this Registration Document, the Issuer and the Guarantor consider that their respective future performance is intimately related to the performance of the Group. The Issuer and Guarantor consider that generally they shall be subject to the normal business risks associated with the industries in which the Group and subsidiary companies are involved and operate as disclosed in this Registration Document and, barring unforeseen circumstances, do 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 their respective businesses and that of the Group, at least up to the end of the next financial year.

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

6.2.1 Trends in the retail apparel market in Europe¹

The value of the European retail apparel market totalled approximately €314.4 billion in 2015, with Germany, Italy and the United Kingdom occupying the top three spots in terms of retail industry size, and accounting for 16.8%, 13.4% and 16.1% of the European retail industry value, respectively. In recent years, the European retail industry has been characterised by fluctuating levels of growth; between 2011 and 2015 an overall CAGR of 1.3% was recorded. Comparatively, Malta's retail sector registered a CAGR of 4.6% over the same period.

The market outlook indicates an expectation of gradual recovery, with a projected CAGR between 2016 and 2020 of 2.8%. The aggregate value of the industry by the end of 2020 is expected to amount to approximately €359.8 billion.

A key factor to the improved expectations remains the online fashion channel which is expected to grow fast in Europe at a projected CAGR between 2015 and 2020 of 12.9%. Robust and high-speed internet infrastructure and high penetration are the main driving forces for the growth of online retail in Europe.

6.2.2 Trends in the local tourism and hospitality markets²

Year-on-year Malta reaches new record highs in the number of inbound tourists visiting the country. Latest figures for local tourism at the end of 2016 indicate that Malta recorded an influx of circa two million tourists in 2016, representing an increase of circa 10.2% on 2015 and an average annual increase of 6.8% between 2011 and 2016.

Malta's main tourism source countries are the United Kingdom representing 29% of tourists, followed by Italy (16%), Germany (7%), France (7%) and Scandinavia, which consists of Denmark, Finland, Norway and Sweden (6%). 2012 to 2014 witnessed an increase in the number of Libyan tourists visiting Malta, particularly due to the civil unrest in the country.

Tourism spend has also been on the rise, with a total spend of circa €1.7 billion in 2016. Latest figures issued by the Malta Tourism Authority indicate an average spend per capita of €869 and an average length of stay of 7.6 days for 2016.

The continued increase in tourism numbers has had a positive effect on the local hotel market. Available data for 2016 indicates that the 4-star hotel sector in Malta registered a strong performance, with continued year-on-year growth in both occupancy and rate levels. The outlook for the local market remains buoyant with events such as Valletta 2018 expected to generate additional demand whilst promoting Malta's image on the international scene.

Information relative to the profit forecasts or estimates of the Issuer and the Guarantor is set out in the Financial Analysis Summary.

1. Source of information quoted in sub-section 6.2.1: (i) MarketLine, *Apparel Retail in Europe*, September 2016; & (ii) NSO data, upon request, 2017

2. Source of information quoted in sub-section 6.2.2: (i) NSO data – *Inbound Tourism December 2013-2016*; (ii) Malta Tourism Authority – *Tourism in Malta Facts and Figures 2016*; and (iii) The BOV MHRA Survey 2016 Q4

6.3 Key financial review

6.3.1 Financial information of the Issuer

The Issuer was registered and incorporated on 30 August 2017 to issue the Bonds and loan the proceeds to the Group. The Issuer has not conducted any business and has no trading record. Since incorporation to the date of this Registration Document no financial statements have been prepared in respect of the Issuer.

There has not been any significant change in the financial or trading position of the Issuer, which has occurred since the Company's date of incorporation.

6.3.2 Selected financial information of the Guarantor

The historical financial information about the Guarantor (which comprises the Guarantor and its subsidiaries) is included in the audited consolidated financial statements for each of the financial years ended 31 October 2014, 2015 and 2016. The said statements are available for inspection as set out under the heading "Documents available for inspection" in section 17 of this Registration Document. There were no significant changes to the financial or trading position of the Guarantor since the 31 October 2016 financial statements. Set out below are highlights taken from the audited consolidated financial statements of the Guarantor for the financial years ended 31 October 2014, 2015 and 2016.

Extracts from the historical consolidated financial information of the Guarantor:

6.3.2.1 Consolidated Income Statement

Consolidated Income Statement	FY14	FY15	FY16
	€'000	€'000	€'000
Revenue	25,091	21,722	20,621
Cost of sales	(18,284)	(14,662)	(13,486)
Gross Profit	6,807	7,060	7,136
Administrative expenses	(2,348)	(2,324)	(2,365)
Selling expenses	(2,703)	(3,246)	(3,435)
Other operating expenses	(56)	(40)	(41)
EBITDA	1,700	1,450	1,295
Depreciation and amortisation	(683)	(766)	(763)
Operating Profit	1,017	684	532
Investment and other related income	312	405	46
Finance costs (net of finance income)	(164)	(181)	(229)
Share of profit/(loss) from joint venture	(26)	4	-
Profit before tax	1,139	912	349
Tax	(27)	(57)	(47)
Profit for the year	1,112	855	302
Profit attributable to:			
Owners of the company	324	222	78
Non-controlling interests	788	633	224
Profit for the year	1,112	855	302

The consolidated income statements indicate that the Group's profits after tax have contracted from €1.1 million in FY14 to €0.3 million in FY16³. At EBITDA level the decrease was from €1.7 million in FY14 to €1.3 million in FY16. The results in the period were affected by a deterioration in earnings generated from the hospitality segment, as well as the incidence of inventory adjustments recognised in relation to certain product lines that are no longer being sold.

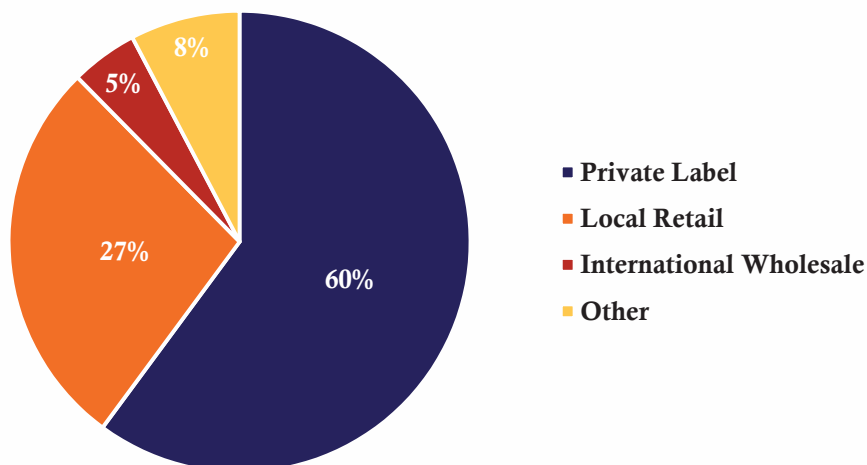
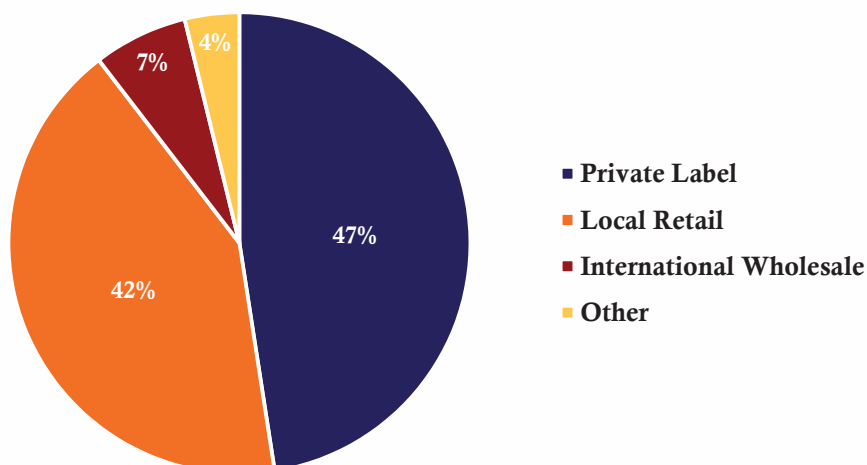
Revenue

Revenue contracted from €25.1 million in FY14 to €20.6 million in FY16 with the decrease arising primarily in the garment segment as illustrated in the table below:

Analysis of Group Revenue	FY14	FY15	FY16
	€'000	€'000	€'000
Garment segment	23,553	20,178	19,055
Hospitality segment	1,539	1,544	1,566
Total Revenue	25,091	21,722	20,621

The reduction in revenue in the garment segment is primarily due to a shift from the historical high-volume manufacture of garments for private label customers towards the wholesale and retail of Gagliardi branded garments locally and internationally. As illustrated in the charts below, the share of revenue generated from private label customers decreased from 60% in FY14 to 47% in FY16

³For the purposes of this sub-section 6.3.2, references to "FY14", "FY15" and "FY16" shall mean "the financial years ended 31 October 2014, 2015 and 2016", respectively

Analysis of FY14 Revenue from Garment segment**Analysis of FY16 Revenue from Garment segment**

Concurrently, the Group has registered a sustained growth in revenue from its retail sales on the local market, which increased at a CAGR of 11% between FY14 and FY16. This increase reflects organic growth as well as the opening of three new outlets in this period, namely: Tigne' Point (2015), Baystreet Ladies and Kids (2016) and PAMA Village (2016).

Sales of Gagliardi products through franchise arrangements with international wholesalers increased at a CAGR of 6.6% in the period between FY14 and FY16, with the main driver being increased business in Sweden and Russia.

Gross Profit

The Group's gross profit margin increased from 27.1% in FY14 to 34.6% in FY16, which primarily reflects the effect of the shift in sales mix of the garment segment towards Gagliardi garments that generate higher margins than those achieved from the private label business.

Operating Expenses

Operating expenses primarily include selling expenses and administrative expenses increased by €0.7 million from €5.1 million in FY14 to €5.8 million in FY16. Selling expenses, which relate primarily to the costs of operating the Group's retail outlets, were the main contributor to the increase in operating expenses. The increase in these selling expenses was mainly due to the opening of three new retail outlets during the period, as well as the hiring of new personnel in line with the Group's plan to continue developing the Gagliardi brand.

Profit for the year attributable to non-controlling interests

The Group's profits are partly attributable to the ultimate beneficial owners of the Group and to non-controlling interests. The portion attributable to non-controlling interests relate to the shares held by the two main shareholders of the Group who, further to a Group restructuring implemented during the current financial year, acquired ownership and control of the Group's entire equity capital. Going forward this will remove the requirement to account for non-controlling interest upon the preparation of the Group's consolidated financial statements as reflected in the Group's interim unaudited consolidated financial statements at 30 April 2017 as presented in sub-section 6.3.3 below.

6.3.2.2 Consolidated Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income	FY14	FY15	FY16
	€'000	€'000	€'000
Profit for the year	1,112	855	302
Other comprehensive income			
<i>Items that will not be classified to profit or loss:</i>			
Revaluation of land and buildings	-	-	5,137
Deferred income taxes on revaluation	-	-	(514)
Movement in deferred tax liability on revaluation	-	132	8
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Gains from changes in fair value	12	176	15
Reclassification adjustments for net gains included in profit or loss upon disposal	(80)	(271)	-
Currency translation differences	-	98	(240)
Total comprehensive income for the year	1,044	990	4,708

The principal items included in the consolidated statements of comprehensive income for the periods include the recognition of a revaluation surplus on the Group's hotel property of €4.6 million, net of deferred tax recognised in FY16 and the effect of the change in tax rates on immovable property that resulted in the recognition of income of €132,000 in FY15.

6.3.2.3 Summary Consolidated Statement of Financial Position

Consolidated Statement of Financial Position	31-Oct-14	31-Oct-15	31-Oct-16
	€'000	€'000	€'000
ASSETS			
Property, plant & equipment	10,186	10,878	15,931
Investment property	1,868	1,825	701
Trade and other receivables	503	477	452
Loans and advances	1,974	1,974	2,146
Other non-current assets	254	19	1
Total non-current assets	14,785	15,173	19,230
Inventories	10,262	14,515	15,647
Trade and other receivables	4,227	4,432	4,379
Other current assets	1,537	709	922
Total current assets	16,026	19,656	20,949
Non-current assets classified as held for sale	1,916	243	258
Total assets	32,727	35,072	40,437
EQUITY & LIABILITIES			
EQUITY			
Share capital	47	47	47
Reserves	5,997	6,210	7,276
Non-controlling interests	17,108	17,703	20,733
Total equity	23,151	23,960	28,055
LIABILITIES			
Borrowings	2,345	1,884	2,618
Other non-current liabilities	790	659	1,165
Total non-current liabilities	3,136	2,543	3,783
Borrowings	3,312	5,562	5,183
Trade and other payables	3,021	2,920	3,122
Other current liabilities	107	88	293
Total current liabilities	6,440	8,569	8,598
Total liabilities	9,576	11,112	12,381
Total equity & liabilities	32,727	35,072	40,437

The Group's consolidated statement of financial position as at 31 October 2016 indicated total assets of €40.4 million, an increase of €7.7 million (23.5%) on the position reported at 31 October 2014. This reflects an increase in the value of the Group's hotel property in Sliema revalued by €4.6 million at 31 October 2016. As a result, the carrying amount of property, plant and equipment increased from €10.1 million at 31 October 2014 to €15.9 million at 31 October 2016.

Other significant assets held by the Group include inventories, which increased from €10.3 million at 31 October 2014 to €15.6 million at 31 October 2016. This reflects an increase in production levels in 2015 and 2016 that resulted in higher inventory levels, which the Group plans to release gradually over the next few years in line with its planned international retail expansion.

The book value of the Group's equity increased by €4.9 million (+21%) to €28.1 million as at 31 October 2016. The Group has distributed total dividends of €1 million between FY14 and FY16, which is equivalent to 15% of the total comprehensive income recognised in the period.

The Group's total liabilities increased by €2.8 million (+29%) from €9.6 million at 31 October 2014 to €12.4 million at 31 October 2016. This movement primarily reflects an increase in the level of borrowings, which increased from €5.6 million in FY14 to €7.8 million in FY16, reflecting the bank facilities drawn down to finance the Group's capital investments in the period.

The statement of financial position presented in the above analysis reflects non-controlling interests relating to the shares held by current shareholders who did not have ownership and control of the Group's equity capital at 31 October 2016. The shareholding restructuring implemented during the current financial year has no effect on the economic interests being consolidated in the Group's financial statements, with the only adjustment relating to the transfer of non-controlling interests (balance of €20.8m as at 31 October 2016) to equity reserves. The effect of this adjustment is reflected in the Group's interim unaudited consolidated statement of financial position at 30 April 2017 as presented in sub-section 6.3.3 below.

6.3.2.4 Summary Consolidated Cash Flow Statement

Consolidated Cash Flow Statement	FY14	FY15	FY16	Total FY14-FY16
	€'000	€'000	€'000	€'000
Cash flows from operating activities				
Cash generated from operations	2,967	(3,153)	2,005	1,820
Investment income	315	405	46	766
Net interest payments	(167)	(182)	(230)	(579)
Income tax refund/(paid)	(18)	(156)	79	(96)
Net cash generated from/(used in) operating activities	3,097	(3,086)	1,900	1,911
Cash flows from investing activities				
Purchase of property, plant and equipment	(905)	(1,354)	(2,269)	(4,528)
Purchase of other assets	(239)	-	(1)	(240)
Proceeds from disposal of available-for-sale investments	599	1,578	1,162	3,339
Proceeds from disposal of other assets	-	238	81	319
Loans granted to associate undertaking	-	-	(172)	(172)
Net cash flows (used in)/from investing activities	(545)	462	(1,199)	(1,282)
Cash flows from financing activities				
Proceeds from current and non-current borrowings	13	-	1,624	1,637
Payments of current and non-current borrowings	-	(468)	(786)	(1,254)
Dividends paid	(205)	(181)	(611)	(997)
Net cash (used in)/from financing activities	(192)	(649)	227	(614)
Net cash movement in the period	2,360	(3,273)	928	15
Beginning of Year Cash and Cash equivalents	(4,014)	(1,635)	(4,854)	
Effects of currency translation on cash and cash equivalents	19	53	(99)	
End of Year Cash and Cash equivalents	(1,635)	(4,854)	(4,024)	

The Group's consolidated cash flow statements indicate that cash generated from operating activities during the period FY14 to FY16 amounted to €1.9 million. Cash generated from operations of €1.8 million mainly comprised EBITDA from operations of €4.4 million and reinvestment in working capital (net cash outflow) of €2.5 million. In addition, the Group generated investment income of €0.8m which includes net gains from the disposal of available-for-sale financial assets, as well as dividends received. Net interest payments amounted to a total of €0.6 million.

The net cash outflows used in investing activities of €1.3 million in FY14-FY16 primarily related to the investment in the Group's capital projects of €4.5 million which was funded through the proceeds from disposal of part of the Group's available-for-sale investments (net inflow of €3.4 million).

The Group has repaid €1.3 million of its borrowings and distributed dividends of €1 million to its shareholders.

The Group carried a net overdraft position of €4 million as at 31 October 2016, comprising a cash balance of €0.9 million and a bank overdraft balance of €4.9 million.

6.3.3 Guarantor's interim financial results

The interim unaudited financial results of the Guarantor for the six months ended 30 April 2016 and 30 April 2017 are set out below:

Extracts from the unaudited interim consolidated financial information of the Guarantor:

Guarantor's Consolidated Income Statement for the six months ended	30-Apr-16	30-Apr-17
	€'000	€'000
Revenue	10,820	9,808
Cost of sales	(7,257)	(6,478)
Gross Profit	3,563	3,330
Administrative expenses	(1,140)	(1,634)
Selling expenses	(1,698)	(1,893)
Other operating income/(expenses)	24	(30)
EBITDA	749	(227)
Depreciation and amortisation	(347)	(368)
Operating Profit	402	(594)
Investment and other related income	(2)	(0)
Finance costs (net of finance income)	(99)	(69)
Share of profit/(loss) from joint venture	-	-
Profit before tax	301	(664)
Tax (expense)/income	(23)	1,497
Profit for the period	278	833

The Group's revenue during the first six months to 30 April 2017 amounted to €9.8 million, a decrease of 9% over the comparative period in 2016.

The Group reported a negative EBITDA of €0.2 million for the six months to 30 April 2017. The results for the period are affected by the significant write-off of a bad debt of €0.6 million, which in view of its magnitude is of a non-recurring nature. If adjusted for this non-recurring item, interim EBITDA results for the period to 30 April 2017 would amount to €0.4 million compared to the EBITDA of €0.7 million in the comparative six-month period to 30 April 2016. This reduction in performance compared to the same period last year is principally the result of slower trading in the garment segment and a slight deterioration in the results of the hospitality segment. The Group expects increased trading activity in the garment and retail segment and further improvement in gross profit margins for the rest of the financial year 2017.

Reported in the Group's profit after tax in the first six months of 2017 is tax income receivable in the form of a cash grant amounting to €1.5 million. This related mainly to the conversion of investment tax credits available to the Group into cash grants in terms of the Business Promotion Act (Chapter 325 of the laws of Malta). The Group will receive the cash grant in instalments between 2017 and 2019.

Guarantor's Consolidated Cash Flow Statement for the six months ended	30-Apr-16	30-Apr-17
	€'000	€'000
Cash flows from operating activities		
Cash generated from operations	661	536
Investment gain/(loss)	(2)	(0)
Net interest payments	(99)	(69)
Income tax refund	8	8
Net cash generated from operating activities	569	475
Cash flows from investing activities		
Purchase of property, plant and equipment	(389)	(560)
Proceeds from disposal of other assets	15	-
Loans granted to related parties	(26)	-
Net cash flows used in investing activities	(400)	(561)
Cash flows from financing activities		
Proceeds from current and non-current borrowings	917	1,624
Payments of current and non-current borrowings	(66)	(1,371)
Net cash from financing activities	851	253
Net cash movement in the period	1,020	167
Cash and Cash equivalents at beginning of interim period	(4,854)	(4,024)
Effects of currency translation on cash and cash equivalents	(113)	(56)
Cash and Cash equivalents at end of interim period	(3,948)	(3,913)

Net cash flows generated from operating activities are slightly lower in the first six months to 30 April 2017 when compared to the same period to 30 April 2016, which reflects the reduction in trading activity. The Group has invested in further property, plant and equipment in the first six months of 2017 as it maintains its investment in capital projects. In terms of financing activities in the period to 30 April 2016 (net cash inflow of €0.8 million), the Group had drawn down more bank borrowings than it made repayments when compared to the same period up to 30 April 2017 (net cash inflow of €0.25 million).

The Group carried a net overdraft position of €3.9 million as at 30 April 2017, comprising a cash balance of €1.1 million and a bank overdraft balance of €5 million.

Guarantor's Consolidated Statement of Financial Position as at	31-Oct-16	30-Apr-17
	€'000	€'000
ASSETS		
Property, plant & equipment	15,931	16,124
Investment property	701	693
Trade and other receivables	452	439
Loans and advances	2,146	2,146
Other non-current assets	1	500
Total non-current assets	19,230	19,902
Inventories	15,647	15,589
Trade and other receivables	4,379	4,401
Other current assets	922	2,152
Total current assets	20,949	22,143
Non-current assets classified as held for sale	258	255
Total assets	40,437	42,300
EQUITY & LIABILITIES		
EQUITY		
Share capital	47	47
Reserves	7,276	7,374
Retained earnings	-	21,409
Non-controlling interests	20,733	-
Total equity	28,055	28,830
LIABILITIES		
Borrowings	2,618	2,952
Other non-current liabilities	1,165	1,165
Total non-current liabilities	3,783	4,117
Borrowings	5,183	5,223
Trade and other payables	3,122	4,082
Other current liabilities	293	49
Total current liabilities	8,598	9,354
Total liabilities	12,381	13,471
Total equity & liabilities	40,437	42,300

As presented in sub-section 6.3.2.3, the main change to the financial position of the Group as at 30 April 2017 from the position as at 31 October 2016 related to the reflection of the shareholding restructuring implemented during the current financial year as noted. As a result, the balance previously relating to non-controlling interests (€20.8 million as at 31 October 2016) was transferred to retained earnings as at 30 April 2017 with a balance of €21.4 million.

Another change also included in the financial position as at 30 April 2017 is the tax income receivable by the Group in the form of a cash grant amounting to €1.5 million. This receivable is included in the Statement of Financial Position at 30 April 2017 split between other non-current assets (€0.5 million) and in other current assets (€1 million).

6.3.4 Capital resources

The following table sets out the capitalisation and indebtedness of the Group in the past three financial years ended 31 October 2014 to 31 October 2016 and as at 30 April 2017:

Capitalisation and indebtedness of the Group:

Statement of Group's Indebtedness	31-Oct-14	31-Oct-15	31-Oct-16	30-Apr-17
	€'000	€'000	€'000	€'000
Bank Loans	1,848	1,690	2,601	3,133
Bank Overdraft	3,149	5,405	4,922	5,042
Total Borrowings	4,997	7,095	7,523	8,175
Cash and Cash Equivalents	(1,514)	(551)	(898)	(1,130)
Net Debt	3,483	6,544	6,625	7,045
Total Equity	23,151	23,960	28,055	28,830
Total Funding	26,634	30,504	34,680	35,875
Financial Gearing (Net Debt: Total Funding)	13.1%	21.5%	19.1%	19.6%

The table above illustrates the capital indebtedness of the Group in the past three financial years. As at 31 October 2016, the Group reported net debt (which refers to the Group's total borrowings net of cash balances) of €6.6 million, which equates to a financial gearing level (worked out as net debt as a percentage of total funding) of 19.1%. The analysis indicates that in line with the increase in the overall level of borrowings, the Group's financial gearing has stepped up from 13.1% at 31 October 2014 to 19.7% at 30 April 2017.

7 MANAGEMENT AND ADMINISTRATION

7.1 The Issuer

7.1.1 The Board of Directors

The Memorandum of Association of the Issuer provides that the business and affairs of the Issuer shall be managed and administered by a Board of Directors to be composed of not less than 4 and not more than 8 Directors, who are appointed by the shareholders.

Directors of the Issuer are appointed by means of an ordinary resolution in general meeting. Accordingly, the Guarantor is empowered to appoint the Directors of the Issuer, thereby putting it in a position to appoint an absolute majority of the Directors of the Issuer and, accordingly, have control over the management and operations of the Issuer.

The Issuer is currently managed by a Board of 6 Directors, who are responsible for the overall direction and management of the Company. The Board currently consists of 3 executive Directors, who are entrusted with the company's day-to-day management, and 3 non-executive Directors, 2 of whom are also independent of the Issuer, whose main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors. In line with generally accepted principles of sound corporate governance, at least 1 of the Directors shall be a person independent of the Group. All of the Directors of the Issuer were elected by the shareholders upon the Issuer's incorporation and no Directors have been removed and no further Directors elected and appointed since the Issuer's inception.

As at the date of the Prospectus, the Board of the Issuer is composed of the individuals listed in sub-section 4.1 of this Registration Document.

None of the Directors have been:

- a) convicted in relation to fraud or fraudulent conduct in the last 5 years;
- b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;

- c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- d) disqualified by a court from acting as director or manager in the last 5 years.

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

7.1.2 Directors' service contracts

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

7.1.3 Conflict of interest

In addition to being directors of the Issuer, Mr Peter Borg, Ms Karen Bugeja and Ms Christine Demicoli are also directors of the Guarantor and of various other Group companies. Mr David Debono is a non-executive director of both the Issuer and the Guarantor.

Ms Alexandra Borg and Mr Sam Borg (apart from being directors of the Guarantor) are also directors of various other Group companies.

Additionally, Mr Peter Borg and Ms Karen Bugeja are the ultimate beneficial owners of 50% each of the Group.

In light of the foregoing, such directors are susceptible to conflicts between the potentially diverging interests of the Issuer and the Guarantor, as the case may be, and any of such other companies in transactions entered into, or proposed to be entered into, between them. The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the directors are handled in the best interest of the Issuer and according to law. The fact that the Audit Committee is constituted in its majority by independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis.

Additionally, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer, the Guarantor and all other entities comprising the Group on a quarterly basis. To this effect, the Issuer, the Guarantor and all other entities comprising the Group are to submit to the Audit Committee bi-annual accounts, as well as at least quarterly comparisons of actuals against projections.

To the extent known or potentially known to the Issuer and the Guarantor, as at the date of this Registration Document, other than the information contained and disclosed herein, there are no other conflicts of interest between any duties of the directors of the Issuer and the Guarantor and their private interests and/or their duties which require disclosure in terms of the Regulation.

7.1.4 Loans to Directors

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

7.1.5 Removal of Directors

In terms of the Issuer's Articles of Association, the first Directors of the Issuer shall serve until the end of the first annual general meeting during which the new directors shall be appointed. Thereafter, all other directors shall hold office from the general meeting at which they are elected until the end of the next annual general meeting. All retiring directors shall be eligible for re-election. The Directors of the Issuer currently in office are expected to remain in office at least until the next Annual General Meeting of the Issuer.

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

7.1.6 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business and do all such things which are not by the Articles expressly reserved for the shareholders in general meeting.

Specifically, the Directors are vested with the management of the Issuer and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and, in this respect, have the authority to enter into contracts, sue and be sued in representation of the Issuer.

Directors may not vote on any contract, arrangement or investment in which they have a personal material interest, whether direct or indirect.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and to hypothecate or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligations of the Issuer or of any third party as it thinks fit, subject to the limit established in the Articles of Association and the overriding authority of the shareholders in general meeting to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

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

7.1.7 Aggregate emoluments of the Issuer's Directors

Pursuant to the Issuer's Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are approved by the shareholders in general meeting.

The remuneration of Directors shall be deemed to accrue from day to day. The Directors may also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Issuer or in connection with the business of the Issuer.

For the financial year ending on 31 October 2018 it is expected that the Issuer will pay an aggregate of €24,000 to its Directors.

7.1.8 Non-executive Directors

The non-executive Directors' main functions are to monitor the operations of the executive Directors and their performance, as well as to review any investment opportunities that are proposed by the executive Directors. All proposed acquisitions are brought to the Board of Directors for approval.

7.1.9 Employees

The Issuer does not have any employees of its own and is, therefore, reliant on the resources which are made available to it by other Group entities. As at the date of this Registration Document, the Group has a total of 640 employees.

7.1.10 Working capital

As at the date of this Registration Document, the directors of both the Issuer and of the Guarantor are of the opinion that working capital available to the Issuer and the Guarantor, respectively, is sufficient for the attainment of their objects and the carrying out of their respective business for the next twelve (12) months of operations.

7.2 The Guarantor

7.2.1 The board of directors of the Guarantor

The Memorandum of Association of the Guarantor provides that the board of directors shall be composed of not less than 3 and not more than 8 directors. As at the date of the Prospectus, the board of directors of the Guarantor is composed of 6 directors as listed in sub-section 4.2 of this Registration Document.

7.2.2 Directors' service contracts

None of the directors of the Guarantor have a definitive service contract with the company.

7.2.3 Removal of the Guarantor's directors

A director may, unless he resigns, be removed by an ordinary resolution of the shareholders as provided by Article 140 of the Act. The directors of the Guarantor currently in office are expected to remain in office at least until the next Annual General Meeting of the company.

7.2.4 Loans to directors

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

7.2.5 Aggregate emoluments of the Guarantor's directors

Pursuant to the Guarantor's Articles of Association, the maximum annual aggregate emoluments that may be paid to the directors of the company are approved by the shareholders in general meeting.

Such remuneration shall be deemed to accrue from day to day. The directors may also be paid for all traveling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the company or in connection with the business of the company.

For the financial year ending on 31 October 2018 it is expected that the Guarantor will not pay any emoluments to its directors strictly in relation to their role of directors of the Guarantor entity.

8 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

8.1 Major shareholders of the Issuer

The Issuer has an authorised and issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

Name of shareholder	Number of shares held
Bortex Group Holdings Company Limited (C 4863) (the Guarantor)	249,998 ordinary shares of €1 each
Mr Peter Borg	1 ordinary share of €1
Ms Karen Bugeja	1 ordinary share of €1

To the best of the Issuer's knowledge there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the "**Code**") with a view to ensuring that the relationship with its major shareholders is retained at arm's length, including adherence to rules on related party transactions requiring the sanction of the Audit Committee, which is constituted in its majority by independent, non-executive Directors, of which one, in the person of Mr Joseph Cachia, also acts as Chair. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of two independent, non-executive Directors, effectively minimises the possibility of any abuse of control by any major shareholder.

8.2 Major shareholders of the Guarantor

The authorised share capital of the Guarantor is €46,587.46 divided into 20,000 ordinary shares having a nominal value of €2.329373 each. The issued share capital of the Guarantor is €46,587.46 divided into 20,000 ordinary shares having a nominal value of €2.329373 each. The issued share capital has been subscribed to and fully paid up, as follows:

Name of shareholder	Number of shares held
Mr Peter Borg	5,100 ordinary shares of €2.329373 each
Ms Karen Bugeja	5,100 ordinary shares of €2.329373 each
P.Borg Company Ltd (C 13314)	4,900 ordinary shares of €2.329373 each
K.Borg Company Limited (C 13315)	4,900 ordinary shares of €2.329373 each

The Issuer and the Guarantor are, therefore, ultimately owned as to 50% by Mr Peter Borg and as to 50% by Ms Karen Bugeja.

8.3 Related party transactions concerning the Guarantor

The Issuer adopts measures in line with the Code with a view to ensuring that the relationship with its major shareholder is retained at arm's length, including adherence to rules on related party transactions requiring the sanction of the Issuer's Audit Committee, which is constituted in its majority by independent, non-executive Directors, of which one, in the person of Mr Joseph Cachia, also acts as Chairman. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer.

More specifically, the Guarantor regularly enters into trading transactions with fellow subsidiaries within the Group in its normal course of business. Trading transactions between these companies include items which are normally encountered in a group context and include rental charges, management fees, recharging of expenses and financing charges. These transactions will be subject to regular scrutiny of the Audit Committee of the Issuer, which will be provided with all relative material contracts for their review, to ensure that they are made on an arm's length basis and that there is no abuse of power by the Issuer or the Guarantor in the context of related party transactions. In this regard, the Audit Committee of the Issuer will meet as and when necessary for the purpose of discussing any transactions or circumstances which may potentially give rise to such conflict or abuse.

As from the date of registration of the Issuer to the date of this Registration Document, the Issuer has not entered into any transactions which in terms of the Listing Rules would constitute related party transactions.

9 BOARD COMMITTEES

9.1 Audit Committee of the Issuer

The terms of reference of the Audit Committee of the Issuer consist of inter alia its support to the Board in its responsibilities in dealing with issues of risk, control and governance, and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit, as well as the basis for the processes that it is required to comply with. The Audit Committee, which meets at least once every three months, is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserved the right to change the Committee's terms of reference from time to time.

Briefly, the Audit Committee is expected to deal with and advise the Board on:

- a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- b) maintaining communications on such matters between the Board, management and the independent auditors;
- c) facilitating the independence of the external audit process and addressing issues arising from the audit process; and
- d) preserving the company's assets by understanding the company's risk environment and determining how to deal with those risks.

Additionally, the Audit Committee has the role and function of considering and evaluating the arm's length nature of any proposed transaction to be entered into by the Issuer and a related party, given the role and position of the Issuer within the Group, to ensure that the execution of any such transaction is, indeed, at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer. In this regard, the Audit Committee of the Issuer has the task of ensuring that any potential abuse which may arise in consequence of the foregoing state of affairs is immediately identified and resolved.

For this purpose, as stated in sub-section 7.1.3 above, the Audit Committee has, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer, the Guarantor and all other entities comprising the Group on a quarterly basis.

All of the Directors sitting on the Audit Committee are non-executives and a majority of said Directors are also of an independent capacity. The Audit Committee is presently composed of Mr Emanuel Ellul, Mr Joseph Cachia and Mr David Debono, all three members being non-executive Directors and Mr Emanuel Ellul and Mr Joseph Cachia also being independent of the Issuer. The Audit Committee is chaired by Mr Joseph Cachia, whilst Mr Emanuel Ellul and Mr David Debono act as members. In compliance with the Listing Rules, Mr Joseph Cachia is the independent, non-executive Director who is competent in accounting and/or auditing matters. In his capacity as Chairman of the Audit Committee, Mr Joseph Cachia holds meetings with the executive Directors as necessary to review the Issuer's accounts and operations. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The CVs of the said Directors may be found in sub-section 4.1 above.

10 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

10.1 The Issuer

The Issuer complies with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the "Code"), with the exceptions mentioned below, and is confident that the adoption of the Code shall result in positive effects accruing to it.

The Board of Directors sets the strategy and direction of the Issuer and retains direct responsibility for appraising and monitoring the Issuer's financial statements and annual report. The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer's compliance with its continuing listing obligations.

As required by the Act and the Listing Rules, the Issuer's financial statements are to be subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors will have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company's financial statements are approved. Moreover, in ensuring compliance with other statutory requirements and with continuing listing obligations, the Board is advised directly, as appropriate, by its appointed broker, legal advisers and the external auditors. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

As at the date hereof, the Board considers the Issuer to be in compliance with the Code save for the following exceptions:

Principle 8: The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committees. Given that the Issuer does not have any employees other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the company's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

10.2 The Guarantor

The Guarantor is a private company and, accordingly, is not bound by the provisions of the Code set out in the Listing Rules. While the Guarantor is not required to adopt the provisions of the Code, the Audit Committee of the Issuer has been specifically tasked with keeping a watching brief over the financial performance of the Guarantor and other Group subsidiaries, as well as ensuring that rules regarding related party transactions carried out with the Guarantor are adhered to at all times, as set out in sub-section 7.1.3 above.

11 HISTORICAL FINANCIAL INFORMATION

The Issuer was set up on 30 August 2017 and since incorporation to the date of this Registration Document no financial statements have been prepared. There has not been any significant change in the financial or trading position of the Issuer which has occurred since the Company's date of incorporation.

The Guarantor's historical financial information for the three financial years ended 31 October 2014, 2015 and 2016, as audited by PricewaterhouseCoopers, is set out in the audited consolidated financial statements of the Guarantor. Such audited consolidated financial statements are available for inspection as set out in section 17 below.

There were no significant changes to the financial or trading position of the Guarantor or the Group since the end of the financial period to which the Guarantor's afore-mentioned last audited consolidated 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 potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

12 LITIGATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantor is aware) during the period covering twelve months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

13 ADDITIONAL INFORMATION

13.1 Share capital of the Issuer

The Issuer has, as at the date hereof, an authorised and issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up. The Guarantor holds 249,998 ordinary shares of €1 each, Mr Peter Borg holds 1 ordinary share of €1 and Ms Karen Bugeja holds 1 ordinary share of €1.

There are no classes of shares and each share confers the right to 1 vote at general meetings of the Company. All ordinary shares rank *pari passu* in all respects.

In terms of the Issuer's Memorandum and Articles of Association, no issue of shares in the Issuer shall take place where such issue would dilute a substantial interest of the shareholders of the Issuer without prior approval of the shareholders in general meeting.

The shares of the Issuer are not listed on the Exchange. Application has not been filed for the shares of the Issuer to be quoted on the Official List of the Exchange. There is no capital of the Issuer which has been issued to the public during the two years immediately preceding the publication of the Prospectus.

It is not expected that shares in the Issuer shall be issued during the current financial year, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer which 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.

13.2 Memorandum and Articles of Association of the Issuer

Objects

The Memorandum and Articles of Association of the Issuer are registered with the Registry of Companies, Malta. The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. The issue of bonds falls within the objects of the Issuer. Clause 4 of the Memorandum of Association contains the full list of objects of the Issuer.

The Memorandum and Articles of Association of the Issuer otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors.

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out in section 17 of this Registration Document and at the Registry of Companies of the MFSA during the lifetime of the Company.

Voting rights and restrictions

The holders of shares in the Issuer are entitled to vote at meetings of the shareholders of the Issuer on the basis of one (1) vote for each share held.

13.3 Share capital of the Guarantor

The Guarantor has, as at the date hereof, an authorised and issued share capital of €46,587.46 divided into (i) 5,100 ordinary shares of €2.329373 each, fully paid up and held by Mr Peter Borg, (ii) 5,100 ordinary shares of €2.329373 each, fully paid up and held by Ms Karen Bugeja, (iii) 4,900 ordinary shares of €2.329373 each, fully paid up and held by P.Borg Company Ltd (C 13314) and (iv) 4,900 ordinary shares of €2.329373 each, fully paid up and held by K.Borg Company Limited (C 13315).

The shares of the Guarantor are not listed on the Exchange. Application has not been filed for the shares of the Guarantor to be quoted on the Official List of the Exchange.

It is not expected that shares in the Guarantor shall be issued during the upcoming financial year, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Guarantor which is currently under option which could result in a change in control of the company, nor is there any agreement by which any part of the capital of the Guarantor is to be put under such option.

13.4 Memorandum and Articles of Association of the Guarantor

The principal object of the Guarantor is to purchase, acquire, hold and deal in any shares, debentures, stocks, bonds or other securities issued by any company or association, solely for and on behalf of the company.

The Guarantor is also empowered in terms of its Memorandum and Articles of Association to secure or guarantee the payment of any sums of money or the performance of any obligation by any company, firm or person, including any parent, subsidiary, related company or joint venture, in such manner as may be necessary for carrying out the company's objects or any of them, even by the hypothecation of the Guarantor's property, whether present or future.

The Memorandum and Articles of Association of the Guarantor otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of directors. A copy of the Memorandum and Articles of Association of the Guarantor may be inspected during the lifetime of the Prospectus at the registered office of the Issuer during office hours and at the Registry of Companies during the lifetime of the company.

Voting rights and restrictions

Unless otherwise provided in the terms of the issue, the holders of shares in the Guarantor are entitled to vote at meetings of the shareholders of the Guarantor on the basis of one (1) vote for each share held.

Appointment of directors

In terms of Article 139(4) of the Act, a director shall be appointed by ordinary resolution of the company in general meeting.

Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two (2) years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Guarantor or any of its subsidiaries, including the Issuer.

14 MATERIAL CONTRACTS

The Issuer, the Guarantor and/or other Group entities have not entered into any material contracts which are not in the ordinary course of their respective businesses which could result in either the Issuer or Guarantor or any member of the Group being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet their obligations to security holders in respect of the Bonds, as such securities are issued pursuant to, and described in, the Securities Note.

15 PROPERTY VALUATION REPORTS

In connection with the issue of the Bonds in accordance with the terms of the Prospectus, the Issuer commissioned DeMicoli & Associates Architects to issue property valuation reports in relation to the properties listed below owned by the Group and referred to in sub-section 5.2.2 of this Registration Document:

- i. Hotel 1926 (formerly the Plevna Hotel), including the beach club, situated in Sliema, Malta;
- ii. Bortex Retail Outlet situated in Mosta, Malta; and
- iii. Bortex Retail Outlet situated in Mriehel, Malta.

The following are the details of said independent valuer:

Name:	DeMicoli & Associates Architects
Business address:	Capital Business Centre, Entrance A, Level 2, Triq taz-Zwejt, San Gwann SGN 3000, Malta

Listing Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of publication of the prospectus in question. Accordingly, the property valuation reports referred to herein are dated 18 September 2017.

A copy of said reports dated 18 September 2017 compiled by DeMicoli & Associates Architects in respect of the above-listed properties owned by the Group, the aggregate value of which has been estimated at circa €12.2 million, are available for inspection as set out in section 17 of this Registration Document.

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

Save for the Financial Analysis Summary and the architects' property valuation reports referred to in section 15 above, the Prospectus does not contain any statement or report attributed to any person as an expert.

The Financial Analysis Summary dated 30 October 2017 has been included in Annex C of the Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

The architects' property valuation reports dated 18 September 2017 have been included in Annex E of the Securities Note in the form and context in which they appear with the authorisation of DeMicoli & Associates Architects of Capital Business Centre, Entrance A, Level 2, Triq taz-Zwejt, San Gwann SGN 3000, Malta which has given and has not withdrawn its consent to the inclusion of said reports herein.

Neither of the foregoing experts have any beneficial interest in the Issuer or the Guarantor. The Issuer confirms that the Financial Analysis Summary and the architects' property valuation reports have been accurately reproduced in the Prospectus and that there are no facts of which the Issuer or the Guarantor is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

17 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at 32, Hughes Hallet Street, Sliema SLM 3142, Malta during the term of the Bonds during office hours:

- i. the Memorandum and Articles of Association of the Issuer;
- ii. the Memorandum and Articles of Association of the Guarantor;
- iii. the audited consolidated financial statements of the Guarantor for the financial years ended 31 October 2014, 2015 and 2016;
- iv. the interim unaudited financial results of the Guarantor for the six months ended 30 April 2016 and 30 April 2017;
- v. the original Guarantee given by the Guarantor in respect of the Bonds, as set out in Annex A of the Securities Note;
- vi. the independent architects' property valuation reports dated 18 September 2017;
- vii. the Financial Analysis Summary dated 30 October 2017 reproduced in Annex C of the Securities Note; and
- viii. the letter of confirmation drawn up by PricewaterhouseCoopers dated 30 October 2017.

The documents listed in (i) to (iv) above are also available for inspection in electronic form on the Issuer's website www.bortexgroup Holdings.com

SECURITIES NOTE

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Bortex Group 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. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

Dated 30 October 2017

In respect of an issue of €12,750,000 3.75% Unsecured Bonds 2027
of a nominal value of €100 per Bond issued at par by

BORTEX GROUP FINANCE PLC

a public limited liability company registered in Malta with registration number C 82346

Guaranteed by

BORTEX GROUP HOLDINGS COMPANY LIMITED

a private limited liability company registered in Malta with registration number C 4863

ISIN: MT0001641209

Prospective investors are to refer to the Guarantee contained in Annex A of this Securities Note for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled “*Risk Factors*” contained in the Summary Note, the Registration Document and this Securities Note for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by Bortex Group Holdings Company Limited.

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

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

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

APPROVED BY THE DIRECTORS OF THE ISSUER



Peter Borg



Karen Bugeja



Peter Borg & Karen Bugeja for and on behalf of:
Christine Demicoli, David Debono, Emanuel Ellul & Joseph Cachia

Legal Advisers

MAEMPELS



Sponsor, Manager & Registrar



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IMPORTANT INFORMATION

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 30 OCTOBER 2017 AND CONTAINS INFORMATION ABOUT BORTOX GROUP FINANCE PLC IN ITS CAPACITY AS ISSUER, BORTOX GROUP HOLDINGS COMPANY LIMITED IN ITS CAPACITY AS GUARANTOR AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE COMPANIES ACT AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS, AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013, COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014 AND COMMISSION DELEGATED REGULATION (EU) NO. 2016/301 OF 30 NOVEMBER 2015, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE ISSUER OF €12,750,000 UNSECURED BONDS 2027 OF A NOMINAL VALUE OF €100 EACH. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 3.75% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 1 DECEMBER OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 1 DECEMBER 2018. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 1 DECEMBER 2027. THE BOND ISSUE IS GUARANTEED BY BORTOX GROUP HOLDINGS COMPANY LIMITED.

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 SECURITIES OF THE ISSUER OTHER THAN THOSE CONTAINED IN THIS SECURITIES NOTE 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 ADVISERS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR AND MAKES NO REPRESENTATIONS AS TO THE CONTENTS, ACCURACY OR COMPLETENESS OF THE PROSPECTUS 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 SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS OF 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 LEGAL ADVISERS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISERS AS

TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE 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 THE 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 (THE “**PROSPECTUS DIRECTIVE**”) OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

THE BONDS HAVE NOT BEEN, NOR WILL THEY BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, ITS TERRITORIES OR POSSESSIONS, OR ANY AREA SUBJECT TO ITS JURISDICTION (THE “**U.S.**”) OR TO OR FOR THE BENEFIT OF, DIRECTLY OR INDIRECTLY, ANY U.S. PERSON (AS DEFINED IN REGULATION “S” OF THE SAID ACT). FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THE PROSPECTUS HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, TO 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 COMPANIES ACT.

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

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER’S OR GUARANTOR’S WEBSITES OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S OR GUARANTOR’S WEBSITES DO NOT FORM PART OF THE 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 ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY AUTHORISED INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.

ALL THE ADVISERS TO THE ISSUER AND GUARANTOR NAMED IN THE REGISTRATION DOCUMENT FORMING PART OF THE PROSPECTUS UNDER THE HEADING “*ADVISERS TO THE ISSUER AND GUARANTOR*” IN SUB-SECTION 4.3 THEREOF HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR 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 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. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1. DEFINITIONS

In this Securities Note the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

“Act” or “Companies Act”	the Companies Act, 1995 (Chapter 386 of the laws of Malta);
“Applicant/s”	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
“Application/s”	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Intermediaries (which include the Sponsor, Manager & Registrar) in accordance with the terms of this Securities Note;
“Application Form/s”	the form of application for subscription of Bonds, a specimen of which is contained in Annex B of this Securities Note;
“Authorised Intermediaries”	all the licensed stockbrokers and financial intermediaries listed in Annex D of this Securities Note;
“Bond/s”	the €12,750,000 unsecured bonds 2027 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 3.75% per annum. The Bonds are guaranteed by Bortex Group Holdings Company Limited;
“Bondholder”	a holder of Bonds;
“Bond Issue”	the issue of the Bonds;
“Bond 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;
“CET”	Central European Time;
“Company” or “Issuer”	Bortex Group Finance plc, a company registered under the laws of Malta with company registration number C 82346 and having its registered office at 32, Hughes Hallet Street, Sliema SLM 3142, Malta;
“CSD”	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
“Directors” or “Board”	the directors of the Issuer whose names are set out in sub-section 4.1 of the Registration Document forming part of the Prospectus;
“Euro” or “€”	the lawful currency of the Republic of Malta;
“Exchange” or “Malta Stock Exchange” or “MSE”	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 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;

“Financial Analysis Summary”	the financial analysis summary dated 30 October 2017 compiled by the Sponsor, Manager & Registrar in line with the applicable requirements of the Listing Authority policies and which is intended to summarise the key financial data set out in the Prospectus to the Issuer and the Guarantor, a copy of which is set out in Annex C of this Securities Note;
“Group” or “Bortex Group”	the Guarantor (parent company) and any subsidiary and associated company or entity, including the Issuer, in which the Guarantor has a controlling interest, as further described in sub-section 5.2 of the Registration Document forming part of the Prospectus, principally involved in the business of garment manufacturing, retail, real estate development and hospitality;
“Guarantee”	the suretyship of the Guarantor in terms of the guarantee contained in Annex A of this Securities Note and as described in Element B.18 of the Summary Note forming part of the Prospectus;
“Guarantor”	Bortex Group Holdings Company Limited, a company registered under the laws of Malta with company registration number C 4863 and having its registered office at ‘St. Therese’, Hughes Hallet Street, Sliema SLM 3142, Malta. Bortex Group Holdings Company Limited is the parent company of the Group;
“Interest Payment Date”	1 December of each year between and including each of the years 2018 and the year 2027, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
“Intermediaries’ Offer”	shall have the meaning set out in sub-section 6.2 of this Securities Note;
“Issue Date”	1 December 2017;
“Issue Period”	the period between 08:30 hours CET on 9 November 2017 and 12:00 hours CET on 30 November 2017 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
“Listing Authority”	the board of governors, acting as the Listing Authority under the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta);
“Listing Rules”	the listing rules issued by the Listing Authority, as may be amended from time to time;
“Malta Stock Exchange Bye-Laws”	the Malta Stock Exchange plc bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time;
“MFSA”	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Chapter 330 of the laws of Malta);
“Official List”	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
“Preferred Applicants”	shareholders, directors and employees of any company forming part of the Group as at the date of the Prospectus;
“Prospectus”	collectively the Summary Note, the Registration Document and this Securities Note, all dated 30 October 2017, 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 may be amended from time;

“Redemption Date”	1 December 2027;
“Redemption Value”	the nominal value of each Bond (€100 per Bond);
“Registration Document”	the registration document issued by the Issuer dated 30 October 2017, forming part of the Prospectus;
“Regulation”	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus; and Commission Delegated Regulation (EU) No. 2016/301 of 30 November 2015 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of the prospectus and dissemination of advertisements;
“Roosendaal Hotels Limited”	Roosendaal Hotels Limited, a company registered under the laws of Malta with company registration number C 3112 and having its registered office at ‘St. Therese’, Hughes Hallet Street, Sliema SLM 3142, Malta;
“Roosendaal Trading Limited”	Roosendaal Trading Limited, a company registered under the laws of Malta with company registration number C 4265 and having its registered office at A 12, Industrial Estate, Marsa MRS 3000, Malta;
“Securities Note”	this securities note in its entirety issued by the Issuer dated 30 October 2017, forming part of the Prospectus;
“Sponsor, Manager & Registrar”	Calamatta Cuschieri Investment Services Limited, a private limited liability company registered under the laws of Malta having its registered office at Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta and bearing company registration number C 13729. Calamatta Cuschieri Investment Services Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE;
“Summary Note”	the summary note issued by the Issuer dated 30 October 2017, forming part of the Prospectus; and
“Terms and Conditions”	the terms and conditions relating to the Bonds as contained in the Prospectus, particularly in section 8 of this Securities Note.

