



a public limited liability company incorporated under the laws of Malta,
company registration number C 26843

Issue of:

€40,000,000 4% Unsecured Bonds 2027

ISIN: MT0000141227

Guaranteed* by

Eden Leisure Group Limited

a private limited liability company incorporated under the laws of Malta,
company registration number C 4529

**Prospective investors are to refer to the guarantee contained in Annex I 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 "Risks" or "Risk Factors" contained in this Summary Note, the Registration Document and the Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the guarantee provided by Eden Leisure Group Limited.*

SUMMARY NOTE

Dated 27 March 2017





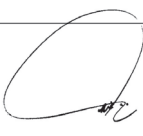

This document is a Summary Note issued pursuant to the provisions of Chapter 4 of the Listing Rules of the Listing Authority and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended. This Summary Note should be read in conjunction with the Registration Document containing information about the Issuer and Guarantor dated 27 March 2017 and the Securities Note dated 27 March 2017.

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

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

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

APPROVED BY THE DIRECTORS

					
IAN DE CESARE	KEVIN DE CESARE	DAVID VELLA	ANDREA GERA DE PETRI	PAUL MERECIECA	VICTOR SPITERI

LEGAL ADVISERS TO THE ISSUER

SPONSOR & MANAGER

REGISTRAR

MAMO TCV
ADVOCATES

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING

BOV
Bank of Valletta

IMPORTANT INFORMATION

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

No broker, dealer, salesman or other person has been authorised by the Issuer, the Guarantor or their respective directors, to issue any advertisement or to give any information or to make any representations in connection with the Issuer other than those contained in the Prospectus and in the documents referred to herein, and if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Guarantor or their respective directors or advisers.

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

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

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

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

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

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

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

This Summary Note is prepared in accordance with the requirements of the Commission Regulation. Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1– E.7). This summary contains all the Elements required to be included in a summary for this type of security and Issuer.

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

DEFINITIONS

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

Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Financial Intermediaries;
Application Form/s	the forms of application for the subscription for the Bonds;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex II of the Securities Note;
Bond(s)	the four per cent (4%) unsecured bonds due 28 April 2027 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of forty million euro (€40,000,000);
Bondholder	a holder of the Bonds;
Bond Conditions	the terms and conditions applicable to the Bonds a summary of which is set out in section E.3 of this Summary Note;
Bond Exchange Programme	the bond exchange programme a summary of which is set out in section E.3 of this Summary Note;
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;
Commission Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as subsequently amended;
Companies Act	the Companies Act (Cap. 386 of the laws of Malta);
Company or Issuer	Eden Finance p.l.c., a company registered in Malta with registration number C 26843;
CSD	the Central Securities Depository of the Malta Stock Exchange, having its address at Malta Stock Exchange, Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Cut-Off Date	close of business on 27 March 2017 (trading session of 23 March 2017);
Eden Group Stakeholders	the shareholders, directors and employees of any company forming part of the Eden Group as at the Cut-Off Date;
Euro or €	the lawful currency of the Republic of Malta;

Exchange, Malta Stock Exchange or MSE	the Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Exchangeable Bonds	the €13,984,000 6.6% bonds 2017-2020 (ISIN: MT0000141219) issued by the Issuer pursuant to a prospectus dated 10 May 2010;
Existing Bondholder/s	existing holders of the Exchangeable Bonds as held on the Cut-Off Date;
Group or Eden Group	the Guarantor and the subsidiary companies of the Guarantor and the term “Group Company” shall be construed accordingly;
Guarantee	the corporate guarantee given by the Guarantor;
Guarantor	Eden Leisure Group Limited, a company registered in Malta with registration number C 4529;
Interest Payment Date	28 April of each year, between and including each of the years 2018 and 2027, provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day;
Listing Authority	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
Listing Rules	the listing rules issued by the Listing Authority;
Offer Period	the period between 30 March 2017 and 19 April 2017 during which time the Bonds are on offer for Existing Bondholders and the period between 3 April 2017 and 19 April 2017 during which time the Bonds are on offer for Eden Group Stakeholders;
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;
Placement Agreements	the agreements dated 17 March 2017 between the Issuer and each of Charts Investment Management Service Limited, Calamatta Cuschieri & Co Ltd and Bank of Valletta p.l.c. to subscribe for Bonds;
Prospectus	collectively this Summary Note, the Registration Document and the Securities Note, all dated 27 March 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 subsequently amended;
Redemption Date	28 April 2027;
Redemption Value	the nominal value of each Bond;
Registration Document	the registration document issued by the Issuer dated 27 March 2017, forming part of the Prospectus;
Securities Note	the securities note issued by the Issuer dated 27 March 2017, forming part of the Prospectus;
Summary Note	this document in its entirety.

SECTION A - INTRODUCTION AND WARNINGS

- A.1** This Summary Note forms part of the Prospectus containing information concerning the Issuer, Guarantor and the Bonds. This summary is intended to briefly convey the essential characteristics of, and risks associated with, the Issuer, Guarantor and the Bonds. You should carefully take into consideration the following criteria for evaluation of this summary:
- The summary should be read as merely an introduction to the Prospectus;
 - Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole;
 - Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
 - Civil liability attaches to the Issuer which has tabled this summary as part of the Prospectus but only if the summary is shown to be misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the Bonds.
- A.2** The Issuer and its directors consent to the use of this Prospectus (and accept responsibility for the information contained therein) with respect to any subsequent resale or final placement of Bonds by any Authorised Financial Intermediaries, in circumstances where there is an offer of securities to the public which requires the publication of a prospectus in terms of the Prospectus Directive, provided this is limited only:
- i. to any resale or final placement of Bonds taking place in Malta; and
 - ii. to any resale or final placement of Bonds taking place within the period of 60 days from the date of the Prospectus.

In the event of a resale or final placement of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale or final placement at the time such is made.

Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of the Prospectus will be made available through a company announcement which will also be made available on the Issuer's website: www.edenleisure.com

SECTION B - THE ISSUER AND GUARANTOR

- B.1 (B.19)** The legal and commercial name of the Issuer is Eden Finance p.l.c. (registration number C 26843). The legal and commercial name of the Guarantor is Eden Leisure Group Limited (registration number C 4529).
- B.2 (B.19)** The Issuer is incorporated and domiciled in Malta, and is a public limited liability company duly registered in terms of the Companies Act. The Guarantor is incorporated and domiciled in Malta, and is a private limited liability company duly registered in terms of the Companies Act. Both the Issuer and Guarantor operate under the Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta.
- B.4b (B.19)** The Issuer is dependent on the business prospects of the Eden Group and, therefore, the trend information of the Guarantor (detailed below) has a material effect on its financial position and prospects.

At the time of publication of this Summary Note, the Guarantor considers that generally the Group will be subject to the normal business risks associated with the entertainment and hospitality industries in Malta and does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of its business and that of the Group, at least with respect to the current financial year.

The Eden Cinemas is one of the leading cinema venues in Malta in terms of the number of screens and admissions. The Group aims to maintain its position as a leading operator of multiplex cinemas in Malta through the on-going investment in the latest technology and by being innovative in

seeking alternative revenue streams. The Eden Cinemas expect box office revenue and bar income to progressively increase in the near term.

The Eden SuperBowl is a steady business venture which consistently shows satisfactory results year-on-year. The Group plans to focus on the underperforming food and beverage operations by looking for a partner to operate a quality establishment which can adequately service bowling patrons and also attract new clients.

Bay Radio operates in a market which comprises 15 national stations and a number of community stations, and has been consistently voted most popular station by reach in October 2014, October 2015 and October 2016. Management's strategy is to continue to broadcast relevant and up-to-date content using the latest available technology, to be innovative and to recruit and train quality presenters in order to increase its edge over competition, and in turn grow its listener base and advertising revenue.

The number of health and fitness facilities that compete with Cynergi has gradually been increasing over the last years. However, management believes that the recent investment in equipment and design is expected to allow Cynergi to outpace competition.

The Eden Group expects that the Eden Car Park will continue to grow its earnings in view of its strategic location within a busy commercial and tourism hub. Furthermore, the Eden Car Park will continue to play an important role in supporting the various entities of the Eden Group by providing parking facilities to their respective patrons.

Tourism in Malta has in recent years been performing at a strong level and this trend continued in 2016 as inbound tourist trips reached a record 1.99 million, an increase of 10.2% when compared to a year earlier. This positive trend was also witnessed at the InterContinental Malta, where over the past few years there has been significant year-on-year growth both in revenue streams and profitability, even though operations were partly hampered by construction works in neighbouring properties and at the hotel between 2014 and 2016. As such, given that construction works were substantially completed and operations at the InterContinental Malta fully restored by end 2016, management anticipates that the hotel should achieve further growth in earnings during the current financial year (2017). Moreover, the Eden Group expects to benefit further from the expansion of the local tourism industry with the opening of the Holiday Inn Express in 2017.

**B.5
(B.19)** The Issuer is a subsidiary company of the Guarantor and forms part of the Eden Group. The Guarantor is the parent holding company of the Eden Group and is ultimately dependent upon the operations and performance of its subsidiaries and associated entities. The subsidiary companies of the Eden Group, apart from the Issuer, comprise: Eden Entertainment Limited (C 26701), Eden SuperBowl Limited (C 26700) and Eden Hospitality Limited (C 35719). Furthermore, the Guarantor holds a 50% shareholding in Axis Limited (C 9959), 33.33% in Sunny Resorts Limited (C 194) and 25% in CLL Limited (in dissolution) (C 58906).

B.9 Not applicable: The Prospectus does not contain any profit forecasts or estimates.

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

B.12 The historical financial information for the three financial years ended 31 December 2014, 31 December 2015 and 31 December 2016 as audited by VCA Certified Public Accountants is set out in the annual statutory financial statements of the Issuer and the annual statutory consolidated financial statements of the Guarantor. The aforesaid audited financial statements are available at the Issuer's registered office.

There has been no material adverse change in the prospects of the Issuer and Guarantor since the date of the latest published audited financial statements.

There were no significant changes to the financial or trading position of the Issuer and Guarantor since 31 December 2016, being the end of the financial year to which the last audited financial statements of the Issuer and Guarantor relate.

Extracts of the above-mentioned historical financial information are set out below:

Eden Finance p.l.c.

Key Financial Information

for the year ended 31 December

	2014	2015	2016
	€'000	€'000	€'000
Total comprehensive income	18	17	15
Total assets	16,185	16,205	16,230
Equity and reserves	1,567	1,584	1,599
Total liabilities	14,618	14,621	14,631

Eden Leisure Group Limited

Condensed Consolidated Statement of Comprehensive Income

for the year ended 31 December

	2014	2015	2016
	€'000	€'000	€'000
Revenue	26,440	28,197	31,310
EBITDA ¹	6,173	6,398	8,367
Profit after tax	723	1,318	3,293
Revaluation surplus, net of deferred tax	-	29,523	14,479
Total comprehensive income	723	30,841	17,772

¹EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.

Eden Leisure Group Limited

Condensed Consolidated Balance Sheet

as at 31 December

	2014	2015	2016
	€'000	€'000	€'000
ASSETS			
Non-current assets	98,110	139,811	159,201
Current assets	5,639	5,616	6,295
Total assets	103,749	145,427	165,496
EQUITY			
Equity and reserves	44,218	76,648	92,620
LIABILITIES			
Non-current liabilities	43,262	49,512	52,012
Current liabilities	16,269	19,267	20,864
	59,531	68,779	72,876
Total equity and liabilities	103,749	145,427	165,496

Revenue in 2016 amounted to €31.3 million, an increase of €3.1 million (+11%) when compared to the prior year (FY2015: €28.2 million). The hospitality segment of the Group contributed to the major part of this growth, whereby revenue increased by €2.3 million (+11%) from €20.9 million in FY2015 to €23.2 million. The InterContinental Malta continued to perform positively, principally due to a favourable trend in tourism in Malta. The remaining balance of revenue was derived from Entertainment & Other Related Operations and amounted to €8.1 million, an increase of €0.8 million (+12%) over FY2015.

During the financial year under review, the Group's EBITDA increased significantly by €2.0 million (+31%) from €6.4 million in FY2015 to €8.4 million, mainly as a result of the above-mentioned growth registered at the InterContinental Malta, the increase in business at the InterContinental Arena & Conference Centre and the commencement of rental income generated from the casino property of *circa* €0.5 million. Overall, profit after tax in FY2016 amounted to €3.3 million, a year-on-year increase of €2.0 million (FY2015: €1.3 million). In FY2016, the Group revalued its property by €14.5 million (net of deferred tax) and as such, total comprehensive income amounted to €17.8 million (FY2015: €30.8 million).

B.13 Not applicable: no recent events particular to the Issuer and Guarantor are to a material extent
(B.19) relevant to the evaluation of the Issuer's and/or Guarantor's solvency.

B.14 The Issuer is a special purpose vehicle set up to raise finance for the business of the Eden Group. As
(B.19) a subsidiary company, it is mainly dependent on the Guarantor's business prospects. The Guarantor is the holding company of the Eden Group and is ultimately dependent upon the operations and performance of its subsidiaries and associated entities.

B.15 The principal object of the Issuer is to carry on the business of a finance and investment company.
(B.19) The Guarantor is primarily engaged, directly or through subsidiaries and/or associated entities, in the ownership of a varied portfolio of business entities within the hospitality and entertainment industries in Malta, principally the ownership of the InterContinental Malta.

B.16 The Issuer is a wholly owned subsidiary of the Guarantor. The issued share capital of the Guarantor
(B.19) amounts to €60,000,000 and is divided into 12,057,600 voting 'A' Ordinary Shares of €2.50 each and 11,942,400 non-voting 'B' Ordinary Shares of €2.50 each. The issued share capital is subscribed for, allotted and taken up as fully paid up shares as follows:

Shareholder	'A' Voting Ordinary Shares	'B' Non-Voting Ordinary Shares
Capitola Inv. Limited (C 15543)	5,911,810	5,790,857
Cedar Investments Ltd (C 63943)	5,911,810	5,790,857
Ian De Cesare (787950M)	116,990	180,343
Kevin De Cesare (344659M)	116,990	180,343
	12,057,600	11,942,400

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

B.18 For the purposes of the Guarantee, the Guarantor hereby stands surety jointly and severally with the
Issuer and irrevocably and unconditionally undertakes to effect 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.

SECTION C – SECURITIES

- C.1** The Issuer is issuing an aggregate principal amount of €40,000,000 having a nominal value of €100 per Bond, subject to a minimum subscription of €2,000 in Bonds and integral multiples of €100 thereafter. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD.

On admission to trading, the Bonds will have ISIN MT0000141227. The Bonds shall bear interest at the rate of 4% per annum and shall be repayable in full upon maturity unless they are previously repurchased and cancelled.

- C.2** The Bonds are denominated in euro (€).

- C.5** The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.

- C.8** There are no special rights attached to the Bonds other than those arising from the Bond Conditions which, in summary, include but are not limited to: the payment of capital and interest; the negative pledge; attending, participating in and voting at meetings of Bondholders; and enjoying all such other rights attached to the Bonds emanating from the Prospectus.

The Bonds shall constitute the general, direct, unconditional and, subject to a negative pledge clause, unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest and the principal amount under said Bonds by the Guarantor. The Bonds shall rank *pari passu* without any priority or preference among themselves and with other unsecured and unsubordinated debt of the Issuer and Guarantor, present and future. They shall rank subsequent to any other prior ranking indebtedness of the Issuer, if any.

As at 31 December 2016 the Group's indebtedness amounted to €49.4 million, comprising of bank loans, corporate bonds and other borrowings from related parties. The Group's bank borrowings are secured by general and special hypothecs, privileges and other security.

Bond Issue proceeds amounting to *circa* €14.9 million shall be used to reduce the balance of bank loans of €31.0 million to *circa* €16.1 million, and as such, the indebtedness being created by the Bonds ranks after secured bank borrowings of €19.6 million. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a pledge, mortgage, privilege and/or a hypothec.

- C.9** The Bonds shall accrue interest at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 28 April 2018 (covering the period 28 April 2017 to 27 April 2018), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 4%. Redemption shall take place on 28 April 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 27 March 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 the Official List of the Malta Stock Exchange.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 9 May 2017, and trading is expected to commence on 10 May 2017.

SECTION D - RISKS

D.2 The Issuer is merely a special purpose vehicle and is therefore mainly dependent on the business prospects of the Guarantor and the Eden Group. As such, the operating results of the Eden Group have a direct effect on the Issuer's financial position. Accordingly, the risks of the Eden Group are indirectly those of the Issuer.

The Eden Group is subject to a number of risks which could have an adverse affect on its business, the value of its assets and results of operations. These risks include but are not limited to those risks which are discussed below:

1. The Group owns the InterContinental Malta which in turn is operated by InterContinental Hotels Corporation. As such, the Group's operations and the results of its operations are subject to a number of external factors that could adversely affect the Group's business, many of which are common to the hotel industry and beyond the Group's control.
2. The value of the Group's property portfolio may be adversely affected by a number of factors, including, 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.
3. The Group is susceptible to certain risks inherent in real estate development and which could adversely affect the economic performance and value of the Group's real estate properties under development. Furthermore, the Group relies upon third-party service providers for the construction and completion of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Group's expectations and in accordance with their contractual obligations.
4. Eden Cinemas' film product is sourced from one local company. Should this single supplier company not be able or willing to provide film product to Malta, then alternatives would need to be set up, which may have a negative impact on the Group's financial performance.
5. A lack of motion picture availability and poor performance of motion pictures would have a negative effect on film attendance.
6. An increase in the use of alternative film distribution channels, such as home theatre video and the internet, and other competing forms of entertainment may drive down movie theatre attendance and limit ticket prices.
7. Demand for cinema and bowling can be subject to changes in public tastes and preferences.
8. The Group's key senior personnel and management have been and remain material to its growth.
9. The Group's ability to implement its business strategies is dependent upon, among other things, its ability to generate sufficient funds internally and to access continued bank financing at acceptable costs.
10. Currency fluctuations may have a material adverse effect on the Group's business, financial condition and results of operations.
11. A portion of the Group's operating expenses are fixed, which allow for limited reaction to changes in its revenue.
12. Environmental and/or health and safety compliance costs and liabilities may have a material adverse effect on the Group's financial condition and operations.
13. 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.
14. The hospitality, entertainment and leisure industries are characterised by strong and increasing competition. There can be no assurance that the Group will successfully maintain its market share in each of its businesses in the future.
15. The Group is susceptible to the effects of increases in operating expenses that may not be offset by increased revenues.
16. Advertising revenue is cyclical. Characterised within times of economic turmoil, advertising revenues tend to be reduced, which in turn can affect the revenue streams of the Group until such time as increased competition drives advertising budgets higher.

D.3

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

1. There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to re-sell his Bonds at or above the Bond Issue Price or at all. A public trading market depends on a number of factors over which the Issuer has no control.
2. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
3. The Bonds are based on applicable laws and regulations in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of this Prospectus.
4. The Bond Conditions contain provisions for calling meetings of Bondholders in the event that the Issuer wishes to amend any of the Bond Conditions. These provisions permit defined majorities to bind all Bondholders.
5. 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 unsecured debt of each of the Issuer and Guarantor. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and of the Guarantor, as the case may be, for so long as such security interests remain in effect.
6. 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 said Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds is dependent upon and directly linked to the financial position and solvency of the Guarantor, such that the level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantor.

SECTION E - OFFER

E.2b The proceeds from the Bond Issue, net of expenses, are expected to amount to *circa* €39,450,000. However, the value of Bonds acquired by Existing Bondholders by virtue of the Bond Exchange Programme will not be paid in cash. The net proceeds will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of up to €13,984,000 of the net proceeds, less the value of Bonds acquired through the Bond Exchange Programme, shall be used for the purpose of redeeming any Exchangeable Bonds remaining in issue as at 16 June 2017, being the first early date of redemption of the Exchangeable Bonds;
- (ii) the amount of *circa* €14,900,000 shall be used to repay bank facilities granted by HSBC Bank Malta as to *circa* €13,000,000 and Lombard Bank Malta as to *circa* €1,900,000, which funds were applied for the purpose of part-financing the Group's capital expenditure, including the acquisition of the property intended for the development of the Holiday Inn Express, the construction of 30 upmarket suites and the total conversion of the existing 24 hotel suites, and the development of the InterContinental Arena & Conference Centre;
- (iii) the amount of *circa* €7,400,000 shall be used to part finance various redevelopment and refurbishment works relating to the Group's properties including the completion of the Holiday Inn Express; and
- (iv) the remaining balance of €3,166,000 shall be used for general corporate funding purposes of the Group.

E.3 The following is a synopsis of the general terms and conditions applicable to the Bonds.

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

On 17 March 2017, the Issuer entered into a conditional placement agreement with each of Charts Investment Management Service Limited, Calamatta, Cuschieri & Co Ltd and Bank of Valletta p.l.c. for the subscription of an aggregate amount of €24 million in the Bonds on 21 April 2017. Furthermore, the Issuer has reserved an aggregate amount of Bonds amounting to €1 million for subscription by Eden Group Stakeholders during the period 3 April 2017 and 19 April 2017, and €15 million for subscription by Existing Bondholders during the period 30 March 2017 and 19 April 2017.

Bond Exchange Programme

Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds that they apply for by transferring to the Issuer part or all of the Exchangeable Bonds held by them as at the Cut-Off Date, at par value, subject to a minimum holding of €2,000 in Bonds. Any Existing Bondholders whose holding in Exchangeable Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A' ("**Cash Top-Up**").

Existing Bondholders transferring all of the Exchangeable Bonds held by them as at the Cut-Off Date may apply for an amount of Bonds in excess of the amount of Exchangeable Bonds being transferred. In such case the holders of Exchangeable Bonds may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of their Application Form 'A'.

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

- (i) to confirm that all or part (as the case may be) of the said Exchangeable Bonds as indicated in the Application Form 'A' are to be transferred in the Issuer's favour for cancellation; and
- (ii) as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Bondholder.

The Bond Exchange Programme shall be without prejudice to the rights of the holders of Exchangeable Bonds to receive interest on the Exchangeable Bonds up to and including 15 June 2017. The Issuer will settle the difference between the interest rate applicable to the Exchangeable Bonds (6.6%) and the interest rate of 4% applicable to the Bonds, from 28 April 2017 up to and including 15 June 2017, being the day prior to the Exchangeable Bonds Redemption Date, to all persons holding Exchangeable Bonds who would have submitted their Application Form 'A' by not later than 12.00 hours on 19 April 2017 and, consequently, exercising their option to subscribe for Bonds and settle the consideration for Bonds by transferring their Exchangeable Bonds to the Issuer as mentioned above.

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 €13,984,000 shall be allocated to Existing Bondholders applying for Bonds by way of the Bond Exchange Programme, subject to a minimum amount of €2,000, and in multiples of €100 thereafter;
- (ii) Up to an amount equivalent to €15,000,000 less the value of the Bonds allocated by way of the Bond Exchange Programme pursuant to (i) above, shall be allocated to Existing Bondholders in respect of any additional Bonds applied for over and above their entitlement under the Bond Exchange Programme without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar. Any unsatisfied excess amounts relative to such Applications will, following scaling down by the Issuer (acting through the Registrar) of the relative Applications, be returned by direct credit to the account number indicated on Application Form 'A' within five (5) Business Days from the date of final allocation;
- (iii) Up to an aggregate amount of €1,000,000 shall be allocated to Eden Group Stakeholders, without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar. Any unsatisfied excess amounts relative to such Applications will, following scaling down by the Issuer (acting through the Registrar) of the relative Applications, be returned by direct credit to the account number indicated on Application Form 'B' within five (5) Business Days from the date of final allocation;
- (iv) The amount equivalent to €7,000,000 together with any amounts which were reserved for Existing Bondholders and Eden Group Stakeholders (detailed in para (i), (ii) to (iii) above) but which were not fully taken up, shall be allocated to Charts Investment Management Service Limited pursuant to the conditional placement agreement;
- (v) The amount equivalent to €6,000,000 and €11,000,000 shall be allocated to Calamatta Cuschieri & Co Ltd and Bank of Valletta p.l.c. respectively pursuant to the conditional placement agreement.