All references in the Prospectus to “Malta” are to the “Republic of Malta”.

Unless it appears otherwise from the context:

- a) words importing the singular shall include the plural and vice-versa;
- b) words importing the masculine gender shall include the feminine gender and vice-versa; and
- 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, INCLUDING THE BONDS, CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY, UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED OR CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE.

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTOR, THE SPONSOR, MANAGER & REGISTRAR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THIS SECURITIES NOTE OR ANY OTHER PART OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS OR ANY BONDS, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER.

ACCORDINGLY, PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward-looking statements

This Securities Note contains “forward-looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These statements by their nature involve a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer’s and Guarantor’s control, and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s and/or Guarantor’s directors. Such forecasts and projections do not bind the Issuer and/or the Guarantor with respect to future results and no assurance can be given that future results or expectations covered by such forward-looking statements will be achieved.

2.2 General

In so far as prospective investors seek advice from Authorised Intermediaries concerning an investment in the Bonds, Authorised Intermediaries are to determine the suitability of prospective investors’ investment in the Bonds in the light of said prospective investors’ own circumstances. The Bonds may not be a suitable investment for all investors. In particular, Authorised Intermediaries should determine whether each prospective investor:

- (i) 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;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his/her/its particular financial situation, an investment in the Bonds and the impact the Bonds will have on his/her/its overall investment portfolio;
- (iii) 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;
- (iv) understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.

2.3 Risks relating to the Bonds

An investment in the Bonds involves certain risks including, but not limited to, those described below:

- The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Bonds, including the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds and the level, direction and volatility of market interest rates, generally. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.
- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different.
- 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.
- The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under the said Bonds by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference with all other present and future unsecured obligations of the Issuer and the Guarantor. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer and the Guarantor. In view of the fact that the Bonds are being guaranteed by the Guarantor, Bondholders are entitled to request the Guarantor to pay both the interest due and the principal amount under the said Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor is directly linked to the financial position and solvency of the Guarantor. Furthermore, subject to the negative pledge clause set out in sub-section 6.6 of this Securities Note, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.
- Even after the Bonds are admitted to trading on the MSE, 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. Moreover, the Listing Authority 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 MSE. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.
- In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 6.17 of this Securities Note. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.
- The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules, the Companies Act and the Regulation in effect as at the date of the 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 the Prospectus.
- The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values. The valuation of property and property-related assets is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which valuations are carried out. Accordingly, there can be no assurance that the valuations of Group properties and property-related assets referred to in the Prospectus will reflect actual market values that could be achieved upon a sale, even where any such sale were to occur shortly after the valuation date. Actual values may be materially different from any future values that may be

expressed or implied by forward-looking statements set out in the relative valuation or anticipated on the basis of historical trends, as reality may not match the assumptions made.

3. PERSONS RESPONSIBLE

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, the Guarantor and the Bonds. Each and all of the Directors whose names appear in sub-section 4.1 of the Registration Document accept responsibility for all the information contained in the Prospectus.

To the best of the knowledge and belief of the directors of the Issuer and the Guarantor, who have taken all reasonable care to ensure that such is the case, the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The directors of the Issuer and the Guarantor hereby accept responsibility accordingly.

4. CONSENT FOR USE OF THE PROSPECTUS

Consent required in connection with use of the Prospectus during the Issue Period by Authorised Intermediaries:

For the purposes of any subscription for Bonds by Authorised Intermediaries during the Issue Period and any subsequent resale, placement or other offering of Bonds by Authorised Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of the Prospectus (and accepts responsibility for the information contained herein in accordance with the terms hereof) with respect to any such subsequent resale, placement or other offering of Bonds, provided this is limited only:

- a) in respect of Bonds subscribed for through Authorised Intermediaries during the Issue Period;
- b) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place in Malta; and
- c) to any resale, placement or other offering of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Prospectus.

All information on the Terms and Conditions of the Bonds which is offered to any prospective investor by Authorised Intermediaries is to be provided by such Authorised Intermediaries to the prospective investor prior to such investor subscribing to any Bonds. Any interested investor has the right to request that Authorised Intermediaries provide the investor with all and any information on the Prospectus, including the Terms and Conditions of the Bonds.

Neither the Issuer nor the Sponsor, Manager & Registrar have any responsibility for any of the actions of any Authorised 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, placement or other offering of Bonds.

Other than as set out above, neither the Issuer nor the Sponsor, Manager & Registrar have authorised (nor do they authorise or consent to the use of the 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 or the Sponsor, Manager & Registrar and neither the Issuer nor the Sponsor, Manager & Registrar have any responsibility or liability for the actions of any person making such offers.

Prospective investors should enquire whether an intermediary is considered to be an Authorised Intermediary in terms of the Prospectus. If the prospective investor is in doubt as to whether it can rely on the Prospectus and/or who is responsible for its contents, the investor should obtain legal advice in that regard.

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, such information and/or representation must not be relied upon as having been authorised by the Issuer or the Sponsor, Manager & Registrar. 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 Intermediary, said Authorised Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such is made.

Any resale, placement or offering of Bonds to an investor by an Authorised Intermediary will be made in accordance with any terms and other arrangements in place between such Authorised Intermediary and such investor, including price, allocations and settlement arrangements. Where such information is not contained in the Prospectus, it will be the responsibility of the relative Authorised Intermediary at the time of such resale, placement or other offering to provide the prospective investor with that information and neither the Issuer nor the Sponsor, Manager & Registrar have any responsibility or liability for such information.

Any Authorised Intermediary using the Prospectus in connection with a resale, placement or other offering of Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using the Prospectus for such resale or placement 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 Intermediaries unknown at the time of the approval of this Securities Note will be made available through a company announcement which will also be made available on the Issuer's website: www.bortexgroupholdings.com.

5. KEY INFORMATION

5.1 Reasons for the Issue and use of proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €12,400,000, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- a) an amount of €5,400,000 of the net Bond Issue proceeds shall be advanced, pursuant to a loan agreement, by the Issuer to Roosendaal Hotels Limited in connection with the refurbishment and extension of the Hotel 1926 and beach club development project in Sliema, Malta (detailed in sub-section 5.2.3 of the Registration Document);
- b) an amount of €800,000 of the net Bond Issue proceeds shall be advanced, pursuant to a loan agreement, by the Issuer to Roosendaal Trading Limited in connection with the redevelopment of the Group's existing retail outlet in Mosta, Malta, including the extension of existing retail areas and the addition of a catering establishment (detailed in sub-section 5.2.3 of the Registration Document);
- c) an amount of €2,000,000 of the net Bond Issue proceeds shall be advanced, pursuant to a loan agreement, by the Issuer to Roosendaal Trading Limited in connection with the development of a plot of land in Mriehel, Malta into a mixed-use complex with a Bortex outlet on the lower levels and office space on the upper levels (detailed in sub-section 5.2.3 of the Registration Document);
- d) an amount of €1,800,000 of the net Bond Issue proceeds shall be advanced, pursuant to loan agreements, by the Issuer to Group companies for the purpose of part-funding the opening of Gagliardi retail outlets in a number of overseas territories in line with the Group's international retail expansion strategy, particularly concerning the internationalisation of its own private Gagliardi label (detailed in sub-section 5.2.3 of the Registration Document);
- e) an amount of €1,400,000 of the net Bond Issue proceeds shall be used to carry into effect a repayment and refinancing of part of the Group's existing bank facilities taken out in connection with the financing of properties owned by the Group, thereby freeing the Group of part of its secured debts owed to third party institutions; and
- f) the remaining balance of the net Bond Issue proceeds in an amount of €1,000,000 shall be used for the Group's general corporate funding requirements in Malta, including operational costs.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified in this sub-section 5.1 which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

5.2 Estimated expenses and proceeds of the Issue

The Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with this Bond Issue. Such expenses are estimated not to exceed €350,000 and shall be borne by the Issuer. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to €12,400,000. There is no particular order of priority with respect to such expenses.

5.3 Issue statistics

“Amount”:	€12,750,000;
“Application Forms made available”:	1 November 2017;
“Bond Issue Price”:	at par (€100 per Bond);
“Closing date for Applications to be received”:	14 November 2017 at 12:00 hours CET in the case of Preferred Applicants and 30 November 2017 at 12:00 hours CET in the case of the Intermediaries' Offer;
“Denomination”:	Euro (€);
“Events of Default”:	the events listed in sub-section 6.14 of this Securities Note;
“Form”:	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;
“Governing law and jurisdiction”:	the Prospectus and the Bonds are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Bonds;
“Interest”:	the Bonds shall bear interest from and including 1 December 2017 at the rate of three point seven five per cent (3.75%) per annum payable annually in arrears on the Interest Payment Dates;
“Interest Payment Date”:	annually on the 1 December between and including each of the years 2018 and 2027, as from 1 December 2018 (the first interest payment date);
“Intermediaries' Offer”:	the Bonds shall form part of an Intermediaries' Offer as set out in sub-section 6.2 of this Securities Note. In the event that the aggregate of the subscription agreements received from Authorised Intermediaries in terms of the Intermediaries' Offer is in excess of the amount of Bonds available for subscription, the Issuer (acting through the Sponsor, Manager & Registrar) shall scale down each subscription agreement received from Authorised Intermediaries in accordance with the allocation policy to be issued in terms of sub-section 6.4 of this Securities Note;
“ISIN”:	MT0001641209;
“Issue”:	Bonds denominated in Euro having a nominal value of €100 each, which will be issued at par and shall bear interest at the rate of 3.75% per annum;

“Issue Period”:	the period between 08:30 hours CET on 9 November 2017 and 12:00 hours CET on 30 November 2017 (or such earlier date as may be determined by the Issuer) during which the Bonds are available for subscription;
“Listing”:	application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
“Minimum amount per subscription”:	two thousand Euro (€2,000) and multiples of one hundred Euro (€100) thereafter;
“Plan of distribution”:	the Bonds are open for subscription to Preferred Applicants and to Authorised Intermediaries pursuant to the Intermediaries’ Offer;
“Preferred Allocations”:	Preferred Applicants will be granted preference in their applications for Bonds up to an aggregate amount of five hundred thousand Euro (€500,000);
“Redemption Date”:	1 December 2027;
“Redemption Value”:	at par (€100 per Bond);
“Status of the Bonds”:	the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer and the Guarantor, present and future;
“Subscription”:	multiples of one hundred Euro (€100);
“Underwriting”:	the Bond Issue is not underwritten.

5.4 Interest of natural and legal persons involved in the Issue

Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor, Manager & Registrar) and any fees payable to Calamatta Cuschieri Investment Services Limited as Sponsor, Manager & Registrar in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has a material interest in the Bond Issue.

5.5 Expected timetable of principal events

1	Application Forms made available	1 November 2017
2	Preferred Applicants offer period	9 November 2017 (from 08:30 CET) - 14 November 2017 (by 12:00 CET)
3	Intermediaries’ Offer period	15 November 2017 (from 08:30 CET) - 30 November 2017 (by 12:00 CET)
4	Announcement of basis of acceptance	1 December 2017
5	Issue date of the Bonds	1 December 2017
6	Commencement of interest	1 December 2017
7	Expected date of admission of the Bonds to listing	4 December 2017
8	Expected dispatch of allotment advices and refunds (if any)	5 December 2017
9	Expected date of commencement of trading in the Bonds	5 December 2017

The Issuer reserves the right to close the offer of Bonds before 30 November 2017 at 12:00 CET in the event that the Bonds are fully subscribed prior to said date and time. In such eventuality the events set out in step 5 and in steps 7 to 9 above shall be brought forward, although the number of workings days between the respective events shall not also be altered.

6. INFORMATION CONCERNING 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 Bondholders 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.

6.1 General

- 6.1.1 Each Bond forms part of a duly authorised issue of 3.75% unsecured bonds 2027 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €12,750,000 (except as otherwise provided under sub-section 6.16 "*Further Issues*" below). The Issue Date of the Bonds is 1 December 2017. The Bonds are guaranteed by Bortex Group Holdings Company Limited.
- 6.1.2 The currency of the Bonds is Euro (€).
- 6.1.3 The Bonds shall bear interest at the rate of 3.75% per annum payable annually in arrears on 1 December of each year, the first interest payment falling on 1 December 2018. 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.
- 6.1.4 Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0001641209.
- 6.1.5 The Bonds are expected to be listed on the Official List on 4 December 2017 and dealing is expected to commence on 5 December 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.
- 6.1.6 All outstanding Bonds not previously purchased or cancelled shall be redeemed by the Issuer at par (together with accrued interest to the date fixed for redemption) on the Redemption Date.
- 6.1.7 Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated will be returned by the Sponsor, Manager & Registrar without interest by direct credit into the Applicant's bank account as indicated by the Applicant in the Application Form within five (5) Business Days from the date of final allocation. Neither the Issuer nor the Sponsor, Manager & Registrar will be responsible for any charges, loss or delays in transmission of the refunds. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.
- 6.1.8 There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital (as detailed in sub-section 6.12 below) and in accordance with the ranking specified in sub-section 6.5 of this Securities Note.
- 6.1.9 The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000, and in multiples of €100 thereafter.
- 6.1.10 Preferred Applicants may subscribe for Bonds by submitting an Application Form, which is to be completed and submitted to any of the Authorised Intermediaries (which include the Sponsor, Manager & Registrar), by not later than 12:00 hours CET on 14 November 2017. Subscription lists in relation to the Intermediaries' Offer will open at 08:30 hours CET on 15 November 2017. The Issue Period shall close on 30 November 2017 at 12:00 hours CET. The Issuer will determine and announce the allocation policy for the Bonds within five (5) Business Days of the closing of the Issue Period. The results of the offer, including the allocation policy, will be announced through a company announcement. It is expected that allotment letters will be dispatched to Bondholders within five (5) Business Days of the date of the announcement of the allocation policy.

6.1.11 The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act and the Regulation.

6.1.12 The Bond Issue is not underwritten. In the event that the Bond Issue is not fully subscribed the Issuer will proceed with the listing of the amount of Bonds subscribed for.

6.2 Intermediaries' Offer

The Issuer has reserved an aggregate amount of Bonds amounting to €500,000 for subscription by Preferred Applicants. The remaining balance of €12,250,000 of Bonds is being reserved for subscription by Authorised Intermediaries participating in the Intermediaries' Offer.

In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total amount of €12,250,000 (or a higher amount in the event that the aggregate amount of €500,000 reserved for the Preferred Applicants is not fully taken up, as set out in sub-section 6.3 immediately below) as aforesaid during the Intermediaries' Offer.

In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will bind itself to subscribe for, a number of Bonds subject to the Bonds being admitted to trading on the Official List. The subscription agreements will become binding on each of the Issuer and the respective Authorised Intermediaries upon delivery, provided that these intermediaries would have paid to the Sponsor, Manager & Registrar all subscription proceeds in cleared funds on delivery of the subscription agreement.

Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to distribute any portion of the Bonds subscribed for upon commencement of trading.

6.3 Plan of distribution and allotment

Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries (which include the Sponsor, Manager & Registrar) during the Issue Period. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. Subscription to the Bonds must be accompanied by full price of the Bonds applied for in Euro and in cleared funds at the Issue Price. If the Application Form(s) and proof of payment of cleared funds do not reach the Sponsor, Manager & Registrar by the close of the Issue Period, the Application will be deemed to have been declined.

The Issuer has reserved an aggregate amount of Bonds amounting to €500,000 for subscription by Preferred Applicants. The remaining balance of €12,250,000 in Bonds are open for subscription by Authorised Intermediaries through an Intermediaries' Offer. In the event that the aggregate amount of €500,000 reserved for the Preferred Applicants is not fully taken up, such unutilised portion shall also become available for subscription by Authorised Intermediaries through an Intermediaries' Offer.

In the event that subscriptions by Preferred Applicants exceed the reserved portion of €500,000, the unsatisfied excess amounts of such Applications will automatically participate in the amount of Bonds available for subscription in the Intermediaries' Offer.

It is expected that an allotment advice will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

Dealings in the Bonds shall not commence prior to admission to trading of the Bonds by the MSE or prior to the said notification.

6.4 Allocation Policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

- i. up to an aggregate amount of €500,000 shall be allocated to Preferred Applicants in accordance with the allocation policy as determined by the Issuer and the Sponsor, Manager & Registrar. In the event that subscriptions exceed the reserved portion of €500,000, the unsatisfied excess amount of such Applications will be considered for allocation purposes with the amount of Bonds available for subscription in the Intermediaries' Offer without priority or preference; and
- ii. the remaining balance of €12,250,000 in Bonds, including such unsatisfied excess amounts detailed in paragraph (i) above, if any, shall be allocated to Authorised Intermediaries participating in the Intermediaries' Offer as detailed in sub-section 6.2 above, without priority or preference and in accordance with the allocation policy as determined by the Issuer and the Sponsor, Manager & Registrar.

Any amounts which were reserved for Preferred Applicants but not fully taken up, will be taken into consideration by the Issuer and the Sponsor, Manager & Registrar in formulating the allocation policy for the Intermediaries' Offer portion.

Within five (5) Business Days from closing of the Issue Period, the Issuer shall announce the result of the Bond Issue and shall determine and announce the basis of acceptance of Applications and allocation policy to be adopted through a company announcement.

6.5 Status and ranking of the Bonds

The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest and the principal amount due under said Bonds by the Guarantor in terms of the Guarantee, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer and Guarantor, present and future. The Bonds will, however, rank subordinate to the present and future secured creditors of the Issuer and the Guarantor. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

The following sets out a summary of the Group's indebtedness which as at 30 April 2017 amounted in aggregate to €8.2 million (€7.5 million at 31 October 2016), and principally includes bank loans and overdrafts. The bank borrowings listed below are secured by privileges and hypothecs, and therefore the indebtedness being created by the Bonds ranks after these bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

Bortex Group borrowings at 30 April 2017

Bank borrowings, hypothecs and hypothecary guarantees	€3.1 million
Other borrowings	€5.1 million
Total	€8.2 million

Further details on the aforesaid indebtedness, particularly the secured bank borrowings, including, *inter alia*, respective term, security and repayment schedule, are found in the audited consolidated financial statements of the Guarantor for the financial year ended 31 October 2016, which have been published on the Issuer's website (www.bortexgroupholdings.com) and are available for inspection at its registered office during office hours for the term of the Bonds.

6.6 Negative pledge

The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness (as defined below) of the Issuer, unless at the same time or prior thereto the Issuer's indebtedness under the Bonds shares in and is secured equally and rateably therewith, and the instrument creating such Security Interest so provides.

"Financial Indebtedness" means any indebtedness in respect of: (A) monies borrowed; (B) any debenture, bond, note, loan, stock or other security; (C) any acceptance credit; (D) the acquisition cost of any asset to the extent payable before or after the time of acquisition or possession by the party liable where the advance or deferred payment is arranged primarily as a method of raising finance for the acquisition of that asset; (E) leases entered into primarily as a method of raising finance for the acquisition of the asset leased; (F) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; (G) any guarantee, indemnity or similar assurance against financial loss of any person;

“Security Interest” means any privilege, hypothec, pledge, lien, charge or other encumbrance or real right which grants rights of preference to a creditor over the assets of the Issuer;

“Permitted Security Interest” means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 103.75% of the aggregate principal amount of the Bonds still outstanding;

“unencumbered assets” means assets which are not subject to a Security Interest.

6.7 Rights attached to the Bonds

There are no special rights attached to the Bonds other than the right of the Bondholders to:

- i. the payment of interest;
- ii. the payment of capital;
- iii. ranking with respect to other indebtedness of the Issuer in accordance with the provisions of sub-section 6.5 above;
- iv. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- v. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

6.8 Interest

6.8.1 The Bonds shall bear interest from and including 1 December 2017 at the rate of 3.75% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 1 December 2018 (covering the period 1 December 2017 to 30 November 2018). 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. Each Bond will cease to bear interest from and including its due date for redemption, unless payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.

6.8.2 When interest is required to be calculated for any period of less than a full year, it shall be calculated on the basis of a three hundred and sixty (360) day year consisting of twelve (12) months of thirty (30) days each, and in the case of an incomplete month, the number of days elapsed.

6.9 Yield

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 3.75%.

6.10 Registration, form, denomination and title

6.10.1 Certificates will not be delivered to Bondholders in respect of the Bonds in virtue of the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of bondholders held at the CSD for the purpose of inspecting information held on their respective account.

- 6.10.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.
- 6.10.3 Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, 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 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/>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.
- 6.10.4 The Bonds will be issued in fully registered form in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.
- 6.10.5 Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "*Transferability of the Bonds*" in sub-section 6.15 of this Securities Note.

6.11 Pricing

The Bonds are being issued at par, that is, at €100 per Bond.

6.12 Payments

- 6.12.1 Payment of the principal amount of the Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven (7) days of the Redemption Date. The Issuer shall not be responsible for any charges, loss or delay in transmission. Upon payment of the Redemption Value, the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer and/or the CSD shall be entitled to request any legal documents deemed necessary concerning the entitlement of the bare owner/s and the usufructuary/ies to payment of the Bonds.

- 6.12.2 Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any charges, loss or delay in transmission.
- 6.12.3 All payments with respect to the Bonds are subject in all cases to any pledge (duly constituted) and to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, 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 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.

- 6.12.4 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this sub-section 6.12. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

6.13 Redemption and purchase

- 6.13.1 Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with accrued interest) on 1 December 2027. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholders.
- 6.13.2 Subject to the provisions of this sub-section 6.13, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.
- 6.13.3 All Bonds so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold.

6.14 Events of Default

The Bonds shall become immediately due and repayable at their principal amount, together with any accrued interest, if any of the following events ("Events of Default") shall occur:

- i. the Issuer and/or the Guarantor, as the case may be, shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer and/or the Guarantor, as the case may be, by any Bondholder; and/or
- ii. the Issuer shall fail to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; and/or
- iii. 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; and/or
- iv. the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; and/or
- v. the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or
- vi. there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of five million Euro (€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; and/or
- vii. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in sub-section 6.6 above) of the Issuer in excess of five million Euro (€5,000,000) or its equivalent at any time.

6.15 Transferability of the Bonds

- 6.15.1 The Bonds are freely transferable and, once admitted to the Official List, 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.

- 6.15.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may, from time to time, properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond 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 Bond, or procuring the transfer of the Bond, in favour of that person. Provided always that if a Bond is transmitted in furtherance of this paragraph 6.15.2, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.
- 6.15.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 6.15.4 The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, 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 person to whom the transfer / transmission has been made.
- 6.15.5 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.

6.16 Further Issues

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

6.17 Meetings of Bondholders

- 6.17.1 The Issuer may, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of any of the following: (i) considering and approving any matter affecting their interest, including the amendment, modification, waiver, abrogation or substitution of any of the Terms and Conditions of the Bonds and the rights of the Bondholders arising under the Prospectus; (ii) considering and approving the exchange or substitution of the Bonds by, or the conversion of the Bonds into, shares, debentures or other obligations or securities of the Issuer; and (iii) obtaining the consent of Bondholders on other matters which in terms of the Prospectus require the approval of a Bondholders' meeting in accordance with sub-section 6.17.3 below.
- 6.17.2 A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this sub-section 6.17 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 6.17.3 The amendment or waiver of any of the Terms and Conditions of the Bonds may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

- 6.17.4 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Bondholders present at the commencement of the meeting, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at and decided upon during, the adjourned meeting.
- 6.17.5 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 6.17.6 Once a quorum is declared present by the chairperson of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- 6.17.7 The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer.
- 6.17.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty per cent (60%) in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- 6.17.9 Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall mutatis mutandis apply to meetings of Bondholders.

6.18 Authorisations and approvals

The Directors authorised the Bond Issue and the publication of the Prospectus pursuant to a board of directors' resolution passed on 18 October 2017. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 18 October 2017.

6.19 Admission to trading

- 6.19.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 30 October 2017.
- 6.19.2 Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List.
- 6.19.3 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 4 December 2017 and trading is expected to commence on 5 December 2017. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.20 Representations and warranties

6.20.1 The Issuer represents and warrants to Bondholders, that 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; and
- 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 authorise 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 the Prospectus.

6.20.2 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 the Guarantor, their respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

6.21 Bonds held jointly

In respect of any Bonds held jointly by several persons (including husband and wife), the joint holders shall nominate one (1) of their number as their representative and his/her name will be entered in the register with such designation. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or the first named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

6.22 Bonds held subject to usufruct

In respect of a Bond held subject to usufruct, the name of the bare owner and the usufructuary shall be entered in the register. The usufructuary shall, for all intents and purposes, be deemed vis-a-vis the Issuer to be the holder of the Bond/s so held and shall have the right to receive interest on the Bond/s and to vote at meetings of the Bondholders but shall not, during the existence of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner).

6.23 Governing law and jurisdiction

6.23.1 The Bonds are governed by and shall be construed in accordance with Maltese law.

6.23.2 Any legal action, suit or proceedings against the Issuer and/or the Guarantor arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts.

6.24 Notices

Notices will be mailed to Bondholders at their registered addresses and shall be deemed to have been served at the expiration of twenty-four (24) hours after the letter containing the notice is posted, and in proving such service it shall be sufficient to prove that a prepaid letter containing such notice was properly addressed to such Bondholder at his/her/its registered address and posted.

7. TAXATION**7.1 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 Bondholders 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.

7.2 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 Bondholder that he/she/it is entitled to receive the interest gross from any withholding tax or if the Bondholder 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% (10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the said Income Tax Act. Bondholders 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 Bondholder 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 Bondholder 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 Bondholder 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, Bondholders 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.

7.3 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 Bondholders) 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 advisers in case of doubt.

7.4 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 Bondholder, no income tax on capital gains is chargeable in respect of transfer of the Bonds.

7.5 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 MSE, redemptions and transfers of the Bonds should in any case be exempt from Maltese duty.

8. TERMS AND CONDITIONS OF THE BOND ISSUE

- 8.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List. In the event that the Bonds are not admitted to the Official List any application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such returns will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.
- 8.2 The Issuer has not established an aggregate minimum subscription level for the Bond Issue.
- 8.3 The completed Application Forms are to be lodged with the Sponsor, Manager & Registrar.
- 8.4 It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying, including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.
- 8.5 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.
- 8.6 Any person, whether natural or legal, shall be eligible to submit an application and any one (1) person, whether directly or indirectly, should not submit more than one (1) application form. If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and/or the Sponsor, Manager & Registrar, but it shall not be the duty or responsibility of the Sponsor, Manager & Registrar or the Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant.
- 8.7 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.
- 8.8 Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or 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. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / 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 monies shall be paid 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.
- 8.9 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States 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.
- 8.10 No person receiving a copy of the Prospectus or an Application Form 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 Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any regulation or other legal requirements.

- 8.11 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 8.12 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several.
- 8.13 Save where the context requires otherwise or where otherwise defined therein, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the annexes and in any other document issued pursuant to the Prospectus.
- 8.14 The Issuer has not sought assessment of the Bonds by any independent credit rating agency.
- 8.15 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to revoke the Issue at any time before the closing of the Issue Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- 8.16 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €2,000.
- 8.17 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, 2008, as amended from time to time, all appointed Authorised Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the “Members’ Code of Conduct” appended as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Intermediaries are Malta Stock Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Chapter 440 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.
- 8.18 By completing and delivering an Application Form, the Applicant:
- i. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantor and the issue of the Bonds contained therein;
 - ii. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant’s address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
 - iii. authorises the Sponsor, Manager & Registrar and the Directors to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Chapter 440 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the CSD. The requests must further be signed by the Applicant to whom the personal data relates;

- iv. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer, the Guarantor or the issue of the Bonds other than what is contained in the Prospectus and, accordingly, agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
- v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its 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;
- vi. agrees to provide the Sponsor, Manager & Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;
- vii. warrants, in connection with the Application, to have 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 his/her/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Sponsor, Manager & Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;
- viii. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- ix. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) and that he/she/it is not accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- x. agrees that Calamatta Cuschieri Investment Services Limited will not, in their capacity of Sponsor, Manager & Registrar, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Calamatta Cuschieri Investment Services Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their appropriateness and suitability for the Applicant;
- xi. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, if any, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form;
- xii. 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;
- xiii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted) at the Bond Issue Price subject to the Prospectus, the terms and conditions thereof and the Memorandum and Articles of Association of the Issuer;
- xiv. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured he/she/it will not be entitled to receive a registration advice, or to be registered in the register of debentures or to enjoy or receive any rights in respect of such Bonds unless and until payment in cleared funds for such Bonds is received and accepted by the Issuer and/or the Sponsor, Manager & Registrar (which acceptance shall be made in the absolute discretion of the Issuer and/or the Sponsor, Manager & Registrar and may be on the basis that the Issuer and/or the Sponsor, Manager & Registrar is indemnified against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of such remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer and/or the Sponsor, Manager & Registrar of such late payment in respect of such Bonds, the Issuer and/or the Sponsor, Manager & Registrar may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);

- xv. agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/it submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
- xvi. warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;
- xvii. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent or legal guardian of the minor;
- xviii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and
- xix. agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any charges, loss or delay in transmission. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such refund will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.

9. ADDITIONAL INFORMATION

The Financial Analysis Summary dated 30 October 2017 has been included in Annex C of this Securities Note in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited of Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta, which has given, and has not withdrawn, its consent to the inclusion of said report herein. Calamatta Cuschieri Investment Services Limited does not have any beneficial interest in the Issuer or the Guarantor. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

ANNEX A – GUARANTEE

BORTEX GROUP HOLDINGS COMPANY LIMITED - C 4863

To All Bondholders:

Reference is made to the issue of €12,750,000 3.75% unsecured bonds due 2027 (the “**Bonds**”) by BORTEX GROUP FINANCE PLC [C 82346] (the “**Issuer**”) pursuant to and subject to the Terms and Conditions contained in a prospectus to be dated 30 October 2017 (the “**Prospectus**”).

Now, therefore, by virtue of this Guarantee, Bortex Group Holdings Company Limited hereby stands surety with the Issuer and irrevocably and unconditionally undertakes to affect the due and punctual performance of all the payment obligations undertaken by the Issuer under the Bonds if the Issuer fails to do so and, without prejudice to the generality of the foregoing, undertakes to pay on an on-going basis, interest which may become due and payable during the term of the Bonds and the principal amount of the Bonds on the Redemption Date should the Issuer default in paying the Bondholders under the Bonds.

All words and expressions used in this Guarantee in their capitalised form shall, unless the context otherwise requires, have the same meaning assigned to them in the Prospectus.

Signed and executed on this 18 October 2017, after approval of the board of directors of Bortex Group Holdings Company Limited.

NATURE, SCOPE AND TERMS OF THE GUARANTEE

1. Nature of the Guarantee

The offering of Bonds that will be made by the Issuer pursuant to the Prospectus will be made with the benefit of this corporate guarantee.

2. Scope of the Guarantee

The Guarantee is unconditional and shall cover all payments that may be due to Bondholders pursuant to the Prospectus.

3. Information about the Guarantor

All relevant information about the Guarantor as required in terms of applicable law may be found in the Registration Document.

4. Terms of the Guarantee

4.1 *Guarantee*

For the purposes of the Guarantee, the Guarantor irrevocably and unconditionally undertakes to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms of the Bonds detailed in the Securities Note as and when the same shall become due, the Guarantor will pay to such Bondholder on demand the amount payable by the Issuer to such Bondholder. Such payment shall be made in the currency in force in Malta at the time the payment falls due.

4.2 *Continuing obligations*

The obligations under this Guarantee being given by the Guarantor are continuing obligations and will remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

4.3 *Repayment to the Issuer*

If any payment received by a Bondholder is, on subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of the Guarantor, and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.

4.4 *Indemnity*

As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any sum expressed to be payable by the Issuer pursuant to the terms of the Bonds but which is for any reason (whether or not now known or becoming

known to the Issuer, the Guarantor or any Bondholder) not recoverable from the Guarantor, will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

4.5 *Status of Guarantee*

The obligations of the Guarantor under this Guarantee constitute a general, direct, unconditional and unsecured obligation of the Guarantor and rank equally with all other existing and future unsecured obligations of the Guarantor, if any, except for any debts for the time being preferred by law.

4.6 *Power to execute*

The Guarantor hereby warrants and represents to each Bondholder that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes the legal, valid and binding obligations of the Guarantor.

4.7 *Deposit and production of the Guarantee*

The instrument creating this Guarantee shall be deposited with and held by the Issuer at its registered address. Until such time as all obligations of the Guarantor hereunder have been discharged in full, every Bondholder shall have the right to obtain a copy thereof.

4.8 *Subrogation*

Until all amounts which may be payable under the terms of the Bonds have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

4.9 *Governing law and jurisdiction*

This Guarantee is governed by and shall be construed in accordance with Maltese law, and any disputes which may arise out of or in connection with this Guarantee are to be settled exclusively by the Courts of Malta.

Signed:



Peter Borg
Director



Karen Bugeja
Director



Christine Demicoli
Director



Alexandra Borg
Director



Sam Borg
Director



David Debono
Director

ANNEX B – APPLICATION FORMS

Bortex Group Finance plc €12,750,000 3.75% Unsecured Bonds 2027		APPLICATION FORM "A" Application No.																									
THIS APPLICATION FORM IS TO BE COMPLETED ONLY BY SHAREHOLDERS, DIRECTORS AND EMPLOYEES OF ALL SUBSIDIARIES OF BORTEX GROUP HOLDINGS COMPANY LIMITED																											
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This Application Form is non-transferable and entitles you to subscribe to €12,750,000 3.75% Unsecured Bonds 2027 issued by Bortex Group Finance plc as a shareholder, director or employee of any company forming part of any of the subsidiaries of Bortex Group Holdings Company Limited.																											
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BANK	IBAN																										
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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 30th October 2017 regulating the Bond Issue. 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 who are Non-Residents in Malta for tax purposes must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must be marked appropriately.
4. 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).
5. 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.
6. In the case of a body corporate, the Application Form must be signed by duly authorized representative/s 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.
Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account 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.borзамalta.com.mt/>. Those Bondholders who opt not to avail themselves of this facility should indicate such on the Application Form. Further detail on the e-portfolio is found on <https://eportfolio.borзамalta.com.mt/Help>.
8. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
9. Applications must be accompanied by the relevant subscription amount in Euro.
10. 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.
In terms of Section 7 of the Securities Note forming part 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. 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.
11 a. The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
12. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Subscriptions will open on the 9th November 2017 and will close on the 14th November 2017. Completed Application Forms are to be delivered to the offices of any of the Financial Intermediaries listed in Annex D of the Prospectus. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. 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. Any Applications received by the Registrar after 12:00 hours on 14th November 2017 will not be accepted.
14. By completing and delivering an Application Form you (as the Applicant(s)):
 - a. acknowledge that the Issuer 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);
 - b. acknowledge that the Issuer 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 the Issuer. Any such requests must be made in writing and addressed to the Issuer. 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.

Bortex Group Finance plc
 €12,750,000 3.75% Unsecured Bonds 2027

APPLICATION FORM "B"

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.

A	APPLICANT (see notes 2 to 7)																				
	<input type="checkbox"/> Shareholder	<input type="checkbox"/> Director	<input type="checkbox"/> Employee																		
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	BANK	IBAN																			
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3. Applicants who are Non-Residents in Malta for tax purposes must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must be marked appropriately.
4. 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).
5. 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.
6. In the case of a body corporate, the Application Form must be signed by duly authorized representative/s 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.
Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account 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. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.
8. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
9. Applications must be accompanied by the relevant subscription amount in Euro.
10. 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.
In terms of Section 7 of the Securities Note forming part 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. 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.
11 a. The contents of Notes 10 and 11 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.
12. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Subscriptions will open on the 15th November 2017 and will close on the 30th November 2017. Completed Application Forms are to be delivered to the offices of any of the Financial Intermediaries listed in Annex D of the Prospectus. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. 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. Any Applications received by the Registrar after 12:00 hours on 30th November 2017 will not be accepted.
14. By completing and delivering an Application Form you (as the Applicant(s)):
 - a. acknowledge that the Issuer 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);
 - b. acknowledge that the Issuer 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 the Issuer. Any such requests must be made in writing and addressed to the Issuer. 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 C – FINANCIAL ANALYSIS SUMMARY

Bortex Group Finance p.l.c.
30th October 2017





FINANCIAL ANALYSIS SUMMARY

Bortex Group Finance p.l.c.

The Directors
Bortex Group Finance p.l.c.,
A 11 Marsa Industrial Estate,
Marsa, MRS 3000, Malta

30th October 2017

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 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 Bortex Group Finance p.l.c. ("the issuer") and Bortex Group Holdings Co Ltd ("the guarantor"). 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 2014, 2015 and 2016 have been extracted from the issuer and guarantor's audited statutory financial statements for the three years in question.
- (b) The forecast data for the current financial year and the year ending 2018 have been provided by management.
- (c) Our commentary on the Issuer and Guarantor's results and financial position is based on the explanations set out by the Issuer in the Prospectus.
- (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
Director

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Part 1 - Information about the Group

1.1 Issuer and Guarantor's key activities and structure

The Issuer, Bortex Group Finance plc ("BGF"), company registration number C 82346, is a limited liability company registered in Malta on 30th August 2017. The Issuer is, except for one share which is held by Mr Peter Borg and another share held by Ms Karen Bugeja, a fully-owned subsidiary of the Guarantor, which latter entity is the parent company of the Group. The Issuer, which was set up and established to act as a finance company, has as at the date hereof an authorised and issued share capital of €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up.

The Guarantor, Bortex Group Holdings Company Limited ("BGH"), is a private limited liability company incorporated and registered in Malta with company registration number C 4863. It was formerly known as Borchild Limited until 26th September 2017. The Guarantor is the parent company of the Group, which is principally engaged, through several subsidiaries that operate in various jurisdictions, in the business of manufacturing garments for its own private label, Gagliardi, and other private labels, marketing and retailing garments; and developing high quality property developments, as well as owning and managing hotel and residential properties in Malta. The Group is also active in the Maltese real estate market.

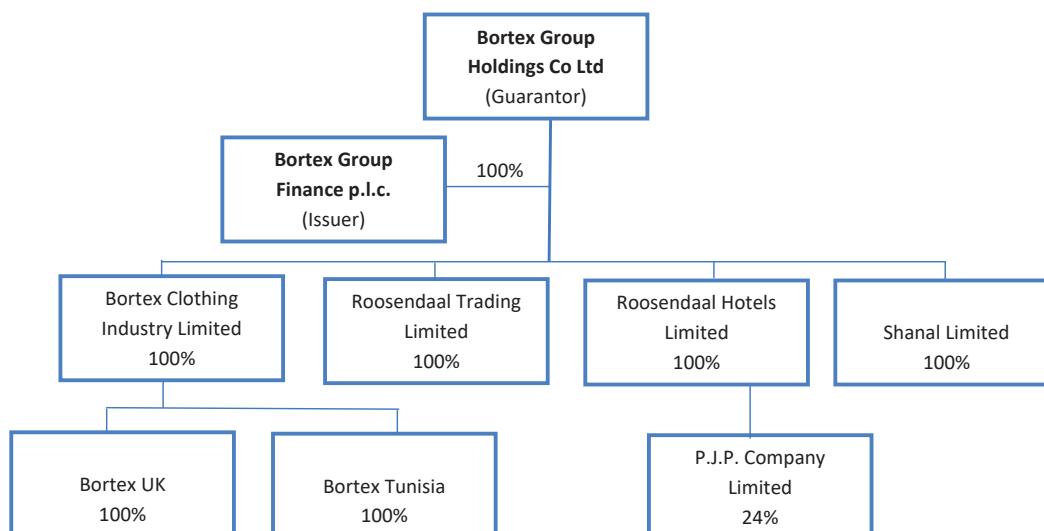
The authorised and issued share capital of the Guarantor is €46,587.46 divided into 20,000 ordinary shares having a nominal value of €2.329373 each. The Issuer and the Guarantor are ultimately owned as to 50% by Mr Peter Borg and as to 50% by Ms Karen Bugeja.

Restructuring exercise

In the weeks preceding the publication of the Prospectus, a Group corporate restructuring exercise was carried out in order to achieve a cleaner corporate set-up, which process essentially involved the transfer for a nominal value of various insignificant holdings within the Group structure which had been in existence since the Group's inception and which no longer served any particular purpose within the Group context. Pursuant to the corporate restructuring exercise, the Guarantor, previously registered under the name Borchild Limited until 26th September 2017, changed its name to Bortex Group Holdings Company Limited.

Following the date of the Prospectus it is intended that a second phase of the afore-mentioned corporate restructuring of the Group be carried into effect in order to streamline the Group's corporate set-up further, principally through the elimination of various non-active entities forming part of the Group to be executed in virtue of upstream mergers - specifically, pursuant to such mergers Sandpiper Limited (C 10308), Roosentours Limited (C 34287), Germal Company Limited (C 4291), Consolidated Coborg Company Ltd (C 4942), Combmed Holdings Company Limited (C 13359), K.Borg Company Limited (C 13315) and P.Borg Company Ltd (C 13314) will cease to exist.

The Group structure (post-restructuring) is as follows:



1.2 Directors and key employees

Board of Directors - Issuer

As at the date of the prospectus, the Issuer is constituted by the following persons:

Name	Designation
Peter Borg	Executive Director, rotating Chairperson
Karen Bugeja	Executive Director, rotating Chairperson
Christine Demicoli	Executive Director
David Debono	Non-Executive Director
Emanuel Ellul	Independent, Non-Executive Director
Joseph Cachia	Independent, Non-Executive Director
Alexandra Borg	Company Secretary

The business address of all of the Directors is the registered office of the Issuer. Refer to section 4 of the registration document for the curriculum vitae of the directors.

Board of Directors - Guarantor

As at the date of the prospectus, the Guarantor is constituted by the following persons:

Name	Designation
Peter Borg	Executive Director, rotating Chairperson
Karen Bugeja	Executive Director, rotating Chairperson
Christine Demicoli	Executive Director
Alexandra Borg	Executive Director
Sam Borg	Executive Director
David Debono	Non-Executive Director
Christine Demicoli	Company Secretary

The business address of all of the Directors is the registered office of the Issuer. Refer to section 4 of the registration document for the curriculum vitae of the directors.

The executive directors of the Issuer and the Guarantor, on the strength of their respective knowledge and experience in the applicable business interests of the Group to which they contribute directly, occupy the senior management and key executive positions across the Group.

As at the date of the prospectus, the Group has 640 employees.

1.3 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 financing company.

The Group's operations are, and have been for a number of years, divided into two principal segments garment manufacturing and retailing on the one hand and property development and hotel operations on the other. Although the core business of the Group knows its origins in the garment manufacturing sector, and the eventual retailing of those garments, it has also established itself in the hospitality sector and more recently has moved into the boutique hotel sector, through the refurbishment of a historical property in Valletta, Malta, intended to open its doors in 2018.

More specifically, Bortex Clothing Industry Company Ltd, a direct subsidiary of the Guarantor based in Malta, Bortex UK and Bortex Tunisia, both subsidiaries of Bortex Clothing Industry Company Ltd, carry out the design and manufacture of a vast range of formal tailoring. Roosendaal Trading Limited, also a direct subsidiary of the Guarantor, is then involved in the sale and distribution of formal tailoring, outerwear, casual clothing, footwear and accessories through the operation of a number of retail outlets. The business forming part of the Group's hospitality segment is carried out by Roosendaal Hotels Limited, another direct subsidiary of the Guarantor, which owns and manages the operations of the Plevna Hotel situated in Sliema, Malta. Shanal Limited was retained as a Group entity to serve as the property company of the Group.

Garment manufacture and retail

Bortex is among Malta's longest established names in formal men's tailoring. Bortex Clothing Industry Company Ltd was set up over fifty years ago by Maltese entrepreneur Sunny Borg in October of 1964, to produce jeans and similar items of clothing. The venture went from strength to strength, until in 1971 it entered into partnership with the renowned men's fashion manufacturer, Van Gils of Holland, to produce high quality tailoring. Van Gils shares were bought by the British retail group Next plc in 1987 enabling Bortex to spread its product profile into children's and ladies' wear.

In 1991 the Next plc shares in Bortex Clothing Industry Company Ltd were wholly bought up by the Borg family – resulting in the company becoming 100% owned by Sunny Borg and his family.

Over the years the Group has diversified into other product areas to include the retail of a whole men's wear proposition including shirts, accessories and footwear as well as providing its own brands.

Its own label, Gagliardi, was launched in 2010 and its principal markets apart from Malta include the UK, Ireland, Russia, Serbia and Scandinavia. The retailing of the Gagliardi line is achieved through a mixture of franchising arrangements, own-stores models as well as mixed concessions. In recent years, the Group has also launched its own e-commerce platform through which its Gagliardi line is sold online, the operations of which are based in Malta.

Manufacturing for private label clients still forms a substantial portion of the Group's garment manufacturing operations, with clients based chiefly in Sweden, Switzerland and the United Kingdom. The Group's operations in this sector have been streamlined in order to cater for higher-end and higher-value products rather than mass-produced but lower-value items. Although competition in this sector remains high, the Group enjoys an enviable track record and can boast several long-standing relationships with established brands.

The Group now manufactures mainly overseas, retaining Malta as its headquarters. Design, marketing and other knowledge based activities are carried out on in Malta. Shipments from Bortex factories in Tunisia transit in Malta on their way to some of Europe's better-end department stores, chain store groups and fashion houses.

Property development and hospitality

The Group has owned and managed a small, yet strategic, property portfolio for several decades. With the exception of a warehouse situated in Zebbug, Malta, as part of the garment operations, the properties are owned and operated by Roosendaal Hotels Limited and Roosendaal Trading Limited. As the name implies, the former is involved in the hotelier industry and currently owns and manages the Hotel Plevna in Tigne', Sliema, currently in the process of a major overhaul that will lead to its rebranding as Hotel 1926. Once reopened in July 2018, this spa hotel aims to offer the highest standards of lean luxury by employing state-of-the-art guest management software and technologies. The hotel is complemented with a beach lido concession on the Qui-si-Sana foreshore, which concession is for an indefinite term tied to the operation of the hotel, and which is being upgraded in tandem with the hotel building. A block of newly-developed luxury apartments, named 'TEN', and consisting of eighteen apartments and two penthouses over seven floors is currently in development, while simultaneously being marketed for sale.

The Group, through Roosendaal Hotels Limited, holds 24% of the issued share capital of P.J.P. Company Limited, with the remaining shareholding held by Ms Karen Bugeja (38%) and P.Borg & Son Holdings Limited (38%), a company in which Mr Peter Borg holds 50% of the issued share capital. In June 2016 P.J.P. Company Limited acquired a residential property situated in St. Paul's Street, Valletta, Malta which is currently being extensively refurbished and which is scheduled to open its doors in 2018 as an 8-roomed boutique hotel situated in the heart of the city, including a rooftop terrace.

Retail store management

Roosendaal Trading Limited is the principal company within the Group responsible for the operation of the Group's retail outlets for its garment sector in Malta.

The range of stores managed by said company are chiefly multi-brand stores, in which the Group's Gagliardi brand is sold alongside other brands such as Gant, Lacoste and Ralph Lauren, with which the Group has secured distribution arrangements. Roosendaal Trading Limited also operates one mono-brand store, stocking and selling the Gagliardi line exclusively – this store is situated within the MIDI complex in Sliema, Malta.

The Group plans to extend its store network, with flagship stores earmarked for the immediate future both in Sliema and Valletta (as set out in sub-section 1.4 below).

The following table provides a list of the principal assets and operations owned by the respective Group companies as at the date of the Prospectus:

OWNING COMPANY	NAME OF PROPERTY	LOCATION	DESCRIPTION	%OWNERSHIP
Roosendaal Hotels Limited	Hotel 1926	Sliema, Malta	Hotel management & operation	100%
Roosendaal Hotels Limited	TEN apartments	Sliema, Malta	Investment property	100%
P.J.P. Company Limited	PJP Boutique Suites	Valletta, Malta	Hotel management & operation	24%
Roosendaal Trading Limited	Bortex Retail Outlet, Mosta	Mosta, Malta	Retail Outlet	100%
Roosendaal Trading Limited	Bortex Retail Outlet, Tower Road, Sliema	Sliema, Malta	Retail Outlet	100%
Roosendaal Trading Limited	Bortex Retail Outlet, Mriehel	Mriehel, Malta	Retail Outlet	100%
Bortex Clothing Industry Company Ltd	Bortex Warehouse, Zebbug	Zebbug, Malta	Warehouse	100%

1.4 Operational Developments

The most recent principal investments of the Group are described hereunder:

Refurbishment and extension of the newly branded Hotel 1926 in Sliema, Malta

The Group currently owns and operates Hotel Plevna, a 3-star hotel located in a quiet residential area off Qui-si-Sana seafront in Sliema, Malta, which consists of 100 rooms and has a concession to operate a private beach situated 200 metres from the hotel on the Qui-si-Sana seafront. The Group is in the process of undergoing an upgrade and extension project of the hotel following which the hotel shall be formally re-branded to 'Hotel 1926'. This major renovation project is expected to upgrade the standard rating of the hotel to a 4-star spa / suite hotel. The project will involve the refurbishment of the internal spaces and the construction of 3 additional floors, together with a recessed penthouse floor, on top of the existing hotel. This will increase the hotel's room capacity by 44 rooms providing the hotel with a total room stock of 144 rooms, of which 52 will be suites, many of which boasting views of Manoel Island and Valletta. The hotel will consist of a luxury spa, restaurant, roof terrace, as well as private beach club. Works on the hotel are projected to start in November 2017, with the hotel closing down operations whilst the works are carried out. The target is for the hotel to open its doors for operations with the current refurbished rooms on the original 5 floors (100 rooms) by July 2018 in time for the peak of the summer season; the internal finishing works of the newly built 44 rooms on the 3 additional floors are expected to be completed by the end of 2018, with the hotel being fully operational by such date.

Development of TEN Apartments in Sliema, Malta

The Group intends re-developing a plot of land it owns in Hughes Hallet Street, Sliema, Malta into a 9-storey building with commercial development at the ground floor area and residential units on the rest of the floors. The block of luxury apartments will be named 'TEN'. The current plans indicate that the development will include a reception area and commercial spaces at the ground floor level, 18 residential apartments and 2 penthouses with an average area of 140m2 and

170m², respectively, as well as 69 underground car parking spaces. Works on the project commenced in 2016 and the planned timelines envisage completion of construction works by November 2018, with the finishes of the apartments targeted to be completed by March 2019.

International retail expansion strategy, particularly via the opening of Gagliardi retail outlets overseas

The Group intends to embark on an aggressive expansion of its Gagliardi brand in overseas territories via owned as well as franchised retail outlets. It is intended to roll out a capital expenditure program over FY17-20 in this respect, with at least 9 new stores in the pipeline (3 per annum). Management has earmarked a total of €1.8m to this end. The cost estimates are still preliminary, due to the Group being in its early stages of identifying the exact locations where to open such outlets.