The Issuer will announce the allocation policy for the allotment of the Bonds through a company announcement within five (5) Business Days of the closing of the placing arrangements.

General

Each bond forms part of a duly authorised issue of 4% Unsecured Bonds due 2027 having a nominal value of €100 each of the Issuer for an aggregate principal amount of €40,000,000.

Registration, Form, Denomination, Title and Pricing

The Bonds will be issued without interest coupons in denominations of integral multiples of €100 provided that on subscription they will be issued for a minimum of €2,000. On subscription, the Bonds are being offered at par, that is, at €100 per Bond.

The Bonds will be issued in dematerialised form and shall accordingly be evidenced by a book-entry in the register of Bondholders held by the CSD of the Malta Stock Exchange or as may be stipulated by the MSE Bye-Laws from time to time. A person in whose name a Bond shall be registered shall (to the fullest extent permitted by law) be treated at all times and for all purposes as the absolute owner of such Bond regardless of any notice of ownership or trust.

Status

The status of the Bonds is described in Element C.8 of this Summary Note.

Guarantee

The guarantee is described in Element B.18 of this Summary Note.

Negative Pledge

The Issuer and Guarantor undertake, 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, other than a Permitted Security Interest, upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness of the Issuer and Guarantor, 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.

Interest

Details of interest payable on the Bonds are provided in Element C.9 of this Summary Note.

Payments

Payment of the principal amount (with interest accrued to the due date for redemption) as well as payment of any instalment of interest of the Bonds will be made in Euro to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the due date for redemption or fifteen (15) days prior to the Interest Payment Date (as the case may be) by direct credit to an account which is denominated in Euro and held with any licensed bank in Malta as specified by the Bondholder. The Issuer shall not be responsible for any loss or delay in transmission. Such payment shall be effected within seven (7) days of the due date for redemption or the Interest Payment Date (as the case may be).

Redemption and Purchase

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the due date for redemption) on 28 April 2027 (the "**Redemption Date**"). All Bonds purchased by the Issuer during the term of the Bonds will be cancelled forthwith and may not be reissued or resold.

Events of Default

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

- (i) the Issuer or, in the event of default by the Issuer, the Guarantor, 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 Bondholders; or
- (ii) the Issuer and/or the Guarantor duly fails to perform or shall otherwise be in breach of any other material obligation contained in the Bond Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer and/or the Guarantor by any Bondholder; 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 the Guarantor; or
- (iv) the Issuer and/or the Guarantor stop or suspend payments (whether of principal or interest) with respect to all or any class of their debts or announce an intention to do so or cease or threaten to cease to carry on their business or a substantial part of their business; or
- (v) the Issuer and/or the Guarantor are unable, or admit in writing their inability, to pay their debts as they fall due or otherwise become insolvent; or
- (vi) there shall have been entered against the Issuer and/or the Guarantor 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 two million Euro (€2,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
- (vii) any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness of the Issuer and/or the Guarantor in excess of two million Euro (€2,000,000) or its equivalent at any time.

Replacement, Transfer and Exchange

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in multiples of €100 in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any exchange or registration of transfer or transmission except for the expenses of delivery by regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Bondholder. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

Resolutions and Meetings of 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 meeting of Bondholders and to effect any change to the applicable Bond Conditions, including any change to a material term of issuance of the Bonds or the Prospectus. The procedure to be followed is laid out in the Securities Note.

Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds, debentures or any other debt securities either having the same terms and conditions as the Bonds in all respects (except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Bonds or otherwise upon such terms and conditions as the Issuer may determine.

Governing Law and Jurisdiction

The Bonds are governed by and shall be construed in accordance with Maltese law. Any legal action, suit or proceeding against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholders shall, upon and by submitting an Application, acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

- E.4** Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which includes Bank of Valletta p.l.c. and Charts Investment Management Service Limited), and any fees payable in connection with the Bond Issue to Bank of Valletta p.l.c. as Registrar and Charts Investment Management Service Limited as Sponsor & Manager, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.
- E.7** Professional fees, costs related to publicity, advertising, printing, listing and registration, selling commission, as well as sponsor, manager and registrar fees and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €550,000 and shall be borne by the Issuer.

EXPECTED TIMETABLE

1.	Application Forms mailed to Existing Bondholders as at the Cut-Off Date	29 March 2017
2.	Application Forms available to Eden Group Stakeholders as at the Cut-Off Date	3 April 2017
3.	Closing date for applications to be received from Existing Bondholders and Eden Group Stakeholders	12.00 hours on 19 April 2017
4.	Private placements	21 April 2017
5.	Commencement of interest on the Bonds	28 April 2017
6.	Expected date of announcement of basis of acceptance	28 April 2017
7.	Refunds of unallocated monies	8 May 2017
8.	Expected date of notification of registration	8 May 2017
9.	Expected date of admission of the Bonds to listing	9 May 2017
10.	Expected date of commencement of trading in the Bonds	10 May 2017





a public limited liability company incorporated under the laws of Malta,
company registration number C 26843

Issue of:

€40,000,000 4% Unsecured Bonds 2027

ISIN: MT0000141227

Guaranteed* by

Eden Leisure Group Limited

a private limited liability company incorporated under the laws of Malta,
company registration number C 4529

**Prospective investors are to refer to the guarantee contained in Annex I 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 "Risks" or "Risk Factors" contained in the Summary Note, this Registration Document and the Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the guarantee provided by Eden Leisure Group Limited.*

REGISTRATION DOCUMENT

Dated 27 March 2017


This document is a Registration Document issued pursuant to the requirements of Rule 4.13 of the Listing Rules of the Listing Authority and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended. This Registration Document should be read in conjunction with the most updated Securities Note issued from time to time containing information about the securities to which it relates.


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


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


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

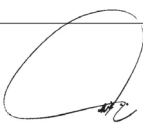
APPROVED BY THE DIRECTORS



IAN DE CESARE


KEVIN DE CESARE


DAVID VELLA


ANDREA GERA DE PETRI


PAUL MERECIECA


VICTOR SPITERI

LEGAL ADVISERS TO THE ISSUER

SPONSOR & MANAGER

REGISTRAR

MAMO TCV
ADVOCATES

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING

BOV
Bank of Valletta

IMPORTANT INFORMATION

This Registration Document contains information on Eden Finance p.l.c., in its capacity as Issuer, and Eden Leisure Group Limited, in its capacity as Guarantor, in accordance with the requirements of the Listing Rules of the Listing Authority, the Companies Act (Cap. 386 of the laws of Malta) and Commission Regulation (EC) no. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended.

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 issue and sale of securities of the Issuer other than those contained in the Prospectus and in the documents referred to therein, 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 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 securities 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 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 the Prospectus 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 for any such securities and of any applicable exchange control requirements and taxes 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 described in the Securities Note forming part of the Prospectus or the distribution of the Prospectus (or any part thereof) or any offering material in any country or jurisdiction where action for that purpose is required.

In relation to each member state of the European Economic Area (other than Malta) which has implemented Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading or which, pending such implementation, applies Article 3.2 of said Directive, the securities can only be offered to **“qualified investors”** (as defined in said Directive), as well as in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of said Directive.

The securities of the Issuer 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.

All the advisers to the Issuer and the Guarantor named in this Registration Document under the heading *“Persons Responsible, Directors of the Guarantor, Advisers and Statutory Auditors”* in section 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.

The contents of the Issuer's and/or Guarantor's websites or any website directly or indirectly linked to the Issuer's and/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.

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 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 legal advisers, accountants and/or other financial advisers as to legal, tax, investment or any other related matters concerning the Bonds and the Prospectus.

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.

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.

A copy of this document 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.

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.

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, 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/or Guarantor's control. Important factors that could cause actual results to differ materially from the expectations of the directors of the Issuer and/or the Guarantor include those risks identified under section 2 of this Registration Document and elsewhere in the Prospectus.

If any of the risks described herein were to materialise, they could have a serious adverse 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 from those expressed or implied by such statements, that such statements do not bind the Issuer and Guarantor with respect to future results and no assurance is given that the professed future results or expectations will be achieved.

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1. DEFINITIONS

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

Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex II of the Securities Note;
Bonds	the four per cent (4%) unsecured bonds due 2027 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of forty million euro (€40,000,000);
Bondholder	a holder of Bonds;
Bond Conditions	the terms and conditions applicable to the Bonds set out in section 11 under the heading “Terms and Conditions of the Bonds” of the Securities Note;
Companies Act	the Companies Act (Cap. 386 of the laws of Malta);
Company or Issuer	Eden Finance p.l.c., a company registered in Malta with registration number C 26843;
EEL	Eden Entertainment Limited, a company registered in Malta with registration number C 26701;
EHL	Eden Hospitality Limited, a company registered in Malta with registration number C 35719;
ESL	Eden SuperBowl Limited, a company registered in Malta with registration number C 26700;
Euro or €	the lawful currency of the Republic of Malta;
Exchangeable Bonds	the €13,984,000 6.6% bonds 2017-2020 (ISIN: MT0000141219) issued by the Issuer pursuant to a prospectus dated 10 May 2010;
Group or Eden Group	the Guarantor and the subsidiary companies of the Guarantor and the term “Group Company” shall be construed accordingly;
Guarantee	the corporate guarantee given by the Guarantor, laid out in Annex I of the Securities Note and the Bond Conditions;
Guarantor or ELG	Eden Leisure Group Limited, a company registered in Malta with registration number C 4529;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta);
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Memorandum and Articles of Association or M&As	the memorandum and articles of association of the Issuer and the Guarantor, as the case may be, 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 (Cap. 330 of the laws of Malta);
Prospectus	collectively the Summary Note, this Registration Document and the Securities Note, all dated 27 March 2017, as such documents may be amended, updated, replaced and supplemented from time to time;

Redemption Date	28 April 2027;
Registration Document	this document in its entirety;
Securities Note	the securities note issued by the Issuer dated 27 March 2017, forming part of the Prospectus;
Sponsor & Manager	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, an authorised financial intermediary licensed by the MFSA and a member of the MSE;
Summary Note	the summary note issued by the Issuer dated 27 March 2017, forming part of the Prospectus.

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 THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER AND/OR THE GUARANTOR. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR ARE IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND 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 GUARANTOR, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND 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 THE BONDS 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 OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS 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 GENERAL

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus. Authorised Financial Intermediaries are to determine the suitability, or otherwise of, and prospective investors' investment in the Bonds before making an investment decision. Prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. Authorised Financial Intermediaries should determine, in particular, 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 to the Prospectus or any applicable supplement;
- (ii) 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;
- (iii) understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (iv) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

2.2 RISKS RELATING TO THE ISSUER'S RELIANCE ON THE GUARANTOR

The Issuer itself does not have any substantial assets and is merely a special purpose vehicle set up for the issue of bonds and other funding requirements of the business of the Guarantor or any of its subsidiaries and/or associated companies.

The Issuer is mainly dependent on the business prospects of the Guarantor and, therefore, the operating results of the Guarantor have a direct effect on the Issuer's financial position. Accordingly, the risks of the Guarantor are indirectly those of the Issuer.

Consequently, the Issuer is principally dependent, including for the purpose of servicing interest payments on the securities described in the Securities Note and the repayment of the principal amount on the Redemption Date, on the receipt of interest and loan repayments from the Guarantor or any of its subsidiaries and/or associated companies. In this respect, the operating results of the Guarantor or any of its subsidiaries and/or associated companies have a direct effect on the Issuer's financial position and, therefore, the risks intrinsic in the business and operations of the Guarantor or any of its subsidiaries and/or associated 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 the repayment of principal when due.

The loan repayments to be affected by the Guarantor or any of its subsidiaries and/or associated companies in favour of the Issuer are subject to certain risks. More specifically, the ability of the Guarantor or any of its subsidiaries and/or associated companies to affect payments to the Issuer through the Guarantor will depend principally on the cash flows and earnings of the Guarantor or any of its subsidiaries and/or associated 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 the repayment of principal when due.

This Registration Document includes information about the Guarantor to enable a prospective investor to make an informed judgment as to the reliance on the Guarantee.

2.3 RISKS RELATING TO THE GROUP AND ITS BUSINESS

2.3.1 Risks relating to the Hospitality Segment of the Group

The Group is subject to certain risks common to the hotel industry, certain of which are beyond its control

The Group owns the InterContinental Malta which in turn is operated by InterContinental Hotels Corporation. As such, the Group's operations and the results of its operations are subject to a number of external factors that could adversely affect the Group's business, many of which are common to the hotel industry and beyond the Group's control, including the following:

- (i) changes in travel patterns, any increase in, or the imposition of new taxes on air travel and fuel, and cutbacks and stoppages on Malta-bound airline routes;
- (ii) changes in governmental laws and regulations, employment, the preparation and sale of food and beverages, smoking, health and alcohol licensing laws and environmental concerns, fiscal policies and zoning and development regulations and the related costs of compliance;
- (iii) the impact of increased threats of terrorism or actual terrorist events, impediments to means of transportation (including airline strikes and border closures), extreme weather conditions, natural disasters, travel-related accidents, outbreaks of diseases and health concerns, or other factors that may affect travel patterns and reduce the number of business and leisure travellers;
- (iv) the termination, non-renewal and/or the renewal on less favourable terms of material contracts, as well as agreements entered into with tour operators and other agencies;
- (v) large scale private and government projects being suggested in the Paceville area, through the published Masterplan, may have a limited disruptive effect on the access into the area as well as have certain noise issues;

-
- (vi) the increase in supply of hotel rooms being proposed in Malta as a result of recent development planning policies could adversely affect the occupancy rates of hotels in Malta including that of the InterContinental Malta.

The impact of any of these factors (or a combination of them) may adversely affect room rates and occupancy levels in the Group's hotel, or otherwise cause a reduction in the Group's income. Such factors (or a combination of them) may also adversely affect the value of the InterContinental Malta and in either such case would have a material adverse effect on the Group's business, financial condition and results of operations.

2.3.2 Risks relating to the Group's Properties and Operations

Property investments are subject to varying degrees of risks

Values are affected by (among other things) 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, interest and inflation rate fluctuations and higher accounting and control expenses. The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values.

The most significant rental property of the Group is a 3,000m² site, which is leased to Casino Malta Ltd for the operation of a casino by virtue of a 10-year concession obtained from the Government of Malta as of December 2015. The Group is subject to the risk that the above-mentioned tenant may terminate or elect not to renew the lease, either due to the expiration of the lease term or due to an early termination of the lease. In the case of early termination by the tenant prior to the expiration of the lease term there is a risk of loss of rental income if the tenant is not replaced in a timely manner.

Project risk

The Group has in the last few years embarked on a number of capital expenditure projects and is currently developing the proposed Holiday Inn Express. Furthermore, the Group may in future undertake other real estate projects. As such, the Group is susceptible to certain risks inherent in real estate development, most notably the risk of not completing the various projects within their respective scheduled completion dates and within the budgeted cost parameters. If either or both of these risks were to materialise, they could have a significant impact on the financial condition of the Group.

Furthermore, the Group is subject to various counter-party risks, including that of contractors engaged in the construction, fit-out and finishing of projects in which the Group may be involved and prospective tenants and/or purchasers defaulting on their obligations. Such parties may fail to perform or default on their obligations 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 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.

2.3.3 Risks relating to the Eden Cinemas and Eden SuperBowl

A change in the availability of cinema product through traditional sources

Eden Cinemas' film product is sourced from one local company that represents the vast majority of UK distributors which provide film product to Maltese cinemas. Should this single supplier company not be able or willing to provide film product to Malta, then alternatives would need to be set up. Such

possible alternatives may include sourcing these digital film products directly from the UK or from other distributors, which may result in higher costs for the Group and consequently have a negative impact on the Group's financial results and performance.

A lack of motion picture availability and poor performance of motion pictures would have a negative effect on film attendance

EEL's ability to operate successfully depends upon the availability, diversity and appeal of motion pictures, its ability to license motion pictures and the exhibition of these motion pictures in EEL's market. The company licenses first and second-run motion pictures, the success of which depends upon their appeal, as well as on the marketing efforts of the major film studios and distributors. Poor performance of these films or disruption in the production of, or changes in, the licensing terms of the films, or a reduction in the marketing efforts of the major film studios and distributors, would have a negative effect on film attendance and adversely affect EEL's business, financial condition and results of operations.

An increase in the use of alternative film distribution channels, such as home theatre video and the internet, and other competing forms of entertainment may drive down movie theatre attendance and limit ticket prices

EEL faces competition for patrons from a number of alternative motion picture distribution channels, such as home theatre video, pay-per-view, cable television, DVD, syndicated and broadcast television as well as illegal downloading and streaming from the internet. The company also competes with other forms of entertainment for its patrons' leisure time and disposable income, such as concerts and sporting events. The expansion of such alternative entertainment could have a material adverse effect on movie theatre attendance in general and, therefore, upon EEL's business, financial condition and results of operations.

Demand for cinema and bowling can be subject to changes in public tastes and preferences

The popularity of entertainment such as cinema and tenpin bowling and its general social image among target consumers may have an impact in the level of consumer spending on it. Factors that may influence the popularity of these activities include trends in social behaviour and leisure pursuits. Although the SuperBowl and the Eden Cinemas have been operating successfully for a number of years, the Group is dependent on the public's continued interest in cinema and tenpin bowling for generation of revenues and cash flow. A reduction in the popular appeal of these entertainment options among the target consumers could negatively impact the financial condition and results of operations.

2.3.4 Other Risks

The Group's key senior personnel and management have been and remain material to its growth

The Group believes that its growth is partially attributable to the efforts and abilities of the members of its executive management team and other key personnel. Although the Group believes that if one or more of the members of this team were unable or unwilling to continue in their present position, they would be able to replace the individual within a reasonable period of time, the loss of key personnel could have a short-term adverse effect on the Group's business, financial condition and results of operations.

The Group's level of debt

The Group's ability to implement its business strategies is dependent upon, among other things, its ability to generate sufficient funds internally and to access continued bank financing at acceptable costs.

Currency fluctuations may have a material adverse effect on the Group's business, financial condition and results of operations

Fluctuations in international currencies may make Malta as a destination less attractive than others which can have an effect on the operating performance of the Group. A key tourist market for the InterContinental Malta is the UK which is adversely affected when the Sterling is weak.

A portion of the Group's operating expenses are fixed, which allow for limited reaction to changes in its revenue

A portion of the Group's costs are fixed and the Group's operating results are vulnerable to short-term changes in its revenues. The Group's fixed operating expenses are not easily reduced to react to changes in its revenue by reducing its operating expenses, which could have a material adverse effect on its business, financial condition and results of operations.

Environmental and/or health and safety compliance costs and liabilities may have a material adverse effect on the Group's financial condition and operations

As owner and operator of a number of entertainment and leisure establishments and as the owner of the InterContinental Malta, the Group is subject to a variety of European Union, national and local laws and regulations concerning environmental and/or health and safety ("EHS") matters. While the directors of the Issuer believe that the Group is in compliance in all material respects with EHS laws and regulations currently applicable to it, there can be no assurance that the Group will not be found to be in breach of EHS laws and regulations. The failure to comply with present or future EHS laws and regulations could result in regulatory action, the imposition of fines or third party claims which could in turn have a material adverse effect on the Group's results of operation, its financial condition and/or its reputation. In addition, compliance with new EHS laws and regulations could require the Group to incur significant expenditure that could have a material adverse effect on the Group's results of operation, financial condition or operations.

The Group's insurance policies

Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in the light of the cost of cover and the risk profiles of the business 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.

Increased competition

The hospitality, entertainment and leisure industries are characterised by strong and increasing competition. Some of the Group's current and potential competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial and other resources than the Group. Significant competition and changes in economic and market conditions could adversely affect the Group's business and operating results. There can be no assurance that the Group will successfully maintain its market share in each of its businesses in the future.

Increased operating expenses

The Group is susceptible to the effects of increases in operating expenses as a result of inflation, increased personnel costs and health-care related costs, higher utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs as a result of acts of nature and their consequences and other factors that may not be offset by increased revenues.

Reduced advertising market

Advertising revenue is cyclical. Characterised within times of economic turmoil, advertising revenues tend to be reduced, which in turn can affect the revenue streams of EEL until such time as increased competition drives advertising budgets higher.

3. PERSONS RESPONSIBLE, DIRECTORS OF THE GUARANTOR, ADVISERS AND STATUTORY AUDITORS

3.1 PERSONS RESPONSIBLE

The directors of the Issuer are the persons responsible for the information contained in this Registration Document. To the best of the knowledge and belief of the directors of the Issuer, who have 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 accept responsibility accordingly.

Directors of the Issuer

Ian De Cesare	Chairman and Executive Director
Kevin De Cesare	Deputy Chairman and Executive Director
David Vella	Executive Director
Andrea Gera de Petri	Non-Executive Director
Paul Mercieca	Independent Non-Executive Director
Victor Spiteri	Independent Non-Executive Director

The address of the above-listed directors is the same as that of the Issuer. All the directors are of Maltese nationality.

3.2 DIRECTORS OF THE GUARANTOR

Ian De Cesare	Chairman
Kevin De Cesare	Managing Director
Simon De Cesare	Operations Director
Kevin Jnr De Cesare	Executive Director
David Vella	Finance Director

The address of the above-listed directors is the same as that of the Guarantor. All the directors are of Maltese nationality.

3.3 ADVISERS

Legal Advisers

Mamo TCV Advocates
Palazzo Pietro Stiges
103, Strait Street
Valletta VLT 1436, Malta

Sponsor & Manager

Charts Investment Management Service Limited
Valletta Waterfront, Vault 17
Pinto Wharf
Floriana FRN 1913, Malta

Registrar

Bank of Valletta p.l.c.
BOV Centre
Cannon Road
Santa Venera SVR 9030, Malta

Financial Advisers

Deloitte Audit Limited
Deloitte Place
Mriehel Bypass
Mriehel BKR 3000, Malta

3.4 STATUTORY AUDITORS

VCA Certified Public Accountants
Finance House
Princess Elizabeth Street
Ta' Xbiex XBX 1102, Malta

The audited financial statements of the Issuer and the audited consolidated financial statements of the Guarantor for the three financial years ended 31 December 2014 to 2016 have been audited by VCA Certified Public Accountants.

VCA Certified Public Accountants is a firm of Certified Public Accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta).

4. INFORMATION ABOUT THE ISSUER

4.1 INTRODUCTION

Full legal and commercial name:	Eden Finance p.l.c.
Registered address:	Eden Place, St Augustine Street, St George's Bay, St Julians STJ 3310, Malta
Place of registration and domicile:	Malta
Registration number:	C 26843
Date of registration:	22 August 2000
Legal form:	A public limited liability company duly registered in terms of the Companies Act
Legislation under which the Issuer operates:	The Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta
Telephone number:	+356 2371 0100
Fax number:	+356 2371 0125
E-mail address:	elg@edenleisure.com
Website:	www.edenleisure.com

4.2 PRINCIPAL ACTIVITIES

The principal object of the Issuer is to carry on the business of a finance and investment company. The Issuer itself does not have any substantial assets (other than loans receivable) and is a special purpose vehicle set up to raise finance for the business of the Eden Group. In this respect, the Issuer is mainly dependent on the business prospects of the Guarantor.

Since incorporation, the Issuer issued two bonds, one of which is currently listed and traded on the Malta Stock Exchange.

Pursuant to a prospectus dated 18 September 2000, the Issuer issued Lm10,000,000 (equivalent to €23,293,734) 6.7% bonds redeemable at par. These bonds, which matured on 12 October 2010, were repaid in full upon maturity.