Development of a mixed-use complex in Mriehel, Malta

The Group has purchased a plot of land stretching over an area of approximately 438m² overlooking the Mriehel Bypass for redevelopment into a mixed-use commercial complex built across 5 floors, with a retail outlet at the lower floors and office space in the upper levels. The design also envisages 3 levels of underground car parking. The retail space will be utilised by the Group as an 'out-of-town' outlet store for all the menswear proposition, whereas the office space and related car parking facilities will be leased to third parties. Construction works are well underway and target completion date for this development is by the end of the first quarter of 2018.

Redevelopment of the Group's existing retail outlet in Mosta, Malta

The Group owns a 2-storey building in Constitution Street, Mosta, Malta which is currently being used as one of the Group's retail outlets and is built on a site area of 181m², which it intends to develop into a mixed-use commercial building. The plan is for the proposed development to have 4 commercial levels, a basement for storage and ancillary uses. Part of the ground floor and top level will be used as a catering outlet from which the Group expects to generate rental income. The remaining parts of the development will be used as a commercial outlet for the Group's retail purposes. The Group plans to commence the renovation of the site in question in January 2019, with the closure of the existing Bortex outlet located on the site – completion of this project is targeted by October 2019.

Refurbishment of PJP Boutique Suites in Valletta, Malta

The Group, through Roosendaal Hotels Limited, holds 24% of the issued share capital of P.J.P. Company Limited, which in June 2016 acquired a residential property situated in St. Paul's Street, Valletta, Malta, and which property is currently being extensively refurbished and is scheduled to open its doors in 2018 as an 8-roomed boutique hotel situated in the heart of the city, including a rooftop terrace.

In the short to medium term future the Group intends to invest in each of the proposed projects set out above. The Group intends to raise funds for the financing of these projects partially through the Bond Issue (as set out in sub-section 5.1 of the Securities Note), with the remaining capital expenditure being funded by bank finance and own funds.

Save for the above, the Group is not party to any other principal investments, and has not entered into or committed to any material investments subsequent to 31 October 2016, being the date of the latest audited consolidated financial statements of the Guarantor.

Part 2 – Historical Performance and Forecasts

The Issuer was incorporated on 30th August 2017 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 Group companies. For the purpose of this document, the focus is on a review of the performance of the Guarantor which constitutes the entire group of companies. The Guarantor's historical financial information for the three financial years ended 30th October 2014, 2015 and 2016, as audited by PricewaterhouseCoopers, is set out in the audited consolidated financial statements of the Guarantor. Forecasts are based on management projections.

2.1 Issuer Income Statement

Income Statement for the years ended October	2017F	2018F
	€000s	€000s
Interest on loans to subsidiaries	-	506
Facility fee	-	153
Finance income	-	659
Finance cost	-	(505)
Director's fees	(10)	(24)
Listing and related fees	(10)	(17)
Other costs	(4)	(10)
Profit before tax	(24)	102
Taxation	-	(36)
Profit after tax	(24)	66
<i>Net Margin</i>	<i>0.0%</i>	<i>10.0%</i>

Bortex Finance p.l.c is projected to incur a loss in the current year (FY17) mainly as a result of the fees incurred prior to incorporation, but become profitable when finance income is due from its subsidiaries upon the bond issue. Finance income relates to a spread charged over the Issuer's effective coupon rate (covering the amortisation of bond issue costs). The facility fee is intended to cover director's fees, listing fees and other administrative expenses.

2.2 Issuer Cashflow Statement

Cashflow Statement for the years ended October	2017F	2018F
	€000s	€000s
Cash flows from operating activities		
Cash generated from operations (before payment of coupon)	(24)	607
Coupon payment	-	(478)
Taxation paid	-	-
Net cash used in/(generated from) operating activities	(24)	129
Cash flows from investing activities		
Loans to subsidiaries	(12,423)	-
Net cash used in/(generated from) investing activities	(12,423)	-
Cash flows from financing activities		
Share capital	250	-
Proceeds from bond issue (net of finance costs)	12,423	-
Repayment of loan from fellow subsidiary	-	-
Repayment of bond issue	-	-
Net cash used in/(generated from) financing activities	12,673	-
Net movements in cash and cash equivalents	226	129
Opening cash and cash equivalents	-	226
Closing cash and cash equivalents	226	355
Net cash flow to service the bonds' interest (excl. net bond proceeds and repayment of Bonds)	226	607
Bond interest payable	-	(478)
Net cash surplus after bonds' interest	226	129

The net cash generated from operating activities represents the net finance margin between the Issuer's coupon expenses and interest charged to its fellow subsidiaries, the facility fee and the taxation paid on the Issuer's profit.

The net cashflows from investing and financing activities reflect the €12.75m bond issue, net of €0.3m issue costs, and its distribution between the Group's subsidiaries. The projections also include the €0.25m of share capital, issued and fully paid upon the setting up of Bortox Group Finance on 30th August 2017.

The issuer is projected to have an interest cover ratio of 1.2x throughout the term of the bond.

2.3 Issuer Financial Position

Statement of Financial Position for the years ended October	2017F	2018F
	€000s	€000s
Assets		
Non-current assets		
Loans and receivables	12,423	12,423
Current assets		
Cash and cash equivalents	226	355
Total Assets	12,648	12,778
Equity and liabilities		
Non-current liabilities		
Amortised bond issue	12,423	12,450
Current liabilities		
Accrued bond interest	-	-
Current tax payable	-	36
sub-total	-	36
Total liabilities	12,423	12,485
Equity		
Share capital	250	250
Retained earnings	(24)	42
Total equity	226	292
Total Equity & Liabilities	12,648	12,778
Ratio Analysis*		
<i>Liabilities / Assets</i>	<i>98%</i>	<i>98%</i>
<i>Interest Coverage</i>	<i>n/a</i>	<i>1.3</i>
*refer to Glossary for definitions		

In the current year following the bond issue, total assets are projected at €12.6m comprising loans to fellow subsidiaries of €12.4m carried until the maturity of these loans in line with the eventual redemption of the bond issue in FY27, and a €0.2m positive cash balance. The level of assets is not expected to alter materially throughout the life of the bond.

In the current year following the bond issue, liabilities include €12.4m amortised bond issue, which is expected to increase marginally over the life of the bond as issue costs are amortised.

In the current year, Total equity includes issued and fully paid up share capital of €0.25m and retained losses of €24k, which are expected to alter in line with the annual profit surplus over the life of the bond.

2.4 Guarantor's Income Statement

Historical Performance

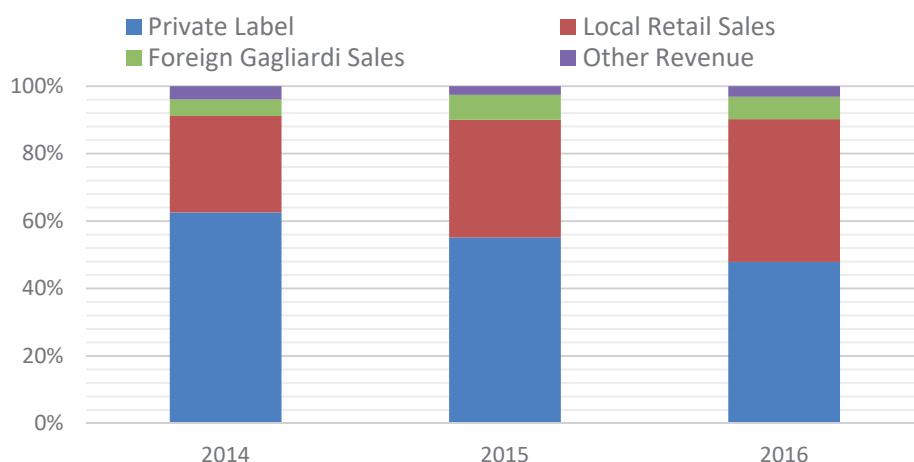
Income Statement for the years ended October	2014	2015	2016
	€000s	€000s	€000s
Revenue			
Garment manufacturing & retail	22,534	19,409	18,759
Hospitality	1,539	1,544	1,566
Normalised Revenue	24,072	20,953	20,325
Revenue from discontinued agreement	1,019	769	297
Reported Revenue	25,091	21,722	20,621
EBITDA			
Garment manufacturing & retail	1,713	1,602	1,636
Hospitality	343	187	146
Normalised EBITDA	2,056	1,789	1,782
Normalisation adjustments	(356)	(339)	(484)
Reported EBITDA	1,700	1,450	1,298
Depreciation & Amortisation	(684)	(766)	(765)
EBIT	1,016	684	533
Financial income	367	457	97
Finance costs	(219)	(234)	(281)
Share of profit/(loss) from joint venture	(26)	4	-
Profit before tax	1,138	912	349
Taxation	(27)	(57)	(47)
Profit for the year	1,111	855	302
Other comprehensive income			
Revaluation surplus on land and buildings	-	-	5,137
Deferred income taxes on revaluation surplus			(514)
Deferred tax movement on land and buildings	-	132	8
Net fair value gains on AFS financial assets	12	176	15
Reclassification adjustments	(80)	(271)	-
Currency translation differences	-	98	(240)
Total comprehensive income for the year	1,043	990	4,708
Ratio Analysis*			
<i>Revenue Growth (YoY)</i>	<i>n/a</i>	<i>-13.4%</i>	<i>-5.1%</i>
<i>Operating Margin</i>	<i>4.0%</i>	<i>3.1%</i>	<i>2.6%</i>
<i>Net Margin</i>	<i>4.4%</i>	<i>3.9%</i>	<i>1.5%</i>
<i>Interest Coverage</i>	<i>9.4</i>	<i>7.6</i>	<i>6.3</i>
<i>Dividend Coverage</i>	<i>5.4</i>	<i>4.7</i>	<i>0.5</i>
<i>Earnings per Share</i>	<i>€23.8</i>	<i>€18.4</i>	<i>€6.5</i>
*refer to Glossary for definitions			

1. **Revenue** – The noticeable decline in revenue over the past reporting periods is primarily due to a continued shift from the high volume manufacture of garments for private labels towards the manufacture and retailing of Gagliardi garments through the Group's retail outlets. This trend is expected to reverse following the roll-out of the internationalisation of the Gagliardi brand.

Revenue Analysis - Garment Manufacturing and Retail Sector

Segment Revenue for the years ended October	2014	2015	2016
	€000s	€000s	€000s
Private Label	14,158	10,743	9,063
Local Retail Sales	6,477	6,803	8,007
Foreign Gagliardi Sales	1,106	1,444	1,258
Other Revenue	895	499	594
	22,637	19,489	18,922
Exchange Differences	(103)	(80)	(163)
Net Revenue	22,534	19,409	18,759

%Sales



Revenue from the garment manufacturing and retail sector contracted from €22.5m in FY14 to €18.8m in FY16. As intimated above, this was as a direct result of the Group's strategic decision to scale down private label production and increase focus on production of its own brand. The increase in local retail sales reflects both organic growth as well as the opening of 3 new outlets over the period. Foreign Gagliardi sales were boosted by revenue from wholesalers in Sweden and Russia. Other revenue includes income from stock clearance sales drives.

Revenue Analysis – Hospitality Segment

Revenue from the Plevna Hotel increased from €1.5m in FY14 to €1.6m in FY16, which is a reflection of an increase in the bed night rate from €24.05 in FY14 to €26.34 in FY16. The increase in revenue from room rates was partially offset by lower occupancy levels from 71% in FY14 to 69% in FY16.

- EBITDA** – The reduction in EBITDA primarily reflects a deterioration in the results of the hospitality segment that reported a decline of €0.2m over a three year period. The decline comes as a result of increased direct wages, resulting in lower gross profit margin. The dynamic of the operation is expected to change significantly positive following the upgrade and subsequent re-branding of the hotel Plevna to hotel 1926. Gross margins from the Garment manufacturing & Retail segment improved from 25.8% in FY14 to 33.6% in FY16 which reflects the gradual shift in sales mix towards Gagliardi clothing, which attracts higher margins than the private label sales.

3. **Other Line Items** - Financial income includes income, dividends and gains/losses recognised on the Group's investment portfolio. Finance costs increased over the financial periods as a result of increased indebtedness. The effective corporate tax rate is lower than the statutory tax rate as a result of benefits available to the Group's manufacturing segment in terms of the Business Promotion Act. Normalisation adjustments relate to stock write-offs.

In FY16, the group recognised a revaluation surplus (net of related deferred tax adjustment) of €4.6m on the valuation of former Hotel Plevna, which property is in the process of being redeveloped (to be rebranded Hotel 1926).

Forecasted Income Statement

Income Statement for the years ended October	2017	2018
	€000s	€000s
Revenue	19,398	20,739
Cost of Sales	(12,360)	(13,012)
Gross Profit	7,037	7,728
Selling & Distribution Expenses	(3,713)	(3,955)
Administrative Expenses	(1,637)	(1,819)
Other Operating Income/(Expenses)	16	251
Normalised EBITDA	1,704	2,205
Normalisation adjustments	(919)	-
EBITDA	785	2,205
Depreciation & Amortisation	(663)	(1,072)
Operating Profit	121	1,134
Development profit	(60)	(60)
EBIT	61	1,074
Finance costs	(166)	(669)
Finance income	61	147
Share of profit/(loss) from associate	(10)	5
Profit before tax	(53)	557
Taxation	1,235	(468)
Profit after tax	1,182	89
Ratio Analysis*		
<i>Revenue Growth (YoY)</i>	-5.9%	6.9%
<i>Operating Margin</i>	0.3%	5.2%
<i>Net Margin</i>	6.1%	0.4%
<i>Interest Coverage</i>	10.3	3.3
<i>Earnings per Share</i>	€25.4	€1.9
*refer to Glossary for definitions		

The Group is expected to continue generating EBITDA through its current main business segments. The hospitality segment is not expected to experience a significant alteration in performance until beyond FY18, being after the completion of the refurbishment project of Hotel 1926 (former Plevna hotel). The garment manufacturing and retail segment is expected to be largely in line with the results achieved in FY16. Growth is forecasted beyond the period under review, following the opening of nine Gagliardi outlets overseas.

FY2017 profit after tax is expected to be abnormally affected by the recognition of a tax asset obtained in the current year.

Management is projecting to invest circa €6.2m of the bond proceeds in Hotel 1926 and circa €1.8m to launch and open the Gagliardi retail outlets overseas as well as a further €2.5m on the outlets in Mriehel and Mosta.

Interest Coverage Working

	2016A	2017F	2018F
	€000s	€000s	€000s
EBITDA	1782	1704	2205
Interest Paid	281	166	669
Interest Coverage	6.3	10.3	3.3

Interest coverage is defined as the level of earnings before interest, tax, depreciation and amortisation (EBITDA) divided by the interest due on debt. It is an indication of the level of earnings generated that would cover the interest obligations of a company. Interest coverage is expected to increase from 6.3 times in 2016 to 10.3 times by the end of financial year 2017. This is expected to decrease to 3.3 times in FY18 as a result of the sharp increase in the interest expense.

2.5 Guarantor's Balance Sheet

Historical Financial Position plus forecasted years

Balance Sheet for the years ended October	2014A	2015A	2016A	2017F	2018F
	€000s	€000s	€000s	€000s	€000s
Assets					
Total Non- Current Assets	16,701	15,416	19,489	25,543	32,795
Current Assets					
Inventories	10,262	14,515	15,647	13,356	14,083
Trade and other receivables	4,227	4,432	4,379	3,285	3,512
Current tax assets	16	150	16	16	16
Other assets	-	-	-	500	400
Term placements	8	8	8	8	8
Cash and cash equivalents	1,514	551	898	5,803	(223)
Total current assets	16,026	19,656	20,949	22,966	17,796
Total Assets	32,727	35,072	40,437	48,509	50,591
Liabilities					
Non-current liabilities					
Deferred taxation	790	659	1,165	1,126	1,377
Borrowings	2,345	1,884	2,618	1,199	2,391
Bond issue (Amortised cost)	-	-	-	12,423	12,450
Accrued bond interest	-	-	-	-	-
Total non-current liabilities	3,136	2,543	3,783	14,747	16,218

	2014A	2015A	2016A	2017F	2018F
Current liabilities					
Borrowings	3,312	5,562	5,183	715	736
Trade and other payables	3,114	2,959	3,375	2,626	2,764
Current tax liabilities	14	49	40	303	217
Advance payments on development	-	-	-	629	1,079
Total current liabilities	6,440	8,569	8,598	4,273	4,795
Total Liabilities	9,576	11,112	12,381	19,020	21,013
Equity					
Share capital	47	47	47	297	297
Revaluation reserves	570	580	1,787	1,787	1,787
Other reserves	17,194	17,790	20,820	20,820	20,820
Retained earnings	5,341	5,544	5,403	6,585	6,674
Total Equity	23,151	23,960	28,056	29,489	29,577
Total Equity and Liabilities	32,727	35,072	40,437	48,509	50,591

	2014A	2015A	2016A	2017F	2018F
Ratio Analysis*					
<i>Profitability</i>					
Return on Common Equity	4.8%	3.6%	1.1%	4.0%	0.3%
Return on Assets	3.4%	2.4%	0.7%	2.4%	0.2%
<i>Solvency</i>					
Net Debt / Total Equity	17.9%	28.8%	24.6%	28.9%	53.4%
Total Liabilities /Total Assets	29.3%	31.7%	30.6%	39.2%	41.5%
Net Debt / EBIT	4.1	10.1	13.0	139.9	14.7
Current Ratio	2.5	2.3	2.4	5.4	3.7
Net Debt/CFO	1.3	(2.2)	3.6	7.0	(27.9)
CFO/EBIT	3.0	(4.5)	3.6	20.1	(.5)
Dividend Cover	5.4	4.7	0.5	n/a	n/a
*refer to Glossary for definitions					

Total Assets for financial year 2015 were largely unchanged on the previous year. In 2016, non-current assets increased by circa €5m as a result of an increase in property, plant and equipment, which is related to revaluation of property. Management is forecasting total assets to increase significantly in financial years 2017 and 2018 as a result of the proceeds of the bond issue and its subsequent deployment in non-current assets.

Total Liabilities were also largely unchanged over the financial period 2014 to 2015, with a minor increase of around €1.5m in 2016 as a result of increased borrowings. Management is forecasting an increase in liabilities of €12m in line with the proceeds of the bond issue, and repayment of bank borrowings. Liabilities are expected to marginally increase again in 2018 as a result of further borrowings.

The book value of the Group's Equity increased by €5m to €28m in financial year 2016. The Group distributed total dividends of c. €1m between FY2014-16. Management is not expecting to pay a dividend in the forecasted periods. Total equity is expected to increase by €1m to €29m by 2018 as a result of retained earnings.

While normalised profitability ratios are expected to improve in the forecasted years, solvency ratios will deteriorate as a result of the increased leverage, albeit at still relatively low levels. Current ratio is expected to remain at a healthy level, with dividend cover not applicable, as the Group isn't expecting to distribute any dividend.

2.6 Guarantor's Cashflow Statement

Historical position plus forecasted years (abridged)

Cashflow Statement for the years ended October	2014	2015	2016	2017F	2018F
	€000s	€000s	€000s	€000s	€000s
Net cash generated from/(used in) operating activities	3,097	(3,085)	1,900	1,227	(566)
Cashflows from investing activities					
Net Purchase of property, plant and equipment	(905)	(1,354)	(2,203)	(2,222)	(6,395)
Net cash generated from/(used in) investing activities	(545)	462	(1,199)	(2,222)	(6,395)
Cashflows from financing activities					
Net bank borrowings	13	(159)	911	(691)	1,210
Dividends paid	(205)	(181)	(611)	-	-
Bond Issue proceeds	-	-	-	12,423	-
Net cash generated from/(used in) financing activities	(192)	(649)	227	10,821	935
Movement in cash and cash equivalents	2,359	(3,272)	929	9,826	(6,026)
Opening cash and cash equivalents	(4,014)	(1,635)	(4,854)	(4,024)	5,803
Effects if currency translation on cash and cash equivalents	19	53	(99)	-	-
Closing cash and cash equivalents	(1,635)	(4,854)	(4,024)	5,803	(223)

The Group experienced a healthy inflow of cash from operating activities in FY16, the most recent audited financial period. Following capex investments and bank borrowings the Group ended FY16 with a positive cash contribution, reducing the current negative balance of cash and cash equivalents to €4mln.

Following the bond issue, the Group is expected to have a positive bank balance, augmented by contributions from cash from operations. This balance is expected to be deployed on capital expenditure projects sequentially over the near term.

Part 3 – Key market and competitor data

3.1 General Market Conditions

The Bank's Business Conditions Index (BCI) signalled a slight improvement in activity levels in September over the previous month. Economic sentiment fell marginally during the month, as improved confidence in construction, services and industry was offset by declining confidence in the retail sector and among consumers. In August, retail sales accelerated in annual terms, while tourism activity rose further. Industrial production also rose in annual terms. Labour market conditions remained favourable, with the number of registered unemployed declining on an annual basis and Eurostat's measure of the unemployment rate remaining low from a historical perspective.

Price pressures remained moderate, with the annual rate of inflation based on the Harmonised Index of Consumer Prices (HICP) unchanged at 1.2% in August and September. (Source: CBM, 10/2017)

Retail Segment

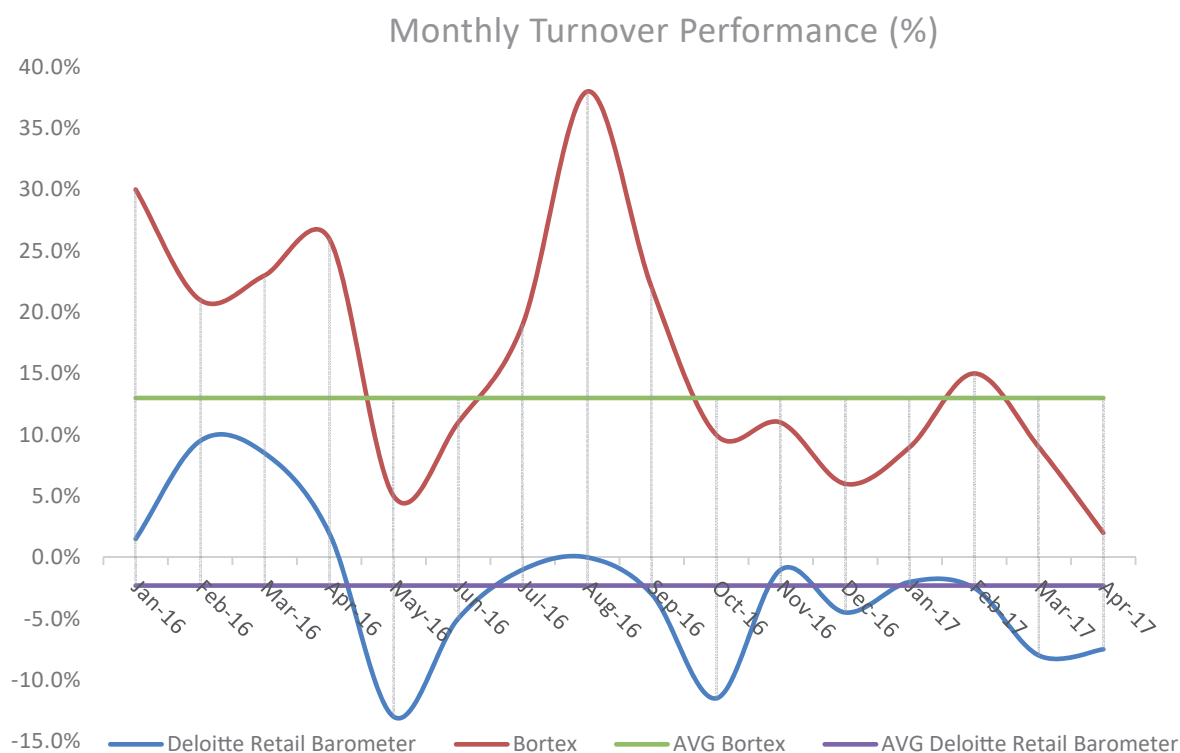
In September 2017, the Economic Sentiment Indicator (ESI) fell marginally to 118, from 119 in the preceding month, and stood above its long-term average of 101. Lower sentiment was registered within the retail sector and among consumers. In contrast, confidence increased within the construction, and to a lesser extent, within the services and industrial sectors. Sentiment in the retail sector more than halved, falling to 8 in September, from 17 in August.

Despite this substantial decline in sentiment, this indicator remained above its long-term average of 1. This deterioration was driven by all subcomponents, with the most significant decline stemming from the share of firms expecting business activity to improve over the following three months. Additional survey data for this sector indicate that a smaller share of firms expected prices to rise over the three months ahead.

Consumer confidence fell to 8 in September, from 12 in August, but still stood well above the long-term average of -19.

Almost all sub-components contributed to this decline in sentiment, with consumers' savings expectations for the 12 months ahead being the main driver. While, consumers' expectations of the general economic situation were unchanged between August and September, a smaller share of respondents expected unemployment to decline further.

Additional survey information indicates that in September, a larger share of consumers expected inflation to increase in the following months, when compared with the preceding month. (Source: CBM, 10/2017)



Source: Deloitte Retail Barometer, Management

Hospitality Segment

Tourists arrivals in Malta has been continuously increasing year on year, with a record high of 2 million visitors in 2016, an increment of 10.2% on 2015. With the majority of tourists coming from the UK (29%), Italy (16%), Germany (8%) France (7%) and Scandinavia (6%) which consists of Denmark, Finland, Norway and Sweden. An increase in the number of Libyan visitors was observed mainly due to the surge of civil unrest in the country. Expenditure by tourists has also been increasing with a total spend of approximately €1.7 Billion in 2016. While the MTA in 2016 recorded an average spend per capita of €869 and an average length of stay of 7.6 days.

The local hotel market has been positively affected by the increment in tourist arrivals with occupancy increasing to 82% while ADR registered a 7% growth. The 4 star hotel sector registered a continual year on year growth in both occupancy and rate levels leading to a 7% increase in the accommodation income PAR. The GOP margin for the 4 star market averaged 42% representing a growth of 9.9%, a decrease in the growth rate noted for the same period in 2015 at 16.8%. Events such as Valletta 2018 is expected to create a higher demand whilst bolstering Malta's image on the international scene. (Source: Malta Tourism Authority, 2016)

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 also different.

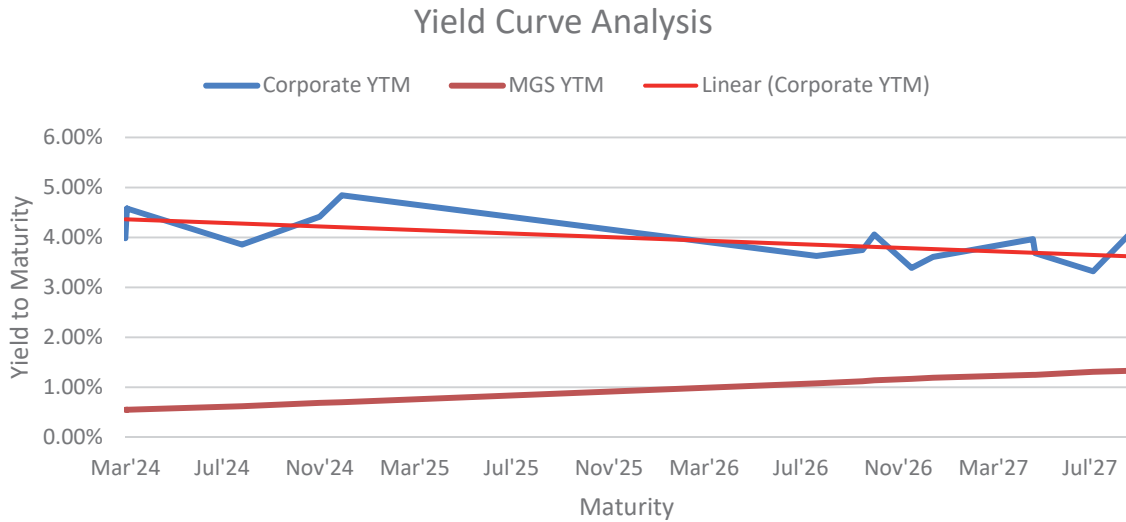
Security	Nom Value	Last Price*	YTM*	Interest Cover	Total Assets	Net Asset Value	T. Liab./T. Assets	Net Debt/Equity	Net Debt/EBIT	Current Ratio	Return on Equity	Return on Assets	Net Margin	1Yr Rev. Growth
	€000's		(%)	(times)	(mln)	(mln)	(%)	(%)	(x)	(x)	(%)	(%)	(%)	(%)
6% AX Investments Plc 2024	40,000	111.22	3.98%	3.62	270.4	163.7	40%	21%	4.3	0.85	2.5%	1.5%	10.6%	18.4%
4.4% VDH Grp Finance plc 2024	25,000	99.00	4.58%	0.69	65.0	31.8	51%	73%	56.52	0.45	0.0%	0.0%	0.0%	29.4%
5% Tumas Investments plc 2024	25,000	106.80	3.86%	4.27	181.4	81.4	55%	47%	4.0	1.46	6.4%	2.9%	12.4%	-9.7%
5% Hal Mann Vella Grp plc 2024	30,000	103.50	4.41%	-1.91	82.1	32.3	61%	120%	n/a	2.64	-3.2%	-1.3%	-9.3%	-4.3%
5.1% PTL Holdings plc 2024	36,000	101.51	4.84%	1.58	71.7	4.8	93%	891%	15.5	1.03	-15.8%	-1.0%	-0.9%	-32.7%
4% MIDI plc 2026	50,000	102.75	3.63%	0.59	203.8	67.4	67%	69%	28.4	3.47	-3.7%	-1.2%	-29.0%	-78.9%
3.9% Plaza Centres plc 2026	8,500	101.15	3.75%	9.01	43.4	26.2	40%	48%	6.6	0.61	4.8%	2.9%	46.4%	11.8%
5% Dizz Finance plc 2026	8,000	107.00	4.06%	3.15	17.0	4.7	73%	163%	6.5	0.97	12.7%	3.5%	5.8%	61.2%
3.75% Premier Capital plc 2026	65,000	102.80	3.39%	15.57	193.4	41.6	78%	143%	2.8	1.42	22.4%	4.8%	4.1%	130.3%
4% IHI plc 2026	40,000	102.99	3.61%	2.26	1220.3	646.8	47%	58%	n/a	1.18	-1.2%	-0.6%	-4.8%	17.8%
4.35% SD Finance plc 2027	65,000	103.00	3.96%	5.45	156.4	56.7	64%	112%	5.4	0.27	9.9%	3.6%	13.1%	22.9%
4% Eden Finance plc 2027	40,000	102.50	3.68%	3.98	165.5	92.6	44%	53%	10.5	0.30	3.6%	2.0%	10.5%	11.0%
3.75% Tumas Inv. plc 2027	25,000	103.51	3.32%	4.27	181.4	81.4	56%	108%	9.4	1.46	6.4%	2.9%	12.4%	-9.7%
4.5% Gran. Harb. Marina plc '27	15,000	103.75	4.04%	1.95	16.8	2.8	83%	344%	7.9	0.80	13.3%	2.2%	8.9%	13.5%
3.75% Bortex Finance plc '27**	12,750	100.00	3.75%	3.31	50.6	29.6	42%	53%	14.7	3.7	0.3%	0.2%	0.4%	6.9%
Average of Comparables			3.94%	3.89	204.9	95.3	61%	161%	13.2	1.21	4.15%	1.6%	5.7%	12.9%

Source: Audited financial statements, 2016

*as at 27/09/2017

** forecasted 2018

Following the bond issue, the Group's leverage will be among the lowest amongst comparable issuers on the Malta Stock Exchange at 41.7% gearing (on assets), compared to an average of 55%. Gearing (on equity) will be 54.1% compared to an average of 240% for the industry.



As at 18th October 2017, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of 7-10 years was 306 basis points. The new Bortex bond is being priced with a 3.75% coupon issued at par, meaning a spread of 250 basis points over the equivalent MGS, and therefore at a premium to the average on the market.

Glossary and Definitions

Income Statement

Revenue Total revenue generated by the Group from its business activities during the financial year, that is, from its real estate development and hotel operations

Operating Expenses Operating expenses include the cost of real estate developments and hotel operations

EBITDA EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

Profit after tax Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.

Profitability Ratios

Operating profit margin Operating profit margin is operating income or EBITDA as a percentage of total revenue.

Net profit margin Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.

Profit before Tax (PBT) Profit before Tax is the profit is achieved during the financial year after deducting all relevant expenses including interest expenses. This however does not include tax expense.

Efficiency

Return on Equity Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.

Return on capital employed Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.

Return on Assets Return on assets (ROA) is computed by dividing profit after tax by total assets.

Equity Ratios

Earnings per share Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date

Cash Flow Statement

Cash flow from operating activities Cash generated from the principal revenue-producing activities of the Company.

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 Company.

Cash flow from financing activities Cash generated from the activities that result in change in share capital and borrowings of the Company.

Balance Sheet

Non-current assets Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of

years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include intangible assets (goodwill on acquisition), investment properties, and property, plant & equipment.

Current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include intangible assets (goodwill on acquisition), investment properties, and property, plant & equipment.
Current assets	Current assets are all assets of the Company, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable, cash and bank balances.
Current liabilities	All liabilities payable by the Company within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents.
Non-current liabilities	The Company's long-term financial obligations that are not due within the present accounting year. The Company's non-current liabilities include bank borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current 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 a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's interest expense of the same period.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.

ANNEX D – List of Authorised Intermediaries

NAME : Calamatta Cuschieri Investment Services Ltd
ADDRESS : Ewropa Business Centre,
Triq Dun Karm
Birkirkara, BKR 9034
TELEPHONE : 25688688

NAME : Michael Grech Financial Investment Services Ltd.
ADDRESS : The Brokerage, Level 0A,
St Marta Street,
Victoria VCT 2550, Gozo
TELEPHONE : 21554492

ANNEX E – Architects’ Property Valuation Reports

Valuation of Hotel 1926 formerly Plevna Hotel
Hughes Hallet Street, Sliema



Contents

- Section 1
- Section 2
- Section 3
- Section 4
- Section 5

Section 1

1.0 General

1.01 Subject

This valuation relates to the property known as The Plevna Hotel. The building is constructed on a site in Sliema described in further detail below.

1.02 Address of Property Valued

Plevna Hotel
Hughes Hallet Street
Sliema

1.03 Compliance

We declare that we have no conflicts of interest in effecting this valuation and that our professional indemnity cover is updated in terms of standard provisions.

1.04 Party Requesting Valuation

The request has been made by Roosendaal Trading Ltd.

1.05 Site Location

The location of the existing Plevna Hotel is quite favourable as it lies at the centre of the Sliema promontory known as Qui-si-sana in Sliema. It is built over an area of 719s.m. of land and abuts onto three streets; 22.7l.m. on Locker Street, 46l.m. on Thornton Street, and 7.7l.m. on Hughes Hallet Street. The gross built up area of the Plevna Hotel is 4761s.m.

The Plevna Hotel is accessible via Tower Road in Sliema or from the tunnel side of the Qui-si-sana peninsula from the direction of The Strand, where many restaurants, leisure amenities and shopping facilities are available. The hotel lies on high ground next to the Cambridge Development and within walking distance of the MIDI Development and Tigne Point. The area is an exclusive residential area surrounded by hotels and high-rise developments.

Traffic communication is convenient as another connection to The Strand water front allows a quick one-directional flow from the hotel to The Strand, which is a main traffic artery, leading to the centre of the island. St. Julian's is very close to Sliema. The hotel guests can avail themselves of all the amenities in the conurbation of Sliema, St. Julian's, Paceville, Gzira, Msida, San Gwann, Swieqi and St. Andrew's.

1.06 The Building

The approximate age of the building is 80-90 years in the older parts and 50-60 years in the younger parts.

The existing Plevna Hotel has 100 rooms and is classified as a three star hotel. It has been in operation since 1996. The hotel is built on seven floors, with the ground floor being allocated to public rooms like a spacious lounge, reception area, a restaurant with its ancillary spaces like the kitchen, pantry, stores, etc, two cafeterias, a bar, restrooms, an office and with various circulation spaces giving access to lifts and staircases. The first floor has a large multi-purpose meeting room for an audience of around 60 to 70 people.

The upper five floors accommodate 100 rooms and several staff rooms for services. Each room has its own w.c. / shower as an en suite. There are three staircases and two lifts.

1.07 Purpose of Valuation and applicable standards

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

Roosendaal Ltd. intends to develop further the hotel and increase its capacity to 144 rooms. Following conclusion of the Initial Public offering, Roosendaal Hotels Ltd. intends to list its bonds on the Official List of the Malta Stock Exchange.

Accordingly this valuation is being carried out in accordance with the recommended practice suggested by the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation manual.

RICS defines market value, by reference to standards drawn up by the International Valuation Standards Committee, as the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

This valuation is being drawn up by the undersigned as an external valuer in terms of, and with regard given to, the RICS definition quoted above and to the guidance there on provided by the same Institute, which in the opinion of the undersigned could be validly applied to the financial and technical aspects which are the subject of this valuation.

1.08 Ownership of Land and Legal Title

The property is owned by Roosendaal Hotels Ltd.

The land on which the hotel is built was acquired 4th May 1996.

Temporary sub-ground rent of fourteen (14) Maltese Liri (equivalent to €32.61) payable every six months in arrears, which is imposed on the temporary sub utile dominium which expires on the 31st December 2084 (31.12.2084), thereafter free and unencumbered. After this date the title becomes freehold together with all its rights and appurtenances, free of any liabilities, hypothecs, levies, charges, privileges, taxes, servitudes and from any other burden, with vacant possession.

This notwithstanding for valuation purposes the property is being considered as freehold as of today due to the nominal value of the rent and due to the remaining number of years until expiry (2084).

There are no circumstances which are likely to give rise to litigation or arbitration in connection with the property. It enjoys peaceful possession including all its rights and appurtenances, including direct access to the three streets along which it is bounded.

1.09 Peaceful Possession and other Warranties

Roosendaal Hotels Ltd. warrants peaceful possession of the hotel building with all its rights and appurtenances as listed herewith.

There are no proceedings pending or threatened by or against and there are no circumstances which are likely to give rise to litigation or arbitration, involving Roosendaal Hotels Ltd, which may affect, threaten or disturb the hotel's quiet and peaceful possession of the building with all its rights and appurtenances including access thereto as stated for its Permitted Use.

The Plevna Hotel is fully covered with valid building permits issued by the competent authorities and is not in contravention of any laws and regulations relating to or affecting land and buildings generally.

There are no dues or liabilities relating to the Plevna Hotel building including, but not limited to, architects fees, building permit fees, drainage contributions, contributions for the other services and utilities, compensation for party walls, all costs for labour and supplies due to contractors and suppliers, fees for licenses, permits and other authorizations.

The Plevna Hotel is covered with valid and effective licenses, permits and authorisations as necessary according to law for the use of the building for the Permitted Use and that it is not in breach of any condition or regulation of such licenses, permits and authorisations.

There are no proceedings pending or threatened by or against Roosendaal Hotels Ltd. in connection with and/or relating to the Plevna Hotel building (including, without limitation, in connection with or pursuant to any construction and development works which have already been executed to date by or on behalf of Roosendaal Hotels Ltd.), and there are no circumstances which are likely to give rise to any litigation or arbitration involving Roosendaal Hotels Ltd. as aforesaid.

1.10 Permitted Use

Roosendaal Hotels Ltd. may use the building only for the purposes allowed in the Planning Authority Permit, i.e. for a hotel with ancillary facilities and beach club.

Roosendaal Hotels Ltd. shall be bound, and shall ensure that all persons who enjoy the use of the building or any part thereof under any title shall also be bound, to uninterruptedly operate the whole of the building as one entity exclusively for purposes allowed in the Planning Authority Permit.

Roosendaal Hotels Ltd. and any person allowed to use the Hotel or any part thereof shall not be entitled to change or to validly change the uses allowed in the Planning Authority Permit without the prior written consent of the Malta Tourism Authority and the Planning Authority.

1.11 Zoning and Building Permits

The location of the property under consideration is zoned within a residential area of Sliema in the North Harbour Local Plan published by the Planning Authority.

In terms of hotel development within NHPV 04, proposals to upgrade hotels within this zone will only be considered by Planning Authority if the following is adhered to:

- Development is for hotel use and ancillary facilities only, and has the approval of the Malta Tourism Authority;
- Proposals are of a high quality and with an up-market orientation;
- Existing open/landscaped areas are integrated with the development and where this is not possible, an equivalent area within the site is found;
- Proposals do not further restrict public access to and along the coast; and
- Proposals are in accordance with other relevant planning policies.

In addition, hotel facilities will be favourably considered by Planning Authority provided that they improve the existing range and quality of facilities within existing hotels.

In Map SJ3 “Sliema Building Heights and Urban Design” of the North Harbours Local Plan the property is located in a zone where there is a height restriction of six floors.

In addition to the rooms and facilities already available, we understand that there is the potential to expand the existing number of bedrooms along with the existing facilities. We are aware that there is currently a policy (known as the Hotel Height Adjustment Policy) set out by the Planning Authority. The salient details are described below.

- Only Hotels rated three star upwards are eligible to apply for additional floors;
- The proposed additional floors should result in overall high quality to the development in general and a positive contribution to the Tourism Industry, making the development an iconic landmark building;
- The new floor space shall not be a ‘copy – paste’ of the underlying floors, but the new additional rooms (either bedrooms and/or ancillary facilities) shall be an improvement and in line with MTA requirements;
- The policy allows for two additional floors only over and above the approved height limitation set by the Local Plans 2006.
- Planning Authority may allow more than two floors if development meets the following criteria:
 - a. Site area is not less than 5,000sq.m, or
 - b. Site is surrounded by four roads, or
 - c. Site is a standalone building

We believe that the hotel qualifies for three additional floors subject to the rules set out above. An application No. PA/07146/16 has been submitted to the Planning Authority for the alterations, upgrading and extension of three floors. It was published by the Environment and Planning Commission on the 14th June 2017.

The hotel therefore now has a valid permit for further development.

The number of rooms will be increased from 100 to 144, and new facilities like an indoor pool / spa, meeting rooms, etc. will be introduced to increase the rating to just short of a four star. The additional floors will allow guests to enjoy a very good view from the upper levels, as the top of the building would then be one of the highest points in Qui-si-sana.

1.12 Description

1.12.0 General

The Plevna Hotel is located towards the eastern side of Sliema, in Qui-si-Sana. It is accessed via Tower Road which is a busy road linking Sliema with St Julian's, which towns attract a large number of tourists annually.

The hotel is surrounded by other large hotel developments including the Fortina, the Preluna and the Marina. In addition, it is close to Paceville, which is a leisure complex providing restaurants, bars, retail shops etc. All of the above means that the location of the hotel is very attractive to both locals and foreigners.

It is located 12km from the airport and 8 km from Valletta.

1.12.1 Hotel

The Plevna Hotel is a well-established three star plus rated hotel forming part of the Bortex Group. It is built over seven levels with an underground basement. The hotel has been in operation for decades. The total number of guestrooms totals 100 as existing today before redevelopment. The rooms vary in size as the hotel is composed of a combination of three buildings which were originally separate and served the same purpose.

The existing hotel is constructed using load-bearing hollow concrete block walls and reinforced concrete beams and columns.

The hotel is an L-shape on plan, with the guestrooms situated on three streets. The lower section of the building is where the plant and machinery is located underground. The main reception area is found within the central section on the ground floor along with a lounge and a large seating area. The restaurant is also on the ground floor.

In terms of leisure amenities, we understand that there will be numerous facilities including a beach lido, an indoor pool, a spa, and a large multi-purpose meeting room accommodating around sixty (60) to seventy (70) persons.

With regards to cuisine, the restaurant and bars will be providing a range of styles of cuisine from seafood to Mediterranean.

Copies of the hotel plans as proposed are attached herewith.

The upgrading will include the following facilities.

- Broadband internet and Wi-Fi connections
- Digital signage capable of displaying high resolution graphics
- Multi-coloured ambient lighting fitted in the multi-purpose meeting room providing lighting effects according to the type of event.

1.12.2 Car Parking Provision There is no parking provision for the existing hotel and none is intended to be provided. However, being in such a central area of Sliema, tourists do not need any cars and in fact the hotel has been operating successfully for many years in this scenario.

1.12.3 Services

We have been provided with the following information regarding the services within the hotel. We have relied upon this information for the purpose of our valuation:

- The hotel is 99% self-contained in terms of services.
- The plant and machinery is mainly located on level -1, underground.
- There are calorifiers which heat up the domestic hot water which in the winter heats the hotel spaces and in the summer provides cooling.
- All bedrooms have concealed unit AC's, whilst the public areas have VRV's at roof level.
- There will be one electrical substation on site, together with one standby generator.
- There are numerous small LPG gas cylinders on site.
- There will be gas, heat and fire detectors which are checked and certified each year complying with the necessary regulations.
- A sprinkler firefighting system will be installed throughout. Above ground, there are numerous fire hoses strategically located. The fire detection units are controlled centrally. There will be fire drills at least once a month.
- The new windows will be double glazed throughout.
- There will be three passenger lifts and one service lift.
- There will be three potable water/storage for firefighting reservoirs.

There will be a substantial improvement in the existing rooms. They will be bigger, more comfortable with a contemporary interior design matching modern standards of comfort and leisure.

Finishes will be improved throughout. Internal paving, plastering and doors will be changed to conform to the new design. Fire safety lobbies will be introduced together with smoke extraction shafts, smoke detectors and sprinklers. The new name of the hotel, 1926, will also go digital. Rooms' pads, swipe cards, Wi-Fi and all extra low voltage (ELV) services with modern software will be available in all rooms, apart from the usual electrical/electronic services already available, which will be fed through a new electrical system forming part of the services upgrade.

A proposed solarium and a spa will also be attractive amenities that promote the hotels potential and sustainability.

The corridors will be mostly single-loaded and will therefore enhance the quiet and tranquil ambience which guests appreciate during their stay of rest and leisure.

Facilities for swimming, sun bathing and water sports will be provided by a completely revamped beach club with an infinity pool located only about 100 metres from the hotel down the road to the beach on the Qui-si-sana coast facing the open sea. The beach club is attractively designed to provide all modern amenities expected of a contemporary beach club, including catering facilities.

Internal and external finishes, both to the re-developed hotel and to the upgraded beach club will be a high standard of materials and workmanship and will contribute to impart a prestigious image complementing the design parameters explained above.

The roof is used as an open relaxation space both in summer and in winter, and it enjoys good views of the sea and of Sliema and beyond. There are also some store rooms and services rooms at roof level. The internal finishes are good and all services are available. The amenities are also adequate for this class of hotel.

Services are also located at basement level, occupying the area from Hughes Hallet Street up to the service entrance in Thornton Street.

Externally, the building is rendered and painted. Most of the rooms have a balcony overlooking the streets, there are a few rooms on each floor which have an outlook only on the internal backyard.

1.13 Environmental obligations

Roosendaal Hotels Ltd. has a duty to observe all applicable laws relating to Health and Safety and/or preservation and protection of the environment including those aimed at the presentation of any health and safety risks and/or pollution. Roosendaal Hotels Ltd undertakes to co-operate fully in implementing all local and international measures which are designed to enhance standards of operation and safety and to implement preventive systems.

Roosendaal Hotels Ltd. is conscious of its environmental obligations towards neighbours and the public during construction operations for the hotel extension and upgrading.

Any nuisance which may ensue as a result of the carrying out of building and development works as stated above including, without limitation, any nuisance which may be caused as result of noise, vibrations and dust will be mitigated as per building regulations specified by the building regulations office.

1.14 Insurance

Roosendaal Hotels Ltd has a duty to keep in full effect, at its sole expense a policy of Public Liability Insurance with respect to the 1926 Hotel and all installations and improvements thereon, which shall cover the hotel against liability for all damages which may arise to third parties from the business carried on in the hotel.

1.15 Compliance with Law

Roosendaal Hotels Ltd, at its sole cost and expense, is bound to comply with all legislation, rules, regulations and administrative orders applicable to Malta now in force, or which may hereinafter be in force, pertaining to the hotel building. Roosendaal Hotels Ltd. is to faithfully observe all conditions in all licenses/permits/authorisations issued to Roosendaal Hotels Ltd. or to guests of the Hotel, and is bound to comply with all licenses and permits necessary for the Permitted Use and shall conform to any requirements in the building permits relative to the Hotel extension and upgrading works.

1.16 Assumptions

We have made the following assumptions in the preparation of our Report:

- The buildings are in a good state of repair;
- There are no defects of any significance;
- All building services and any associated controls or software are in working order and free from defect;
- The properties are not contaminated and no contaminative or potentially contaminative uses have ever been carried out on it;
- There are no abnormal ground conditions, nor archeological remains present which might adversely affect the present or future occupation, development or value of the property;
- The buildings have been erected in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;
- The property complies with all the applicable laws and regulations, including those related to health and safety especially passenger and goods lift which are periodically certified as safe by independent mechanical engineers;
- We have relied upon sources of information provided to us by the Roosendaal Hotels Ltd. and their representatives, especially for the number of rooms within the hotel, other facilities and legal title.
- All areas quoted within this report are approximate.
- There are no other matters, including but not limited to, assumption and information on contamination which material affect the value.

Section 2

2.0 Architectural Appraisal

2.01 Inspection

A visual inspection of the hotel was carried out on the 22nd August 2017 to establish whether there are any obvious defects that could have an impact on the value of Property. This inspection does not represent a building survey and shall not be construed as such.

There were no evident defects in the building. It is in a good state of repair.

It is assumed that building services and any associated controls or software are in working order and free from defect.

2.02 Design Parameters

The architectural design is based on the mid-twenties theme of the last century. The public rooms and amenities will be conceived as an attractive, leisurely and welcoming environment within a building which will resuscitate the *juoi de vivre* of the 1920s.

The concept consists of an amalgamation of an internal modern idiom for the hotel rooms and a studied historical rendition of the styles and ambience of the *anni venti* within a contemporary context.

This architectural consideration will improve the holiday experience of guests. The finishes are in fact designed in consonance with an upmarket image of leisurely and pleasant guest stays which attract repeat customers.

The external architectural design complements this concept in that it provides an impression of the upper floors in contemporary architectural styles growing from the existing older building.

The architectural massing allows for new rooms at the topmost level projecting beyond the façade plane with glazed curtain walls giving the visual impression of a light structure of a solid base which looks restful and secure to the naked eye.

The main entrance is being changed from the short elevation to the longer one in order to achieve an imposing image.

The top floors will have impressive views of Manoel Island, Valletta, the Tigne' peninsula, the sea and parts of Sliema.

2.03 Layout

The layout of the existing hotel is shown on the attached drawings numbers F2533-PA-01 to 17.

The proposed layout of the upgraded and extended hotel is shown on attached drawings F2533-PA-36 to 54.

There are vertical cores, strategically placed to meet fire escape regulations, housing escape stairs, goods lifts, shafts for electrical and smoke extraction, risers etc.

2.04 Existing Uses

The existing use of the hotel of the property is a three star hotel, including public areas and amenities as listed in the description. The location of all facilities and guest rooms is shown on the attached drawings.

2.05 Amenities

The amenities available to the hotel guests are at present a lounge, a reception, a restaurant, bar, cafeteria, a large meeting room accommodating 60 to 70 persons, an open leisure space at roof level enjoying good views together with all the necessary services. A beach club including a swimming pool and catering facilities is provided between March and November a short

distance from the road on the coast near the existing children's playground.

The amenities will be improved to include a spa, a solarium and an upgraded beach club with revamped facilities including an infinity pool. The existing amenities will be upgraded.

2.06 Finishes

The finishes of the existing hotel are all of a good standard of materials and workmanship and contribute to impart a prestigious image to the hotel. They also have the function of concealing the various services passing through the building, at the same time leaving access points for maintenance and repairs.

All the finishes will be upgraded in the new development in consonance with the 1920's theme of the hotel and its modern and comfortable guest rooms and facilities.

2.07 Structure

The existing structure is composed mostly of load-bearing masonry walls and reinforced concrete ceilings. The structure will be strengthened to take the load of the extension which will be built with hollow concrete block walls and predalle composite concrete slabs.

All gravity and horizontal walls with the worse combinations have been taken into account in the structural design in order to ensure the structural adequacy of the building. The existing and proposed loads at all levels are generally adequate for their intended uses. Foundations bear directly on the globigerina limestone rock layer.

We did not carry out a structural survey but from what we saw visually on site the existing structure seems to be adequate, safe and integral for the purposes for which it was built.

2.08 M & E Services

The hotel is served by all modern electrical, mechanical and electronic systems which are required by contemporary standards for this category of hotels.

The existing/proposed services within the hotel are listed hereunder:

- Electrical installation to the entire building and common parts, including lifts and staircases.
- Stand-by Diesel generators for continuous supply of electricity in case of outage.
- Switch gear panels for adequate control of the supply of the separate parts of the building.
- Installation of internal lighting to common parts.
- Installation of an emergency lighting system.
- Installation of a UPS system.
- Installation of a power factor correction system.
- Installation of Fire Detection and Alarm system.
- Installation of Background Music systems.
- Installation of inverters.
- Installation of mechanical system-heating, plumbing, pipe work etc.

- Installation of heating, ventilation and air conditioning systems.
- Installation of air-handling units.
- Installation of pumps.
- Enemalta substation to house transformer equipment for the supply of all electrical needs of the hotel will be built in an adjacent property along Hughes Hallet Street also owned by Roosendaal Hotels Ltd.

It is being assumed that all services and any associated controls or software of both the existing and the new upgraded hotel are/will be in working order and free from defects, and that they are regularly maintained and repaired as necessary to function continuously and efficiently for the benefit of guest of the hotel.

2.09 Fire Prevention Measures

Fire prevention systems will be installed in accordance with international standards for fire safety, including fire protection lobbies, smoke extraction shafts, fire detection and alarms systems, sprinklers, escape stairs and fire resisting doors, etc. in the proposed upgraded and extended hotel. The fire prevention systems are designed by fire consultants.

2.10 Logistics

A service entrance is provided in Thornton Street in order to service and handle all goods for public areas and hotel rooms. Every level has a storage room and a service room to allow staff to handle all services required for the comfort of guests.

Section 3

3.0 Other

3.01 Sources of Information

Information was supplied by the director and other officials of Roosendaal Hotels Ltd. in connection with all the matters discussed in this report. Legal tenure details were obtained from a copy of the deed of acquisition by Roosendaal Hotels Ltd.

We have also based our assessment of the engineering side of this report on architectural and structural drawings and reports provided to us by the Roosendaal Hotels Ltd. True copies of drawings as approved by the Planning Authority relative to the building permits are attached herewith.

3.02 Assumptions

The following assumptions have been made in the preparation of this report:

- All measurements, areas and ages that are quoted in our report are approximate;
- The Property is not contaminated and no contaminative or potentially contaminative uses have ever been carried out in it;
- Any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- There are no abnormal ground conditions, nor archeological remains present which might adversely affect the present or future occupation, development or value of the Property;
- All buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;

- vi. Only minor costs will be incurred if any modification or alteration is necessary in order for the Property to comply with the provisions of relevant disability and access laws;
- vii. The Property is/will, in all respects, be insured against all usual risks or normal, commercially acceptable premiums and will remain so throughout when the hotel is in operation;

Section 4

4.0 Valuation Method

4.01 Basis of Valuation

The hotel, is a type of asset class known as “trade related property” and as such, we have taken into account the future trading potential when assessing the market value excluding goodwill. This means that we have reviewed the previous trading performance and taken into account the following in order to arrive at our opinion of market value:

- Land and buildings
- Trade fixtures, fittings, furniture and equipment
- The market’s perception of the trading potential together with an assumed ability to obtain or renew existing licenses, consents and certifications.
- Alterations, upgrading and extension of an additional three floors just sort of four star rating with a valid permit for development.

4.02 Discussion

For the purpose of this valuation, we are valuing all of the different parts within the hotel development as one asset.

The valuation is based on an open market value for existing use and not for alternative use.

The existing Plevna Hotel is one of the most recognized names in the hotel industry in Malta. The hotel is at present rated as three star, well established and located in one of the most popular destinations by tourists and locals. The existing hotel benefits from 100 guestrooms together with the amenities described.

Roosendaal Hotels Ltd. intends to upgrade and extend the hotel to increase its capacity to 144 rooms with improve its facilities in a development expected to be carried out between November/December 2017 and October/November 2018.

The new hotel will be named 1926 and the upgraded section of the hotel should be open again by June 2018, while the new extension comprising the topmost three floors will be built between November/December 2017 and October/November 2018.

We have been requested to submit three values in this report:

1. Market value as is
2. Market value on completion
3. Market value at maturity

We have received copies of the audited accounts and forecast budgets provided to us by Roosendaal for the years 2014 to 2017. From these accounts, we understand that the total potential number of room nights available based on the number of rooms (144) is 36,792 in 2020. The average occupancy rate of the hotel is expected to be 62% in 2019 and we have assumed this percentage rate going forward to 70% in 2020 and 74% in 2021.

Estimated room rates of €61.2 in 2019, €69.1 in 2020 and €76.7 in 2021 are considered fair and reasonable in the expected tourist market in Malta of the near future.

We have established the criteria for the discounted cash flow analysis shown below, based on the accounts up to 2017, on which our valuation is based.

We understand that it is the Plevna Policy to spend a percentage of annual turnover on capital expenditure for refurbishment of the existing bedrooms and public areas. This time a major upgrade-spend of €6.4m will take place and it is fair to assume that the capitalisation factor would be 6.25%.

We have applied a growth rate of 2%. In addition, we have assumed a tax rate of 35%.

We have applied a post-tax discount rate of 8.25% WACC (Weighted Average Cost of Capital).

As mentioned above, the property is held on a temporary emphyteusis considered to be practically a freehold legal title. It is our experience that investors purchasing property or land which is held on this basis are likely to find funding at banking institutions and that the property will not be considered a wasting asset.

As such, we have applied a terminal value yield of 6.25%. From this, our discounted cash flow analysis (DCF) indicates a post-tax value equating to €10,003,000 say €10,000,000.

We have used our knowledge of comparable upgraded hotels and undertaken a Discounted Cash Flow and made the following assumptions:

- The total construction costs are €6.4m and the build starts in November/December 2017 and ends in June 2018 for the existing section and October/November 2018 for the additional floors.
- The property becomes income producing in Summer 2018.
- The GOP of the hotel commences at €960,000 per annum in the first full year in 2019 and increases with growth every year up to €1.77m in 2024.
- Capital expenditure commences in 2017 at a rate of 6.25% of the GOP.
- A discount rate of 8.25%.
- A terminal rate in year 2026 at 6.25%.
- A growth rate of 2%.
- A tax rate of 35%
- Annual Capex commences in year ending 2019.

The hotel when fully developed, will be more attractive to guests using the facilities and newly refurbished rooms which make the guests' stay more appealing. In general it can therefore be stated that a bank loan would be sustainable over a number of years in view of the reasonably estimated profits and assuming a balanced, appropriate and efficient management of the hotel over these years.

The present market value and the open market value are the same.

4.03 Valuation

Having considered all the factors described above, we assess the value of the property on an open market basis as follows:

- | | |
|---|--|
| 1. As existing today | €10,000,000 (ten million euro) |
| 2. On completion
End of October 2018 | €16,000,000 (sixteen million euro) |
| 3. At maturity
End of October 2022 | €21,000,000 (twenty one million euro) |

4.04 Confidentiality:

It is to be noted that this report is being submitted solely for the use of Roosendaal Hotels Ltd., its bankers and its professional advisors. We accept no responsibility to third parties.

We have taken all reasonable care to ensure that the information is correct, and to the best of our knowledge is in accordance with the facts as given to us, and contains no omission likely to affect its import.

There are no other matters which we consider as relevant for the purposes of the valuation.

Section 5

Authors of Valuation

This valuation was drawn up by the firm of architects and civil engineers, DeMicoli & Associates, Capital Business Centre Entrance A, Level 2, Taz-Zwejt, San Gwann, SGN 3000.

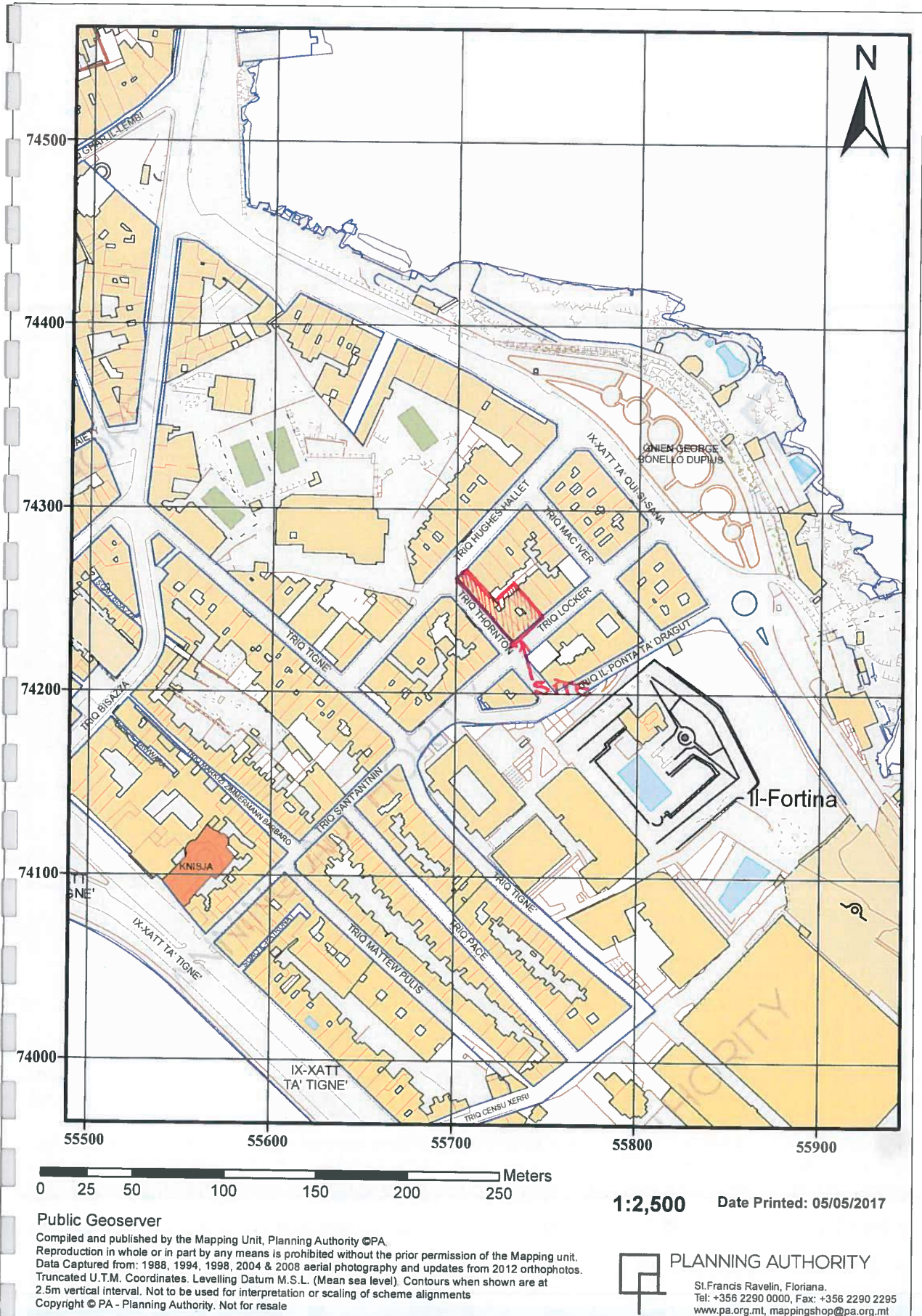
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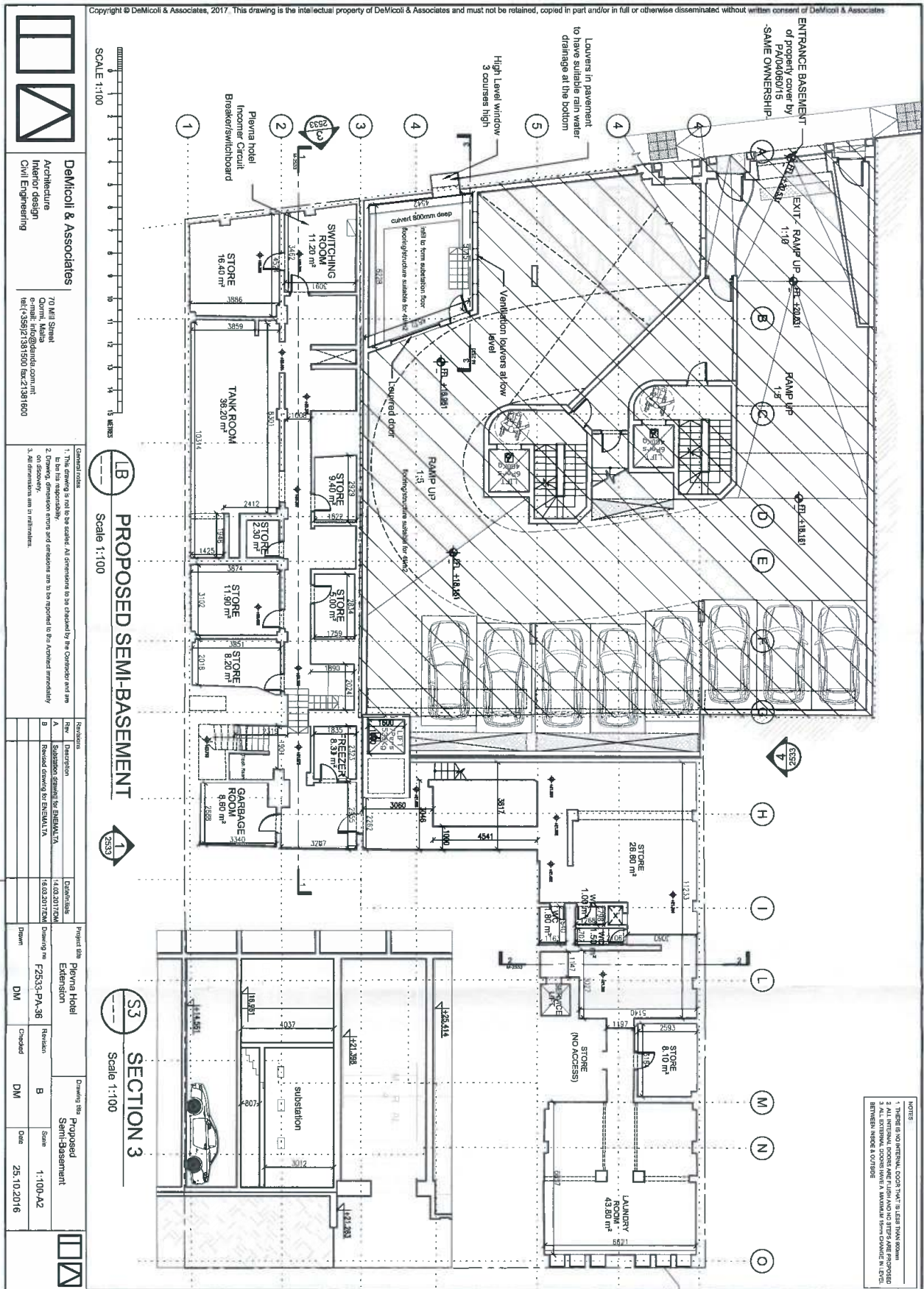
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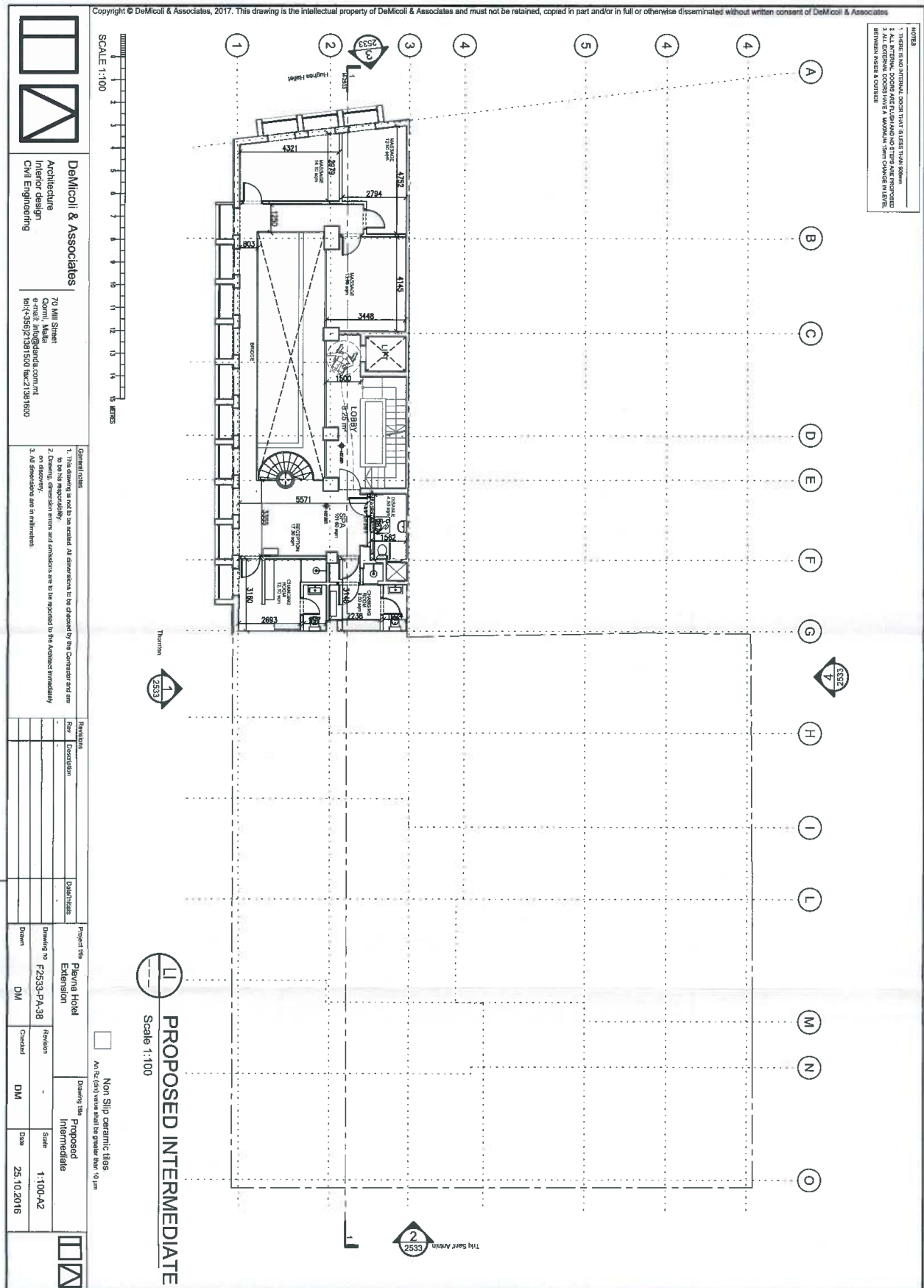


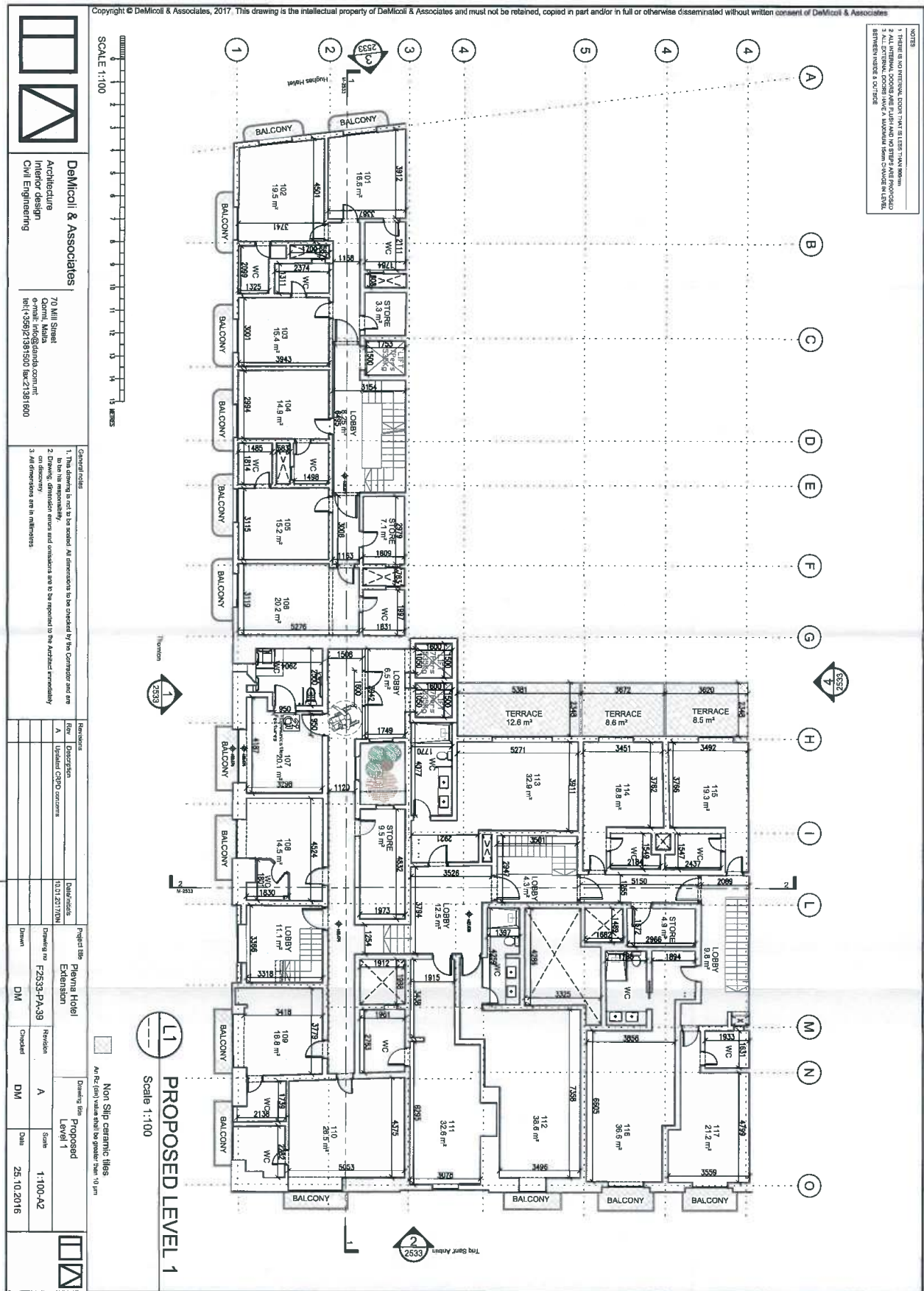
William Soler
Senior Architect
DeMicoli and Associates

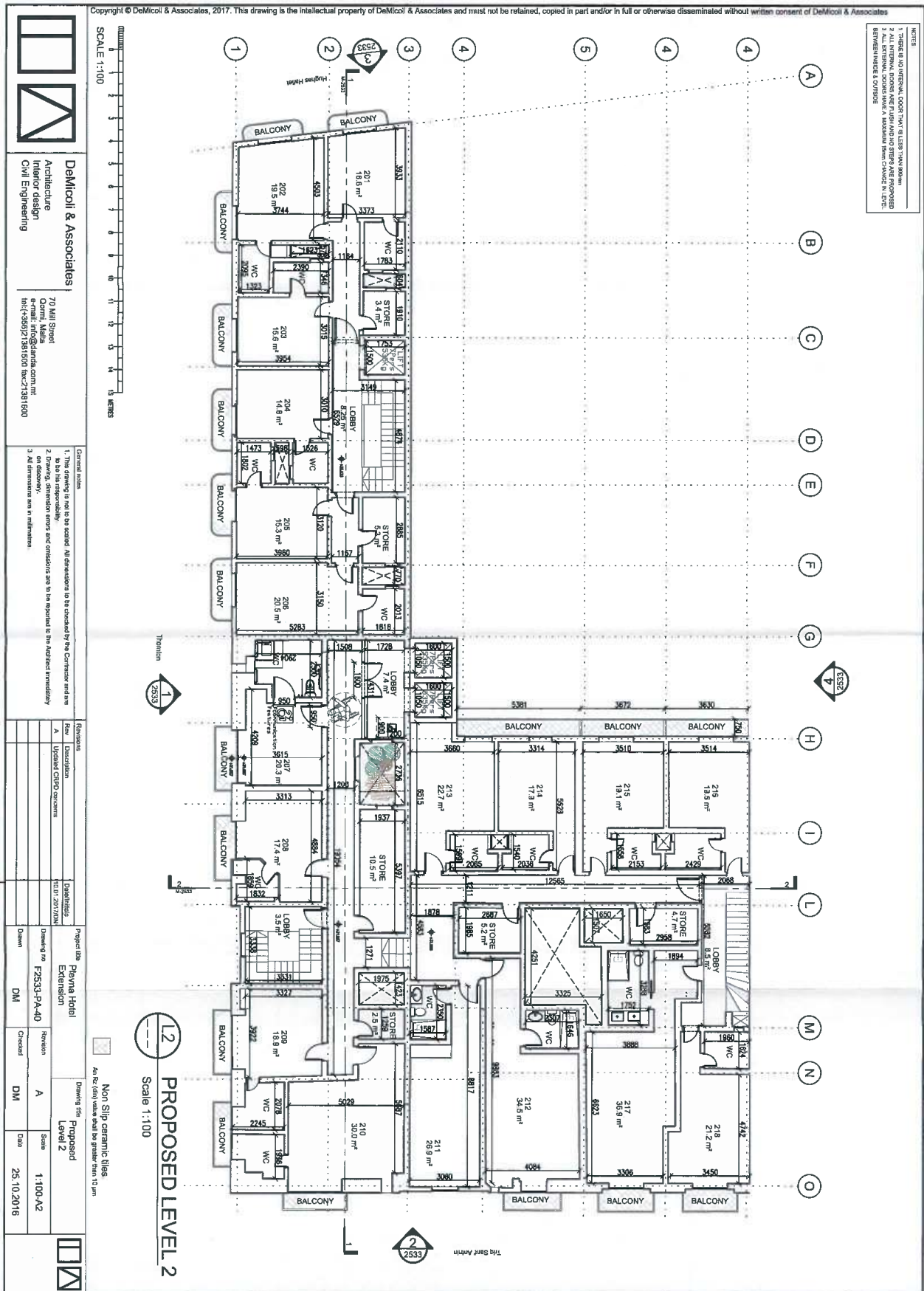
Encl: Site Plan
Hotel plans as existing.
Hotel plans as proposed.

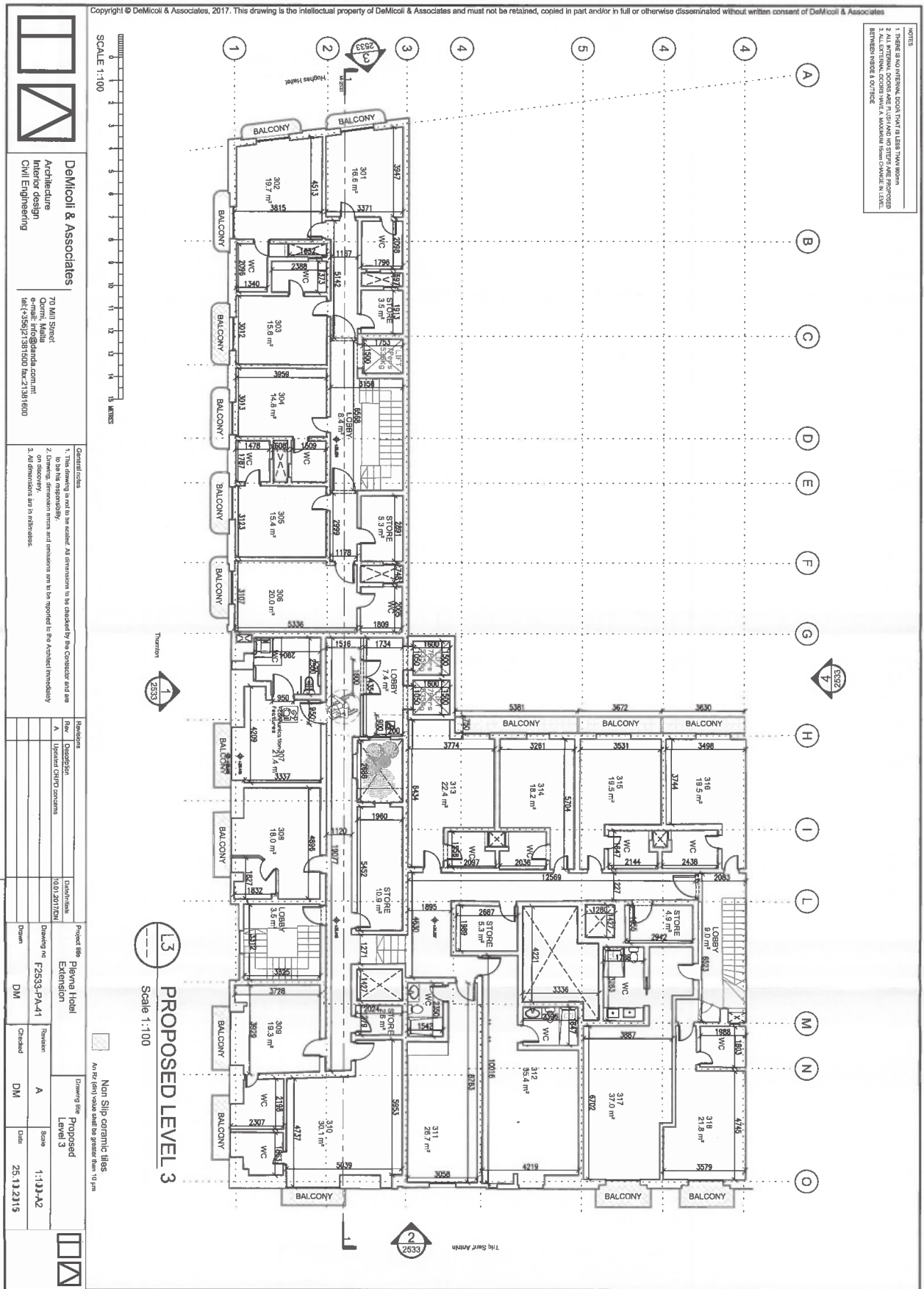


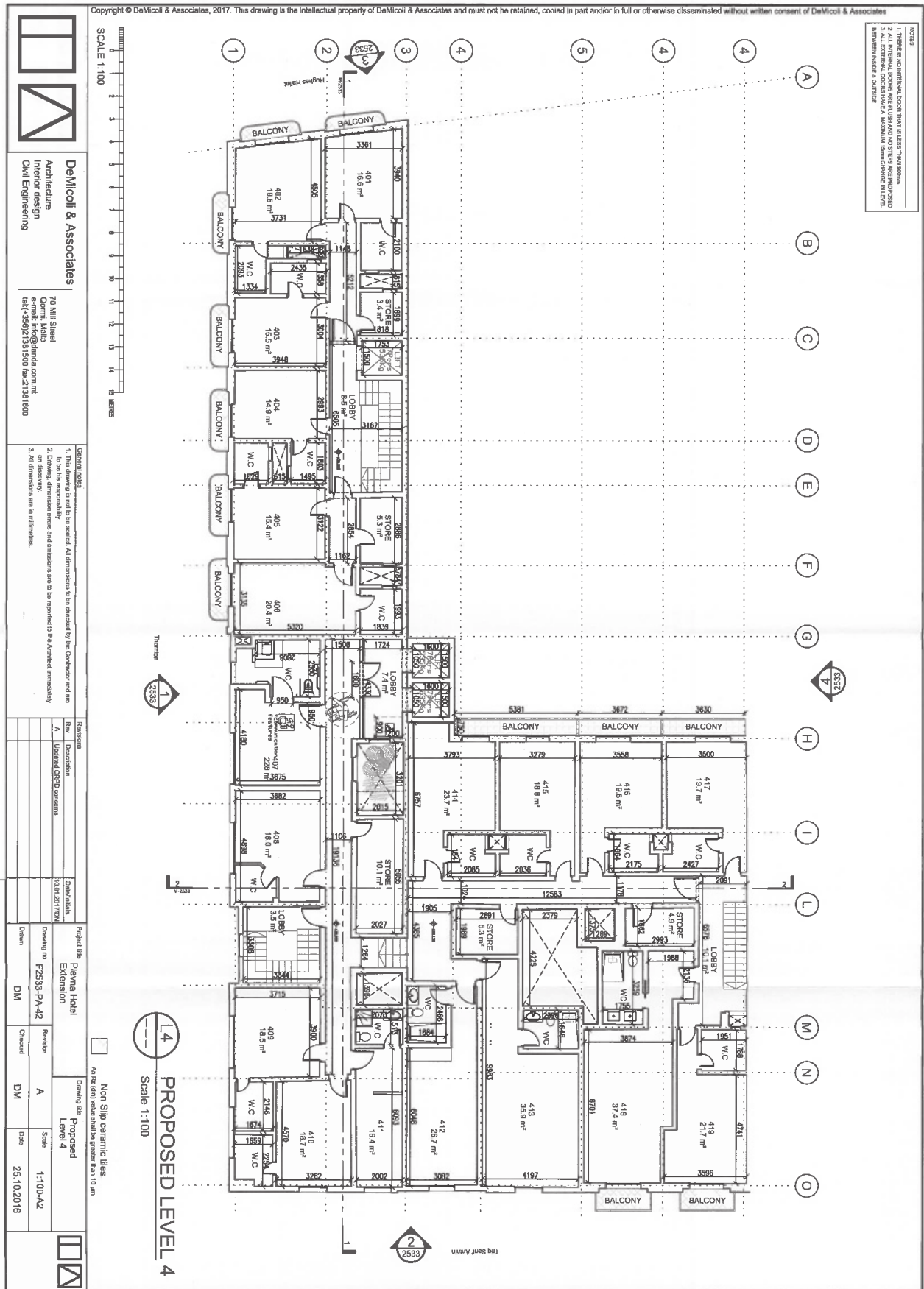




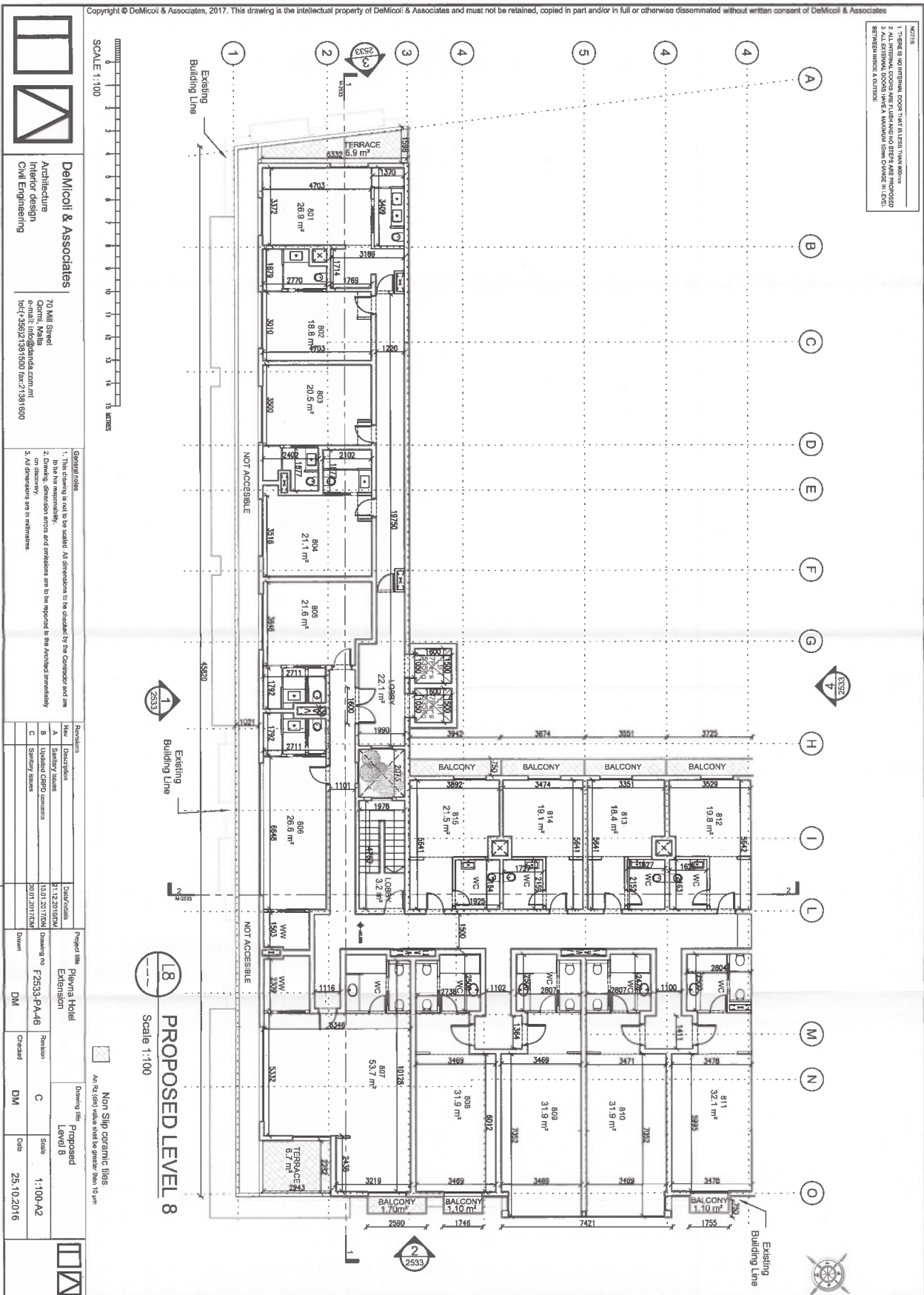


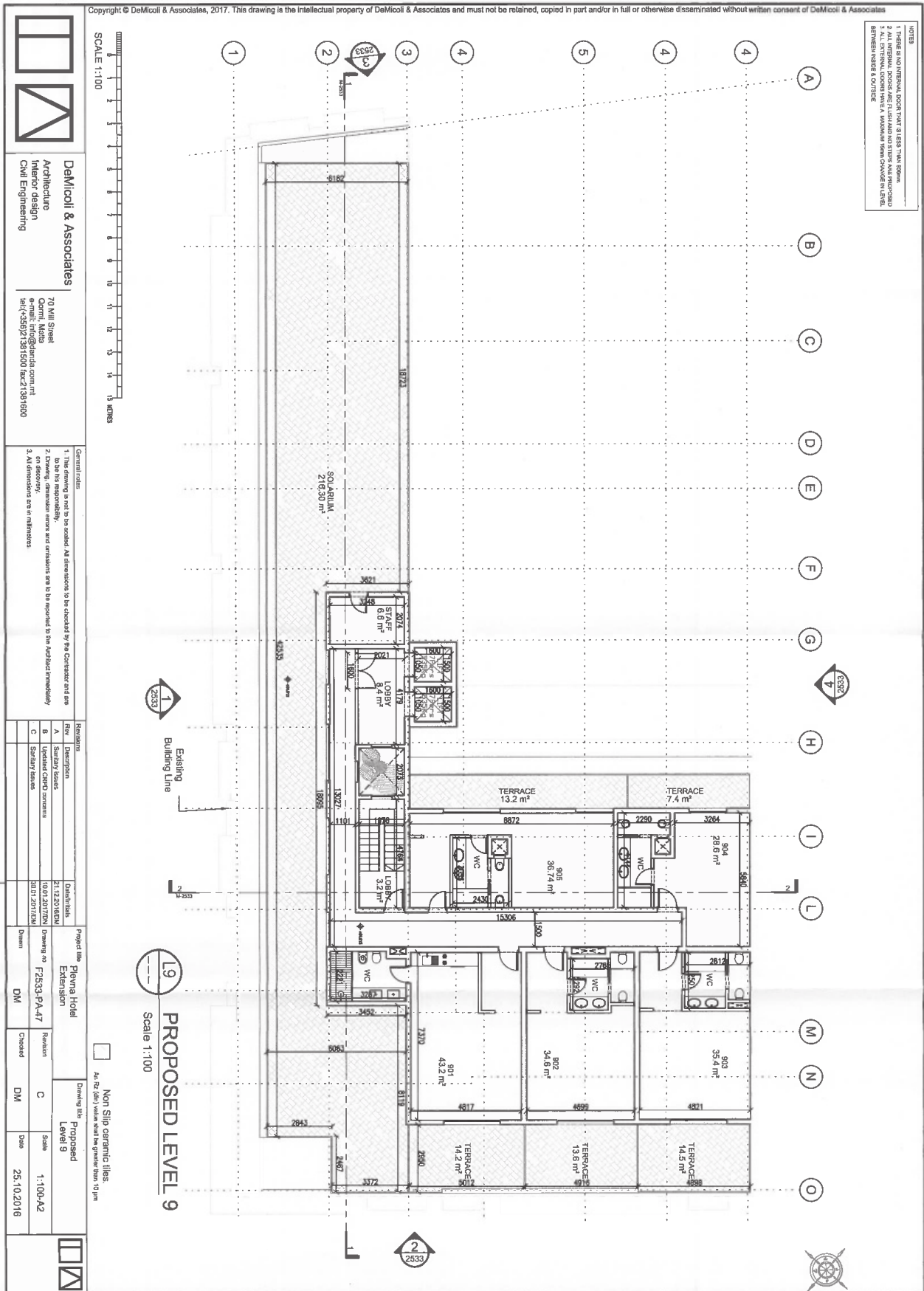


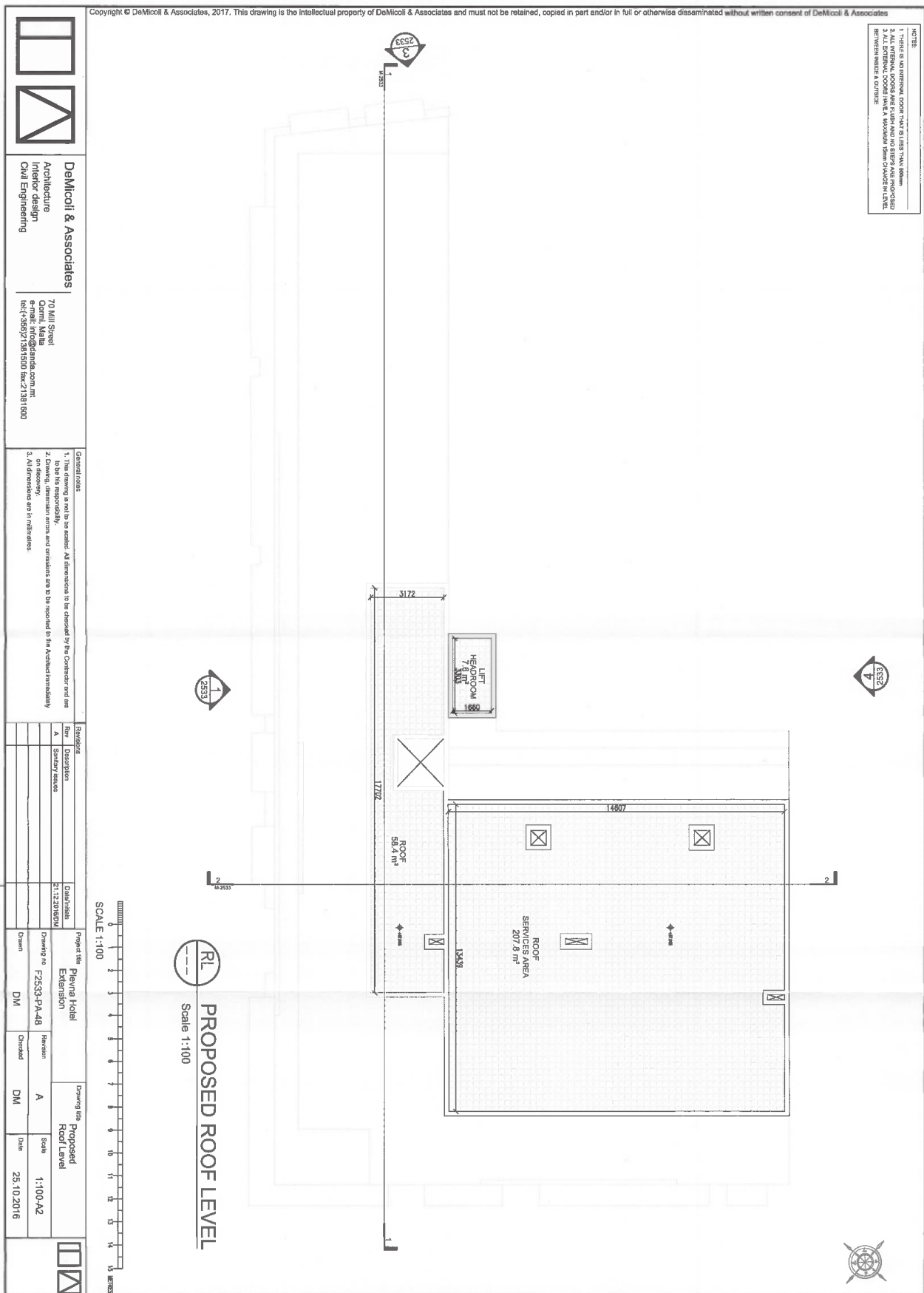






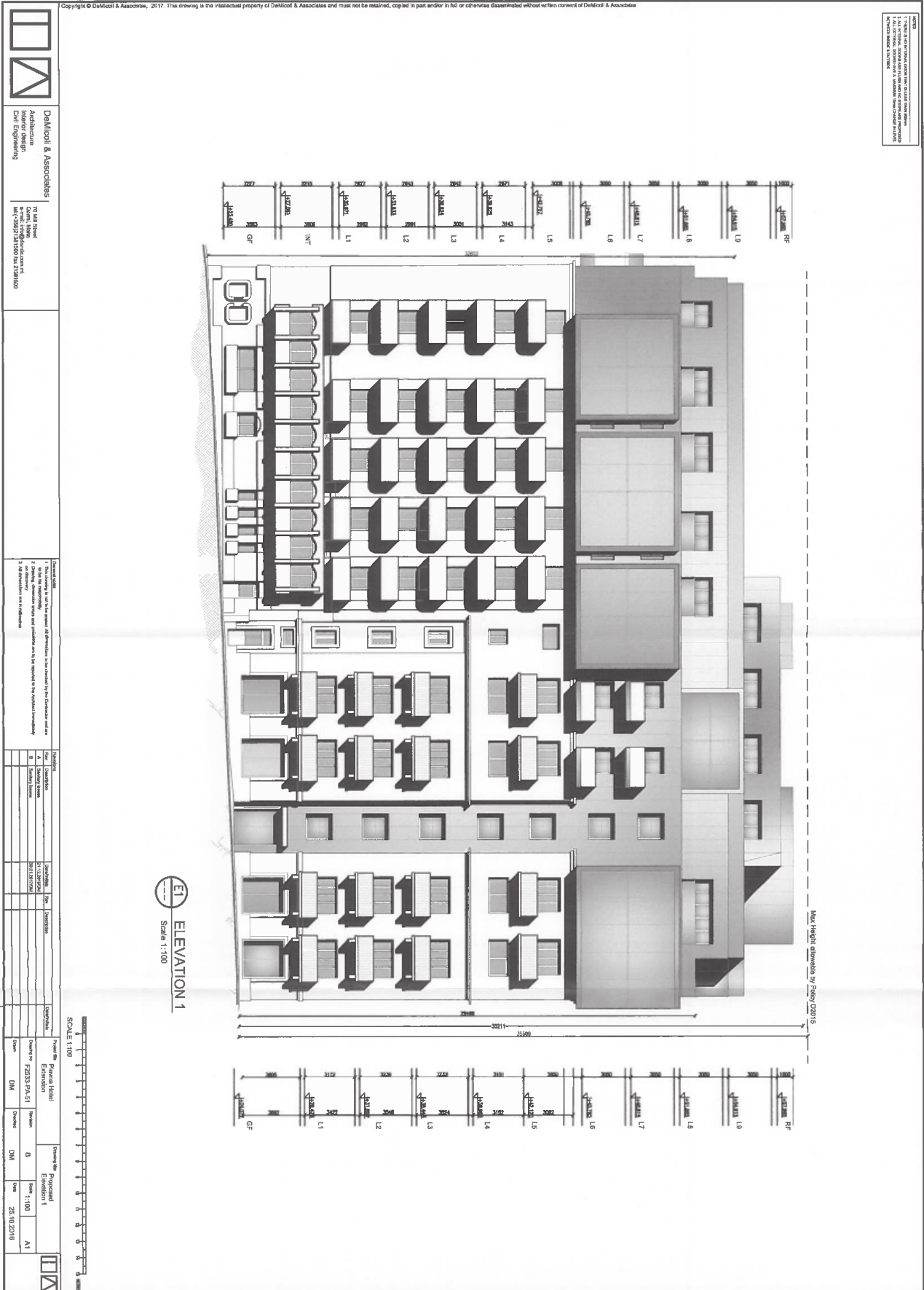














Original article

1. The steering is not to be kicked. All decisions to be accepted by the Committee need to be his responsibility.
2. Discovery, stimulation, success and confidence are to be reported to the Archivist immediately on discovery.
3. All decisions are to be irreversible.