In May 2010, the Issuer entered into a loan agreement with the Guarantor, pursuant to which the Issuer advanced to the Guarantor the proceeds from the €15,000,000 6.6% bonds 2017 - 2020 issued in terms of a prospectus dated 10 May 2010. The maturity date of the bonds in question falls due on 15 June 2020 (unless otherwise redeemed at the Issuer's sole discretion on any day falling between and including 16 June 2017 and 14 June 2020). Interest under the afore-mentioned loan agreement was set at the rate of 7.0% per annum, with interest payable annually in arrears on 31 May of each year, until 31 May 2020. As at the date of this Registration Document, the amount of €13,984,000 of the said May 2010 bond issue remains outstanding.

4.3 PRINCIPAL MARKETS

The Issuer operates exclusively in and from Malta.

4.4 PRINCIPAL INVESTMENTS

The Issuer is not party to any principal future investments, and has not entered into or committed for any such investments.

5. INFORMATION ABOUT THE GUARANTOR AND THE EDEN GROUP

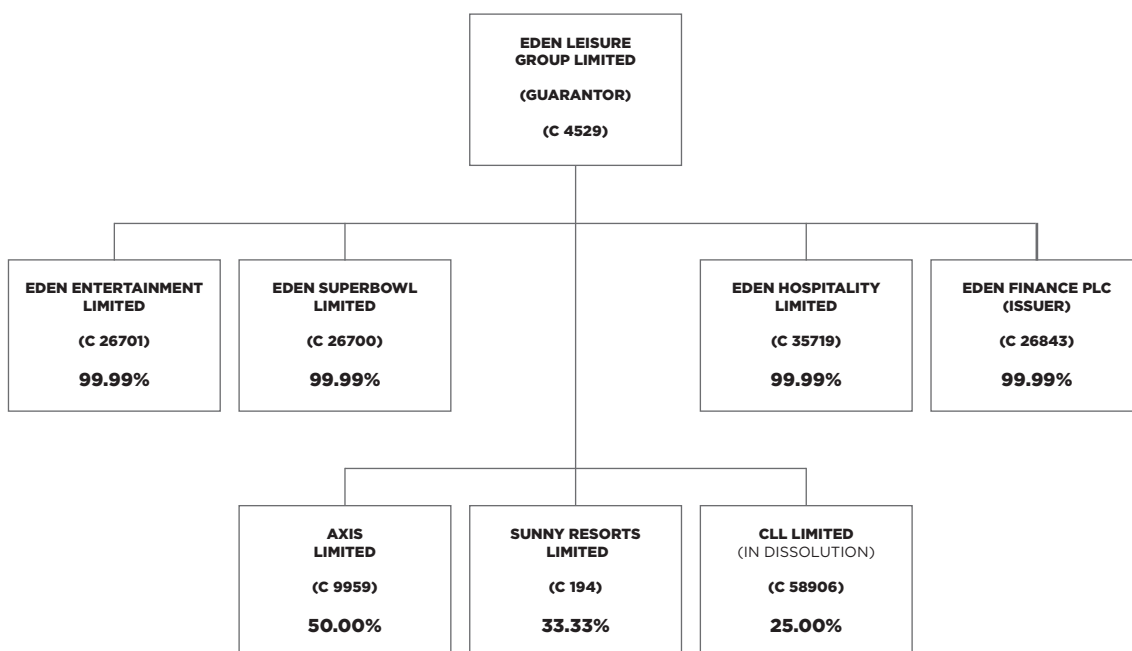
5.1 INTRODUCTION

Full legal and commercial name:	Eden Leisure Group Limited
Registered address:	Eden Place, St Augustine Street, St George's Bay, St Julians STJ 3310, Malta
Place of registration and domicile:	Malta
Registration number:	C 4529
Date of registration:	31 May 1979
Legal form:	A public limited liability company duly registered in terms of the Companies Act
Legislation under which the Issuer operates:	The Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta
Telephone number:	+356 2371 0100
Fax number:	+356 2371 0125
E-mail address:	elg@edenleisure.com
Website:	www.edenleisure.com

5.2 GROUP STRUCTURE

The Guarantor is the parent company of the Eden Group and is principally engaged, directly or through subsidiaries and/or associated entities, in the ownership of a varied portfolio of business entities within the hospitality and entertainment industries in Malta (including a cinema complex, bowling alley, health & fitness club, radio station, conference & events centre and a car park), the ownership of the InterContinental Malta (which is operated by the InterContinental Hotels Group) and the management of timeshare apartments (which are owned by the Group and leased out to a third party operator on a long-term lease). Furthermore, the Guarantor holds a number of properties directly in its own name which are leased out to third parties. The Guarantor also leases commercial space to Casino Malta Ltd (a related party) for the operation of a casino.

As the holding company of the Group, the Guarantor is ultimately dependent upon the operations and performance of its subsidiaries and associated entities. The diagram below illustrates the shareholding structure relative to the Eden Group:



Eden Entertainment Limited

EEL was established in Malta on 14 July 2000 as a private limited liability company, and is principally engaged in the operation of the Eden Cinemas, Eden Car Park, Bay Radio and Cynergi Health & Fitness Club.

Eden SuperBowl Limited

ESL was established in Malta on 14 July 2000 as a private limited liability company. The company owns and operates the Eden SuperBowl.

Eden Hospitality Limited

EHL was established in Malta on 22 February 2005 as a private limited liability company, and is principally engaged in the operation of the InterContinental Malta and the InterContinental Arena & Conference Centre. The company also manages 46 self-catering apartments which are leased to a third party timeshare operator.

Axis Limited

The Eden Group has a 50% shareholding in Axis Limited, a company set up in Malta on 27 September 1988 as a private limited liability company. Axis Limited leases from a third party a property formerly occupied by the Axis discotheque in Paceville. In the last 5 years, the property was developed into 11 commercial outlets and are all leased to third parties. The 50% share of results of this company is included in the consolidated financial statements of the Guarantor under the heading “share of results in associated undertakings”.

Sunny Resorts Limited

Sunny Resorts Limited, a 33.33% owned associated company of the Guarantor is a non-trading company and holds one immovable property in St Julians.

5.3 IMPORTANT EVENTS IN THE DEVELOPMENT OF THE GROUP'S BUSINESS

The following table sets out the highlights of the Eden Group's historical milestones since 10 May 2010 (being the date of the last published prospectus of the Issuer):

YEAR	EVENT
2013	<p>A 15-year extension of the management contract with InterContinental Hotels Group to manage the InterContinental Malta was signed in late 2013.</p> <p>The capital expenditure projects for the year comprised the development of a new restaurant - Waterbiscuit - which replaced the lobby bar and the Asian restaurant at the InterContinental Malta and the refurbishment of the Eden SuperBowl. Furthermore, the conversion of cinema projectors from the old 35mm film to the new digital technology, which commenced in 2010, was completed during the year.</p>
2014	<p>The Group completed the purchase of the Giorganis Hotel for a total consideration of €5.55 million. The property was subsequently demolished and works commenced in the same year on the development of a 118 room Holiday Inn Express to be operated by the InterContinental Hotels Group. It is expected that the new hotel will commence operations in 2017.</p> <p>The Bay Arena was redeveloped, for an aggregate cost of <i>circa</i> €2 million, into a conference centre and meeting rooms, and is now the InterContinental Arena & Conference Centre (IACC). In 2015, the IACC was selected as the CHOGM press centre and was also used for the EU Summit for Migration in November 2015.</p> <p>In April 2014, the management contract signed in 2006 with Diamond Resorts International to offer housekeeping, security and maintenance service to the 46 self-catering apartments, was renegotiated and extended for a further 5 year period.</p> <p>The development of the Eden Business Centre, amounting to <i>circa</i> €0.7 million and situated in Elia Zammit Street, St Julians, was completed during the year. The property includes a total office space of 784m² on two levels with access to the Eden Car Park. The Eden Business Centre is leased to a third party.</p>
2015	<p>The Group completed the development of a 3,000m² area situated within the InterContinental Malta at an aggregate cost of <i>circa</i> €3.5 million. This area was leased to Casino Malta Ltd, a related party of the Group, in December 2015 for the operation of a casino under a 10-year concession granted to the said company by the Government of Malta.</p>
2016	<p>In December 2016, the Group completed the development of an additional 30 luxury suites at the InterContinental Malta, total conversion of the existing 24 suites, a new Executive Business Lounge, and a new rooftop swimming pool and restaurant on the 19th floor, for a total cost of <i>circa</i> €9 million. This project was initiated during 2014.</p> <p>The Group concluded a deal with international manufacturer of fitness equipment "Life Fitness" for the replacement of all equipment at Cynergi Health & Fitness Club. Moreover, the Group undertook the renovation of the Club, including the bathrooms and changing rooms.</p>

5.4 PRINCIPAL ACTIVITIES

The Group's business largely relates to the operation of various entities engaged in two operating divisions – entertainment & other related operations and hospitality. Segment results, excluding intra group transactions, for the 3 financial years ended 31 December 2014, 2015 and 2016 are included hereunder:

Eden Leisure Group Limited Consolidated Segment Results

	Entertainment & Other Related Operations	Hospitality	Total
	€'000	€'000	€'000
FY2014			
Revenue	6,438	20,002	26,440
Net operating expenses	(4,911)	(15,356)	(20,267)
EBITDA¹	1,527	4,646	6,173
<i>EBITDA margin (EBITDA/revenue)</i>	<i>24%</i>	<i>23%</i>	<i>23%</i>
FY2015			
Revenue	7,266	20,931	28,197
Net operating expenses	(5,436)	(16,363)	(21,799)
EBITDA¹	1,830	4,568	6,398
<i>EBITDA margin (EBITDA/revenue)</i>	<i>25%</i>	<i>22%</i>	<i>23%</i>
FY2016			
Revenue	8,113	23,197	31,310
Net operating expenses	(5,278)	(17,665)	(22,943)
EBITDA¹	2,835	5,532	8,367
<i>EBITDA margin (EBITDA/revenue)</i>	<i>35%</i>	<i>24%</i>	<i>27%</i>

¹ EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.

5.4.1 Entertainment & Other Related Operations

This segment primarily comprises the operation of the Eden Cinemas, Eden SuperBowl, Bay Radio, Cynergi Health & Fitness Club and Eden Car Park. Revenue generated from 'Entertainment & other related operations' also includes rental income derived from Group properties. A brief overview of each of the afore-mentioned revenue stream is provided hereunder.

(a) *Eden Cinemas*

The Group is the largest operator of multiplex cinemas in Malta (based on number of screens) with 13 fully digitised screens, situated in St Julians. Prior to 2015, the Group operated 17 screens, but has since converted 4 of the smaller screens into commercial space which is fully leased to a related party. Eden Cinemas generate operating revenue principally from theatre operations, including box office receipts, food and beverages, and on-screen and off-screen advertising.

The Eden Group initiated the conversion of its screens from 35mm film to digital projection technology in 2010, which entailed the replacement of most of the cinematic equipment. With the support of the Malta Government through the Cinema Digitisation Scheme, all screens were converted to digital by 2014.

Digital projection technology allows filmmakers the ability to showcase imaginative works of art exactly as they were intended, with incredible realism and detail. A digitally produced or digitally converted movie can be distributed to theatres via satellite, physical media or fibre optic networks. The digitised movie is stored on a computer server which is connected to a digital projector for each screening of the movie. This format enables cinema operators to more efficiently move titles between auditoriums within a theatre to appropriately address demand for each title. Furthermore, digital projection allows the presentation of three-dimensional (3-D) content and alternative entertainment such as live and pre-recorded sports programmes, concert events, and other special presentations.

(b) *Eden SuperBowl*

The Eden SuperBowl operates the only tenpin bowling alley in Malta. It comprises 20 lanes and is popular with families, youngsters, language schools and corporate groups.