[illegible]

NOTES
1. THESE ARE PRELIMINARY DRAWINGS AND ARE NOT TO BE USED FOR CONSTRUCTION.
2. ALL DIMENSIONS SHOWN ARE IN METERS AND ARE TO BE TAKEN FROM THE FACE OF THE WALL UNLESS OTHERWISE STATED.
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De Micolli & Associates
Architects
Interior design
Civil Engineering

73348 Street
Central Market
Birmingham B2 4JG
Tel: 0121 255 123 123 Fax: 0121 255 123 123

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2. All dimensions are in meters and are to be taken from the face of the wall unless otherwise stated.
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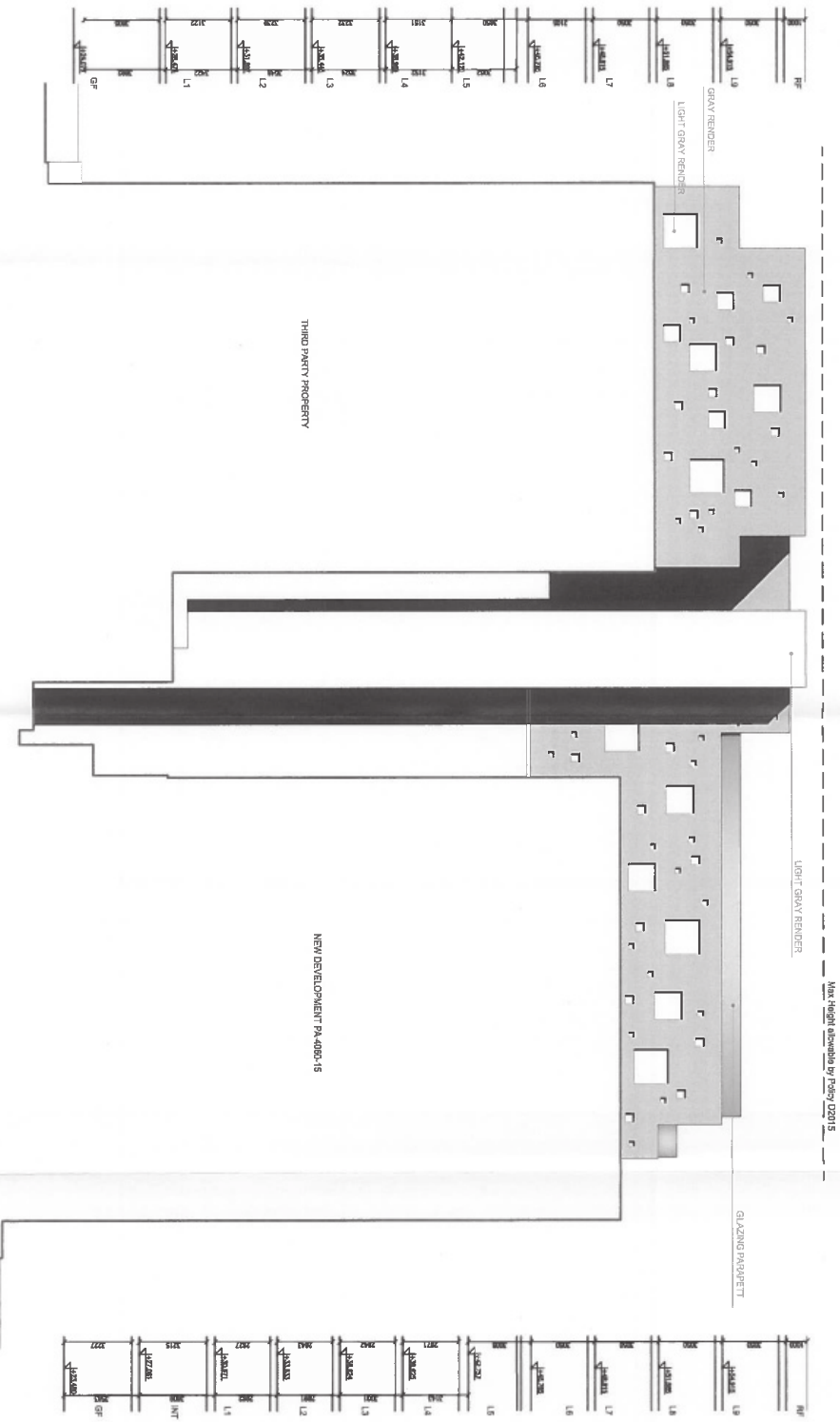
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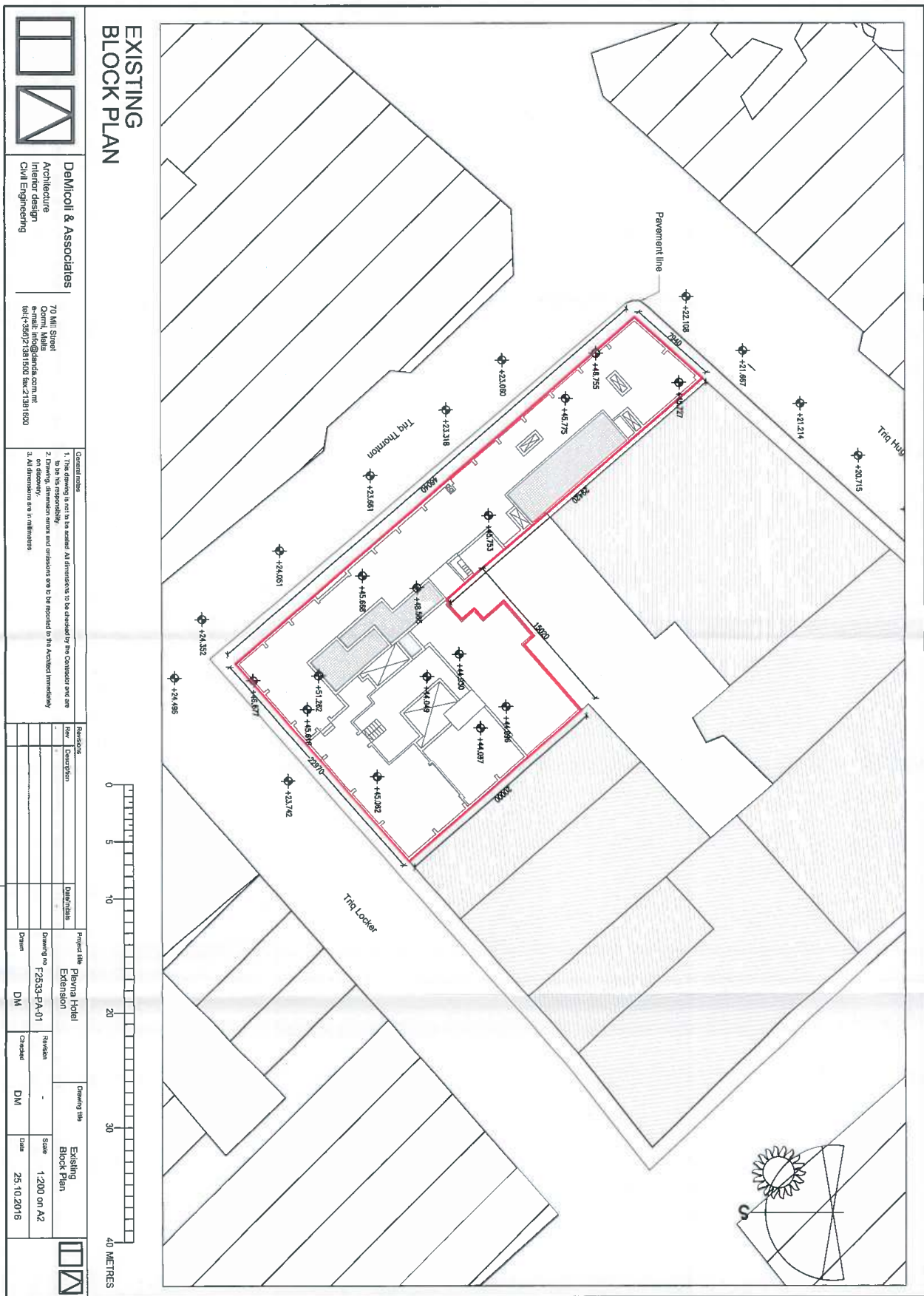
Rev	Description	Date	By	Check
1	Issued for Construction	11/10/2016		

Rev	Description	Date	By	Check
1	Issued for Construction	11/10/2016		

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ELEVATION 4
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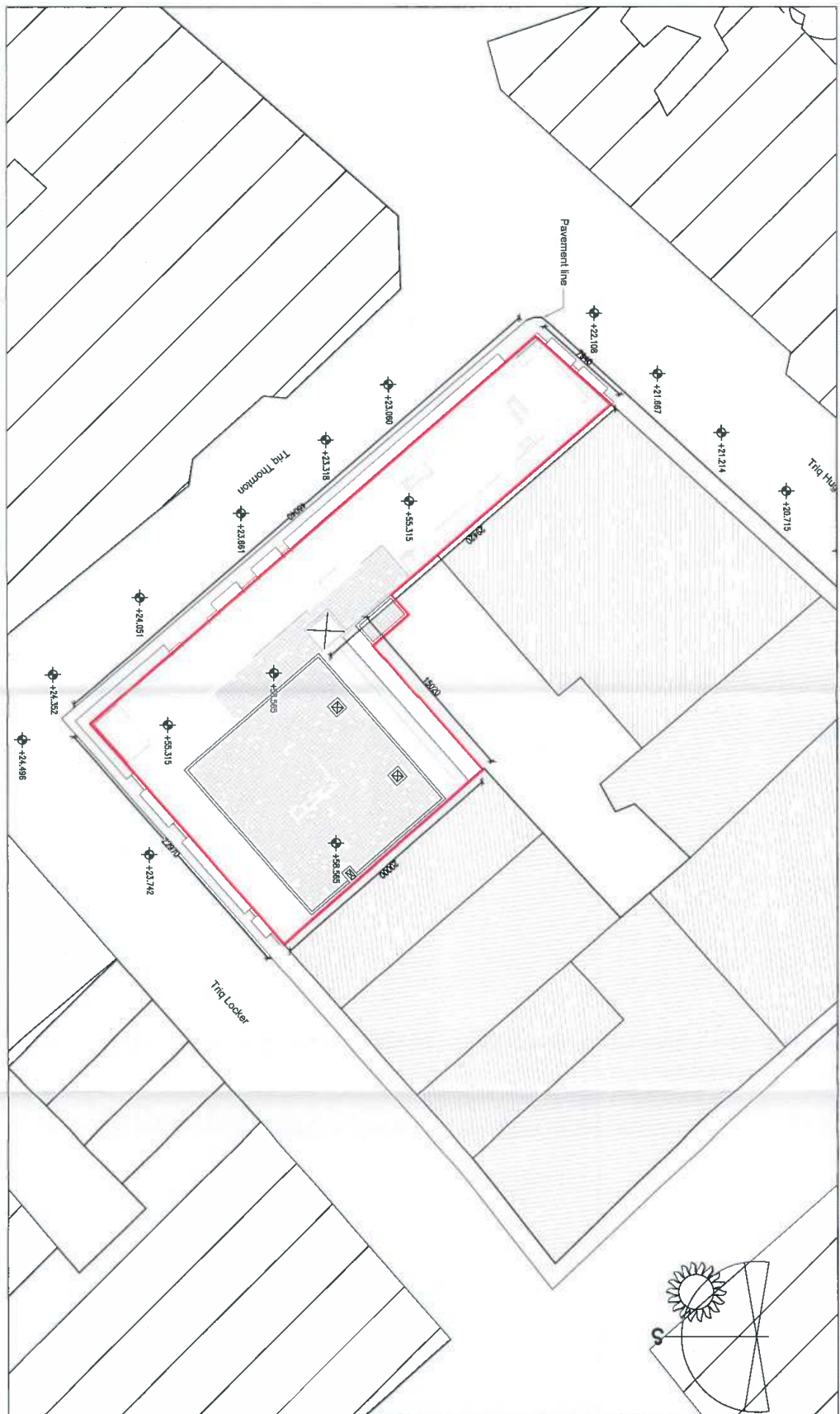


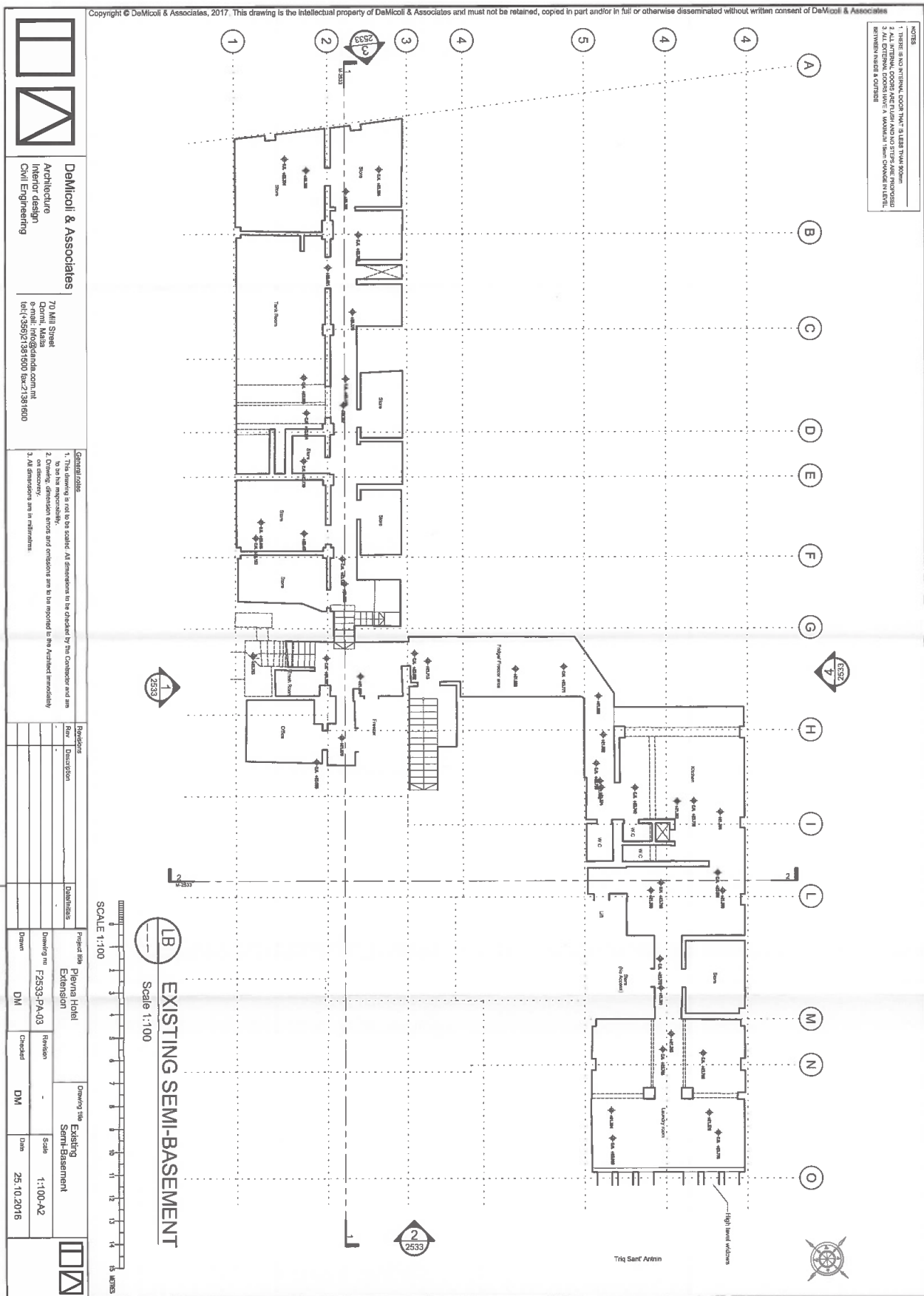
DeMicoli & Associates
Architecture
Interior design
Civil Engineering

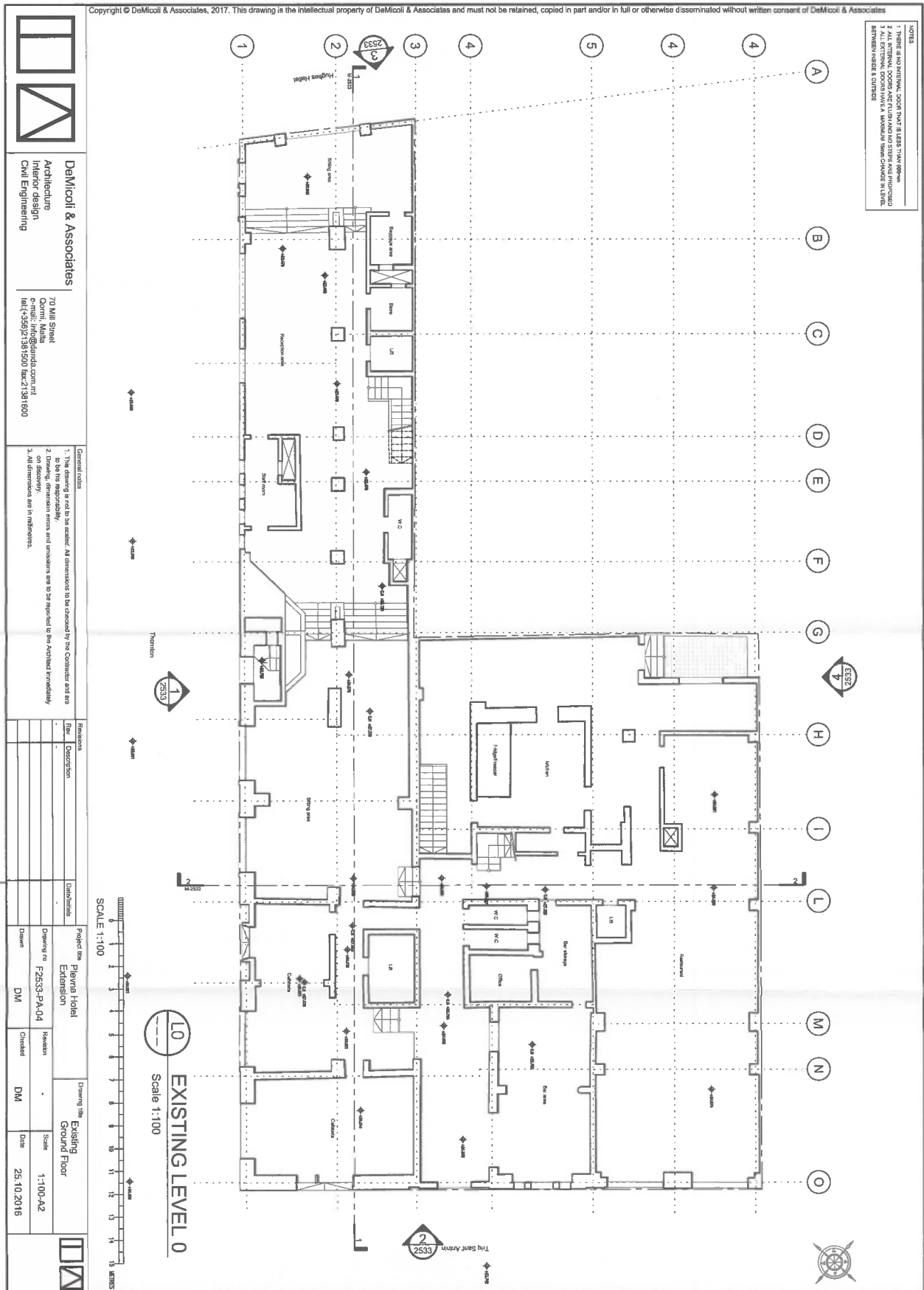
70 Mill Street
Qormi, Malta
e-mail: info@danda.com.mt
tel: +356 21381500 fax: 21381600

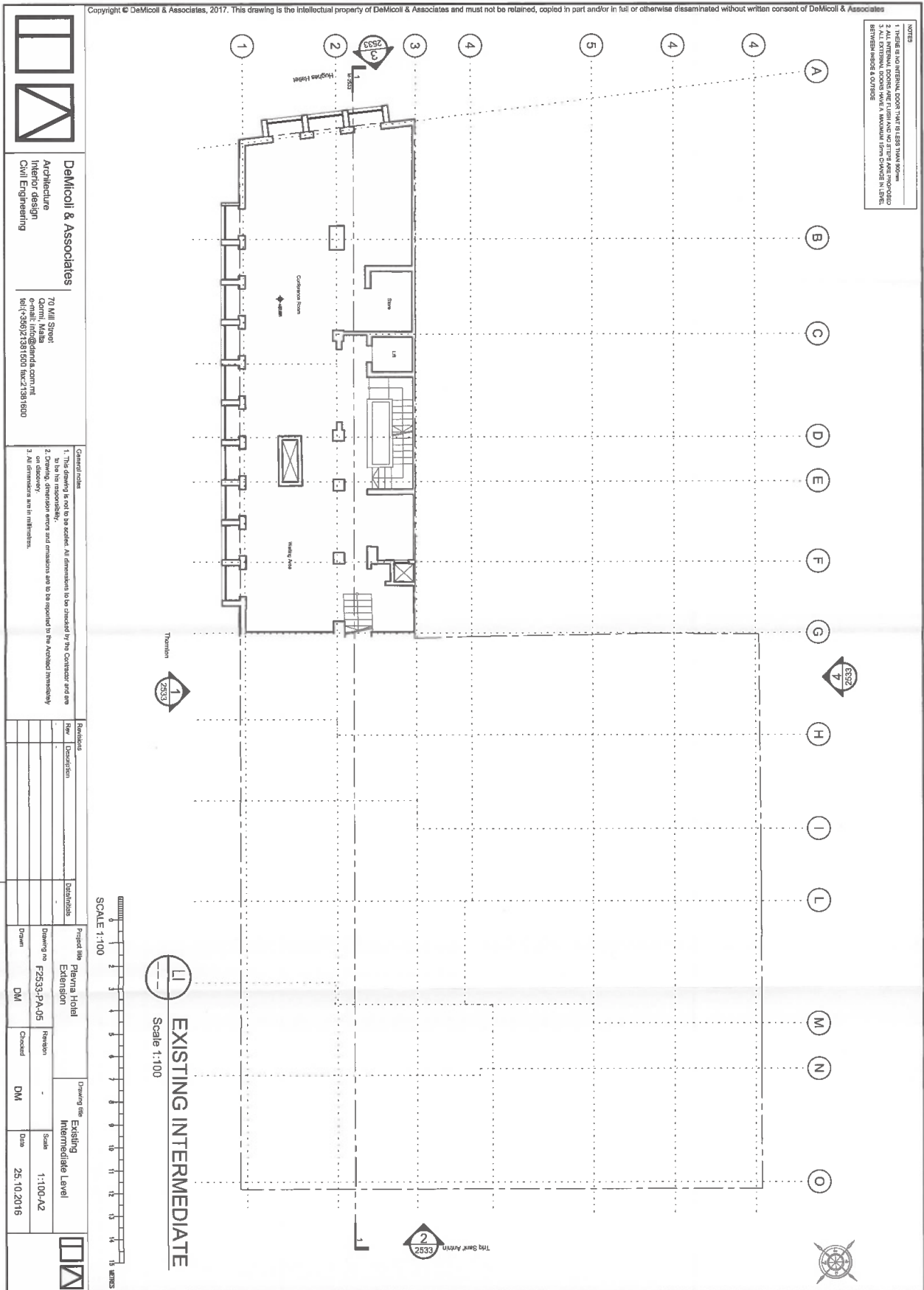
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2. Drawing, dimension errors and omissions are to be reported to the Architect immediately on discovery.
3. All dimensions are in millimeters.

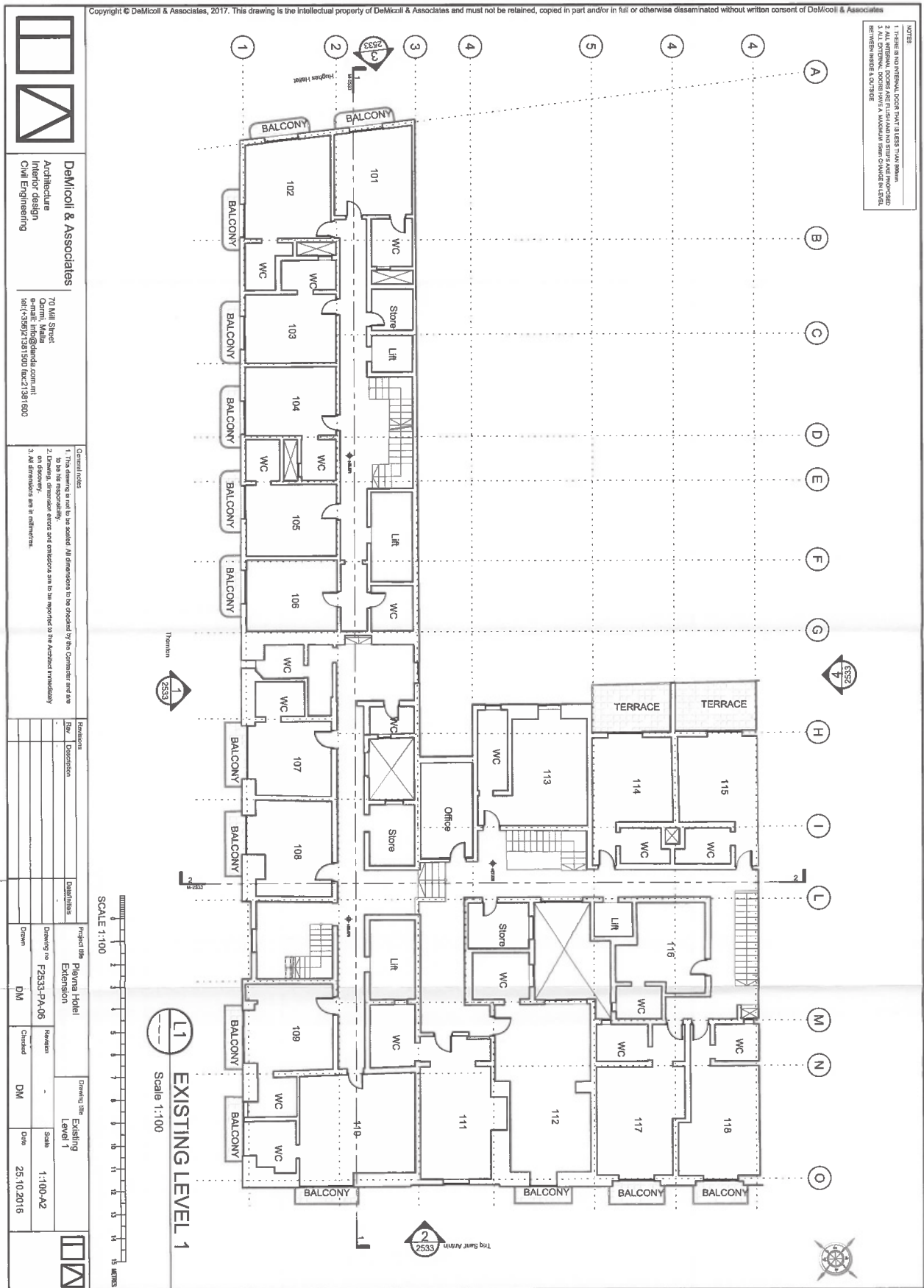
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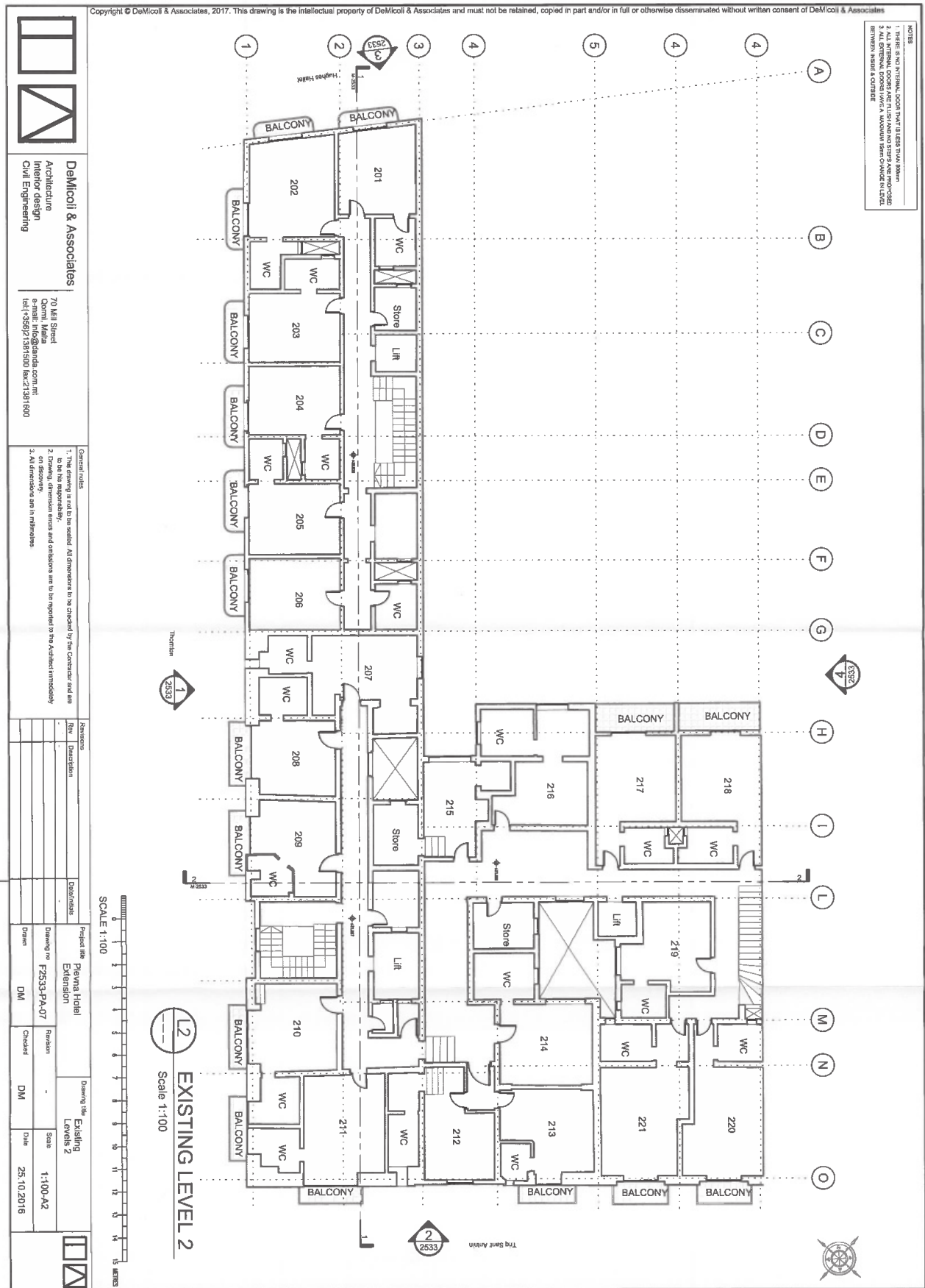


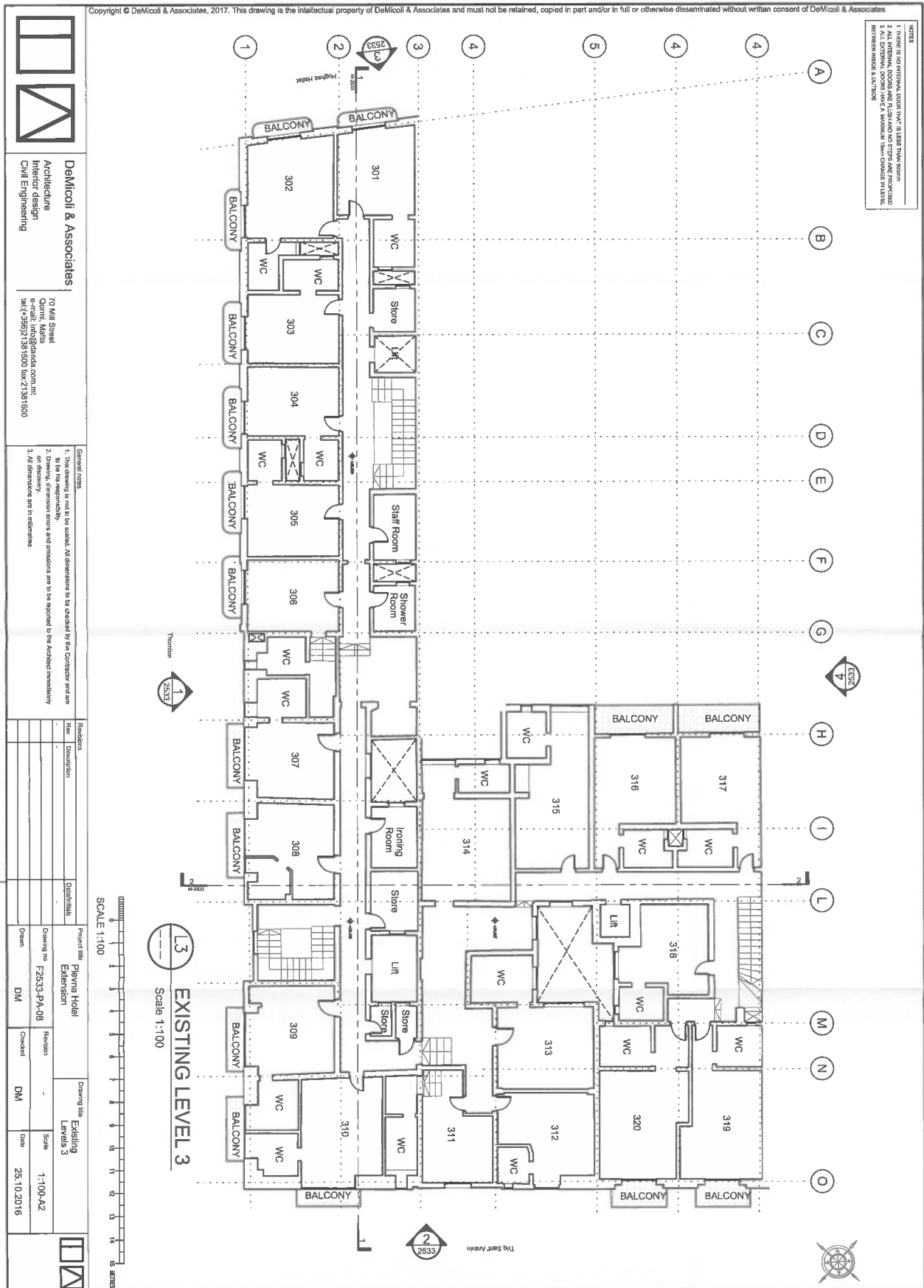


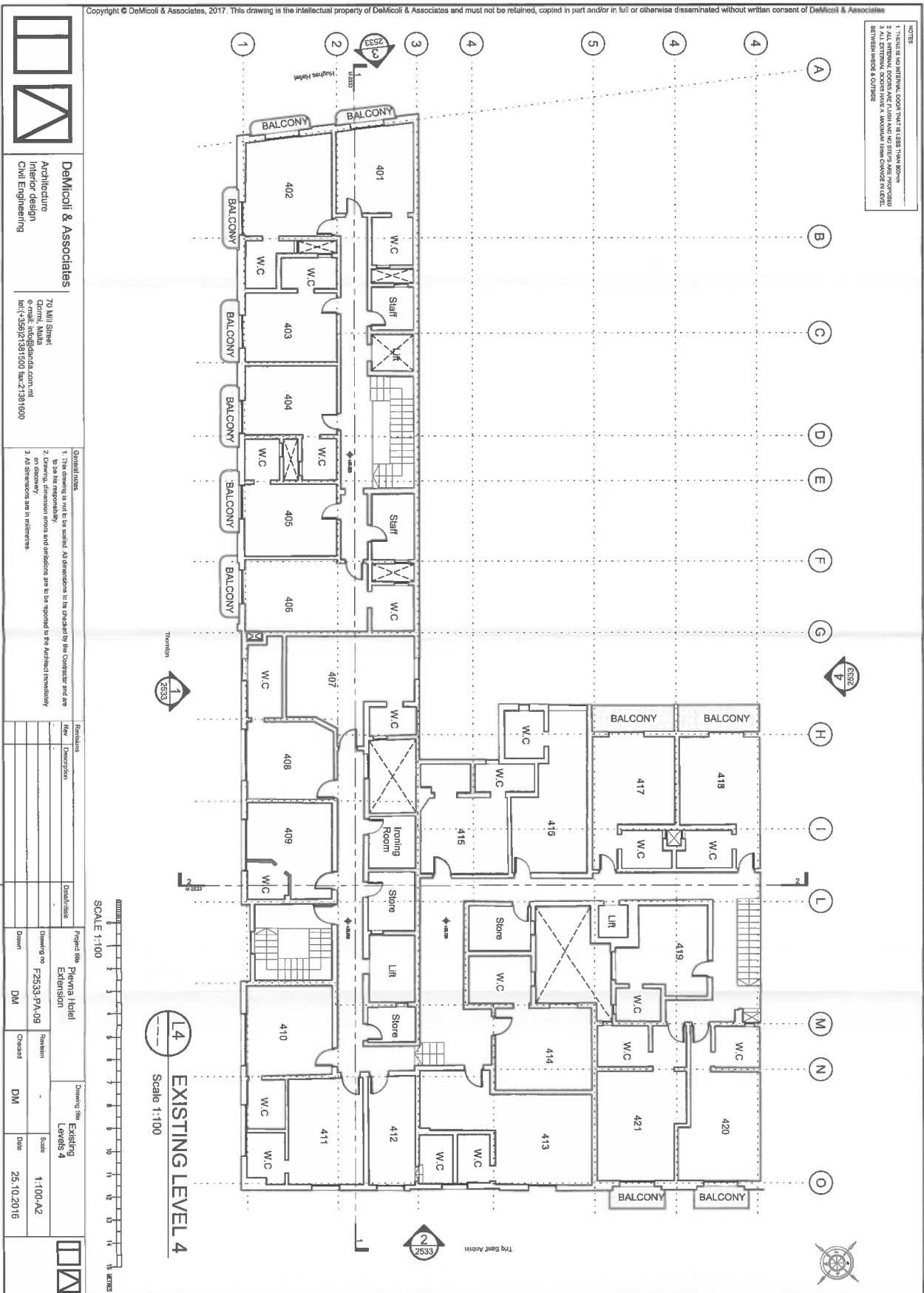


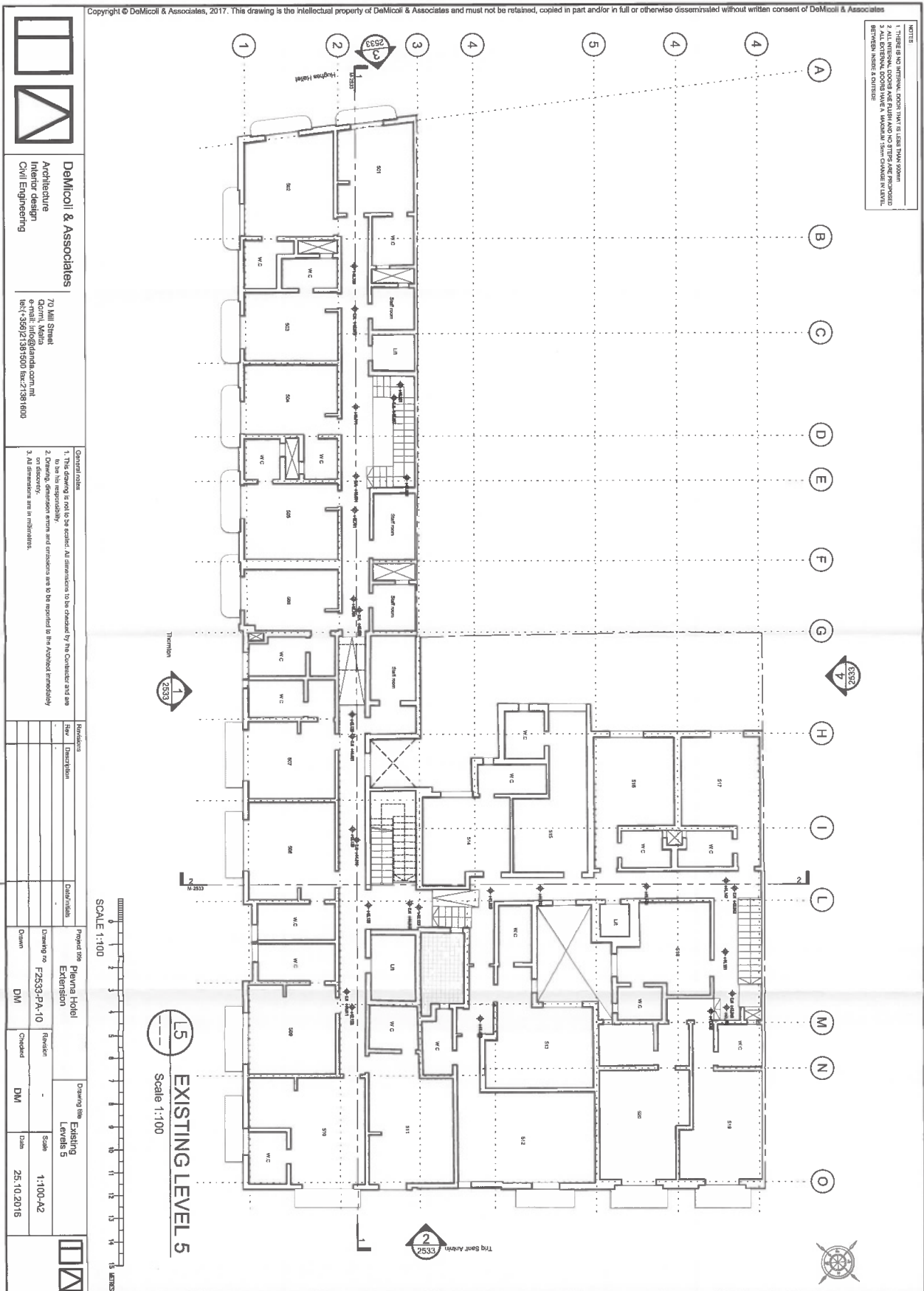


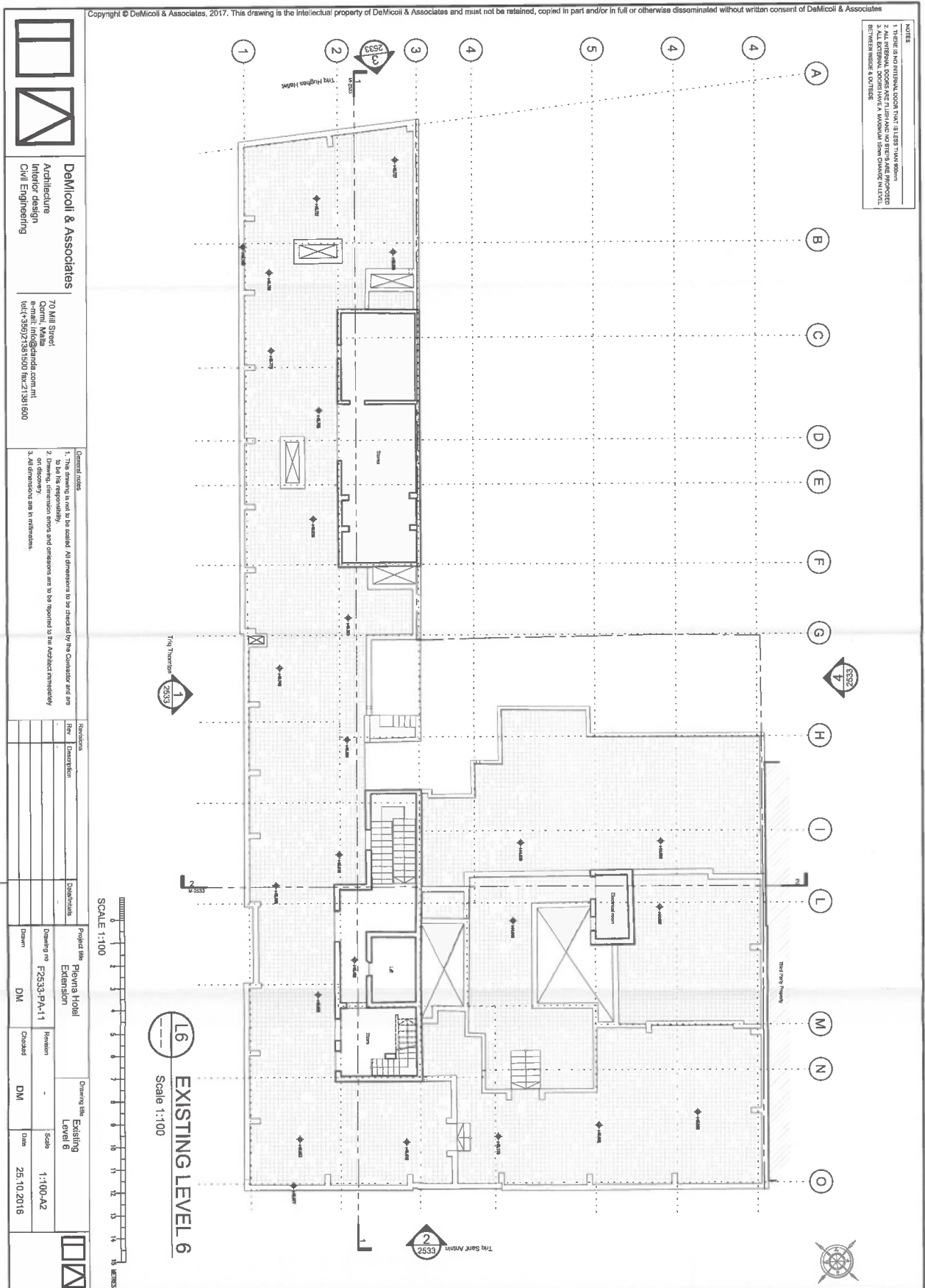


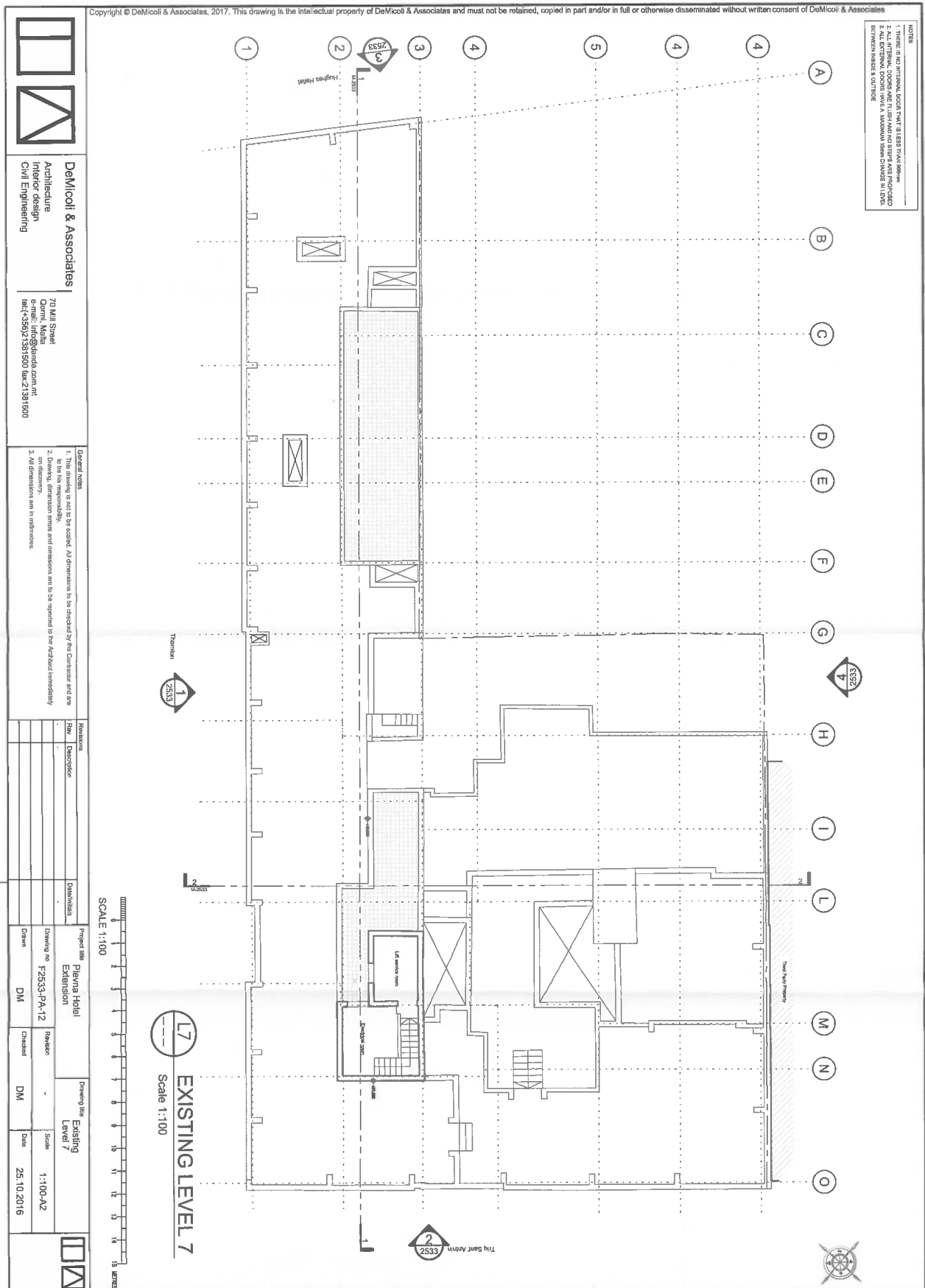














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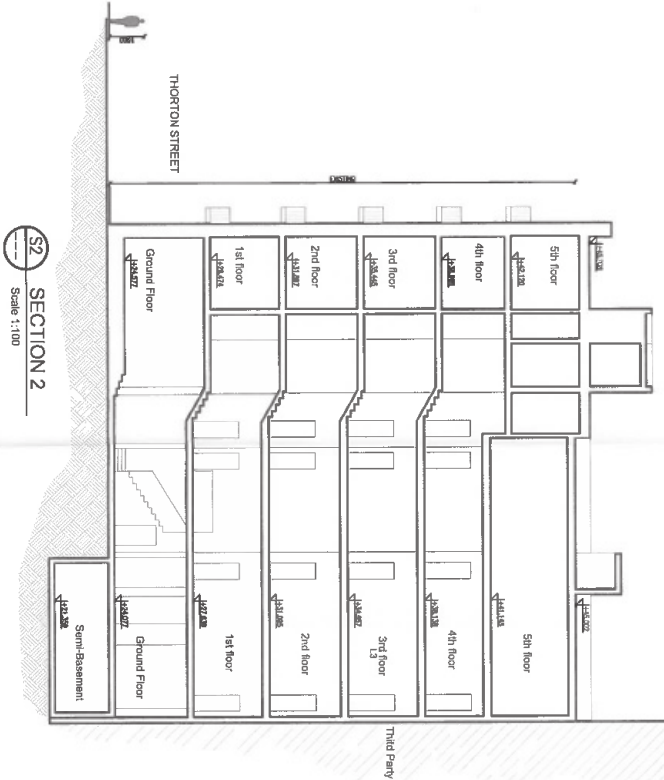
DelMicieli & Associates
Architectural
Civil Engineering

13440 Road
Suite 100
San Diego, CA 92121
Tel: 619 594 2700 Fax: 619 594 2701

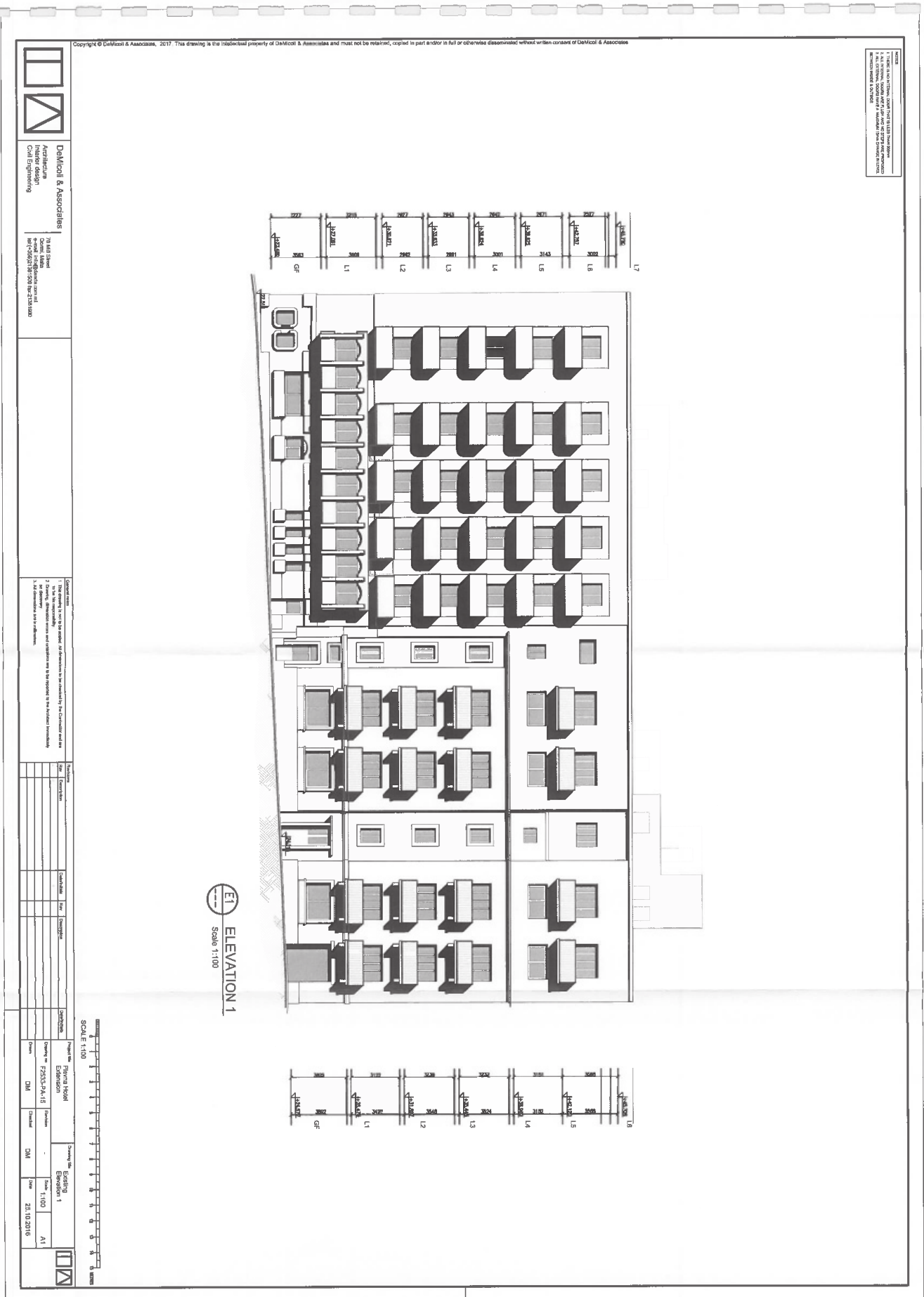
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2. All dimensions are to the centerline of the wall.
3. All dimensions are to the finished grade.

Room	Area	Volume	Notes
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3rd floor			
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Room	Area	Volume	Notes
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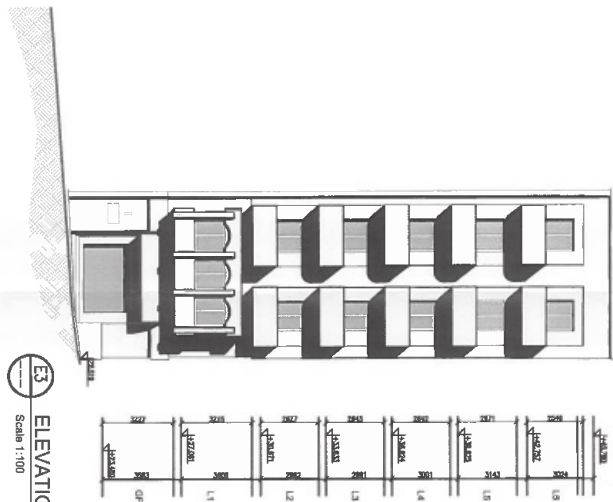
SCALE 1:100



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E2
ELEVATION 2
Scale 1:100



E3
ELEVATION 3
Scale 1:100



DeMico & Associates
Architecture
Civil Engineering

11410 Road
Carmichael, CA 95602
Tel: (916) 487-1100 Fax: (916) 487-1101

Owner: Bortex Group Finance PLC
Architect: DeMico & Associates
Contract No: F2533-20-16
Drawing No: E2
Scale: 1:100
Date: 25.10.2016

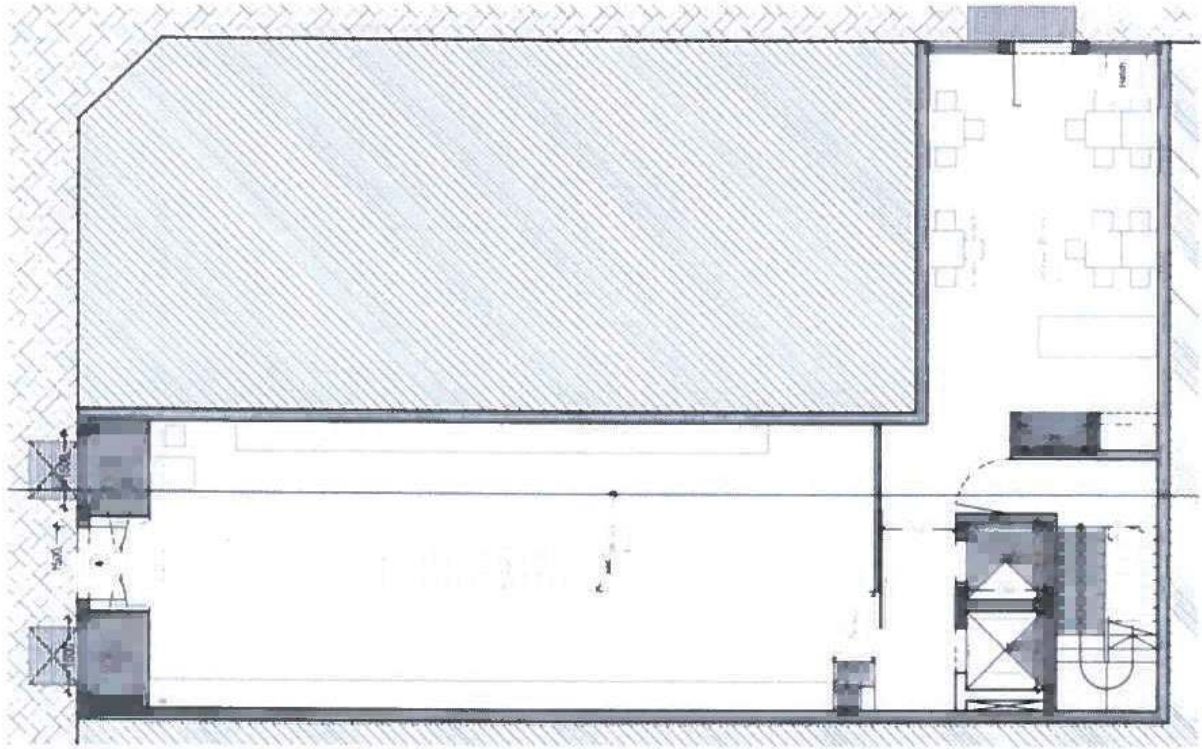
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1	Issued for construction	DM	DM	25.10.2016

Rev	Description	By	Check	Date
1	Issued for construction	DM	DM	25.10.2016





**Valuation of Bortex retail outlet at
Constitution Street, Mosta**



Contents

- Section 1
- Section 2
- Section 3
- Section 4
- Section 5

Section 1

1.0 General

1.01 Subject

This valuation relates to the property known as Bortex shop and overlying maisonettes in Constitution Street, Mosta. The site is located in the urban and commercial centre of Mosta described in further detail below.

1.02 Address of Property Valued

14, Bortex,
Constitution Street,
Mosta.

4A,
Curate Schembri Street,
Mosta

1.03 Compliance

We declare that we have no conflicts of interest in effecting this valuation and that our professional indemnity cover is updated in terms of standard provisions.

1.04 Party Requesting Valuation

The request has been made by Roosendaal Trading Ltd.

1.05 Site Location

The location of the existing plots is very favourable as the property faces the main commercial street passing through the centre of Mosta giving it ample exposure to passing vehicular and pedestrian traffic. The current cumulative built up area is 364s.m. with a frontage of 6.4 l.m. on to Constitution Street and 5 l.m. in Curate Schembri Street. The site is currently built however a planning development application is soon to be submitted to the respective authorities.

The shop is accessible through the main roads entering Mosta, which are principally Constitution street from the North and Triq il-Kbira from the South. Along both roads one finds many varied commercial outlets.

Traffic communication is convenient as already outlined earlier, as the nearby regional bypass provides easy access to all areas in the North and South of Malta and other principal points of interest. Any passing trade can avail itself of all the amenities in the area, such as police station, health centre and multiple bank branches nearby.

1.06 The building

The approximate age of the building is 70 to 80 years. The retail outlet is built on a site area of 181s.m. Currently it occupies the ground and intermediate floor. A residence is located at first floor, directly overlying most of the retail outlet.

The plot has a depth of 22.2l.m. from Constitution street and 14.1l.m. from Curate Schembri Street.

1.07 Purpose of Valuation and applicable standards

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

Roosendaal Trading Ltd. intends to develop the site to its maximum building potential. The proposed development will have 4 commercial levels, a basement for storage and ancillary uses. Part of the ground floor and top level will be used as a catering outlet whilst the remaining will be a commercial outlet.

Roosendaal Trading Ltd requires an Independent Valuation of this immovable property for its inclusion in the prospectus covering the offer of its securities to the public. This valuation must be prepared in accordance with the standards and guidelines issued by the Royal Institute of Chartered Surveyors.

Accordingly this valuation is being carried out in accordance with the recommended practice suggested by the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation manual.

RICS defines market value, by reference to standards drawn up by the International Valuation Standards Committee, as the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

This valuation is being drawn up by the undersigned as an external valuer in terms of, and with regard given to, the RICS definition quoted above and to the guidance there on provided by the same Institute, which in the opinion of the undersigned could be validly applied to the financial and technical aspects which are the subject of this valuation.

1.08 Ownership of Land and Legal Title

The property is owned by Roosendaal Trading Ltd.

The land on which the property is built was acquired 1st September 2010 according to a deed published by Notary Dr. Nicholas Vella, herewith attached.

As of the date of this report, the legal title is freehold, free and unencumbered together with all its rights and appurtenances, free of any liabilities, hypothecs, levies, charges, privileges, taxes, servitudes and from any other burden, with vacant possession.

There are no circumstances which are likely to give rise to litigation or arbitration in connection with the property. It enjoys peaceful possession including all its rights and appurtenances, including direct access to the street along which it is bounded.

1.09 Peaceful Possession and other Warranties

Roosendaal Trading Ltd. warrants peaceful possession of the site with all its rights and appurtenances as listed herewith.

There are no proceedings pending or threatened by or against and there are no circumstances which are likely to give rise to litigation or arbitration, involving Roosendaal Trading Ltd, which may affect, threaten or disturb the site's quiet and peaceful possession of the proposed building with all its rights and appurtenances including access thereto as stated for its Permitted Use.

The proposed development in the near future will be covered with valid building permits issued by the competent authorities and it is assumed that it will not be in contravention of any laws and regulations relating to or affecting land and buildings generally.

There are no dues or liabilities relating to the site including, but not limited to, architects fees, building permit fees, drainage contributions, contributions for the other services and utilities, compensation for party walls, all costs for labour and supplies due to contractors and suppliers, fees for licenses, permits and other authorizations.

The Bortex Shop is covered with valid and effective permits and authorisations as necessary according to law for the development of the Building for the Permitted Use. It is not in breach of any condition or regulation of such licenses, permits and authorisations.

There are no proceedings pending or threatened by or against Roosendaal Trading Ltd. in connection with and/or relating to the site (including, without limitation, in connection with or pursuant to any construction and development works which have

already been executed to date by or on behalf of Roosendaal Trading Ltd.), and there are no circumstances which are likely to give rise to any litigation or arbitration involving Roosendaal Trading Ltd. as aforesaid.

1.10 Permitted Use

Roosendaal Trading Ltd. may use the existing building only for the purposes allowed in the Planning Authority Permit, i.e. for commercial activities for the ground floor and residential activities for the first floor.

Roosendaal Trading Ltd. will be applying for a fresh permit with the attached drawings for the proposed development.

Once this permit is attained Roosendaal Trading Ltd. and any person allowed to use the building or any part thereof shall not be entitled to change or to validly change the uses allowed in the Planning Authority Permit without the prior written consent of the Planning Authority and any other concerning authority.

1.11 Zoning and Building Permits

The location of the property under consideration is zoned within a “Primary Town Centre, CG12” in MOM2 –Mosta South area Policy Map. The quoted documents and policy, form part of the Central Malta Local Plan published by the Planning Authority.

In Map MOM6 of the “Mosta South Building Height Limitations Map” the property is located in a zone which states that the building height limitation is of three floors. The site lies outside the Urban Conservation Area of Mosta and it is at the centre of the developable area of Mosta. Referring to the Planning Authority’s guidelines, the plot can be built to a maximum height of 16.3m, thus fitting 4 floors and an overlying recessed one.

There is no reason to believe that this application will be refused.

The attached proposed plans from our analysis appear to fully comply with Planning Authority’s guidelines and forecast no particular concerns for the clients in attaining this permit.

This means that the location in the Primary Town Centre of Mosta as designated by the Planning Authority is very favourable and attractive as the footfall is relatively great especially since Mosta is one of the largest towns in Malta.

1.12 Environmental obligations

Roosendaal Trading Ltd. has a duty to observe all applicable laws relating to Health and Safety and/or preservation and protection of the environment including those aimed at the presentation of any health and safety risks and/or pollution. Roosendaal Trading Ltd undertakes to co-operate fully in implementing all local and international measures which are designed to enhance standards of operation and safety and to implement preventive systems.

Roosendaal Trading Ltd. is conscious of its environmental obligations towards neighbours and the public during construction.

Any nuisance which may ensue as a result of the carrying out of building and development works as stated above including, without limitation, any nuisance which may be caused as result of noise, vibrations and dust will be mitigated as per building regulations specified by the Building Regulations Office and in force at the time on construction.

1.13 Insurance

Roosendaal Trading Ltd has a duty to keep in full effect, at its sole expense a policy of Public Liability Insurance with respect to the proposed commercial development and all installations and improvements thereon, which shall cover the former against liability for all damages which may arise to third parties from the business carried on the site.

1.14 Compliance with Law.

Roosendaal Trading Ltd, at its sole cost and expense, is bound to comply with all legislation, rules, regulations and administrative orders applicable to Malta now in force, or which may hereinafter be in force, pertaining to the building. Roosendaal Trading Ltd. is to faithfully observe all conditions in all licenses/permits/authorisations issued to Roosendaal

Permitted Use and shall conform to any requirements in the building permits relative to this commercial development.

1.15 Assumptions

We have made the following assumptions in the preparation of our Report:

- The buildings are in a good state of repair, although they are earmarked for demolition;
- There are no defects of any significance;
- All building services and any associated controls or software are in working order and free from defect;
- The properties are not contaminated and no contaminative or potentially contaminative uses have ever been carried out on it;
- There are no abnormal ground conditions, nor archeological remains present which might adversely affect the present or future occupation, development or value of the property;
- The retail outlet and overlying residence has been erected in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;
- The property complies with all the applicable laws and regulations, including those related to health and safety;
- We have relied upon sources of information provided to us by the Roosendaal Trading Ltd. and their representatives, especially for the proposed use and development and legal title.
- All areas quoted within this report are approximate.
- There are no other matters, including but not limited to, assumptions and information on contamination which material affect the value.

Section 2

2.0 Architectural Appraisal

2.01 Inspection

A visual inspection of the site was carried out on the 22nd August 2017 to establish the location, condition of the property and to ascertain whether there are any obvious defects that could have an impact on the value of Property. This inspection does not represent a building survey and shall not be construed as such.

There were no apparent defects in the site. The structural adequacy rests with another architect.

2.02 Design Parameters

The existing building will be demolished. The proposed development includes a basement storage having an area of 130 s.m. Part of the ground, all the first and second floor (cumulatively having 342 s.m.) will be used as a retail area. The third floor will be used as a storage area. The remaining part of the ground floor (having an area of 39 s.m.) and the receded floor (having an area of 116s.m.) will be used as a catering outlet.

These comments are based on the plans provided by Architect Paul Camilleri and Associates.

2.03 Layout

The proposed layout of the new building is shown on attached drawings G000-A001-R00 to G000-A002-R00.

2.04 Finishes

The finishes of the proposed commercial development will comply with a high standard of materials and workmanship for modern contemporary retail and catering outlets and will contribute to impart a prestigious image to the property. They also have the function of concealing the various services passing through the building, at the same time leaving access points for maintenance and repairs.

2.05 Structure

The proposed structure is composed mostly of load-bearing masonry walls and reinforced concrete and ceilings. The proposed loads at all levels are generally adequate for their intended uses. Foundations bear directly on the globigerina limestone rock layer.

2.06 M & E Services

The proposed commercial development will be served by all modern electrical, mechanical and electronic systems which are required by contemporary standards.

The proposed services are listed hereunder (this list is not exhaustive):

- Electrical installation to the entire building and common parts, including lifts and staircases, including switch gear panels.
- Installation of internal lighting to common parts and an emergency lighting system.
- Installation of mechanical plumbing, pipe work, heating, ventilation and air conditioning systems.

It is being assumed that all services and any associated controls or software of the new commercial development will be in working order and free from defects, and that they will be regularly maintained and repaired as necessary to function continuously and efficiently.

2.07 Fire Prevention Measures

Fire prevention systems will be installed in accordance with international standards for fire safety for this category of building.

Section 3

3.0 Other

3.01 Sources of Information

Information was supplied by the board and other officials of Roosendaal Trading Ltd. in connection with all the matters discussed in this report. The present valuers have seen the deed of acquisition of Roosendaal Trading Ltd. Legal tenure details were obtained from this copy, attached herewith.

We have also based our assessment of the engineering side of this report on architectural plans provided to us by the Roosendaal Trading Ltd.

3.02 Assumptions

The following assumptions have been made in the preparation of this report:

- i. All measurements, areas and ages that are quoted in our report are approximate;
- ii. The Property is not contaminated and no contaminative or potentially contaminative uses have ever been carried out in it;
- iii. Any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- iv. There are no abnormal ground conditions, nor archeological remains present which might adversely affect the present or future occupation, development or value of the Property;

v. All buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;

vi. The Property is/will, in all respects, be insured against all usual risks or normal, commercially acceptable premiums;

Section 4

4.0 Valuation Method

4.01 Basis of Valuation

The site, is a type of asset class known as “commercial related property” and as such, we have taken into account the following in order to arrive at our opinion of market value:

- Location of the site,
- Amount of passing trade,
- Visibility of façade and advertising,
- Proposed spatial layouts, M&E trade fixtures, fittings, finishes, furniture and equipment,
- The market forces (supply and demand) of the respective asset class to arrive at a comparable commercial rental rates,
- The size of the development.

4.02 Discussion

For the purpose of this valuation, we are valuing all of the different parts within this development as one asset.

The valuation is based on an open market value for existing use, and not for alternative use.

As already outlined above, the location is extremely favourable as the site lies in the Primary Town centre of Mosta where potential development for other uses is allowed by the Planning Authority. Clubs, guest houses, banks, restaurants, halls, residences, etc. are all permitted to be built in a Primary Town Centre. This factor gives added value to the property.

In coming to our opinion of Market Value, we have used the comparative and investment method of valuation. This means that we have researched the value of other similarly sized properties which are in the close proximity and which have a similar use. Our research indicates that the going rate for commercial property in that area is in the region of, for the ground floor €360 - €400 per s.m. and €150 – 250 per s.m. for the upper floors, for the assumed use.

The comparables show a range of values being achieved depending on size and location. The benefits of this particular property are that it is very close to the Mosta Dome and its piazza, giving great exposure to the façade and its contents, apart from the fact that Constitution Street is the main shopping and retail street in Mosta, attracting custom from other towns and villages.

Roosendaal Trading Ltd. intends to develop the site to its full potential in a development expected to commence January 2019 and will be finalized in 2019. The estimated total costs of the development is €550,000 and this includes, without limitation, the cost of financial carrying charges, letting commissions and other ancillary costs.

We have been requested to submit two values in this report:

1. Market value of the property as it stands
2. Market value on completion of the project

The present capital value and the open market value are the same.

4.03 Valuation

Having considered all the factors described above, we assess the value of the property on an open market basis as follows:

- | | |
|--|---|
| 1. Existing Property Value as of today | €1,300,000 (one million three hundred thousand euro), including the existing maisonette. |
| 2. On completion
End of June 2019 | €1,950,000 (one million and nine hundred and fifty thousand euro) |

4.04 Confidentiality:

It is to be noted that this report is being submitted solely for the use of Roosendaal Trading Ltd., its bankers and its professional advisors. We accept no responsibility to third parties.

We have taken all reasonable care to ensure that the information is correct, and to the best of our knowledge is in accordance with the facts as given to us, and contains no omission likely to affect its import.

There are no other matters which we consider as relevant for the purposes of the valuation.

Section 5

Authors of Valuation

This valuation was drawn up by the firm of architects and civil engineers, DeMicoli & Associates, Capital Business Centre Entrance A, Level 2, Taz-Zwejt, San Gwann, SGN 3000.

Effective Date

The effective date of this valuation report is 18th September 2017.

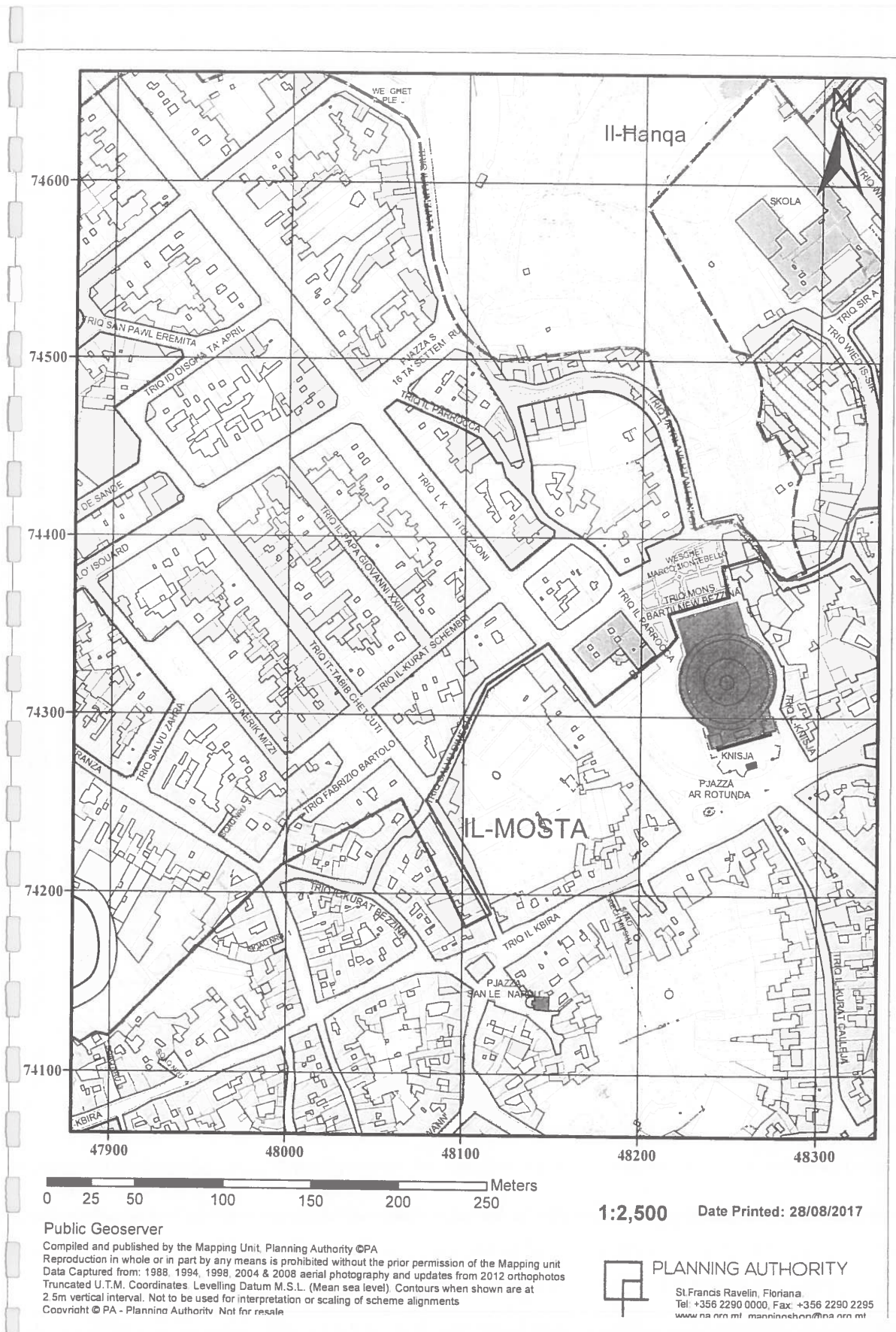


Signatory

William Soler
Senior Architect
DeMicoli and Associates

Encl: Site plan
 Contract of purchase of property
 Residual calculations
 Development plans as proposed.

VALUATION OF PROJECT AT Bortex Mosta			
Appendix 1			
Gross Development Value As Per DC2015			
Description	QTY	Rate (€)	Total (€)
Basement	130.00	100.00	162,500.00
Ground	172.00	380.00	817,000.00
First	136.00	170.00	289,000.00
Second	136.00	160.00	272,000.00
Third	140.00	100.00	175,000.00
Receeded	116.00	150.00	217,500.00
Grand Total	830.00		1,933,000.00
Say (Land Value)			1,950,000.00



Today the tenth (10th) day of August of
the year two thousand and sixteen (2016).

DEED NO:-

Sale

Enrolled on

2016

/2016

General Hypothec

Vol.I. /2016

Before me Notary Public and Doctor of Laws, Nicholas Vella, duly sworn and admitted, personally came and appeared:

Of the first part:-

a) **Mario Hammett**, company director, son of the late Anthony and of Rita nee' Brincat, born in Senglea on the ninth (9th) day of November of the year one thousand nine hundred and fifty nine (1959), holder of identity card number 733959(M) and his wife **Rita Hammett**, company director, daughter of the late Charles Buhagiar and of the late Josephine nee' Sammut, born in Mosta on the ninth (9th) day of January of the year one thousand nine hundred and sixty two (1962), holder of identity card number 54962(M), both residing at Sliema (53, High Street) hereinafter referred to as '**the first vendors**'; and

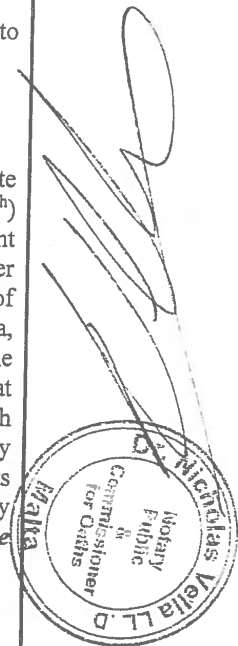
b) The aforesaid Mario Hammett who is also appearing hereon in the name and for and on behalf of the limited liability company **Amicable Commercial Limited**, company registration number C-10834, having its registered office at 1, Parish Street, Mosta, duly authorized for the purpose; hereinafter referred to as '**the second vendor**'.

The first vendors and the second vendors are collectively referred to on this deed as '**the Vendors**'.

And of the second part:-

Peter Borg, Company Director, son of Saviour and of the late Lilian nee' Inglott, born in Saint Julians on the twenty-fourth (24th) day of June of the year one thousand nine hundred and sixty eight (1968) and residing at Gharghur, holder of identity card number 457268(M) and **Alexandra Borg**, Financial Controller, wife of Mark Borg, daughter of Angelo Falzon and Carmen nee' Scicluna, born in Pieta' on the twenty- ninth (29th) day of June of the year one thousand nine hundred and sixty seven (1967) and residing at Kappara, holder of identity card number 318067(M), who are both appearing hereon in the name and for and on behalf of the company '**Roosendaal Trading Company Limited**' (C-4265), having its registered office at A12, Industrial Estate, Marsa, MRS 3000, duly authorized for the purpose, hereinafter referred to as '**the purchaser**'.

Now therefore by virtue of this deed :-



a) The first vendors hereby sell, transfer and convey unto the Purchaser which hereby accepts, purchases and acquires the maisonette at first floor level including its overlying roof and airspace, which maisonette overlies an underlying shop at groundfloor and intermediate level numbered fourteen (14) and named Bortex, in Constitution Street, Mosta belonging to the purchaser, and which maisonette has its entrance at groundfloor level which is officially numbered four (4) and four letter 'A' (4A), in Curate Schembri Street, in Mosta, free and unencumbered and with all its rights and appurtenances; hereinafter referred to as 'the First Property'; and

b) The second vendor hereby sells, transfers and conveys unto the Purchaser which hereby accepts, purchases and acquires the tenement at groundfloor level officially numbered four (4) and four letter 'A' (4A), in Curate Schembri Street, in Mosta, underlying third party property as subject to the passage of drains in favour of neighbouring tenements, and which serves as an entrance to the above mentioned maisonette, free and unencumbered and with all its rights and appurtenances; hereinafter referred to as 'the Second Property'.

The First Property and the Second Property are better shown on the plan annexed herewith and marked as document letter 'A'. The First Property is marked letter 'B' on the said siteplan whilst the Second Property is marked letter 'A' on the said siteplan.

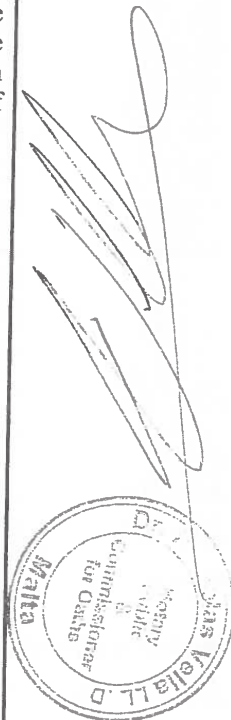
This sale is being made and is being accepted as subject to and under the following terms and conditions:-

1) In consideration of the agreed global price of one hundred and thirty seven thousand Euro (Euro137,000), of which the sum of one hundred and ten thousand Euro (Euro110,000) represents the price of sale of the First Property and the remaining sum of twenty seven thousand Euro (Euro27,000), which represents the price of sale of the Second Property.

Moreover by virtue of this deed the First Vendors hereby sell, transfer and convey unto the Purchaser, which hereby accepts, purchases and acquires all the items of furniture and fittings found within the First Property which include inter alia the fully equipped kitchen with all appliances, two bedrooms, all the living room furniture including the sofa and armchairs, the dining table and chairs, in their present state and condition, and this for the agreed price of twenty thousand Euro (Euro20,000).

The First Vendors and the Second Vendor hereby acknowledge to have received from the Purchaser prior to this day by way of deposit on account of the price of sale of the immovable property and of the furniture and fittings the sum of fifteen thousand and seven hundred Euro (Euro15,700).

The Purchaser hereby pays in full and final settlement of the price of sale of the immovable property and of the furniture and fittings the balance of the price in the sum of one hundred forty one



thousand and three hundred Euro (Euro141,300) unto the First Vendors and the Second Vendor, who accept and acknowledge due receipt for the full price.

2. The Vendors jointly and severally hereby warrant and guarantee in favour of the Purchaser, who accepts, the peaceful possession, good title and the real enjoyment of the immovable property being sold, by means of a General Hypothec over all their property in general, present and future and this up to the price of sale.

3. The property is being sold with free and vacant possession and saving what is stated herein as free from any third party rights, real or personal, as free from any hypothecs, charges and privileges and as free from any litigation, burthens, or expropriation or requisition orders/notices.

4. The First Vendor and the Second Vendor hereby warrant in favour of the Purchaser, who accepts that the immovable property being sold has been built according to the approved building permits and plans and according to the relative building and sanitary laws and regulations and that it is structurally sound and that all road, drainage and asphaltting contributions and architects and contractors fees have been paid by the vendors.

5. Notarial fees and deed expenses and duty on documents and transfers shall be paid by the Purchaser and the Vendors shall pay the final tax due by them on this deed of sale .

6. All water, electricity and utility consumption bills as up to the date of this final deed of sale shall be borne by the vendors, who shall soon after the publication of the final deed of sale transfer all such services onto the name of the Purchaser .

7. The vendors hereby undertake to deliver unto the Purchaser the required Energy Performance Certificate in terms of law within a reasonable period of time.

8. The first property is subject to the perpetual and uninterrupted right of the underlying shop which currently belongs to the purchaser to keep and install air conditioning units and a water tank not exceeding two hundred and fifty litres (250litres) in capacity upon the existing or eventual roof of the block of which it forms part and to the right of the said underlying shop to accede to the roof of the property for the purposes of carrying out maintenance or repairs to the above mentioned services after giving reasonable prior notice to the owner of the said roof. The first property in turn enjoys the servitudes of passage of pipes and drains through the shaft of the underlying shop and shall further enjoy the right of access thereto for the purposes of carrying out maintenance or repairs to the said pipes or drains after giving reasonable prior notice to the owner of the underlying shop. The first property also enjoys the right of windows (prospect) over the shaft of the underlying shop. The drainage system is common to the first property being sold and the underlying shop.

The owner of the first property shall have the right to build additional floors upon the roof of the first property, in which event



thousand and seven hundred Euro (Euro13,700), which is being presently paid.

For the purposes of Immovable Property (Acquisition By Non-Residents) Act it is hereby declared by the Purchaser after having been duly warned by me the undersigned Notary about the importance of the truthfulness of its declaration that it qualifies to purchase the property transferred to it by virtue of this deed without the need of any acquisition of immovable property by non-residents permit since:-

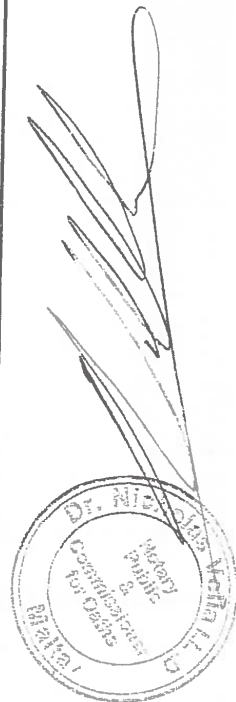
a)not less than seventy five per cent (75%) of the shares in the acquiring company as well as not less than seventy five per cent (75%) of the controlling shares within the same company belong to residing citizens of the European Union who have resided continuously in Malta for a period of at least five years during their lifetime;and

b)all the directors of the acquiring company are also residing citizens of the European Union who have resided continuously in Malta for a period of at least five years during their lifetime.This declaration is being made after due explanation and warning of its import according to Law by me the undersigned Notary.

For the purposes of sub article twelve (12) of article five letter "A" (5A) of the Income Tax Act, the Vendors and the Purchaser hereby declare that they have declared to me the undersigned Notary all the facts that determine whether this present transfer is one to which article 5A applies and that are relevant in ascertaining the proper amount of tax chargeable, or any exemption, including the value, which in their opinion reasonably reflects the market value of the said property. The said parties are making this declaration after having been duly warned by me the undersigned Notary about the importance of the truthfulness of their declaration.

For the purposes of the Income Tax Act, the Vendors declare that they do not intend to establish their residence or domicile outside of the Republic of Malta before the date of the forthcoming income tax return date, which declaration is being made after having been duly warned by me the undersigned Notary about the importance of the truthfulness of their declaration.

For the purposes of Article number eighty four letter 'C' sub-article number five (5) (84C(5) of Chapter number fifty five of the Laws of Malta and of the Legal Notice numbered three hundred and fifty five of the year two thousand and twelve (355/2012) the Purchaser hereby expressly declares that it has exempted the undersigned Notary from examining the title to the property being transferred by virtue of this deed and from drawing up the relative examination of title report. For the purposes of Article number twenty two sub article number two (22(2) of the aforementioned Legal Notice, I the hereunder signed Notary do hereby declare to have duly explained the true importance and legal significance and consequences of this exemption to the Purchaser, who hereby confirms to have received such an explanation.



such owner shall be bound to transfer and relocate at his sole expense the services of the underlying shop onto the eventual roof. In this event the said owner shall be entitled to interrupt the said services for a period not exceeding forty eight (48) hours and shall be bound not to cause any undue inconvenience to the owner of the underlying shop.

The second property is subject to the passage of drains and drainage pipes in favour of the shop mentioned above belonging to purchaser.

Both the first property and the second property are being sold and transferred tale quale in their present state and condition as seen and accepted by the purchaser.

For the purposes of the Land Registration Act it is hereby declared that the immovable property being sold by virtue of this deed does not lie within a compulsory land registration area and that it has not been voluntarily registered with the Land Registry.

For the purposes of the Duty on Documents and Transfers Act it is hereby declared:-

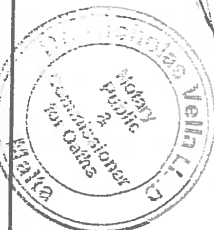
a.that this deed is not chargeable at Law since:-

i)the first property forms part of a block of buildings built upon the site which was previously occupied by the house numbered fourteen (14) formerly numbered twenty-six (26), in Constitution Street, in Mosta, which the vendor Rita Hammett purchased prior to her marriage from Nazzareno and Frances spouses Fenech by virtue of a deed of sale of the eighth (8th) day of March of the year one thousand nine hundred and eighty nine (1989) in the records of Notary Doctor Pierre Falzon; and

ii)the second property was purchased by the second vendor Amicable Commercial Limited from Doctor Leslie Grech and others by virtue of a deed of sale of the twenty-seventh (27th) day of July of the year one thousand nine hundred and eighty nine (1989) in the records of Notary Doctor Pierre Falzon.

b. the duty on documents and transfers due by the Purchaser on this deed amounts to the sum of six thousand eight hundred and fifty Euro (Euro6,850) out of which sum the Purchaser has already paid by way of provisional duty the sum of one thousand five hundred and seventy Euro (Euro1,570) as evidenced by the provisional duty receipt attached herewith and marked as document letter 'B'. The Purchaser hereby pays the sum of five thousand two hundred and eighty Euro (Euro5,280) in full and final settlement of the said duty.

For the purposes of the Income Tax Act, it is hereby declared that the First Vendors and Second Vendor are both bound to pay the ten per cent (10%) final tax on this deed. The tax due by the First Vendors therefore amounts to the sum of eleven thousand Euro (Euro11,000) whereas the tax due by the Second Vendor amounts to the sum of two thousand and seven hundred Euro (Euro2,700). The total tax due by both vendors amounts to the sum of thirteen



NOTARY DR. NICHOLAS VELLA LL.D.
Notary Public and Commissioner for Oaths

486, Flat 2, Fabiola Flats, Victory Street, Qormi, Malta
Telephone:- 00356 21432809/21497190

Mobile:- 00356 9947 8539

E-mail:- notaryvella@hotmail.com

With Compliments

For the purposes of Chapter three hundred and seventy three (373) of the Laws of Malta entitled Prevention of Money Laundering Act, the Purchaser declares that it is not purchasing the above mentioned immovable property by means of funds deriving from money-laundering or any other illegal activity. The Purchaser is making this declaration after having been duly warned by me the undersigned Notary about the importance of the truthfulness of its declaration.

This deed has been done, read and published after due explanation according to law, in Malta, Marsa, Industrial Estate, in the premises numbered eleven letter 'A' (11A).

Signed:-

Mario Hammett.

Rita Hammett.

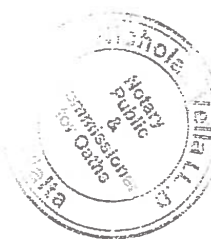

Peter Borg.

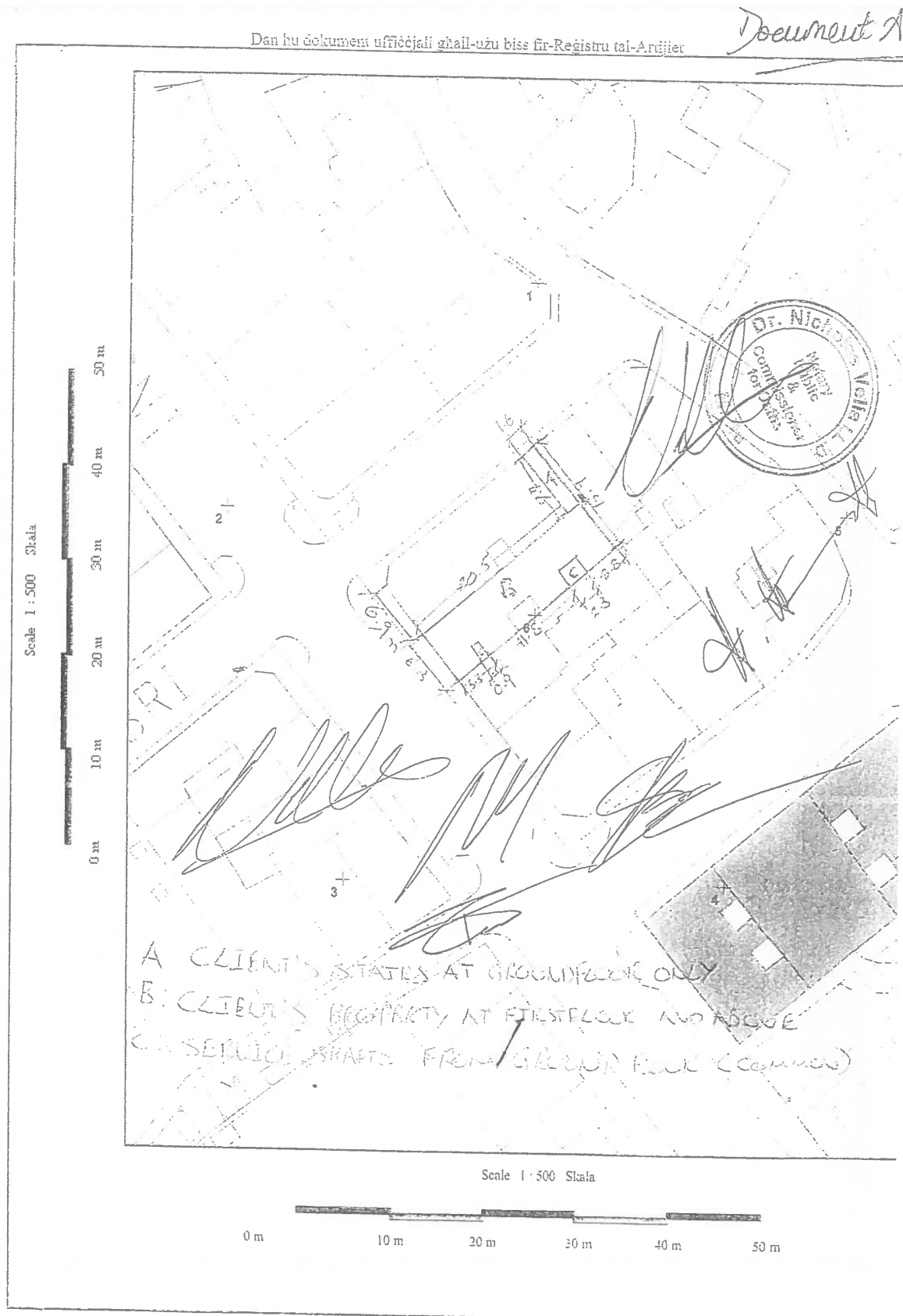
Alexandra Borg.

Notary Doctor Nicholas Vella LL.D.

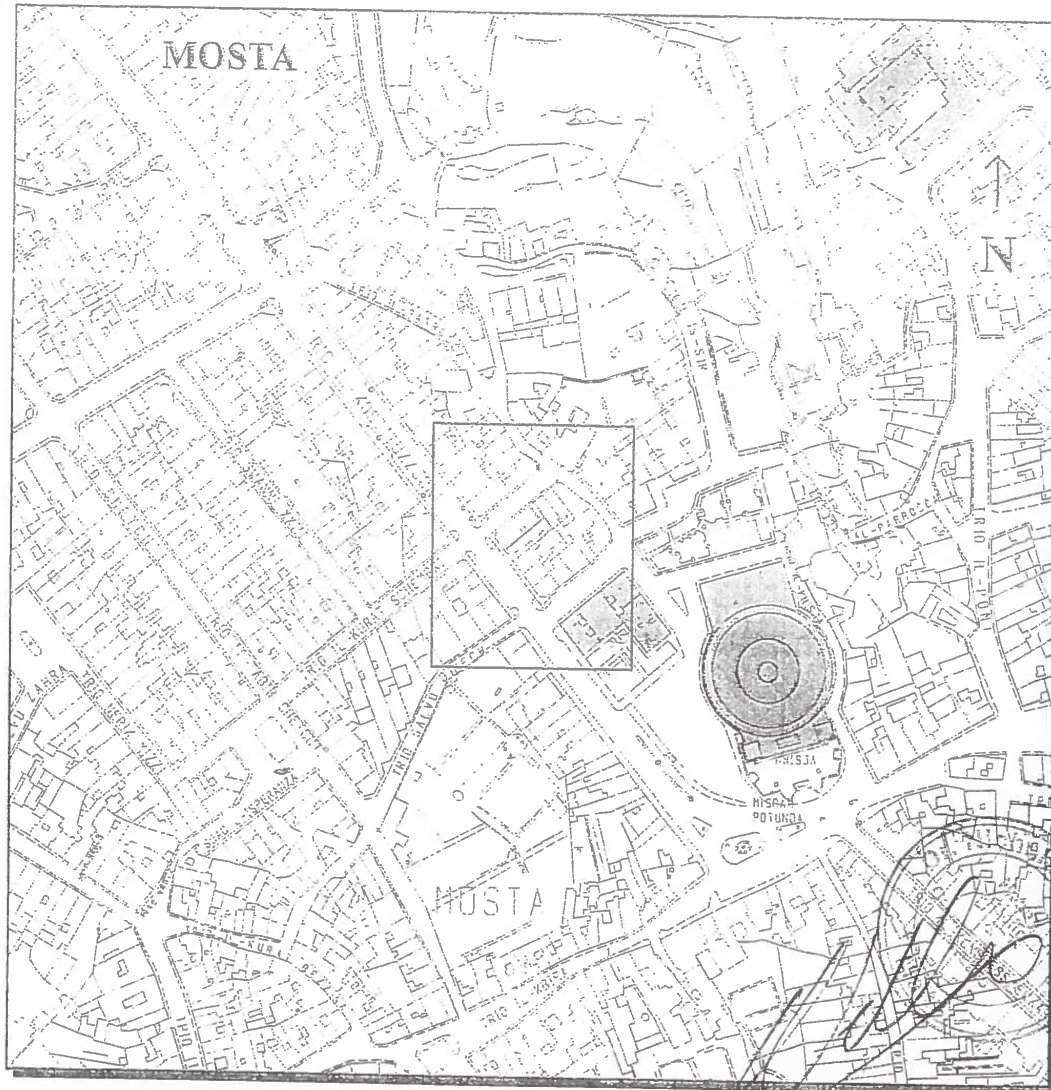
NOTARY PUBLIC MALTA.

Certified true copy of the original deed issued today 17th August 2016





This is an official document for Land Registry use only [341 - Registru tal-Artijiet - Malta]



Gvern Ta' Malta

Pjanta tas-sit 1:2500 Site Plan

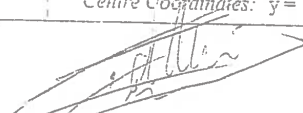


Government of Malta

Registru tal-Artijiet

Land Registry

Casa Bolino, 116 Triq il-Punent, Valletta

Casa Bolino, 116 West Street, Valletta

Nru tal-Mappa: Map Number:	341537M	Pozizzjoni Ċentrali: Centre Coordinates:	x = 48149 y = 74370	Parti minn SS: Extracted from SS:	4874	Data: Date:	12/04/2016
Perit Architect:				Qies (metri kwadri) Area (square metres)	$A = 12.5$ $A = 12.5$ $A + B = 12.5$		
Timbru tal-Perit Architect's Stamp	 PAUL CAMILLERI & ASSOCIATES Architects, civil and structural engineering consultants 127 Archbishop Street Valletta VLT 1444 Malta			Firma tal-Applikant Applicant's signature			
				Dritt Mhallas Fee Paid			



Inland Revenue Department

Capital Transfer Duty

Receipt No.: 550018

Date: 11/04/2016

Registration No: C4265

Document B

Received from: ROOSENDAAL TRADING LIMITED

A 11

QASAM INDUSTRIJALI
MARSA MRS 3000

Amount: One Thousand, Five Hundred Seventy Euro only

PROMISE OF SALE
DR N VELLA

Duty on Documents

	€
General	1,570.00
Inter Vivos	
Causa Mortis	
Interest	

Additional Duty

General	
Inter Vivos	
Causa Mortis	

Other

Penalty	
Miscellaneous	

Total € 1,570.00

Type of Payment	Draft / Cheque No.	Bank Name	Amount €
LOCAL CHEQUE	009230	BOV	1,570.00

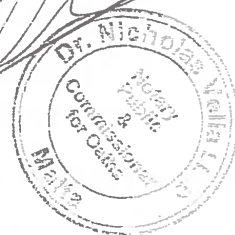
0083656628

Number:

Note: Validity is subject to bank clearance.

VELLA SHANRIKA

f/Director General (Inland Revenue Department)



Today the first (1st) day of September
of the year two thousand and ten
(2010).