The Malta Ten Pin Bowling Association (MTBA) operates solely at the Eden SuperBowl and organises three national leagues and circa 15 tournaments annually. The Eden SuperBowl also hosts 2 international annual tournaments (the Malta Open and the Seniors Open) which attract over a 100 participants (mainly foreign nationals) per tournament.

On-going investment is made in the facility to maintain the lanes to the high standards required for international professional tournaments. The principal sources of operating revenue for the Eden SuperBowl include: the sale of tenpin bowling games to customers; food and beverages; and amusement machines.

(c) *Bay Radio*

The Group has been operating 89.7 Bay since 1991. The radio station broadcasts 24 hours a day in Maltese and English, and offers the latest selection of music. Bay Radio derives the substantial majority of its revenue from the sale of advertising, but also generates income from the production of adverts.

Radio popularity is regularly surveyed by the independent Malta Broadcasting Authority. In the most recent survey, Bay Radio retained the number one spot as the most popular station with 20.4% of all radio listeners, followed by the next two radio stations with 16.3% and 11.0% respectively. Bay Radio is popular with all those under the age of 50, whereas the second placed radio station attracts more listeners over the age of 50.

The station's affiliation with the most popular music events and activities on the island as well as maintaining close ties with local musicians, coupled with professional and relevant content and on-air competitions are the key success factors of 89.7 Bay.

(d) *Cynergi Health & Fitness Club*

The Club is one of the largest health and fitness venues in Malta and has approximately 1,600 members. The majority of these members use the Club during peak times and therefore preferential memberships are given to off-peak members to fully utilise the capacity of the facility. Apart from generating revenue from memberships, the Club also derives income from studio and squash court rentals, and from the sale of nutritional and beverage products.

In 2016, the Group concluded a deal with international manufacturer of fitness equipment "Life Fitness" for the replacement of all equipment in the Club so as to maintain the high quality experience offered to patrons. As part of this investment, the Group completely redesigned the Club and undertook the renovation of all bathrooms and changing rooms. This expenditure should in the coming years generate additional revenue through increased membership rates and new customers.

Cynergi Health & Fitness Club offers over 100 cardio vascular machines, a comprehensive weights area, 2 squash courts, an aerobics room, a crèche facility as well as an indoor pool equipped with steam bath and sauna. The Spa facilities are leased to a third party international company which has invested considerably in the indoor pool area and the addition of an authentic Turkish Bath or Hamam. The Club is accessed from the InterContinental Malta, the Eden Car Park and directly from the street.

(e) *Eden Car Park*

The Eden Car Park is a multi-storey car park that spans the footprint of the InterContinental Malta and has a maximum capacity of 310 vehicles. Activity in the area, particularly from the commercial and tourism sectors, has been increasing constantly over the years and has in turn ensured a high utilisation rate of the car park. As such, the Eden Car Park is an important contributor to the Group's financial results. Moreover, the Eden Car Park is of significance to the business entities of the Eden Group, as it provides parking facilities to their respective customers.

(f) Rental Income

The Group owns and leases the following properties:

- (i) Property on St Augustine Street** – The Group leases on a long term basis a property measuring *circa* 66m² which is operated as a Vodafone Malta outlet.
- (ii) Various small outlets** – The Group rents to third parties a number of eateries which are annexed to the Eden Cinemas and Eden SuperBowl.
- (iii) Eden Business Centre** – This property is situated in Elia Zammit Street, St Julians and comprises a total office space of 784m² on two levels with access to the Eden Car Park. The Eden Business Centre is leased to a third party.
- (iv) Casino Malta** – A related party of the Group leases 3,000m² of space, situated under the InterContinental Malta, for the operation of Casino Malta. The lease contract is for a 10-year period as from December 2015.

5.4.2 Hospitality

This segment mainly includes the operation of the InterContinental Malta, InterContinental Arena & Conference Centre, the management of an apartment block of 46 self-catering units, known as the 'Diamond Suites', which is located adjacent to the InterContinental Malta, and as from FY2017, the operation of the Holiday Inn Express. A brief overview of each of the afore-mentioned revenue stream is provided hereunder.

(a) InterContinental Malta

The Group owns the 481-room 5-star InterContinental Malta located in St Julians, Malta. The hotel is operated by InterContinental Hotels Group under a 15-year management contract till 2028. The hotel offers a wide range of facilities to its guests, including food and beverage offerings, a spa, health and fitness centre and extensive conference facilities.

In 2014, the Group embarked on a project which comprised the development of 30 upmarket suites on 3 additional floors (known as the High Line Suites), the total conversion of the existing 24 hotel suites, a new Executive Business Lounge, and a new rooftop swimming pool on the 19th floor. The project was completed in December 2016 at an aggregate cost of *circa* €9 million.

(b) InterContinental Arena & Conference Centre

In 2014, the Group executed the conversion of the Bay Arena into a conference centre and meeting rooms at a total cost of *circa* €2 million, and was renamed the InterContinental Arena & Conference Centre (IACC). This 3,000m² facility is mainly used by the InterContinental Malta as a venue for meetings, conferences and events including live shows. In 2015, the IACC was selected as the CHOGM press centre and was also used for the EU Summit for Migration in November 2015.

(c) Diamond Suites

In April 2014, the management contract signed in 2006 with Diamond Resorts International to offer housekeeping, security and maintenance service to the 46 self-catering apartments, was renegotiated and extended for a further 5 year period.

(d) Holiday Inn Express

On 27 October 2014, the Guarantor completed a deed of purchase with Perla Hotels Limited for the Giorgianis Hotel property, situated in St Augustine Street, St Julians, adjacent to the InterContinental Malta, for a total consideration of €5.55 million which was financed through own funds and bank borrowings. The property was subsequently demolished and works commenced in the same year on the development of a 118-room 3-star Holiday Inn Express to be operated by the InterContinental Hotels Group through a 15 year management contract. The hotel development project is expected to cost *circa* €6 million and is being financed through own funds, part of proceeds from the Bonds and bank loan facility. It is expected that the new hotel will commence operations in 2017.

The Holiday Inn Express, which forms part of the InterContinental Hotels Group hotel portfolio, is a low amenity high quality hotel with an emphasis on the business traveller. The concept focuses on a standardisation of design and highlights comfort in sleep, shower facilities, WIFI and a hot quality breakfast.

5.5 PRINCIPAL MARKETS

The Group operates exclusively in and from Malta.

5.6 PRINCIPAL INVESTMENTS

Since the last published financial statements, the principal investment of the Group has been the development of the Holiday Inn Express which is due for completion in 2017. Further detail on this project is provided in section 5.4.2(d) of this Registration Document. Save for the above, the Group is not party to any principal future investments, and has not entered into or committed for any such investments.

5.7 BUSINESS DEVELOPMENT STRATEGY

The Group's objective is to retain its market presence in the local leisure and hospitality sectors, offering quality entertainment, events and products focusing on the youth market and to pioneer innovative products with a focus on the customer experience, as well as continue to consolidate its business relation with the Inter-Continental Hotels Group in order to maximise the potential within the tourism sector in Malta. As such, management will continue to build on the Group's core strengths as follows:

- continue to cross market and cross promote each business unit;
- develop and consolidate the Bay and Eden brands;
- diversifying, identify, invest in and develop new opportunities in the leisure and hospitality sectors;
- maintain high quality standards in its' offerings;
- drive top line growth;
- maintain and improve operational efficiencies; and
- maintain a zero tolerance policy towards any loss making business line.

In the implementation of the above strategies, the Group will continue to maintain an appropriate balance in relation to its exposure to the entertainment sector and the more capital intensive hospitality sector.

6. TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 TREND INFORMATION OF THE ISSUER

There has been no material change in the prospects of the Issuer since the date of its last published audited financial statements.

The Issuer is dependent on the business prospects of the Eden Group and, therefore, the trend information of the Guarantor (detailed below) has a material effect on its financial position and prospects.

6.2 TREND INFORMATION OF THE GUARANTOR

There has been no material change in the prospects of the Guarantor since the date of its last published audited consolidated financial statements.

At the date of publication of this Prospectus, the directors of the Guarantor consider that the Eden Group will be subjected to the normal risks associated with the entertainment and hospitality industries in Malta 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 the Group and its business for at least the current financial year.

The following is a brief synopsis of the significant trends affecting the key areas of operation of the Group:

6.2.1 Eden Cinemas

The Eden Cinemas is one of the leading cinema venues in Malta in terms of the number of screens and admissions, with a portfolio of 13 screens, representing *circa* 37% of the screens in Malta. It reduced its number of screens from 17 to 13 screens in 2014 to make better use of the space. In 2015 (being the latest available official market data published by the National Statistics Office, Malta), the Eden Cinemas received *circa* 54% of all gross box office receipts to cinemas in Malta.

As illustrated in the table below, in 2015, there were eight cinema establishments with a total of 35 screens and a seating capacity of 6,748. Of these eight cinemas, two were located in Gozo. During 2015, cinemas registered a total of 704,243 admissions, which represented an increase of 7.8% when compared to the prior year (2014), but a marginal increase of 2,004 admissions when compared to 2013. With respect to gross box office receipts, cinemas registered a decline in income of €0.23 million (-5.9%) in 2014, from €3.96 million in 2013 to €3.73 million. As for 2015, an increase in gross receipts of €0.47 million (+13%) from 2014 results was registered to €4.19 million.

Malta Cinema Statistics

	No. of cinema establishments	No. of screens	Seating capacity	No. of film titles	No. of admissions	Total no. of screenings	Gross Box Office receipts €'000	Average Ticket price €
2013	8	38	7,107	373	702,239	56,816	3,960	5.64
2014	8	35	6,784	368	653,002	47,384	3,726	5.71
2015	8	35	6,748	375	704,243	48,887	4,194	5.96

Source: National Statistics Office - Malta

In 2016, the Eden Cinemas registered a growth in gross box office receipts of 1% when compared to the prior year, despite having the UEFA Euro football tournament in June and July 2016. Such major events typically adversely affect cinema revenue by approximately 20% during the period thereof. Official market statistics for calendar year 2016 have not been published and therefore no comparison can be made with industry.

The Group aims to maintain its position as a leading operator of multiplex cinemas in Malta through the on-going investment in the latest technology and by being innovative in seeking alternative revenue streams. The Eden Cinemas expect box office revenue and bar income to progressively increase in the near term.

6.2.2 Eden SuperBowl

The Eden SuperBowl is a steady business venture which consistently shows satisfactory results year-on-year. The customer base of the SuperBowl is largely walk by traffic and league bowlers who bowl weekly in tournaments and leagues. The optimal position of the premises in St Julians provides a constant flow of custom by tourists, language school students and locals. Further focus on enticing younger generations to take up the sport is required to ensure the positive sporting results being achieved locally and internationally by Maltese bowlers which in turn will maintain the positive contribution of the business unit.

The Group plans to focus on the underperforming food and beverage operations by looking for a partner to operate a quality establishment which can adequately service bowling patrons and also attract new clients.

6.2.3 Bay Radio

Bay Radio operates in a market which comprises 15 national stations and a number of community stations and as such faces significant competition for both listeners and advertisers. While Bay Radio broadcasts to all categories of audience, the focus is on the youth market, an area that the station has dominated for numerous years. As indicated in the table hereunder, the station has been consistently voted most popular station by reach in October 2014, October 2015 and October 2016.

Radio Audience Assessment

	Population size	Radio audience reach	Radio audience reach/ population	Bay Radio listeners	Second placed radio listeners	Third placed radio listeners
Oct-14	379,268	186,200	49.09%	27.79%	16.58%	11.05%
Oct-15	387,270	191,200	49.37%	24.92%	14.89%	11.45%
Oct-16	391,741	186,600	47.63%	20.41%	16.26%	11.08%

Source: Malta Broadcasting Authority

Management's strategy is to continue to broadcast relevant and up-to-date content using the latest available technology, to be innovative and to recruit and train quality presenters in order to increase its edge over competition, and in turn grow its listener base and advertising revenue.