Before me Notary Public and Doctor of Laws Nicholas Vella, duly
sworn and admitted, there personally came and appeared:-

Of the first part:- **Mario Hammett**, company director, son of
Anthony and of Rita nee' Brincat, born in Senglea, holder of
identity card number 733959(M) and his wife **Rita Hammett**,
daughter of the late Charles Buhagiar and of the late Josephine nee'
Sammut, born in Mosta, holder of identity card number 54962(M),
both residing at 53, High Street, Sliema, jointly and severally
between themselves, hereinafter referred to as '*the vendors*'.

And of the second part:- **Peter Borg**, Company Director, son of
Saviour and of the late Lilian nee' Inglott, born in Saint Julians and
residing at Sliema, holder of identity card number 457268(M) and
Alexandra Borg, Financial Controller, wife of Mark Borg,
daughter of Angelo Falzon and Carmen nee' Scicluna, born in
Pieta' and residing at Kappara, holder of identity card number
318067(M), who are both appearing hereon in the name and for and
on behalf of the company '**Roosendaal Trading Company Limited**'
(C-4265), having its registered office at A12, Industrial Estate,
Marsa, MRS 3000, duly authorized by virtue of a Board of
Directors Resolution attached herewith and marked letter 'A',
hereinafter referred to as '*the purchaser*'.

Duly identified by me the undersigned Notary in terms of law by
means of the above mentioned official documents.

By virtue of this deed the vendors hereby sell, transfer and convey
unto the purchaser, which hereby accepts, purchases and acquires
the shop at groundfloor and intermediate level, officially numbered
fourteen (14) and named 'Bortex' and which was formerly named
'Stelle Alpine', in Constitution Street, Mosta, which shop also has
another entrance at number four (4), Curate Schembri Street,
Mosta, as underlying a first floor maisonette belonging to the
vendors, free and unencumbered and with all its rights and
appurtenances, hereinafter referred to as '*the property*'.

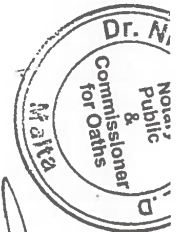
The property forms part of a block of buildings built on the site
which was previously occupied by the house numbered fourteen
(14) formerly numbered twenty six (26), in Constitution Street,
Mosta, which block of buildings consists of the property being sold
as described above and an overlying tenement namely a maisonette
numbered four letter 'A', (4A) having an entrance from Curate
Schembri Street, Mosta.

DEED NO.

Sale

Enrolled on
2010
/2010

General Hypothec
Vol.I. /2010



The property enjoys the perpetual and uninterrupted right of to keep and install airconditioning units and a water tank not exceeding two hundred and fifty litres (250litres) in capacity on the existing or eventual roof of the block of which it forms part and shall further enjoy the right of access to such roof for the purposes of carrying out maintenance or repairs to the above mentioned services after giving reasonable prior notice to the owner of the said roof. The overlying tenement belonging to the vendors enjoys the servitudes of passage of pipes and drains through the shaft of the property and shall further enjoy the right of access thereto for the purposes of carrying out maintenance or repairs to the said pipes or drains after giving reasonable prior notice to the purchaser or its successors in title. The overlying tenement also enjoys the right of windows (prospect) over the shaft of the property being sold. The drainage system is common to property being sold and the overlying tenement .

The vendors reserve the right to build additional floors upon the roof of their property situated at first floor level, in which event the vendors shall be bound to transfer and relocate at their sole expense the services of the property being transferred onto the eventual roof. In this event the vendors shall be entitled to interrupt the said services for a period not exceeding forty eight (48) hours and shall be bound not to cause any undue inconvenience to the purchaser or its successors in title.

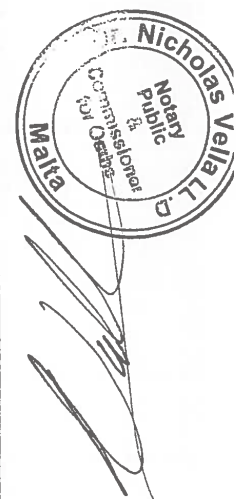
This sale is being made and accepted under the following terms and conditions:-

1. In consideration of the agreed price of one million sixty thousand and one hundred and fifty Euro (€1,060,150), out of which price the vendors have already received by way of deposit on account of the price from the purchaser the sum of one hundred and six thousand and fifteen Euro (€106,015). The purchaser hereby pays in full and final settlement of the said price the sum of nine hundred and fifty four thousand and one hundred and thirty five Euro (€954,135) unto the vendors, who hereby accept and acknowledge due receipt for the full price.

2. The vendors jointly and severally between themselves hereby warrant in favour of the purchaser, which accepts, the peaceful possession and the real enjoyment of the property being sold by virtue of this deed by means of a General Hypothec over all their property, present and future.

3. The property is being transferred with free and vacant possession and saving what is stated herein as free from any third party rights, real or personal, hypothecs, charges and privileges and as free from any litigation, burthens, or expropriation or requisition orders/notices.

4. Notarial fees and deed expenses and duty on documents and transfers shall be paid by the purchaser , whereas capital gains tax, final or provisional, shall be paid by the vendors.



5. The vendors guarantee in favour of the purchaser that the property has been built with due skill and diligence and in conformity with the approved building permits and sanitary laws and regulations, and that all road, drainage and asphaltting contributions and fees and charges due to architects, contractors, masons, workmen and suppliers of materials have already been paid.

6. The parties hereby agree to terminate and dissolve the lease agreement currently existing between them concerning the lease of the property by the vendors in favour of the purchaser, and further declare to have no pretensions whatsoever against one another in this respect .

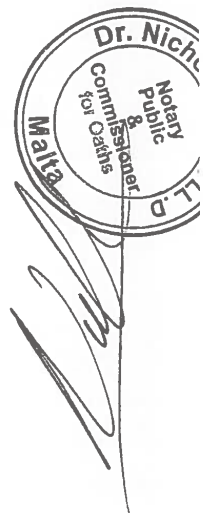
7. All water, electricity and other service arrears and consumption charges up to the date of this present deed shall be borne by the purchaser, and the vendors hereby undertake to transfer all trading permits and licenses covering the property in favour of the purchaser.

8. For the purposes of the Land Registration Act, it is hereby declared that the immovable property sold by virtue of this deed does not lie within a compulsory land registration area.

For the purposes of the Duty on Documents and Transfers Act it is hereby declared:-a) that this deed is not chargeable at law as the vendor Rita Hammett purchased the house numbered fourteen (14), in Constitution Street, Mosta prior to her marriage, from Nazzareno and Frances spouses Fenech by virtue of a deed of sale of the eighth (8th) day of March of the year one thousand nine hundred and eighty nine (1989) in the records of Notary Doctor Pierre Falzon; and b) that the Duty on Documents and Transfers due by the purchaser on this deed amounts to the sum of fifty three thousand and ten Euro (€53,010), out of which sum the purchaser has already paid by way of provisional duty the sum of ten thousand six hundred and one Euro and fifty cents (€10,601.50c) as per documents attached herewith marked letters "B" and "C". The purchaser hereby pays the sum of forty two thousand four hundred and eight Euro and fifty cents (€42,408.50c) in full and final settlement of the aforesaid duty.

For the purposes of the Income Tax Act, the vendors declare that they are paying by way of estate agency fees to Bernard's Real Estate Company Limited the sum of thirty four thousand nine hundred and forty Euro (€34,940) as per fiscal receipt attached marked 'D', therefore the final withholding tax due by the vendors amounts to the sum of one hundred and twenty three thousand and twenty five Euro and twenty cents (€123,025.20c), which is being presently paid.

For the purposes of sub-article number twelve (12) of article number five letter "A "(5A) of the Income Tax Act, the vendors



Dr. Nicholas
Notary Public
Commissioner
for Oaths
Malta
LL.D.

and the purchaser hereby declare that they have declared to me the undersigned Notary all the facts that determine whether this present transfer is one to which article five (5) "A" (5A) of the Income Tax Act, applies and that are relevant in ascertaining the proper amount of tax chargeable, or any exemption, including the value, which in their opinion reasonably reflects the market value of the said property. The parties are making this declaration after having been duly warned by me the undersigned Notary about the importance of the truthfulness of their declaration.

The purchaser declares that it qualifies to acquire the property without the necessity of a permit for the acquisition of immovable property by non residents since not less than seventy five per cent (75%) of the shareholding in the said company and not less than seventy five per cent (75%) of the controlling shares of the said company belong to citizens of the European Union, who have resided continuously in Malta for at least five (5) years during their lifetime, and that all directors are also European Union citizens who have resided continuously in Malta for at least five (5) years during their lifetime. This declaration is being made after due explanation of its import according to Law by me the undersigned Notary.

This deed has been done, read and published after due explanation in terms of law, in Malta, Marsa, Industrial Estate, in the premises named Bortex, at letter 'A' number eleven (11) (A11).

Signed:-

Mario Hammett.

Rita Hammett.

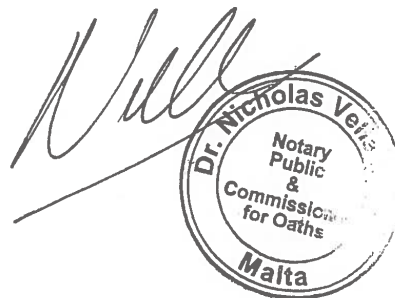
Peter Borg.

Alexandra Borg.

Notary Doctor Nicholas Vella LL.D.

NOTARY PUBLIC MALTA.

Certified true copy of the original deed issued today 9th September 2010



The image shows a handwritten signature in dark ink, which appears to be 'N. Vella', written over a circular notary seal. The seal is embossed or stamped and contains the following text: 'Dr. Nicholas Vella' around the top inner edge, 'Notary Public & Commissioner for Oaths' in the center, and 'Malta' at the bottom.

31st August, 2010

At a Board Meeting held today the thirty-first day of August of the year two thousand and ten (2010) at the company's registered office, it was resolved to purchase the shop at Constitution Street, Mosta, currently rented by the Company, for a price of €1,060,150.

The Board further resolved that the Managing Director, Mr. Peter Borg (I.D. number 457268M) be authorized to appear on its behalf on the promise of sale and, subsequently on the contract, together with the Company's Financial Controller Ms Alexandra Borg (I.D. number 318067M).



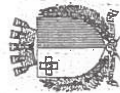
Lino Spiteri
Chairman



Alexandra Borg
Financial Controller



A11, Industrial Estate, Marsa MRS 3000, Malta. Tel: (+356) 21245814 Fax: (+356) 21244716, 21221076
www.bortexgroup.com



Inland Revenue Department

Capital Transfer Duty

Receipt No.: 343775

Date: 15/06/2010

Registration No: C4265

Received from: ROOSENDAAL TRADING COMPANY LIMITED

A 11

QASAM INDUSTRIJALI

MARSA HMR 15

Amount: Ten Thousand, Six Hundred and One Euro and Fifty Euro Cents only

PROMISE OF SALE

Type of Payment: BANK DRAFT
Draft / Cheque No.: 034688
Bank Name: BOV
Amount €: 10,601.50

Duty on Documents		€
General		10,601.50
Inter Vivos		
Causa Mortis		
Interest		
Additional Duty		
General		
Inter Vivos		
Causa Mortis		
Other		
Penalty		
Miscellaneous		
Total		€ 10,601.50

CARMEL RUGE JA
Commissioner of Inland Revenue

Security Number: 0062841801

Note: Validity is subject to bank clearance.



Inland Revenue Division

Capital Transfer Duty Department

Notifika ta' Kunvenju
Promise of Sale Notification

46, Merchants Street, Valletta
Tel: 21220481

Sur / Sinjura / Sinjorina
Mr / Mrs / Miss
VELLA NICHOLAS
486 FABIOLA FLATS 2
VICTORY STREET
QORMI

Kunvenju Numru PS201003752
Promise of Sale No.

Data 16/06/2010
Date

POS PIN: tj19320

We hereby confirm that we have been notified of the promise of sale agreement entered into by HAMMETT MARIO ET and ROOSENDAAL TRADING COMPANY LIMITED, in the presence of witness VELLA NICHOLAS regarding the transfer of property SHOP NO 14, NAMED BORTEX, CONSTITUTION STREET, MOSTA, dated 11/06/2010.

The promise of sale is valid up to 11/09/2010. The value of the sale is €1,060,150.00, and duty of €10,601.50 has already been provisionally paid (ref: 343775).

Please retain this letter of notification.

Għall-Kummissarju tat-Taxxi Interni
f/Commissioner of Inland Revenue

VAT Reg. No. **WT15032725** Receipt No. **000362** No. F. **7751455**

Deemards Real Estate Co Ltd.
 229, 11, Torri
 Strada 34005

[Signature]

VAT DEPARTMENT
 Ta' Paris Road,
 Birkirkara
 BKR 13

Receipt in terms
 of Section 51
 of VAT Act, 1998.

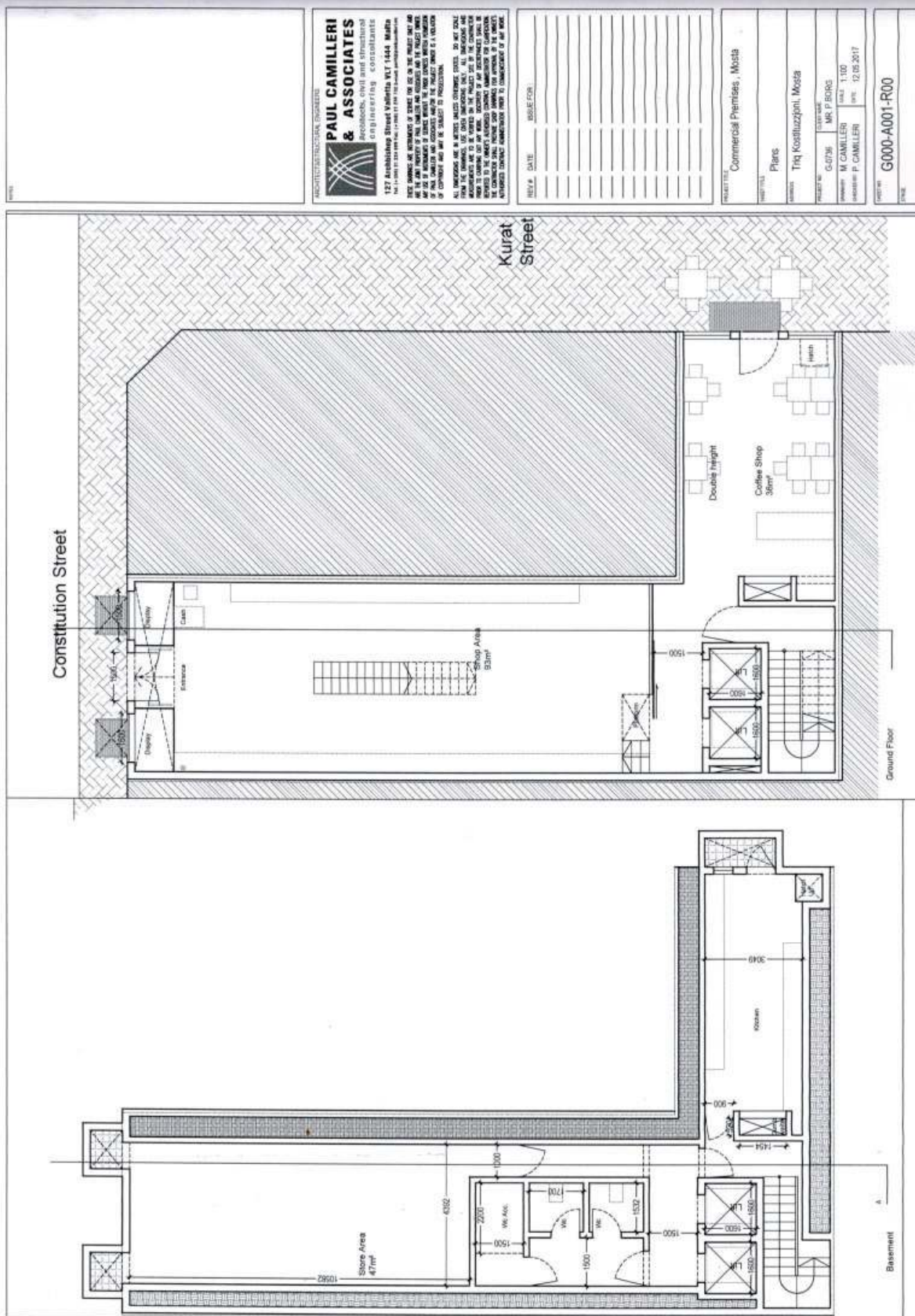
Description of Goods / Service Provided	Amount (Inclusive of VAT)
Real Estate Services	34,940

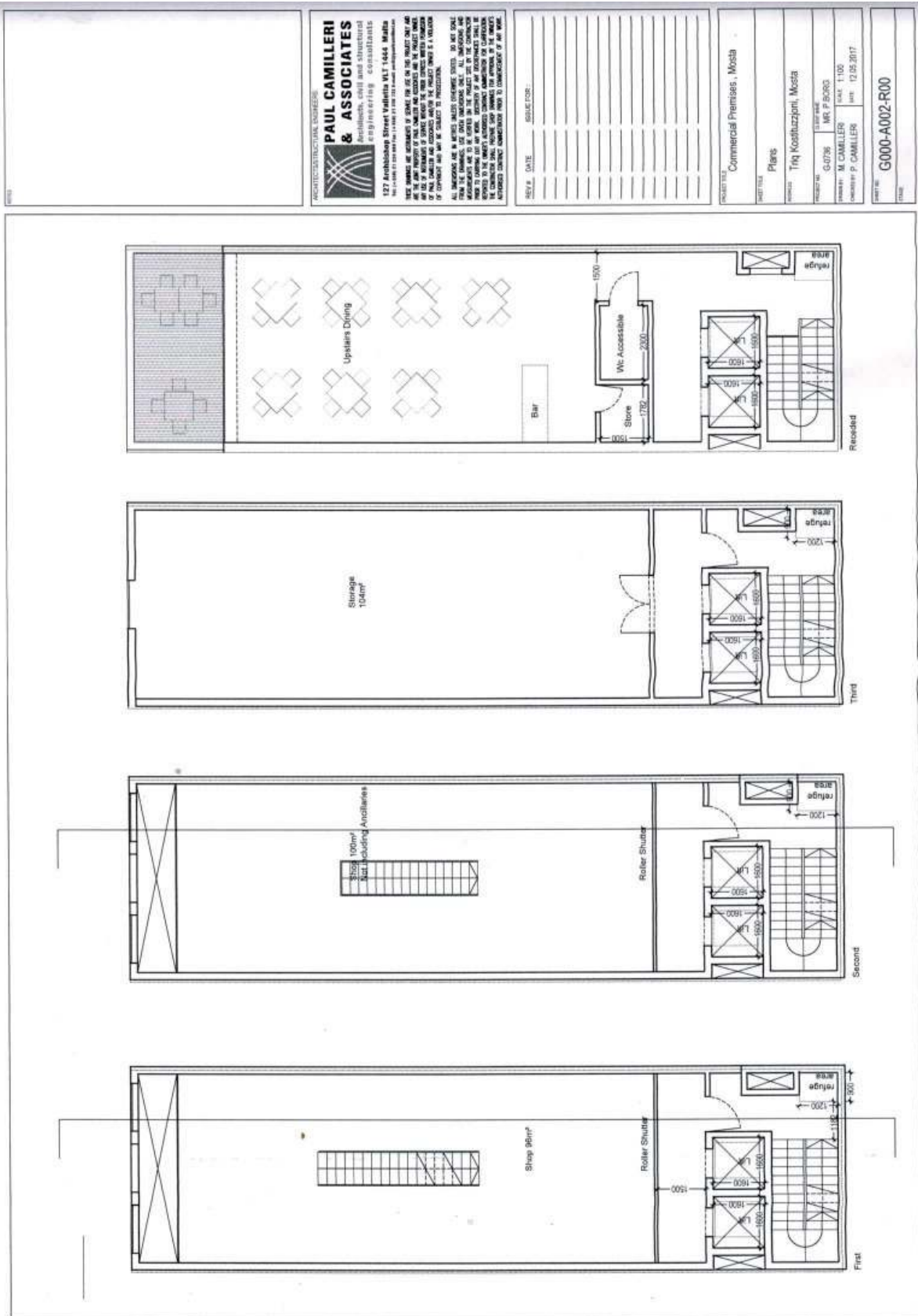
Receipt Date: **1/9/10**

Customer Name & ID Number when required:
Mario + Rita Hammit - 549621 / 733959M

CUSTOMER'S COPY

WT15032725





**Valuation of Bortex retail outlet at
Mriehel Industrial Estate, B’Kara**

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Section 1**1.0 General****1.01 Subject**

This valuation relates to the property known as plots numbered 8 and 9, Vjal L-Intornjatur, Mriehel. The site is located in the limits of B'Kara in the Industrial Estate of Mriehel described in further detail below.

1.02 Address of Property Valued

Plots 8 and 9,
Vjal l-Intornjatur
Mriehel Industrial Estate,
B'Kara

1.03 Compliance

We declare that we have no conflicts of interest in effecting this valuation and that our professional indemnity cover is updated in terms of standard provisions.

1.04 Party Requesting Valuation

The request has been made by Roosendaal Trading Ltd.

1.05 Site Location

The location of the existing plots is very favourable as the property faces the regional Mriehel bypass giving it ample exposure to passing vehicular traffic. Both plots have 440s.m. of land and have a frontage of 12.04l.m. onto a service road named Vjal l-Intornjatur. The site is currently being built.

The plots are accessible through the main routes entering Mriehel Industrial Estate, which are principally the regional bypass from the South and Mdina Road from the North, where one can find many varied commercial and industrial outlets. The plots are located on the Southern perimeter of the Mriehel Industrial estate, having a low trafficked service road, however directly overlooking the regional bypass.

Traffic communication is convenient as already outlined earlier, as the nearby regional bypass provides easy access to all areas in the North and South of Malta and other principal points of interest such as the airport in Gudja, customs in Valletta, catamaran landing area in Marsa and Freeport in Birzebbuga. Any passing trade can avail itself of all the amenities in the Mriehel Industrial Area and conurbation of Santa Venera, Qormi and B'Kara.

1.06 The Plots

Buildings on these plots is in progress and the building is considered to be in the course of development. The existing plots having a cumulative area of 440s.m. are currently not being used for any commercial activity.

Individually, plot 8 has a depth of 34.44l.m. and plot 9 has a depth of 35.05l.m. Their cumulative road frontage is of 12.04l.m.

At present they are being built over as part of a new development.

1.07 Purpose of Valuation and applicable standards

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

Roosendaal Trading Ltd. intends to develop the site to its maximum building potential. The building will have 5 commercial levels, the first two will be allocated for a use falling in the category of Class 4B catering outlet whilst the overlying three levels will have a Class 4A retail outlets use. The former mentioned uses are according to the class uses as specified in L.N. 74 of 2014 forming part of subsidiary legislation 522.15 issued by the Planning Authority. The development will overlie three levels of underground parking spaces and a loading and unloading bay.

Accordingly this valuation is being carried out in accordance with the recommended practice suggested by the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation manual.

RICS defines market value, by reference to standards drawn up by the International Valuation Standards Committee, as the estimated amount for which a property should exchange on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction, after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

This valuation is being drawn up by the undersigned as an external valuer in terms of, and with regard given to, the RICS definition quoted above and to the guidance there on provided by the same Institute, which in the opinion of the undersigned could be validly applied to the financial and technical aspects which are the subject of this valuation.

1.08 Ownership of Land and Legal Title

The property is owned by Roosendaal Trading Ltd.

The land on which the hotel is built was acquired 27th May 2016 according to a deed published by Notary Dr. Nicholas Vella.

As of the date of this report, the legal title is herewith attached, freehold, free and unencumbered together with all its rights and appurtenances, free of any liabilities, hypothecs, levies, charges, privileges, taxes, servitudes and from any other burden, with vacant possession.

There are no circumstances which are likely to give rise to litigation or arbitration in connection with the property. It enjoys peaceful possession including all its rights and appurtenances, including direct access to the street along which it is bounded.

1.09 Peaceful Possession and other Warranties

Roosendaal Trading Ltd. warrants peaceful possession of the site with all its rights and appurtenances as listed herewith.

There are no proceedings pending or threatened by or against and there are no circumstances which are likely to give rise to litigation or arbitration, involving Roosendaal Trading Ltd, which may affect, threaten or disturb the site's quiet and peaceful possession of the proposed building with all its rights and appurtenances including access thereto as stated for its Permitted Use.

The proposed development is fully covered with valid building permits issued by the competent authorities and is not in contravention of any laws and regulations relating to or affecting land and buildings generally.

There are no dues or liabilities relating to the site including, but not limited to, architects fees, building permit fees, drainage contributions, contributions for the other services and utilities, compensation for party walls, all costs for labour and supplies due to contractors and suppliers, fees for licenses, permits and other authorizations.

The site is covered with valid and effective permits and authorisations as necessary according to law for the development of the building for the Permitted Use. It is not in breach of any condition or regulation of such licenses, permits and authorisations.

There are no proceedings pending or threatened by or against Roosendaal Trading Ltd. in connection with and/or relating to the site (including, without limitation, in connection with or pursuant to any construction and development works which have

already been executed to date by or on behalf of Roosendaal Trading Ltd.), and there are no circumstances which are likely to give rise to any litigation or arbitration involving Roosendaal Trading Ltd. as aforesaid.

1.10 Permitted Use

Roosendaal Trading Ltd. may use the building only for the purposes allowed in the Planning Authority Permit, i.e. for commercial activities under Class 4B for the ground and intermediate floor and Class 4 A for the first, second and setback overlying floors.

Roosendaal Trading Ltd. and any person allowed to use the building or any part thereof shall not be entitled to change or to validly change the uses allowed in the Planning Authority Permit without the prior written consent of the Planning Authority and any other concerning authority.

1.11 Zoning and Building Permits

The location of the property under consideration is zoned within an industrial area of B'Kara, specifically Mriehel, in the Central Malta Local Plan published by the Planning Authority.

In terms of commercial development within CG14, proposals within this zone will only be considered by Planning Authority if the following is adhered to:

- Development complies with all the relevant provisions of Policy CG17, specifically:
- Development complies with the relevant provisions of Planning Authority's Interim Retail Planning Guidelines (2003).

Furthermore, according to policy CG14 (as amended by PC57/10) states that the building height limitation is 14m.

The site therefore now has a valid permit for further development in the above mentioned parameters.

PA/01035/13 – To construct three underground car park levels, showrooms at ground and intermediate levels and offices at levels 2, 3 and setback floor. Issued on 20th July 2017.

Minor amendment on PA/01035/13 – Minor changes to internal layouts and change in façade design. Issued on 21st November 2017.

There are no material or onerous conditions attached to the conditions of the permits.

1.12 Environmental obligations

Roosendaal Trading Ltd. has a duty to observe all applicable laws relating to Health and Safety and/or preservation and protection of the environment including those aimed at the presentation of any health and safety risks and/or pollution. Roosendaal Trading Ltd undertakes to co-operate fully in implementing all local and international measures which are designed to enhance standards of operation and safety and to implement preventive systems.

Roosendaal Trading Ltd. is conscious of its environmental obligations towards neighbours and the public during construction.

Any nuisance which may ensue as a result of the carrying out of building and development works as stated above including, without limitation, any nuisance which may be caused as result of noise, vibrations and dust will be mitigated as per building regulations specified by the Building Regulations Office and in force at the time on construction.

1.13 Insurance

Roosendaal Trading Ltd has a duty to keep in full effect, at its sole expense a policy of Public Liability Insurance with respect to the proposed commercial development and all installations and improvements thereon, which shall cover the former against liability for all damages which may arise to third parties from the business carried on the site.

1.14 Compliance with Law.

Roosendaal Trading Ltd, at its sole cost and expense, is bound to comply with all legislation, rules, regulations and administrative orders applicable to Malta now in force, or which may hereinafter be in force, pertaining to the building. Roosendaal Trading Ltd. is to faithfully observe all conditions in all licenses/permits/authorisations issued to Roosendaal Trading Ltd. or to customers of the retail outlets, and is bound to comply with all licenses and permits necessary for the Permitted Use and shall conform to any requirements in the building permits relative to this commercial development.

1.15 Assumptions

We have made the following assumptions in the preparation of our Report:

- We have relied upon sources of information provided to us by the Roosendaal Trading Ltd. and their representatives, especially for the drawings of the proposed development and legal title.
- All areas quoted within this report are approximate.
- There are no other matters, including but not limited to, assumptions and information on contamination which material affect the value.

Section 2

2.0 Architectural Appraisal

2.01 Inspection

A visual inspection of the site was carried out on the 22nd August 2017 to establish the location, condition of the property and to ascertain whether there are any obvious defects that could have an impact on the value of Property. This inspection does not represent a building survey and shall not be construed as such.

There were no apparent defects in the site, but the structure is still under construction. The structural adequacy rests with another architect.

2.02 Design Parameters

The proposed development includes three levels of basement car parking spaces. The number of car spaces is 26.

The ground, and intermediate floor will be used for a Class 4B activity and are interconnected. First floor level is also interconnected with the two lower levels however a Class 4A activity is being proposed.

The Second floor and the setback floor have a common entrance however they can be utilized separately. Both have been earmarked to have a Class 4A activity.

The top floors (first to setback floor) will have impressive inland views of the countryside, overlooking Qormi and Luqa further away.

These comments are based on the plans by Architect Analisa Zammit.

2.03 Layout

The proposed layout of the new building is shown on attached drawings A-001 to A-012.

2.04 Finishes

The finishes of the proposed commercial development will comply to a high standard of materials and workmanship for modern contemporary retail and catering outlets and will contribute to impart a prestigious image to the property. They also have the function of concealing the various services passing through the building, at the same time leaving access points for maintenance and repairs.

2.05 Structure

The proposed structure is composed mostly of load-bearing masonry walls, reinforced concrete columns and ceilings. The proposed loads at all levels are generally adequate for their intended uses. Foundations bear directly on the globigerina limestone rock layer.

2.06 M & E Services

The proposed commercial development will be served by all modern electrical, mechanical and electronic systems which are required by contemporary standards.

The proposed services within the commercial development are listed hereunder (this list is not exhaustive):

- Electrical installation to the entire building and common parts, including lifts and staircases.
- Stand-by Diesel generators for continuous supply of electricity in case of outage.
- Switch gear panels for adequate control of the supply of the separate parts of the building.
- Installation of internal lighting to common parts.
- Installation of an emergency lighting system.
- Installation of a UPS system.
- Installation of mechanical system-heating, plumbing, pipe work etc.
- Installation of heating, ventilation and air conditioning systems.

It is being assumed that all services and any associated controls or software of the new commercial development will be in working order and free from defects, and that they will be regularly maintained and repaired as necessary to function continuously and efficiently for the benefit of all end users.

2.07 Fire Prevention Measures

Fire prevention systems will be installed in accordance with international standards for fire safety for this category of building.

2.08 Logistics

A loading and unloading bay has been provided at basement level -1 in order to service and handle all transfer of goods from and to the commercial outlets found in this building. This loading and unloading bay is easily accessible from a ramp coming down directly from the service road.

Section 3

3.0 Other

3.01 Sources of Information

Information was supplied by the board and other officials of Roosendaal Trading Ltd. in connection with all the matters discussed in this report. Legal tenure details were obtained from a copy of the deed of acquisition by Roosendaal Trading Ltd.

We have also based our assessment of the engineering side of this report on architectural plans provided to us by the Roosendaal Trading Ltd.

3.02 Assumptions

The following assumptions have been made in the preparation of this report:

- i. All measurements, areas and ages that are quoted in our report are approximate;
- ii. Any processes which are carried out on the Property which are regulated by environmental legislation are properly licensed by the appropriate authorities;
- iii. The Property is/will, in all respects, be insured against all usual risks or normal, commercially acceptable premiums and will remain so throughout its commercial operation;

Section 4

4.0 Valuation Method

4.01 Basis of Valuation

The site, is a type of asset class known as “commercial related property” and as such, we have taken into account the following in order to arrive at our opinion of market value:

- Location of the site,
- Amount of passing trade,
- Visibility of façade and advertising,
- Proposed spatial layouts, M&E trade fixtures, fittings, finishes, furniture and equipment,
- The market forces (supply and demand) of the respective asset class to arrive at a comparable commercial rental rates,
- The size of the development.

4.02 Discussion

For the purpose of this valuation, we are valuing all of the different parts within this development as one asset.

The valuation is based on an open market value in the course of development for its intended approved use and not for an alternative use.

In coming to our opinion of Market Value, we have used the comparative and investment method of valuation. This means that we have researched the value of other similarly sized properties which are in the close proximity and which have a similar use. The future development in Mriehel will be let commercially as offices. Our research indicates that the going rate for commercial property in that area is in the region of €100 - €150 s.m.

The comparables show a range of values being achieved depending on size and location. The benefits of this particular property are that it faces the Mriehel bypass, giving great exposure to the façade and its contents.

Roosendaal Trading Ltd. intends to develop the site to its full potential in a development expected to be finalized by June 2018. It is at present in the course of development.

The estimated cost of construction and finishing is estimated to be €1,329,000. This includes, without limitation, the cost of financial carrying charges, letting commissions and other ancillary costs.

The estimated capital value at current prices and on the basis of current market conditions, after the development has been completed and let, is €2,905,625.00.

We have been requested to submit two values in this report:

1. Market value of the land only
2. Market value on completion

4.03 Valuation

The present capital value and the open market value are the same.

Having considered all the factors described above, we assess the value of the property on an open market basis as follows:

- | | |
|--|--|
| 1. Land Value only
(construction ignored) | €900,000 (nine hundred thousand euro) |
| 2. On completion
End of June 2018
(land and building only) | €2,900,000 (two million and nine hundred thousand euro) |

4.04 Confidentiality:

It is to be noted that this report is being submitted solely for the use of Roosendaal Trading Ltd., its bankers and its professional advisors. We accept no responsibility to third parties.

We have taken all reasonable care to ensure that the information is correct, and to the best of our knowledge is in accordance with the facts as given to us, and contains no omission likely to affect its import.

There are no other matters which we consider as relevant for the purposes of the valuation.

Section 5

Authors of Valuation

This valuation was drawn up by the firm of architects and civil engineers, DeMicoli & Associates, Capital Business Centre Entrance A, Level 2, Taz-Zwejt, San Gwann, SGN 3000.

Effective Date

The effective date of this valuation report is 18th September 2017.

Signatory



William Soler
Senior Architect
DeMicoli and Associates

Encl: Development plans as proposed.
 Contract of purchase of property

VALUATION OF PROJECT AT Mrieheh Industrial Estate			
Appendix 1			
Gross Development Value As Per DC2015			
Description	QTY	Rate	Total
Basement parking	26.00	16,000.00	416,000.00
Ground & recessed retail	600.00	140.00	1,050,000.00
First, second and setback retail	1,047.00	110.00	1,439,625.00
Grand Total	1,673.00		2,905,625.00

Land & Buildings

Description	QTY	Unit	Rate	Amount
Costs				
Planning/Mepa Fees				
Garages	1,200.00	Sqm	5.66	6,792.00
Class 4A & 4B	1,647.00	Sqm	12.05	19,846.35
Excavation up to 11m below road level	4,400.00	Cub m	13.00	57,200.00
Foundations	400.00	Sqm	100.00	40,000.00
Construction up to shell form				
Construction up to shell form	2,847.00	Sqm	150.00	427,050.00
Plaster and Paint Finish Front Façade	168.00	Sqm	100.00	16,800.00
Waterproofing	500.00	Sqm	28.00	14,000.00
Finishes to completion				
Garages	1,200.00	Sqm	40.00	48,000.00
Retail area	1,647.00	Sqm	150.00	247,050.00
Lift	8.00	Floor	4000.00	32,000.00
Staircases	7.00	Floors	3000.00	21,000.00
M&E	1,602.00	Sqm	55.00	88,110.00
Professional fees at 6%	1.00	Ls	0.06	54,186.00
Notarial fees 0.005% of GDV	1.00	Ls	0.01	21,792.19
Contingency at 3%	1.00	Ls	0.03	32,814.80
Subtotal				1,126,641.33
Vat at 18%				202,795.44
Grand Total Cost				1,329,436.77

Grand Total Cost	1,329,436.77
Residual method of valuation as existing	
Gross development Value	2,905,625.00
Stamp duty on sales @ 5%	145,281.25
Net Development Value (NDV)	2,760,343.75
Total Costs	1,329,436.77
Net Value (NDV-Total Costs)	1,430,906.98
Profit and Finance 18%	523,012.50
Market Value (Land Value)	907,894.48
Say (Land Value)	900,000.00

Today the twenty-seventh (27th) day of May of the year two thousand and sixteen (2016).

DEED NO:-

Loan,
Suretyship and
Sale

Enrolled on

2016
General Hypothec
Vol.I.
Special Hypothec/
Privilege
Vol.I.
Land Registry

Before me Notary Public and Doctor of Laws, Nicholas Vella, duly sworn and admitted, personally came and appeared:

Of the first part:- Evelyn Mizzi, Bank Manager, wife of Joseph, daughter of John Mary Zammit and Mary Doris nee' Axiaq, born in Mtarfa on the fifteenth (15th) day of September of the year one thousand nine hundred and seventy-three (1973) and residing at Kirkop, identity card number 413673(M), who is appearing hereon in the name of and for and on behalf of "**Bank of Valletta p.l.c.**", Company registration letter "C" number two eight three three (C2833) having its registered office at fifty eight (58) Triq San Zakkarija, Valletta, as duly authorized for the purpose, 'Bank of Valletta p.l.c.' is hereinafter referred to as "**the Bank**".

Of the second part:- **Peter Borg**, Company Director, son of the late Saviour and of the late Lilian nee' Inglott, born in Saint Julians on the twenty-fourth (24th) day of June of the year one thousand nine hundred and sixty eight (1968) and residing at Gharghur, holder of identity card number 457268(M) and **Alexandra Borg**, Financial Controller, wife of Mark Borg, daughter of Angelo Falzon and Carmen nee' Scicluna, born in Pieta' on the twenty-ninth (29th) day of June of the year one thousand nine hundred and sixty seven (1967) and residing at Kappara, holder of identity card number 318067(M), who are both appearing hereon in the name of and for and on behalf of the company '**Roosendaal Trading Limited**' (C-4265), having its registered office at letter 'A' twelve (A12), Industrial Estate, Marsa, MRS3000, duly authorized for the purpose by virtue of a Board of Directors' Resolution being attached together with this deed and marked as document letter 'A' in terms of the Memorandum and Articles of Association of the said company, '**Roosendaal Trading Limited**' (C 4265) is hereinafter referred to as '**the principal debtor**' and/or '**the customer**' and/or '**the purchaser**', as the case may be.

Of the third part : -**Peter Borg**, Company Director, son of the late Saviour and of the late Lilian nee' Inglott, born in Saint Julians on the twenty-fourth (24th) day of June of the year one thousand nine hundred and sixty eight (1968) and residing at Gharghur, holder of identity card number 457268(M) and **Alexandra Borg**, Financial Controller, wife of Mark Borg, daughter of Angelo Falzon and Carmen nee' Scicluna, born in Pieta' on the twenty-ninth (29th) day of June of the year one thousand nine hundred and sixty seven (1967) and residing at Kappara, holder of identity card number 318067(M),



who are both appearing hereon in the name of and for and on behalf of the company **'Bortex Clothing Industry Company Ltd'** (C-2371), having its registered office at letter 'A' number eleven (A 11), Industrial Estate, Marsa, MRS 3000, duly authorized for the purpose by virtue of a Board Resolution attached and marked 'A1' and by virtue of the Memorandum and Articles of Association of the said company, 'Bortex Clothing Industry Company Ltd' (C 2371) is hereinafter referred to as *'the surety'*, jointly and severally liable with the principal debtor.

And of the fourth part:- *Ivo Agius*, self employed, an unmarried son of Francis and Petronella nee' Sultana, born in Pieta' on the fifth (5th) day of February of the year one thousand nine hundred and seventy five (1975) and residing at Naxxar (148, Giammini, Triq San Pawl), holder of identity card number 108675(M), hereinafter referred to as *'the vendor'*.

For all intents and purposes, the Vendor hereby declares that he is not married and has never contracted marriage and/or a civil union in Malta or elsewhere.

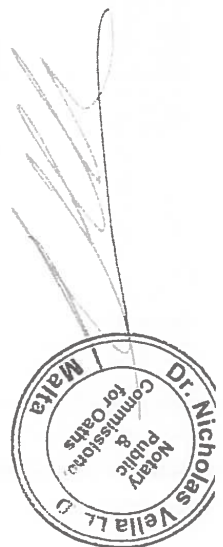
Duly identified by me the undersigned Notary in virtue of the above mentioned official documents in terms of law.

Whereas the Principal Debtor has requested the Bank to grant it on loan the sum of seven hundred and eighty thousand Euro (€780,000), out of which sum the amount of two hundred and eighty thousand Euro (€280,000) is to be used by the Principal Debtor for the purpose of paying part of the purchase price of the immovable property situated in Mriehel as better described in the second part of this deed, and the remaining amount of five hundred thousand Euro (€500,000) which is to be used by the Principal Debtor for the purpose of paying the price and costs of construction, development and finishing works which are to be carried out upon and on the same immovable property situated in Mriehel as better described in the second part of this deed, and this in terms of Section two thousand and ten (2010) of the Civil Code of the Laws of Malta offering as security a General Hypothec over all its property in general, present and future and a Special Hypothec over the same immovable property situated in Mriehel as better described hereunder, and this besides the joint and several suretyship and the hypothecary guarantees hereunder described as well as any and all other security, hypothecary and/or otherwise that may be agreed to between the Bank, the Customer and the Surety from time to time.

Whereas the Bank has acceded to the request of the Principal Debtor subject to the limitations and conditions set out hereunder.

Now, therefore, by virtue of the first part of this deed, the Bank declares to accede and hereby accedes to grant on loan to the Principal Debtor, which accepts, the said sum of seven hundred and eighty thousand Euro (€780,000), hereinafter referred to as "the Loan" out of which sum the Principal Debtor hereby delegates the Bank, which accepts:-

a) to pay the sum of two hundred and eighty thousand Euro (€280,000) directly to the Vendor in the second part of this deed as



part of and in settlement of the purchase price of the immovable property which is being sold by the Vendor unto the Principal Debtor by virtue of the second part of this deed so as to enable the Bank to conserve, preserve and reserve in its favour, as the case maybe, the Special Privilege competent to it in terms of law; and

b) to pay the remaining sum of five hundred thousand Euro (€500,000) directly to the architects, contractors, masons, workmen and suppliers of materials to be engaged in the construction, development and finishing works which are to be carried out upon and on the same immovable property in such a way so as to enable the Bank to conserve, preserve and reserve, in its favour, as the case maybe, the Special Privilege competent to the Bank in terms of law.

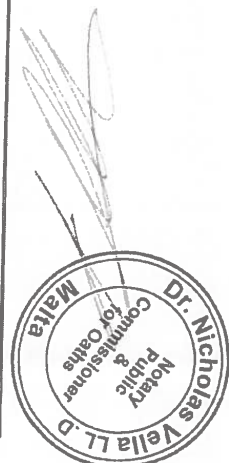
It is agreed that the Loan shall bear interest at the rate stipulated in the relative sanction letter, which interest is to be reckoned on the outstanding balance of the Loan from time to time in accordance with recognized banking practice. For all intents and purposes of law, the Customer as duly represented, hereby declares that it has received the sanction letter and any amendments thereto and the Customer and the Surety, as duly represented, hereby declare to have read, understood and accepted all the terms and conditions stipulated in the sanction letter and any amendments thereto.

Any adjustment to the repayment of the Loan, due to any variation in the interest rate may be accommodated at the discretion of the Bank by way of:

- a) an adjustment to the amount of the regular repayments during the period of the Loan; or
- b) an adjustment to the number of repayments within the period of the Loan; or
- c) an adjustment in the amount of the final repayment. If no such adjustment is made, repayments will continue until the Loan, together with interest, is repaid notwithstanding that this may alter the period originally envisaged

The terms and conditions regulating the Loan (including the interest rate, fees and charges) may be laid down or amended by the Bank from time to time:-

- a) in the event of changes in market conditions or in banking practice; or
- b) in the event of changes in costs or reductions in return to the Bank, including costs or reductions in return which shall be consequent upon the compliance by the Bank with any capital adequacy or minimum reserve requirements or any other request from or requirement of any central bank or other fiscal, monetary or other authority; or
- c) if the Principal Debtor and/or the Surety is or are in breach of this agreement or is or are otherwise in default; or
- d) in the event of changes in the law and/or a decision or recommendation of a court, regulator or similar body; or



e) in the event of the introduction of new or improved products, systems, methods of operation, technology, alternative delivery channels, services or facilities; or

f) in the case of a merger with or takeover of the business of another bank or organization offering similar services; or

g) if any event occurs or circumstance arises which may reasonably affect the performance by the Principal Debtor and/or the Surety of all or any of their obligations under this agreement.

The Bank will give the Principal Debtor and/or the Surety reasonable notice of any such amendment/s.

Unless otherwise agreed, the Loan shall be repaid and settled in full over a period of ten (10) years or any extension thereof that may be granted at the Bank's sole discretion.

The Bank, the Principal Debtor and the Surety agree that if any one of the events and/or instances listed in the schedule annexed hereto and marked letter "B", and which document forms an integral part of this deed, occurs, then, or at any time thereafter, the Bank may, by notice to the Principal Debtor and/or the Surety, declare the Loan to be immediately due and payable, whereupon it shall become so due and payable together with accrued interest thereon and any other amounts then payable under this deed.

Moreover, in the event that the Principal Debtor and/or the Surety do not effect repayment as agreed and/or are otherwise in default, the Bank may by giving notice in writing to the Principal Debtor and/or the Surety debit any account of the Principal Debtor and/or the Surety with the Bank with all or any repayments, instalments, interest due and charges in connection therewith.

In warranty of the proper observance of the conditions of this deed, and in particular of the repayment of the Loan and the payment of interest accruing thereon as well as any other charges and/or disbursements made or incurred by the Bank from time to time in connection with the Loan, the Principal Debtor hereby grants and constitutes in favour of the Bank, which accepts:-

i) a **General Hypothec** over all its property in general, present and future and this for the total sum loaned of seven hundred and eighty thousand Euro (€780,000) and eventual interests accruing thereon and charges connected therewith; and

ii) a **Special Hypothec** for the total sum loaned of seven hundred and eighty thousand Euro (€780,000) and eventual interests accruing thereon and charges connected therewith upon the immovable property situated in Mriehel, as better described in the second part of this deed, and which is being purchased by the Principal Debtor by virtue of the second part of this deed, with all its rights and appurtenances, including any and all improvements effected thereon and/or in lieu thereof.

iii) a **Special Privilege** for the total sum loaned of seven hundred and eighty thousand Euro (€780,000) and eventual interests accruing



thereon and charges connected therewith upon the immovable property situated in Mrieheil, as better described in the second part of this deed, and which is being purchased by the Principal Debtor by virtue of the second part of this deed, with all its rights and appurtenances, including any and all improvements effected thereon and/or in lieu thereof.

Moreover in order to better guarantee the proper observance and performance of all the obligations undertaken in favour of the Bank on this deed and in particular the repayment of the Loan and the payment of interest accruing thereon and of the charges connected therewith, the Surety namely the company Bortex Clothing Industry Company Limited hereby stands and constitutes itself as surety, jointly and severally liable with the Principal Debtor in favour of the Bank, which accepts, and in support of this suretyship in solidum, the Surety hereby grants and constitutes in favour of the Bank, which accepts a **General Hypothec** over all its property in general, present and future, for the total sum loaned of seven hundred and eighty thousand Euro (€780,000) and eventual interest accruing thereon and charges connected therewith.

This security is over and above any and all such other security, hypothecary and/or otherwise as may be mutually agreed upon from time to time between the Bank, the Customer and the Surety.

The hypothecary guarantees herein constituted by the Surety on this deed are in addition to the guarantee/s signed or which may be signed at a future date on the Bank's guarantee forms.

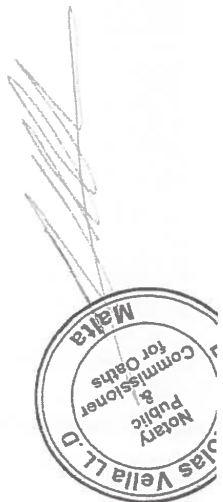
The Principal Debtor and the Surety undertake to give to the Bank full details and all information relating to their business and financial position as requested by the Bank from time to time and to accord to the Bank every facility for the verification thereof.

The Principal Debtor and the Surety authorize the Bank to retain in its possession the searches into the liabilities and transfers of the Principal Debtor and of the Surety until the Loan is repaid and settled in full and the relative note of hypothec and privilege is cancelled.

If so requested by the Bank, the Principal Debtor and the Surety undertake to insure their property, including the property herein specially hypothecated, against all normal risks with a reputable insurance company, and to have the Bank's interest noted on the relative insurance policy. Furthermore, the Principal Debtor and the Surety authorize the Bank to effect any insurance on their property as the Bank may deem fit at the Principal Debtor's and/or the Surety's sole expense.

The Principal Debtor and the Surety undertake and bind themselves in favour of the Bank, which accepts:

a) not to give, without the Bank's prior written consent, any further hypothecs or charges over the immovable property specially hypothecated in favour of the Bank on this present deed even if these rank after those registered in favour of the Bank and this without the Bank's prior written consent; and



b) not to let, not to sell, not to transfer, not to part with and not to allow third parties to use the said immovable property under any title whatsoever, without the Bank's prior written consent.

I the undersigned Notary do hereby declare that further to an official search conducted at the Land Registry which is numbered four thousand nine hundred and eighty six of the year two thousand and sixteen (4,986/2016) the immovable property hypothecated by the Principal Debtor in favour of the Bank by virtue of this present deed lies within a Compulsory Land Registration Area and that it is registered in the name of the Vendor under the Certificate of Title numbered one, four, zero, zero, four, three, eight, five (14004385).

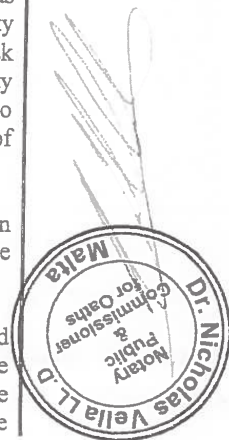
The Bank and the Principal Debtor and the Surety agree that the Bank shall be entitled to apply to and/or to follow any application to the Land Registrar and/or any other registry that may be in force from time to time for the registration of the hypothecary charges constituted thereon by virtue of this deed as the Bank may deem necessary and this at the Principal Debtor's and/or the Surety's expense. The Principal Debtor and the Surety hereby undertake and bind themselves in favour of the Bank which accepts to assist the Bank in all matters in this respect to afford a valid cause of preference to the Bank under this present legal regime and/or any other changing legal regime, and this at the Principal Debtor's and/or the Surety's sole expense.

All fees and expenses in connection with this deed, including but not limited to, all legal fees and administrative charges as well as charges made for bringing up to date from time to time, the searches in the Principal Debtor's and the Surety's liabilities and transfers and for maintaining the Bank's security in good order from time to time to the satisfaction of the Bank; duty on documents and transfers and similar taxes; and registration costs and other fees due to the undersigned Notary shall be borne by the Principal Debtor and/or the Surety and the Bank is hereby authorized to debit at the Bank's sole discretion the Principal Debtor's and/or the Surety's account or accounts with the Bank with all such fees and expenses and it shall not be incumbent upon the Bank to verify whether any demand by the undersigned Notary in this respect is justified.

The Principal Debtor and the Surety acknowledge that the Bank has obtained legal advice on the title to the immovable property hypothecated on this deed, for the purpose of effecting its risk assessment regarding the Loan. The Principal Debtor and the Surety hereby declare that they are not relying on the Bank's decision to lend, as proof of title of the property herein hypothecated in virtue of this deed.

This deed shall be regulated by, governed and construed in accordance with Maltese Law and the Maltese Courts shall have exclusive jurisdiction over any dispute arising therefrom.

The Principal Debtor and the Surety hereby undertake and bind themselves to immediately inform and advise the Bank when the construction, development and finishing works which are to be carried out on the above mentioned immovable property are



completed and hereby authorizes the Bank to conserve in its favour the Special Legal Privilege competent to it in terms of Law upon the said immovable property, and this at the expense of the Principal Debtor and/or the Surety.

By virtue of the second part of this deed, the Vendor hereby sells, transfers, assigns and conveys unto the Purchaser, which hereby accepts, purchases and acquires the two (2) adjacent and contiguous divided portions of land forming part of the lands known as 'Ta Dun Benin', which are situated within the small scale industrial development scheme, in Imrieheh, within the limits of Qormi and of Birkirkara, and which are accessible from a service road, which is parallel to and accessible from the Mrieheh By Pass.

The said two portions of land are known as plots numbered eight (8) and nine (9) and are shown in the plan/siteplan attached to a deed in the records of Notary Doctor Ruben Casingena of the thirteenth (13th) day of April of the year two thousand and eleven (2011), and are bounded altogether on the South by the said service road, on the West by plot number ten (10) and on the East by plot number seven (7), and are being sold free and unencumbered and with all their rights and appurtenances and including their underlying sub-terrain and their free overlying airspace and with free and vacant possession.

Both plots altogether are being sold as having a façade on the aforementioned service road of approximately twelve point zero four linear metres (12.04m) in width, whilst plot eight (8) is being sold as having a depth of approximately thirty four point four four linear metres (34.44m) and plot nine (9) is being sold as having a depth of approximately thirty five point zero five linear metres (35.05m).

The said plots are indicated on the Land Registry Site plan attached herewith and marked as document letter 'C', and have altogether a superficial area of approximately four hundred and thirty seven point seven zero square metres (437.70sqm).

It is declared that the said two plots are indicated in a deed of sale entered into by the prior owners thereof namely the company Penuei Limited (the vendor on the said deed) and the company A and R Mercieca Limited (the purchaser on the said deed) in the records of Notary Doctor Pierre Cassar of the twentieth (20th) day of January of the year two thousand and five (2005) as having a superficial area of four hundred and twenty six point five eight square metres (426.58sqm) and that in terms of the said deed it was agreed between the said two parties that should the plots result to be longer in depth than as indicated in the said deed of Notary Doctor Pierre Cassar such additional length and area shall be deemed to have been sold by means of the same deed in the records of Notary Cassar without any increase in the consideration thereof.

It is further declared that in a deed of sale of the thirteenth (13th) day of April of the year two thousand and eleven (2011) in the records of Notary Doctor Ruben Casingena entered into by the prior owner the aforesaid company A and R Mercieca Limited (the vendor on the said deed) and the appraiser Ivo Agius (the purchaser on the said deed) reference is made to the agreement reached by the prior owner Penuei Limited and the said A and R Mercieca Limited in the above



mentioned deed in the records of Notary Doctor Pierre Cassar in relation to any additional length or area on the plots being sold and furthermore it was declared that further to a survey conducted by the same parties it resulted that the actual superficial area of the plots is four hundred and eighty six square metres (486sqm) and not four hundred and twenty six point five eight square metres (426.58sqm).

The Vendor and the Purchaser on this deed hereby declare that following a recent survey conducted by them it has resulted that the actual superficial area of the plots being sold is approximately four hundred and thirty seven point seven zero square metres (437.70sqm) and not four hundred and eighty six square metres (486sqm) and further agree and covenant that should the said plots result to be longer in depth and/or as having an area larger than 437.70 sqm, then any such additional length and/or area shall be deemed for all intents and purposes at law to have been sold by the Vendor unto the Purchaser, with no right of the Vendor to demand any compensation or increase or revision in the price of sale from the Purchaser.

The said plots are bounded altogether on the South by the above mentioned service road, on the West by the plot numbered ten (10) and on the east by the plot numbered seven (7) of the same lands 'Ta Dun Benin'.

The Vendor guarantees that the property lies within a building scheme approved for small scale industrial development.

The said two plots enjoy the guaranteed right and servitude of pedestrian and vehicular access upon and from the service road which is parallel to the Mriehel By Pass as constituted by means of two deeds one in the records of Notary Doctor Pierre Falzon and the other in the records of Notary Doctor Gerard Spiteri Maempel both published on the eighteenth (18th) day of September of the year two thousand and two (2002).

This sale is being made and accepted as subject to and under the following terms and conditions:-

1. In consideration of the agreed price of seven hundred and ninety five thousand Euro (Euro795,000), out of which price the Bank in execution of the delegation made to it by the Purchaser in the first part of this deed hereby pays the sum of two hundred and eighty thousand Euro (Euro280,000) directly to the Vendor, who accepts, and acknowledges due receipt therefor in terms of Law.

The Purchaser hereby pays in full and final settlement of the said price of sale the sum of five hundred and fifteen thousand Euro (Euro515,000) unto the vendor, who whilst accepting the said sum hereby acknowledges receipt for the full price.

The Bank having thus fulfilled this delegation in virtue of the second part of this present deed, hereby conserves and preserves the special privilege competent to it in virtue of Section two thousand ten (2010) of the Civil Code, Chapter sixteen (16) of the Laws of Malta.

2. The Vendor hereby warrants and guarantees in favour the Purchaser, who hereby accepts, that the property transferred by him



by virtue of this deed, is free from any and all orders and/or procedures of enforcement and / or expropriation and/or requisition, free from any litigation, actual or threatened, free from any real and/or personal rights pertinent to third parties and furthermore hereby guarantees the peaceful possession, good title and real enjoyment thereof in terms of law by means of a General Hypothec in favour of the Purchaser, which accepts, and this up to the price of sale.

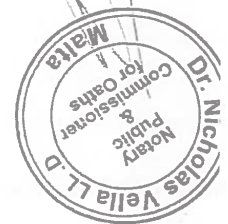
3. All fees and expenses relative to this deed including the duty on documents, the public registry fees, the searches and notary fees and expenses, and any other related expenses shall be paid by the Purchaser. The Vendor shall be liable to pay the final withholding tax.

4. The Vendor warrants and guarantees that the property is being sold with immediate, free and vacant possession as free from any and all third party rights, real or personal, as free from any and all hypothecs, charges and/or privileges and as free from any and all litigation, burdens, and/or expropriation and/or requisition orders and/or stop notices.

5. The Vendor further warrants and guarantees that a definitive building permit for the development of the plots of land being sold has been issued in terms of the attached document marked as document letter 'D'. The Vendor in virtue of this present deed, hereby transfers in favour of the Purchaser, who accepts, the said definitive building permit and undertakes to do and perform all that is required at Law to finalize the transfer of such permit in favour of the Purchaser. The Vendor shall be liable to pay any pending fees and expenses connected to the issue of the said building permits in the amount of thirteen thousand nine hundred and seventy six Euro (€13,976) and the fees and payments due his architect in relation to the same, which the vendor hereby declares and warrants to have been already paid in full. Any additional fees or expenses beyond the said sum of Euro 13,976 and or the fees and payments due to vendor's architect, including any bank guarantees and any other guarantees required in terms of the said permit shall be borne by the Purchaser, who accepts.

For the purposes of the Duty on Documents and Transfers Act it is hereby declared:-

a. that this deed is not chargeable at Law since the vendor purchased the said plots from the company A and R Mercleca Limited by virtue of a deed of sale in the records of Notary Doctor Ruben Casingena of the thirteenth (13th) day of April of the year two thousand and eleven (2011). A and R Mercleca Limited in turn purchased the same plots from the company Pennel Limited by virtue of a deed of sale of the twentieth (20th) day of January of the year two thousand and five (2005) in the records of Notary Doctor Pierre Cassar. The said company A and R Mercleca Limited redeemed the annual and perpetual ground-rent and sub-groundrent which burdened a larger portion of land of the lands known as 'Ta' Dan Benin' of which the said two plots of land being transferred hereon formed part of by means of a Schedule of Redemption and Deposit of Ground Rent filed before the First Hall Civil Court of Malta on the first (1st) day of April of the year two thousand and eleven (2011) as corrected by a



Corrective Note filed before the same Court on the fifth (5th) April of the year two thousand and eleven (2011).

The said plots formed part of a larger divided portion of land which the said Penxel Limited had purchased from Mirihel Properties Limited by virtue of a deed of sale of the eighteenth (18th) day of September of the year two thousand and two (2002) in the records of Notary Doctor Pierre Faizon wherefrom there results further root of title.

b. the duty on documents and transfers due by Purchaser on this deed amounts to the sum of thirty nine thousand seven hundred and fifty Euro (€39,750) out of which sum the Purchaser has already paid by way of provisional duty the sum of seven thousand nine hundred and fifty Euro (€7,950) as evidenced by the provisional duty receipt attached herewith and marked as document letter _____. The Purchaser hereby pays the sum of thirty one thousand and eight hundred Euro (€31,800) in full and final settlement of the said duty.

For the purposes of the Income Tax Act it is hereby declared that the Vendor is bound to pay the eight per cent (8%) final tax on this deed, which tax amounts to the sum of sixty three thousand and six hundred Euro (€63,600) which is being presently paid.

For the purposes of Immovable Property (Acquisition By Non-Residents) Act it is hereby declared by the Purchaser after having been duly warned by me the undersigned Notary about the importance of the truthfulness of its declaration that it qualifies to purchase the property transferred to it by virtue of this deed without the need of any acquisition of immovable property by non-residents permit since:-

a) not less than seventy five per cent (75%) of the shares in the said company as well as not less than seventy five per cent (75%) of the controlling shares within the said company belong to residing citizens of the European Union who have resided continuously in Malta for a period of at least five (5) years during their lifetime; and

b) all the directors of the said company are also residing citizens of the European Union who have resided continuously in Malta for a period of at least five (5) years during their lifetime.

This declaration is being made after due explanation and warning of its import according to Law by me the undersigned Notary.

For the purposes of sub article twelve (12) of article five letter "A" (5A) of the Income Tax Act the Vendor and the Purchaser hereby declare that they have declared to me the undersigned Notary all the facts that determine whether this present transfer is one to which article 5A applies and that are relevant in ascertaining the proper amount of tax chargeable, or any exemption, including the value, which in their opinion reasonably reflects the market value of the said property. The said parties are making this declaration after having been duly warned by me the undersigned Notary about the importance of the truthfulness of their declaration.



For the purposes of the Income Tax Act, the Vendor hereby declares that he does not intend to leave the Republic of Malta before the date of the forthcoming income tax return date. The Vendor is making this declaration after having been duly warned by me the undersigned Notary about the importance of the truthfulness of its declaration.

For the purposes of Article number eighty four letter 'C' sub-article number five (5) (84C(5) of Chapter number fifty five (55) of the Laws of Malta and of the Legal Notice numbered three hundred and fifty five of the year two thousand and twelve (355/2012) the Purchaser hereby expressly declares that it exempts the undersigned Notary from examining the title to the property being transferred by virtue of this deed and from drawing up the relative examination of title report.

For the purposes of Article number twenty two sub article number two (22(2) of the aforementioned Legal Notice, I the hereunder signed Notary do hereby declare to have duly explained the true importance and legal significance and consequences of this exemption to the Purchaser, who hereby confirms to have received such an explanation.

For the purposes of Chapter three hundred and seventy three (373) of the Laws of Malta entitled Prevention of Money Laundering Act, the Purchaser declares that it is not purchasing the above mentioned immovable property by means of funds deriving from money-laundering or any other illegal activity. The Purchaser is making this declaration after having been duly warned by me the undersigned Notary about the importance of the truthfulness of its declaration.

This deed has been done, read and published after due explanation according to law in Malta, Valletta, Saint George's Square, in the premises of the Legal Office of Bank of Valletta p.l.c., at number one stroke five (1/5).

Signed:-
Evelyn Mizzi.
Peter Borg.
Alexandra Borg.
Ivo Agius.
Notary Doctor Nicholas Vella LL.D.
NOTARY PUBLIC MALTA.

Certified true copy of the original deed issued today the 8th June 2016




BOV

Bank of Valletta

Bank of Valletta p.l.c.
 58, Triq San Zakkaria, Il-Belt Valletta VLT 1130 - Malta
 Co. Reg. No. C 2833

Events of Default

There shall be an event of default if:

- a. the Customer fails to pay any sum whether of principal, interest, fees or charges, due from it at the time and in the manner stipulated in the document/s regulating the Loan; or
- b. the Customer commits any breach of or omits to observe any obligations and undertakings expressed to be assumed by it in the document/s regulating the Loan; or
- c. any representation or warranty made or deemed to be made, or repeated by or in respect of the Customer, is or proves to have been, incorrect in any material respect; or
- d. any indebtedness of the Customer is not paid when due or becomes due and payable, or any creditor of the Customer becomes entitled to declare any such indebtedness due and payable prior to the date when it would otherwise have become due or any guarantee or indemnity of the Customer in respect of indebtedness is not honoured when due and called upon; or
- e. any consent, authorisation, licence or approval of, or registration with, or declaration to, governmental or public bodies or authorities, or courts, required by the Customer in connection with, or pursuant to, the execution, delivery, validity, enforceability or admissibility in evidence of the document/s regulating the Loan or the performance by the Customer of its obligations in the document/s regulating the Loan, is modified, or is not granted, or is revoked or terminated or expires and is not renewed or otherwise ceases to be in full force and effect; or
- f. a creditor attaches or takes possession of, by way of execution, sequestration or other process is levied or enforced upon or sued out against, any of the undertakings, assets, rights or revenues of the Customer; and is not discharged within seven (7) days; or
- g. the Customer suspends payment of its debts, or is unable, or admits inability to pay its debts as they fall due, or commences negotiations with one or more of its creditors with a view to the general readjustment or rescheduling of all or part of its indebtedness, or proposes, or enters into any composition or other arrangement for the benefit of its creditors generally or as a class of creditors, or proceedings are commenced in relation to the Customer under any law, regulation or procedure relating to the reconstruction of debts; or
- h. the Customer takes any action or any legal proceedings are started or other steps taken for :
 - i. the Customer to be adjudicated or found bankrupt or insolvent; or
 - ii. the winding up or dissolution of the Customer; or
 - iii. the appointment of a liquidator, curator, administrator or similar officer of the Customer; or
- i. the Customer suspends or ceases or threatens to suspend or cease to carry on its business; or
- j. all or a material part of the undertakings, assets, rights, or revenues of, or shares, or other ownership interests in, the Customer are seized, nationalised, expropriated or compulsorily acquired by, or under the authority of any government; or
- k. unless previously approved in writing by the Bank, the Customer allows and/or recognises any transfer of its shares or any change of its ownership and/or in any other manner whatsoever allows the control of the Customer to be acquired or exercised by any person or entity not having control as at the date of the document/s regulating the Loan. For the purposes of this clause, "control" means the power to direct the management and/or policies of the Customer whether through the ownership of capital, by contract or otherwise.
- l. it becomes unlawful at any time for the Customer to perform all or any of its obligations in the document/s regulating the Loan; or
- m. the Customer repudiates, or does, or causes, or permits to be done, any act or thing evidencing an intention to repudiate the document/s regulating the Loan; or
- n. there occurs in the opinion of the Bank, a material adverse change in the financial condition of the Customer; or
- o. any other event occurs or circumstance arises which, in the opinion of the Bank, is likely, materially and adversely to effect the ability of the Customer to perform all or any of its obligations under or otherwise comply with the terms of the documents/s regulating the Loan.

* wherever the word "Customer" appears herein, this shall include the surety, if applicable.

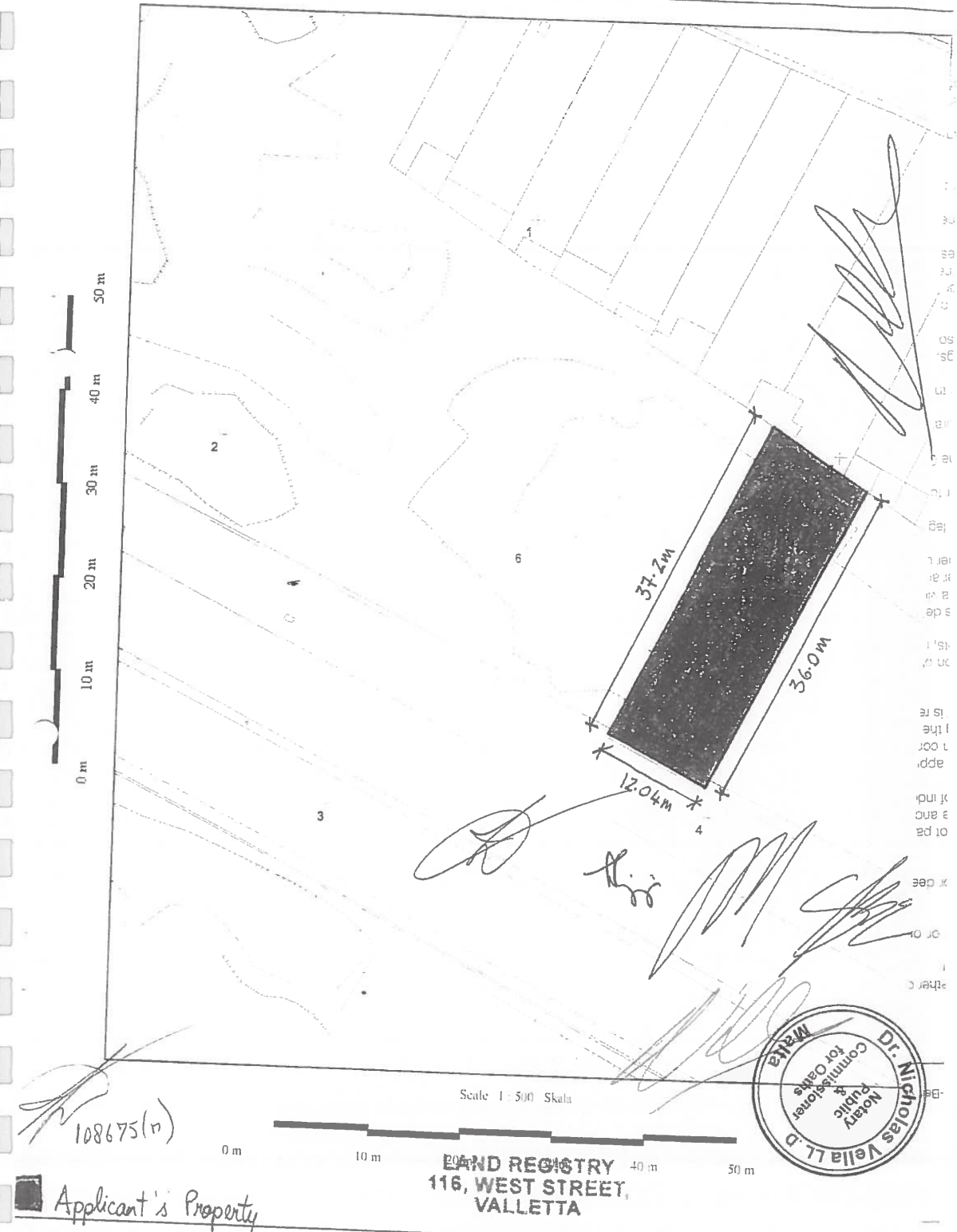


Four handwritten signatures are present at the bottom of the page, likely representing the Customer and the Bank's representatives.

lots 8 & 9, Triq San Gubertu, Durrani Kana

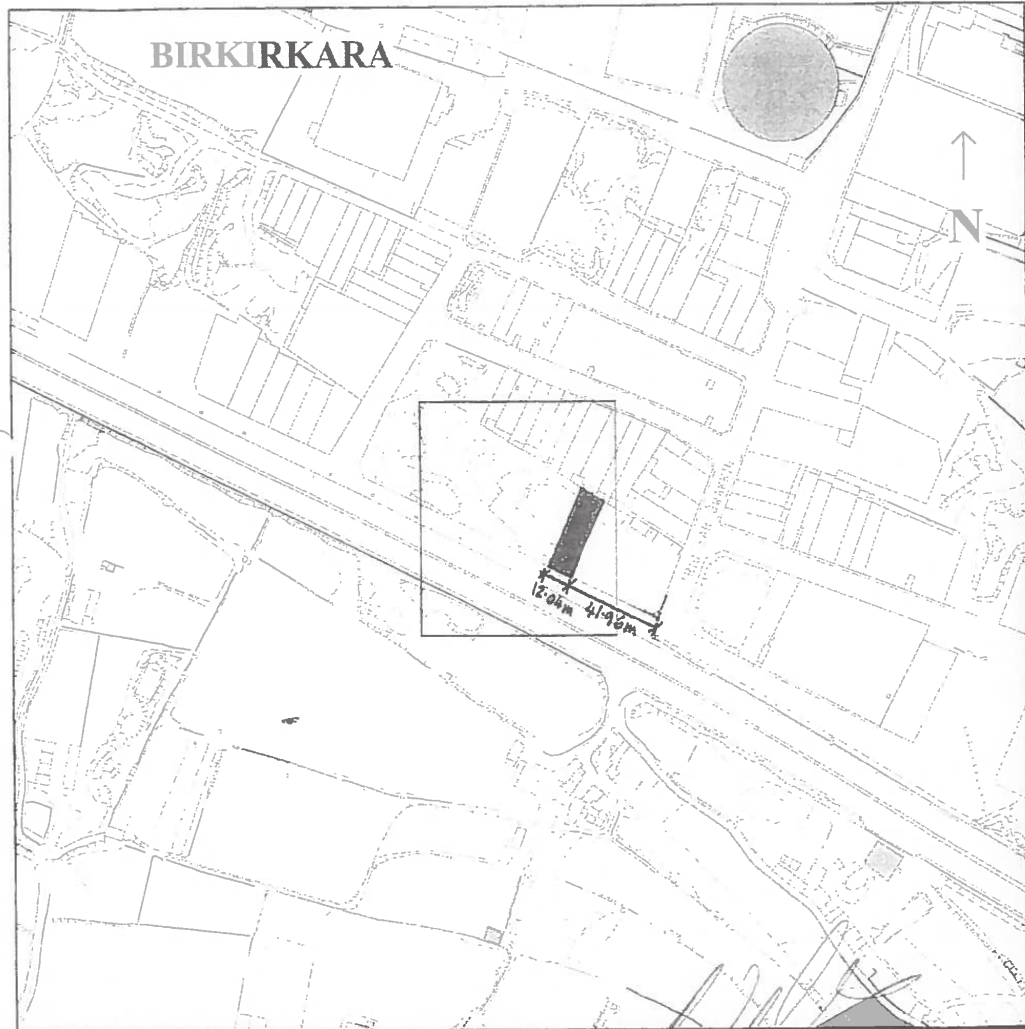
Dan hu dokument ufficcjal għall-użu biss fir-Registru tal-Artijiet

Document



LAND REGISTRY
116, WEST STREET,
VALLETTA

This is an official document for Land Registry use only. [341 - Registru tal-Artijiet - Malta]



Gvern Ta' Malta

Pjanta tas-sit 1:2500 Site Plan

Government of Malta

Registru tal-Artijiet

Land Registry

Casa Bolino, 116 Triq il-Punent, Valletta



Casa Bolino, 116 West Street, Valletta

Nru tal-Mappa: 344409M
Map Number:

Pozizzjoni Ċentrali: x = 51690
Centre Coordinates: y = 71909

Parti minn SS:
Extracted from SS:

Data: 04/05/2016
Date:

Perit
Architect:

Qies (metri kwadri)
Area (square metres)

437.7m²

Timbru tal-Perit
Architect's Stamp


PERIT ANALISA ZAMMIT
B.E. & A. (Hons) A. & C. E.
Architect & Civil Engineer
"Kampanella", Guzeppi Cali Str., Targhien.
Mobile: (+356) 9982 8164

Firma tal-Applikant
Applicant's signature

Dritt Mhallas
Fee Paid

Document 2
Copy of Original Non Executable Permit

No development may be carried out under the powers of the following development permission.

Ebda żvilupp ma jista' isir bis-saħħa tal-permess għall-iżvilupp segwenti.

Mr Ivo Agius
MIC
Elevated Groundfloor Maisonette
Triq l-Isqof Gargallo
Għarghur GHR 1353



Date: 7 April 2014
Our Ref: PA/01035/13

Application Number:
Application Type:
Date Received:
Approved Documents:

PA/01035/13
Full development permission
14 April 2012
Site Plan
Ground and Intermediate Floor
Plans, Front Elevation
Levels 2,3, Penthouse and
Roof Plans
Basement Level Plans
Section
and supporting documents:
Fire Safety and
Ventilation Report
Accessibility Audit
Enema Malta Conditions

PA1035/13/1E
PA 1035/13/107B
PA 1035/13/107C
PA 1035/13/107A
PA 1035/13/107D;
PA 1035/13/118A
PA 1035/13/84A
PA 1035/13/93A

Location:
Proposal:

Site at, Triq l-Intornjatur, Birkirkara, Malta
To construct 3 underground carpark levels, showrooms at level 0 and intermediate and offices at levels 2,3 and penthouse.

PA/01035/13

Print Date: 08/04/2014

Environment and Development Planning Act, 2010
Non Executable — Full Development Permission

The Malta Environment & 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 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 MEPA 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 MEPA's Land Surveyor. The Setting Out Request Notice must be submitted to the Land Survey Unit of MEPA 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) The enclosed Commencement Notice shall be returned to MEPA so that it is received at least five days prior to the commencement of any works hereby permitted.
 - 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.

A water cistern with a volume in cubic metres of 60% of the total roof area (in square metres) of the building(s) shall be constructed to store rain water run-off from the built up area of the development. This cistern shall be completed and available for use prior to the development hereby being first brought into use.

- j) Where applicable, the ramp leading down to the underlying basement/garages for

PA/01035/13

Print Date: 08/04/2014



private car parking shall at no point be steeper than 1:8 from the back edge of the pavement. If there are more than 5 public car parking spaces or garages, the ramp shall not be steeper than 1:8 (or 1:10 if helical). The ramp shall always be so formed that it does not encroach onto the pavement.

k) Where applicable, an area of a depth of 8 metres from the pavement, with a gradient not steeper than 1:10, shall be provided within the site for vehicles to wait at pavement level before entering the street.

l) The parking spaces shall only be used for the parking of private cars and they shall be kept available at all times for this purpose. With the exception of delivery times, when they may be temporarily moved. No commercial vehicles are to be parked in these car parking spaces.

m) The height of the development shall not exceed the permitted number of floors and the height in metres as indicated on the approved drawings.

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

o) 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.

p) Where applicable, the garage door opening(s) at ground floor level, overlooking the public street, shall be fitted with a solid aperture within the thickness of the external wall along the building alignment. This aperture shall be of the same colour of the other apertures on the elevation, unless otherwise indicated on the approved drawings. This aperture shall be fitted prior to the issue of any Compliance Certificate (partial or full) on the whole or any part of the development hereby approved. No gates are permitted on this opening.

q) 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.

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

s) 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.

a) The facades of the building shall be constructed in local unrendered and unpainted stone, except where other materials, finishes and colours are indicated on the approved drawings.

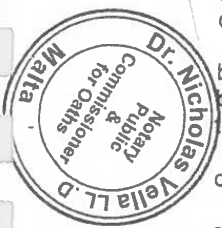
b) Any projecting rooms shall not project more than 0.75 metres from the facade of the building (where no front garden is present) or not more than 1 metre from the facade of the building (where a front garden is present).

c) All external apertures and balconies shall not be in gold, silver or bronze aluminium.

d) Where applicable, the penthouse level shall be set back by at least 4.25 metres from

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the front facade and by 1.5 metres from the back of the building. The external height of the penthouse shall not exceed 3.4 metres above roof level. No structures (other than those shown on the approved drawings) shall be constructed on the roof of the building. Where permitted on the approved drawings, the canopy at penthouse level shall project by not more than 1 metre, shall be cantilevered, and shall remain open from the sides and the front without any support on party walls and/or pillars.

e) All services located on the roof of the building shall be clustered together and surrounded by a 1.5 metres high non-slip screen. The services shall not exceed the height of this screen, which shall be set back 2 metres from the front and back edges of the roof of the underlying structure.

3

a) 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, 1994 (or its subsequent amendments), and it is not restricted by a condition of this permission, approval from the National Commission for Persons with Disability may still be required. Reference needs to be made to MEPA Circular 3/10 or its subsequent amendments.

b) Where provided, loading and unloading shall take place solely within the premises, and not from/on the public pavement or street.

c) Unless shown on the approved drawings, no additional canopy granted for the display of any sign or advertisement. These must form the subject of a separate application for advertisement consent.

d) No activity is to take place outside the premises, unless clearly indicated on the approved drawings, and no crates or other items are to be stored outside. The placing/installation of any structures or facilities in front of the premises, unless indicated on the approved drawings, must be the subject of a separate clearance/permission from MEPA.

e) The premises shall be used only as a showroom and offices and for no other purpose, including any use falling within Class 4 of the Development Planning (Use Classes) Order, 1994 (or its subsequent amendments).

4

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 of permission. Prior to the issuing of the Final Compliance Certificate for this development, the applicant shall submit to MEPA:

(i) clearance from the National Commission for Persons with Disability verifying that the development fully satisfies the accessibility standards and/or any conditions imposed by the Commission in its Accessibility Audit report PA 1035/13/13A.

Should a partial compliance certificate be requested, a Bank Guarantee of EUR 50,000 shall be imposed to ensure that the Final Compliance (Completion) Certificate is obtained;

(ii) certification from a qualified engineer confirming that the development fully satisfies the requirements specified in report PA 1035/13/13A.

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5 The conditions imposed and enforced by Enemalta Corporation are at document PA 1035/13/93A. The architect/applicant are required to contact Enemalta Corporation, throughout all the construction phases of the development hereby approved, to ensure that the development is carried out in conformity with the conditions imposed by Enemalta Corporation.

6 This permission is subject to a Bank Guarantee of €1490.68 to ensure that the street is properly restored in accordance with the Environmental Management Construction Site Regulations, LN295 of 2007. The bank guarantee shall only be released after the architect submits a post-construction condition report together with photographs evidencing compliance with this condition which is hereby being approved, accompanied by clearance from the Local Council. The clearance from the Local Council should 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 would not, however, preclude the applicant from adhering to all the conditions contained in this development permission.

7 This development permission is subject to a contribution amounting to the sum of €13,976 in favour of MEPA's Urban Improvements Fund for the locality of the site. The funds raised shall be used to fund traffic management, green transport, urban improvements or similar projects in the locality of the site. The contribution shall not be refundable and funds shall be utilized as required and directed by the Malta Environment and Planning Authority.

The basement levels being approved shall be solely used for the parking of vehicles, except where another use is stated on plan. Circulation space shall be left clear and unencumbered.

third party may have the right of appeal against this permission. Any action taken on this permission when such an appeal has been made, or until the time limit for the submission of such an appeal has expired, is undertaken at the risk that this permission may be revoked by the Environment and Planning Review Tribunal or quashed by the Court of Appeal.

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

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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 (including MEPA), 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 Protection Directorate (within MEPA) to obtain any necessary operational permit or registration. This requirement does not apply to Class 4, 5, 7 and 8 uses as listed in the Development Planning (Use Classes) Order (1994), or its subsequent amendments.

This decision is being published on 12 April 2014.

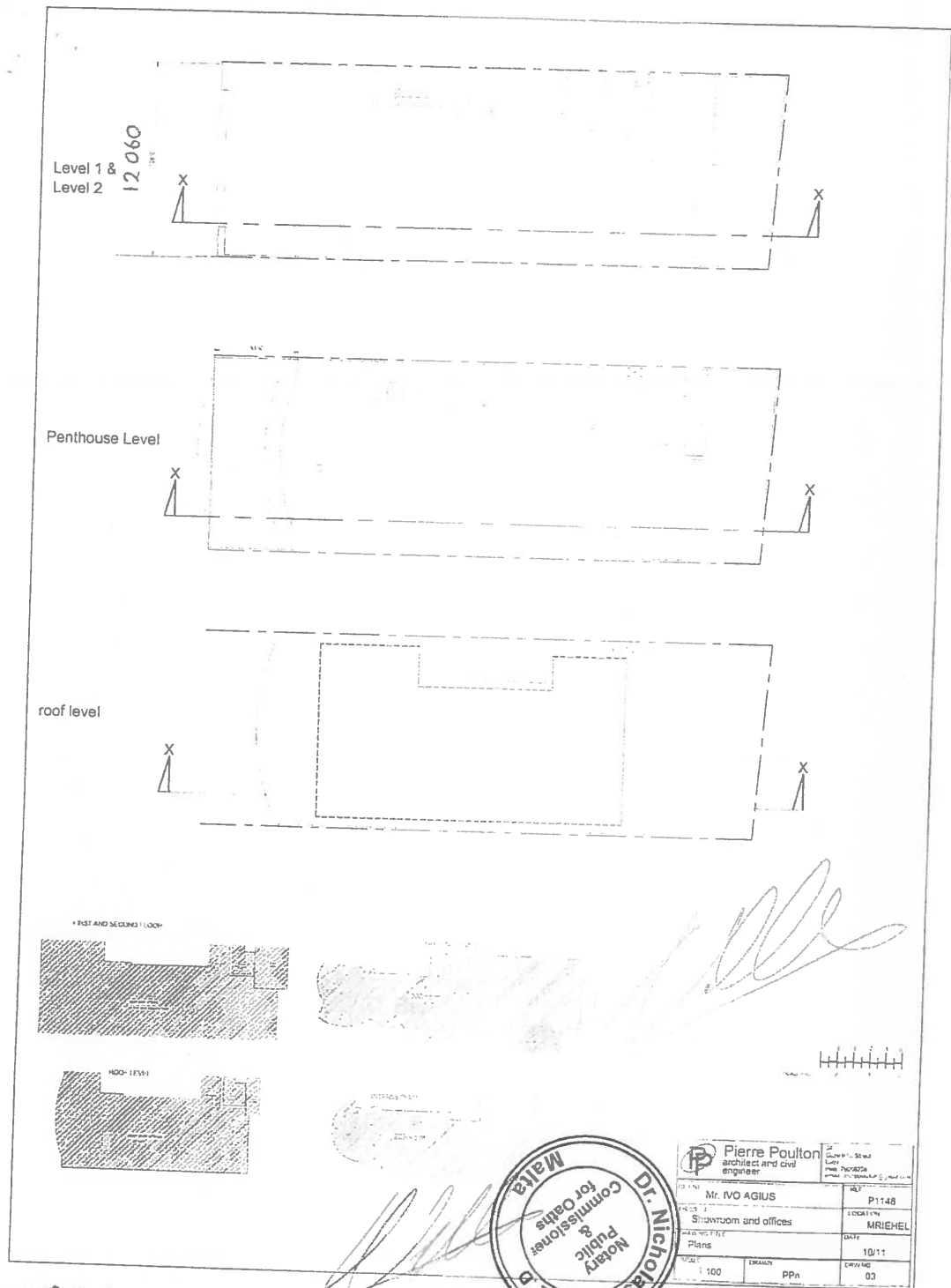

Y Joseph Borg
f/Head EPC Secretariat
Environment and Planning Commission

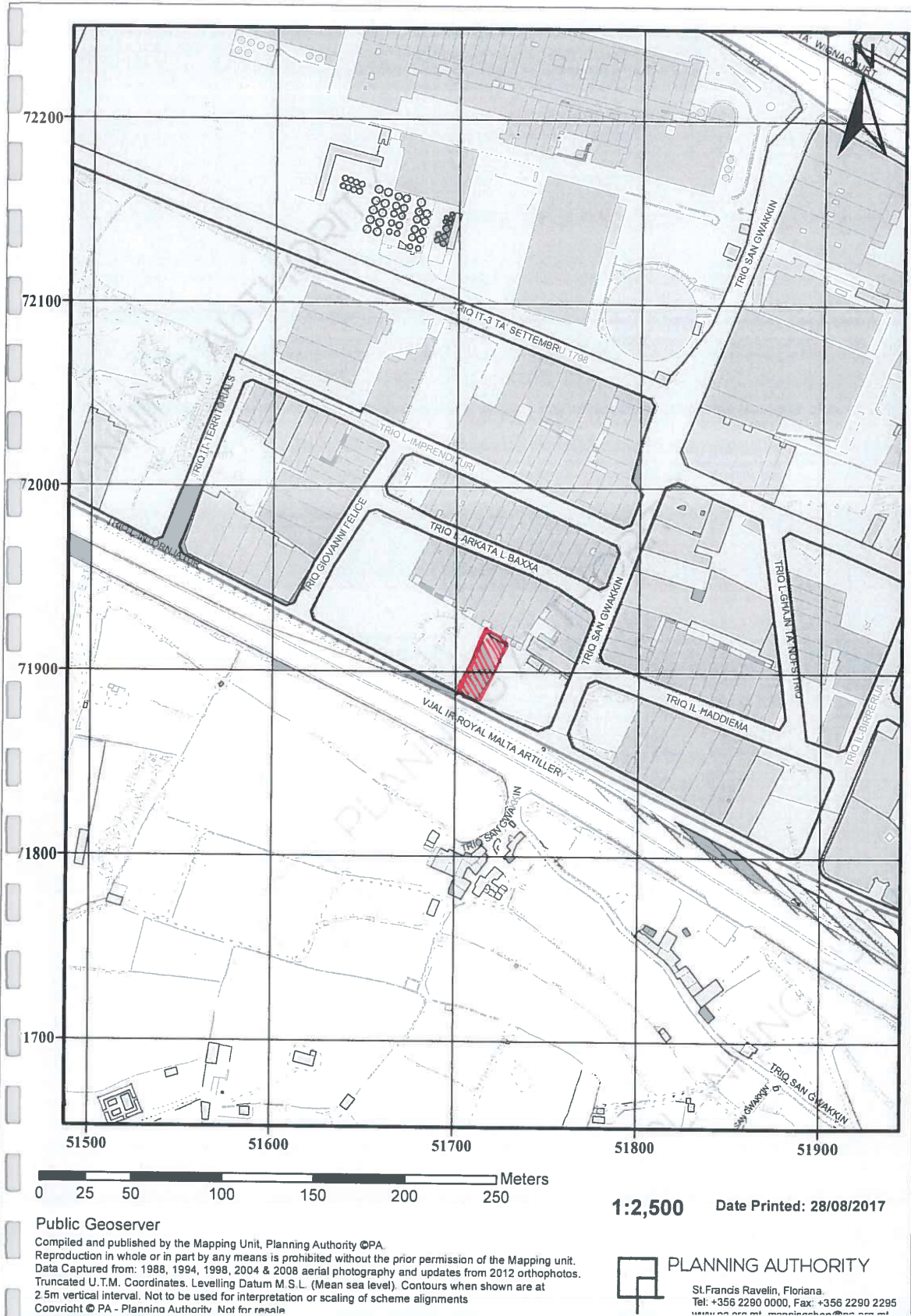
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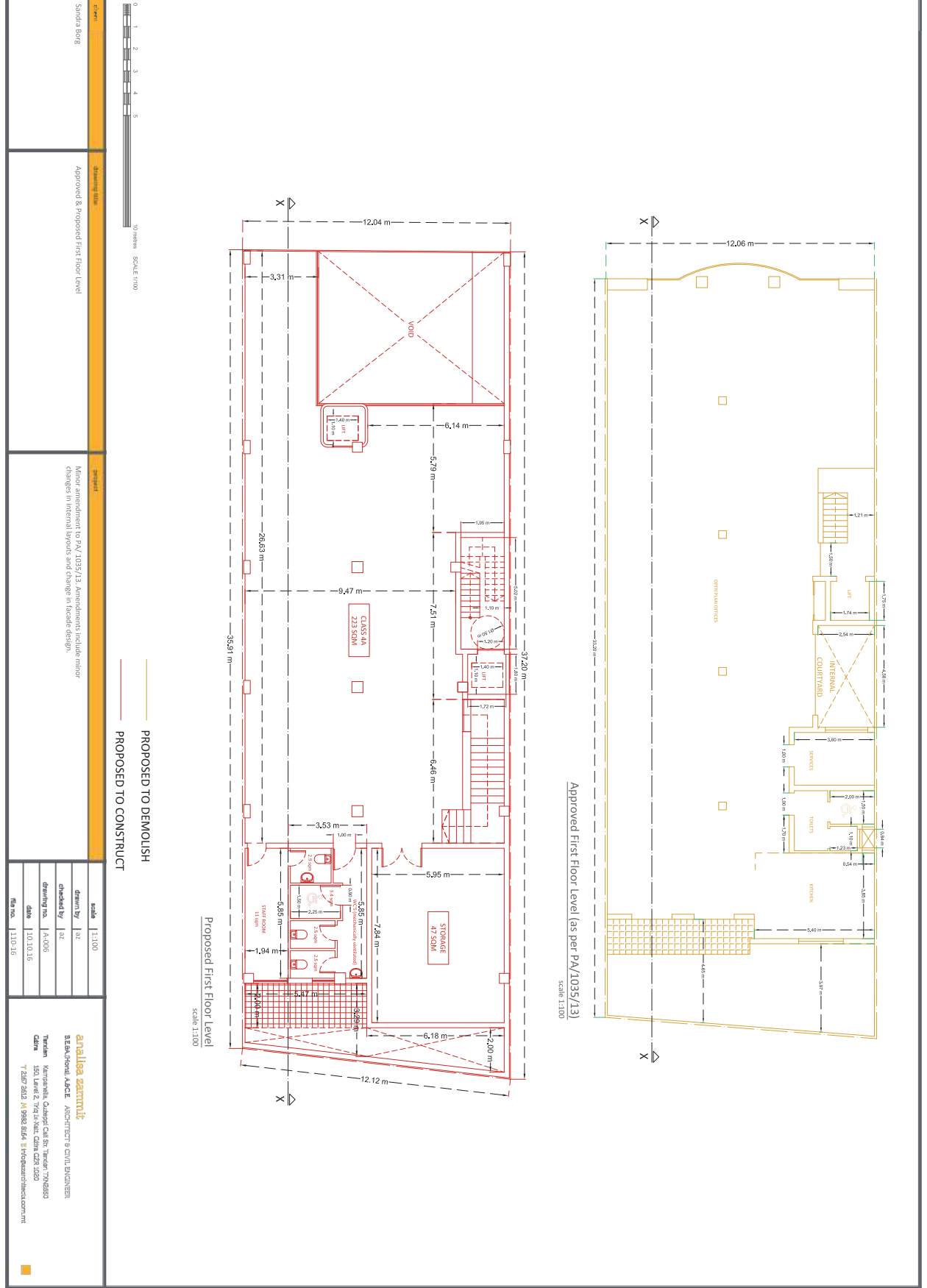


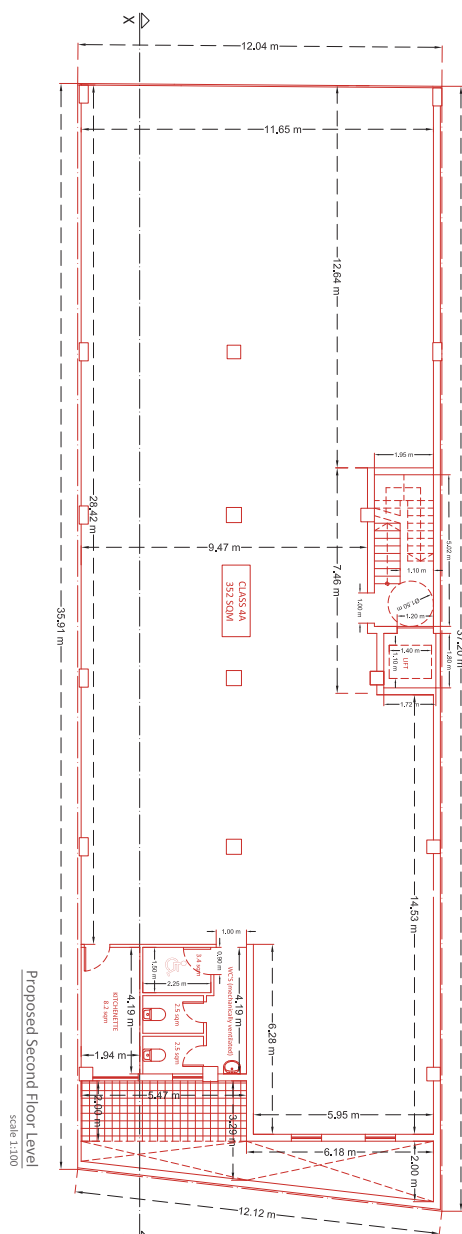


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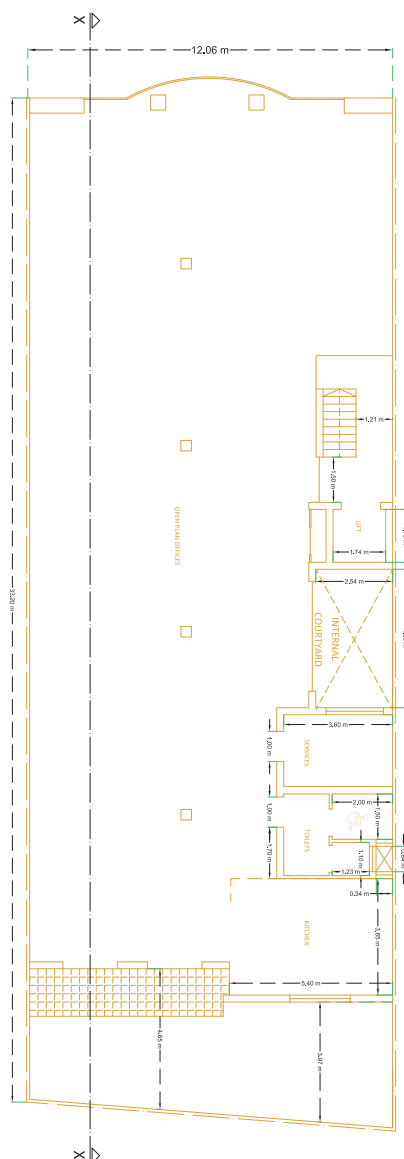
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Approved Second Floor Level (as per PA/1035/13)
scale 1:100

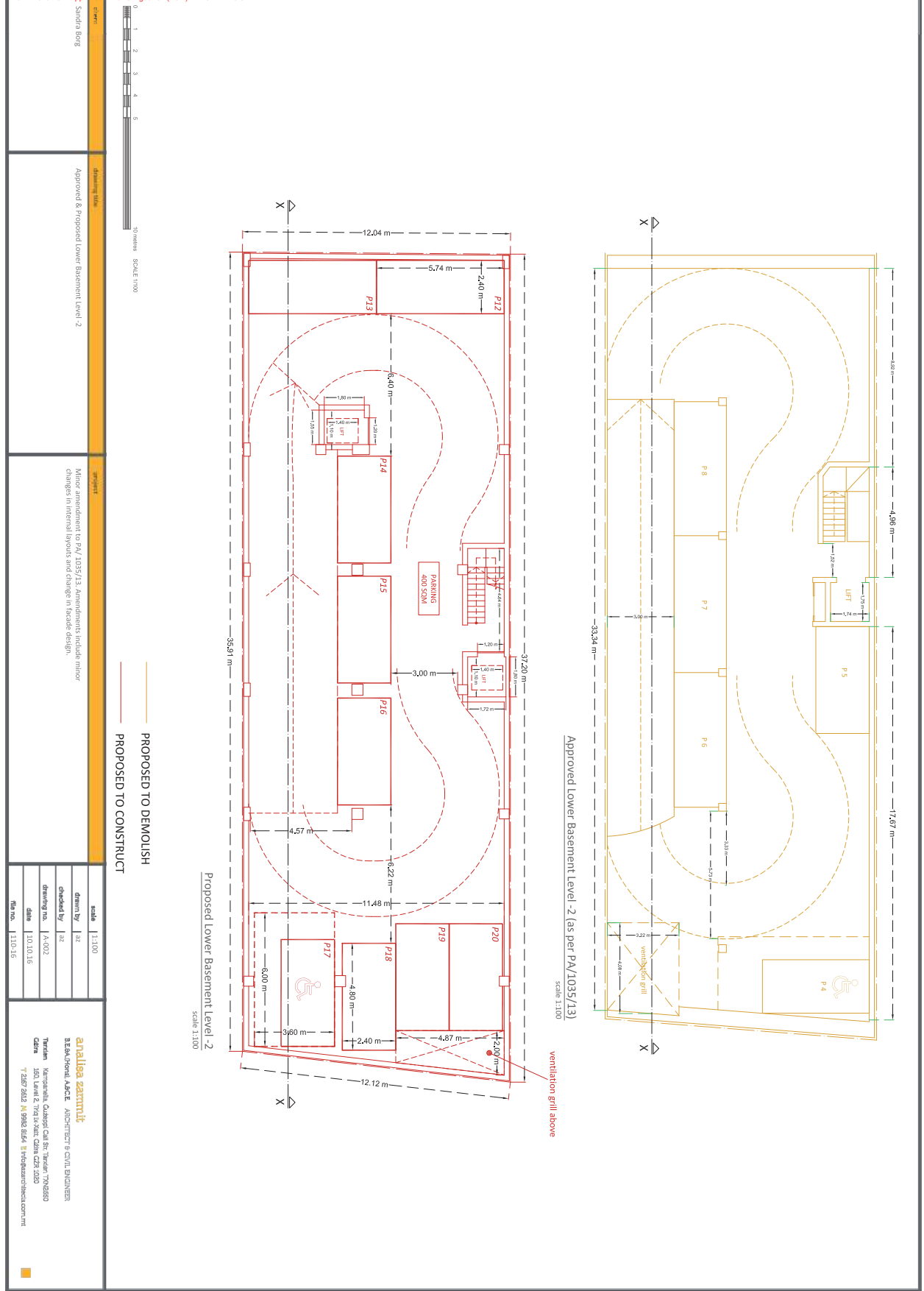




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Minor Amendment Approved

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ANNEX E