6.2.4 Cynergi Health & Fitness Club

The number of health and fitness facilities that compete with Cynergi has gradually been increasing over the last years. However, management believes that the recent investment in equipment and design is expected to allow Cynergi to outpace competition. The volume and quality of equipment and machines, the high quality squash courts and aerobics studios and a focus on members reaching their targets will result in an increase in the membership register from *circa* 1,000 members in 2010 to the current amount of *circa* 1,600 members. Management is determined to further increase revenue by increasing the utilisation of off-peak periods and by organising various activities and other initiatives. Another key advantage of Cynergi over competing facilities is that the club is actively advertised on Bay Radio and at the Eden Cinemas.

6.2.5 Eden Car Park

The Eden Group expects that the Eden Car Park will continue to grow its earnings in view of its strategic location within a busy commercial and tourism hub. The area of St Julians is becoming increasingly populated with new residential and commercial developments, which is resulting in an increase in overall footfall to the area and a consequential increase in usage of the Eden Car Park. The access to the Casino on level -3 of the car park will also serve to draw more patrons into the Eden Car Park during lower demand periods.

Furthermore, the Eden Car Park will continue to play an important role in supporting the various entities of the Eden Group by providing parking facilities to their respective patrons.

6.2.6 Hospitality

Tourism in Malta has in recent years been performing at a strong level and this trend continued in 2015 as well as in 2016. Inbound tourism from January to December 2015 amounted to 1.8 million guests, an increase of 6.0% over the same period in 2014. Although tourists residing in collective accommodation (hotels, guesthouses, hostels, B&Bs, etc) made up 71.7% of the market in 2015, preference for private accommodation has been growing in the last years at a faster pace, and actually increased by 18.2% from 2014. Tourism expenditure was estimated at €1.6 billion, 7.5% higher than that recorded for the comparable period in 2014.

Inbound tourist trips from January to December 2016 amounted to 1.99 million, an increase of 10.2% when compared to a year earlier. Total nights spent by inbound tourists went up by 5.7%, reaching almost 15.0 million nights. During 2016, total guests in collective accommodation establishments surpassed 1.6 million, an increase of 2.1% over the same period in 2015. Within the collective accommodation establishments, the 5 star and 4 star hotels gained 10,878 guests (+2.8%) and 30,779 guests (+4.5%) respectively in 2016 when compared to a year earlier, while there was a decrease of 24,042 guests (-5.7%) in the 3 star category. Tourism expenditure was estimated at €1.71 billion in 2016, an increase of 4.3% over 2015¹.

Focus will be maintained on increasing traffic during the winter months and attracting more visitors from new markets to Malta. This bodes well for the Maltese hospitality industry to continue to grow revenues and increase profitability.

Malta's EU Presidency in 2017 together with Valletta serving as the European City of Culture in 2018 are widely expected to generate increased demand for hotels and enhance Malta's image as a tourist and leisure destination, which would in turn generate future growth. Meanwhile, the somewhat uncertain future of the national carrier Air Malta poses a threat to further growth, and competition from other Mediterranean countries will likely remain strong.

This positive trend was also witnessed at the InterContinental Malta, where over the past few years there has been significant year-on-year growth both in revenue streams and profitability, even though operations were partly hampered by construction works in neighbouring properties and at the hotel between 2014 and 2016. As such, given that construction works were substantially completed and operations at the InterContinental Malta fully restored by end 2016, management anticipates that the hotel should achieve further growth in earnings during the current financial year (2017). Moreover, the Eden Group expects to benefit further from the expansion of the local tourism industry with the opening of the Holiday Inn Express in 2017.

¹ National Statistics Office - Malta (www.nso.gov.mt)

6.3 FINANCIAL REVIEW

6.3.1 Financial Information on the Issuer

The following financial information on the Issuer is extracted from the audited financial statements for the years ended 31 December 2014 to 2016, full versions of which are available for inspection as indicated in section 14 below.

Eden Finance p.l.c.

Statement of Comprehensive Income

for the year ended 31 December	2014 Audited €'000	2015 Audited €'000	2016 Audited €'000
Finance Income	989	979	979
Finance Costs	(932)	(923)	(923)
Gross Profit	57	56	56
Administrative expenses	(29)	(30)	(33)
Profit before tax	28	26	23
Taxation	(10)	(9)	(8)
Total comprehensive income	18	17	15

Eden Finance p.l.c.

Cash flow Statement

for the year ended 31 December	2014 Audited €'000	2015 Audited €'000	2016 Audited €'000
Net cash from operating activities	(26)	(28)	(22)
Net cash from investing activities	1,108	949	946
Net Cash from financing activities	(1,082)	(921)	(923)
Net movement in cash and cash equivalents	-	-	1
Cash and cash equivalents at beginning of year	1	1	1
Cash and cash equivalents at end of year	1	1	2

Eden Finance p.l.c.**Balance Sheet****as at 31 December**

	2014	2015	2016
	Audited	Audited	Audited
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Loans owed by parent company	13,984	13,984	13,984
Held-to-maturity investments	1,165	1,165	1,165
Deferred tax asset	20	11	2
	15,169	15,160	15,151
Current assets			
Trade and other receivables	1,015	1,044	1,077
Cash and cash equivalents	1	1	2
	1,016	1,045	1,079
Total assets	16,185	16,205	16,230
EQUITY			
Equity and reserves	1,567	1,584	1,599
LIABILITIES			
Non-current liabilities			
Debt securities	13,984	13,984	13,984
Current Liabilities			
Trade and other payables	634	637	647
	14,618	14,621	14,631
Total equity and liabilities	16,185	16,205	16,230

6.3.2 Financial Information on the Guarantor

The following financial information on the Guarantor is extracted from the audited consolidated financial statements for the years ended 31 December 2014 to 2016, full versions of which are available for inspection as indicated in section 14 below.

Eden Leisure Group Limited

Consolidated Statement of Comprehensive Income

for the year ended 31 December

	2014	2015	2016
	Audited	Audited	Audited
	€'000	€'000	€'000
Revenue	26,440	28,197	31,310
Net operating expenses	(20,267)	(21,799)	(22,943)
EBITDA¹	6,173	6,398	8,367
Depreciation	(2,986)	(3,160)	(3,673)
Other net non-operating income	45	218	62
Net finance costs	(2,069)	(2,061)	(2,104)
Profit before tax	1,163	1,395	2,652
Taxation	(440)	(77)	641
Profit after tax	723	1,318	3,293
Other comprehensive income			
Revaluation surplus, net of deferred tax	-	29,523	14,479
Total comprehensive income	723	30,841	17,772

¹ EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.

Eden Leisure Group Limited

Consolidated Cash flow Statement

for the year ended 31 December

	2014	2015	2016
	Audited	Audited	Audited
	€'000	€'000	€'000
Net cash from operating activities	3,822	5,075	5,484
Net cash from investing activities	(7,501)	(11,765)	(6,614)
Net Cash from financing activities	4,287	5,453	1,227
Net movement in cash and cash equivalents	608	(1,237)	97
Cash and cash equivalents at beginning of year	(2,566)	(1,958)	(3,195)
Cash and cash equivalents at end of year	(1,958)	(3,195)	(3,098)

Eden Leisure Group Limited
Consolidated Balance Sheet
as at 31 December

	2014	2015	2016
	Audited	Audited	Audited
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Intangible assets	12	9	7
Property, plant and equipment	86,496	113,684	137,040
Property, plant and equipment under development	7,634	12,147	8,503
Investment property	3,247	12,200	12,200
Investment in associated undertakings	721	721	721
Loans and receivables	-	1,050	730
	98,110	139,811	159,201
Current assets			
Inventory	1,288	1,835	1,803
Trade and other receivables	3,578	3,451	4,108
Cash and cash equivalents	773	330	384
	5,639	5,616	6,295
Total assets	103,749	145,427	165,496
EQUITY			
Equity and reserves	44,218	76,648	92,620
LIABILITIES			
Non-current liabilities			
Borrowings and bonds	35,629	40,146	40,632
Other non-current liabilities	7,633	9,366	11,380
	43,262	49,512	52,012
Current Liabilities			
Bank overdrafts	2,731	3,525	3,482
Borrowings	3,267	4,486	5,272
Other current liabilities	10,271	11,256	12,110
	16,269	19,267	20,864
	59,531	68,779	72,876
Total equity and liabilities	103,749	145,427	165,496

In **2015**, the Eden Group's revenue amounted to €28.2 million, reflecting an increase of €1.8 million on the turnover registered in 2014 (€26.4 million). As in previous years, the majority of income was derived from the hospitality segment of the Group, principally comprising the operation of the InterContinental Malta. During 2015, the Group generated €20.9 million from hospitality, an increase of €0.9 million (+4.5%) when compared to the prior year (2014: €20.0 million). This growth in hospitality revenue was achieved even though the hotel was closed from November 2014 to April 2015 due to construction works undertaken on various projects. During this period the existing complement of hotel suites and the executive lounge were completely renovated and re-launched. Furthermore, works on the addition of 30 luxury Hi Line suites, which commenced in 2014, continued throughout 2015.

The InterContinental Arena & Conference Centre (IACC), which was completely refurbished in 2014, was fully operational during 2015. Of particular note, the IACC was selected as the CHOGM press centre and the EU Summit for Migration in November 2015.

The balance in revenue for 2015 of €7.3 million was generated from entertainment & other related operations as compared to €6.4 million in 2014 (+€0.9 million). All businesses within this segment registered year-on-year growth, principally Eden Cinemas, whereby cinema attendance in 2015 rebounded for the first time since 2010 and revenue increased by 15% from a year earlier.

EBITDA² for 2015 at €6.4 million represented an increase of €0.2 million on the EBITDA of €6.2 million reported in 2014. After accounting for depreciation, other net non-operating income and net finance costs, profit before tax for 2015 amounted to €1.4 million (2014: €1.2 million). Other comprehensive income of €29.5 million in 2015 reflected the revaluation of the Group's property, plant and equipment, net of taxation. As a result, total comprehensive income for 2015 amounted to €30.8 million (2014: €0.7 million).

Revenue in **2016** amounted to €31.3 million, an increase of €3.1 million (+11%) when compared to the prior year (FY2015: €28.2 million). The hospitality segment of the Group contributed to the major part of this growth, whereby revenue increased by €2.3 million (+11%) from €20.9 million in FY2015 to €23.2 million. The InterContinental Malta continued to perform positively, principally due to a favourable trend in tourism in Malta. The remaining balance of revenue was derived from entertainment & other related operations and amounted to €8.1 million, an increase of €0.8 million (+12%) over FY2015.

During the financial year under review, the Group's EBITDA increased significantly by €2.0 million (+31%) from €6.4 million in FY2015 to €8.4 million, mainly as a result of the above-mentioned growth registered at the InterContinental Malta, the increase in business at the InterContinental Arena & Conference Centre and the commencement of rental income generated from the casino property of *circa* €0.5 million. Overall, profit after tax in FY2016 amounted to €3.3 million, a year-on-year increase of €2.0 million (FY2015: €1.3 million). In FY2016, the Group revalued its property by €14.5 million (net of deferred tax) and as such, total comprehensive income amounted to €17.8 million (FY2015: €30.8 million).

² An abbreviation used 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.

7. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

7.1 THE ISSUER

7.1.1 Directors

The Issuer is currently managed by a Board of Directors consisting of six members entrusted with the overall direction and management of the Issuer. The Board of Directors is composed of three executive Directors and three independent non-executive Directors.

None of the directors and members of senior management of the Issuer have been:

- convicted in relation to fraud or fraudulent conduct in the last five years;
- made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- disqualified by a court from acting as director or manager in the last five 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 Curriculum Vitae of Directors

Hereunder is a brief *curriculum vitae* of each of the current directors:

Ian De Cesare – Chairman and Executive Director

In 1970, Ian De Cesare was awarded a diploma in Catering and Hotel Management from The Malta College of Arts, Science and Technology. Following 10 years of working in hotel management in London and in Malta, in 1980, he and his brother Kevin branched off to open the business in St George's Bay one sees today and currently serves as Executive Chairman of the Board of Eden Leisure Group. Ian De Cesare is a Fellow of the Institute of Hospitality. He was appointed a member of the MTA and the Institute for Tourism Studies boards for a number of years and held the position of President of the MHRA during the period 1986-1989. In 1990 he was elected President of the European and Mediterranean Round Table Clubs. For a number of years, he had sat on the Consultative Board for Tourism to the Maltese Government. He is the past President of Rotary Club Malta in 2010-2011 and current Assistant Governor 2014-2016. He works with the organisation for fundraising for charitable causes and special overseas social projects.

Kevin De Cesare – Deputy Chairman and Executive Director

Kevin De Cesare is joint founder and Executive Director of the Eden Leisure Group and since 1980 has contributed to expand the Group from a one hotel company to a diversified leisure group. He was a member of the board of the Malta Development Corporation during the period 1996-1998 and was on the MTA Product Development Board from 2000 to 2004. He held the post of President of the Malta Hotels and Restaurant Association in 2008 and 2009 and is currently its vice president and is also member of the Malta Council for Economic and Social Development (MCESD), member of the executive board of the Malta Tourism Authority and member of the Consultative Board for Tourism to the Maltese Government.

David Vella – Executive Director

David Vella is a Fellow of the Chartered Association of Certified Accountants of the United Kingdom and a Fellow of the Malta Institute of Accountants. David Vella joined the Eden Leisure Group in 2009 after a career spanning twenty years working in the accountancy field in various positions held with local auditing firms and within the financial services, manufacturing and leisure industries.

Andrea Gera de Petri – Non-Executive Director

Andrea Gera de Petri graduated in B.A. Legal & Humanistic Studies (*Summa Cum Laude*) in 1996, and Doctor of laws in 1999 from the University of Malta. In 2000 he obtained the degree of Masters of Law from the University of London (UCL). At Masters level, he specialised in international commercial and maritime law. He is a Member of the Sovereign Military Order of Malta, a Chevening Scholar, a member of the Chamber of Advocates, the Malta Chamber of Commerce, Enterprise and Industry; and of various other organisations. He has been in legal practice for the last eleven years practicing primarily in the field of corporate and commercial law. Andrea Gera de Petri is also a director on a number of companies operating in the healthcare, real estate and the entertainment & leisure industries.

Paul Mercieca – Independent Non-Executive Director

Paul Mercieca currently acts as an independent non-executive director on the boards of various Group companies and previously held the position of Chief Executive Officer of Deloitte Malta for twenty three years up to 31 December 2013. Paul was also the firm's first Risk and Reputation Leader. Over the years, Mr Mercieca has been responsible for a number of clients operating in various sectors of the economy including one of Malta's largest banks and companies listed on the Malta Stock Exchange. He served as a member of the Accountancy Board for eight years between 1988 and 1996 and is a former member of Council of the Malta Institute of Accountants. Mr Mercieca was also the Chairman of the Institute's Risk Management Committee and served on the Independence, Ethics and Regulatory Committee. Paul is currently a director of an insurance company regulated by the Malta Financial Services Authority and other companies whose shares and bonds are quoted on the Malta Stock Exchange. Paul is a Fellow of the Chartered Association of Certified Accountants, the Malta Institute of Accountants and a Member of the Malta Institute of Taxation.

Victor Spiteri – Independent Non-Executive Director

Victor Spiteri is an Associate of the Chartered Institute of Bankers. He joined Barclays Bank in 1973 and has acquired a wealth of knowledge and experience in the banking sector accumulated from 43 years working in retail and commercial banking. He retired from HSBC Bank Malta p.l.c. in July 2016.

7.1.3 Directors' Service Contracts and Remuneration

None of the directors have a definitive service contract with the Company. In terms of the Memorandum and Articles of Association, the maximum aggregate remuneration of all directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Company in general meeting.

For the year ended 31 December 2016, the Company paid an aggregate of €8,017 to its directors (2015: €7,392).

7.1.4 Loans to Directors

At the date of the Prospectus, there are no loans outstanding by the Company to any of its Directors, or any guarantees issued for their benefit by the Company.

7.1.5 Employees

The Issuer is reliant on the resources which are made available to it by the Guarantor, which as at 31 December 2016 employed 480 (2015: 461) members of staff, 425 (2015: 407) of whom work in operations and the remaining 55 (2015: 54) in administration.

7.2 THE GUARANTOR**7.2.1 Directors**

The Guarantor is currently managed by a Board of Directors consisting of five members entrusted with the overall direction and management of the Guarantor, including the responsibility for the appointment of all executive officers and other key members of management.

7.2.2 Curriculum Vitae of Directors

Hereunder is a brief *curriculum vitae* of each of the current directors:

Ian De Cesare – Chairman

The *curriculum vitae* of Ian De Cesare is included in section 7.1.2 above.

Kevin De Cesare – Managing Director

The *curriculum vitae* of Kevin De Cesare is included in section 7.1.2 above.

Simon De Cesare – Operations Director

Simon De Cesare joined the Eden Leisure Group in April 2000 where he assumed the role of Business Administration Manager. After assuming several roles throughout the organisation, he currently acts as Director of Operations for the Guarantor Company and his responsibilities lie in the operations of the current businesses. Simon De Cesare was appointed Company Secretary on the Boards of each of the Group companies in 2006. Simon De Cesare spent four years at Bentley College, in Boston, and graduated with a Bachelor of Science in Business Management. Following this, he spent two years at the Claremont Graduate University, Peter Drucker School of Management, in Los Angeles, where he earned an M.B.A. in strategy development and marketing. He moved back to Malta after spending a year in London where he worked as the Marketing Manager for the Direct Marketing Association (U.K.) Ltd. where he was responsible for the direct marketing interests of the financial service industry.

Kevin Jnr De Cesare – Executive Director

Kevin received a bachelor's degree in business administration from the University of Kent in 2010 joined the Group in 2012 after managing the Club Numero Uno business for two years. Kevin Jnr De Cesare initially joined Bay Radio as assistant manager for six months and was then promoted to station manager which position he currently holds. In 2016 he was appointed as a Director on the board of directors of the Guarantor Company Eden Leisure Group.

David Vella – Finance Director

The *curriculum vitae* of David Vella is included in section 7.1.2 above.

7.2.3 Directors' Service Contracts and Remuneration

None of the directors have a definitive service contract with the Guarantor. In terms of the Memorandum and Articles of Association, the maximum aggregate remuneration of all directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Guarantor in general meeting.

For the year ended 31 December 2016, the Guarantor paid an aggregate of €527,452 to its directors (2015: €499,693).

7.2.4 Loans to Directors

At the date of the Prospectus, there are no loans outstanding by the Guarantor to any of its directors, or any guaranties issued for their benefit by the Guarantor.

7.3 CONFLICT OF INTEREST

Ian De Cesare, Kevin De Cesare and David Vella, in addition to sitting on the Board of Directors of the Issuer, also act as directors of the Guarantor and other companies within the Eden Group. Conflicts of interest could potentially arise in relation to transactions involving the Issuer and the Guarantor and other Group companies.

Ian De Cesare and Kevin De Cesare are siblings, and Andrea Gera de Petri, a Non-Executive Director, is Ian De Cesare's son-in-law.

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 directors are handled in the best interest of the Issuer. To the extent known or potentially known to the Issuer and the Guarantor as at the date of the Prospectus, there are no other potential conflicts of interest between any duties of the directors of the Issuer and of the Guarantor and their private interests and/or their other duties which require disclosure in terms of the regulation.

7.4 EXECUTIVE MANAGEMENT

The day-to-day management of the Eden Group is entrusted to the Executive Management Team, comprising the directors of the Guarantor and Kate De Cesare. Some of the more important functions carried out by this team include, *inter alia*, the consideration of new business opportunities, the execution of existing and new projects, and the procurement of funding thereof.

The *curriculum vitae* of each of the Guarantor's directors is included in section 7.2.2 above. The *curriculum vitae* of Kate De Cesare is included hereunder:

Kate De Cesare – Director of Marketing & PR

Kate De Cesare was schooled in Malta, after which, in 1995 she attained a *Summa Cum Laude* degree in Communications with a minor in Fine Art at Richmond International University in London. Following this, Kate De Cesare achieved a Masters degree in Marketing Communications from Westminster University in London. After her studies, Kate De Cesare was employed in the marketing team at the National Magazines Company in London, working on brands such as Cosmopolitan, Company and She. Kate De Cesare returned to Malta in 2000 where she was employed by Eden Leisure Group Limited within the marketing team and now heads the marketing department.

8. BOARD PRACTICES

8.1 THE ISSUER

8.1.1 Compliance with the Corporate Governance Regime

The Issuer supports the Code of Principles of Good Corporate Governance (the "Code") forming part of the Listing Rules and is confident that the adoption of the Code has resulted in positive effects accruing to it.

The Board of Directors of the Issuer deems that, during the reporting periods referred to in this Registration Document, the Issuer has fully complied with the requirements of the Code, except for the instance detailed hereunder:

Nomination and Remuneration Committee

The Board of Directors considers that the size and operation of the Company do not warrant the setting up of a Nomination and Remuneration Committee, as recommended by the Code.

Under the present circumstances, the Board of Directors does not consider it necessary to appoint a committee to carry out a performance evaluation of its role, as the Board's performance is always under the scrutiny of the shareholders.

8.1.2 Audit Committee

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board of Directors, management, the external auditors and the internal audit team. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board of Directors.

The terms of reference of the Audit Committee include support to the Board of Directors of the Issuer and the Guarantor in its responsibilities in dealing with issues of: risk, control and governance, and associated assurance. The Board of Directors of the Issuer has set formal terms of establishment and the terms of reference of the Audit Committee which set out 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.

Briefly, the Committee is expected to deal with and advise the Board of Directors on the following matters on a Group-wide basis:

- (a) its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- (b) maintaining communications on such matters between the Board of Directors, management and the external auditors; and
- (c) preserving the Group's assets by assessing the Group's risk environment and determining how to deal with those risks.

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

The Committee is made up entirely of Non-Executive Directors (the majority of whom are considered independent of the Issuer). Paul Mercieca acts as Chairman, whilst Andrea Gera de Petri and Victor Spiteri act as members. In compliance with the Listing Rules, Paul Mercieca is considered by the Board of Directors to be the Director competent in accounting and/or auditing matters.

The Audit Committee, pursuant to its terms of reference has been appointed to, and accordingly has a remit that, covers the Guarantor, apart from the Issuer.

8.2 THE GUARANTOR

8.2.1 Compliance with the Corporate Governance Regime

The Guarantor is a private company and accordingly is not subject to the provisions of the Listing Rules nor to endeavour to adhere to the provisions of the Code. Whilst the Guarantor does not have its own audit committee, it has authorised and tasked the Audit Committee of the Issuer to monitor its operations.

9. HISTORICAL INFORMATION

The historical financial information about the Issuer and Guarantor is included in the audited financial statements for the financial years ended 31 December 2014 to 2016 of the Issuer and Guarantor respectively. The said statements have been published and are available at the Issuer's registered office.

There were no significant changes to the financial or trading position of the Issuer or Guarantor since the end of the financial period to which the last audited financial statements relate.

10. LITIGATION

Save for the case described hereunder, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantor are aware) during a 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 whole.

Dragonara Gaming Limited (C 49848) vs Il-Ministru tal-Finanzi et (Application number 1000/2015)

This case relates to the grant by the Government of Malta to the Guarantor of a concession to operate a casino in Malta pursuant to the Expression of Interest documents issued by the Ministry for the Economy, Investment and Small Business and the Request for Proposals for a Concession to Open and Operate a Casino in Malta. One of the competing bidders, Dragonara Gaming Limited ("Dragonara"), is claiming that the procedure leading to the grant of the concession was not transparent, just or objective. Dragonara is also claiming that the Government of Malta had committed itself to give Dragonara a similar concession. On this basis, Dragonara is making two alternative claims. It is requesting the Court to revoke the decision of 27 October 2014 by virtue of which the Guarantor was declared the 'Preferred Proponent' and the grant of the concession and to re-open the procedure for the award of the concession. Alternatively, it is requesting the Court to order the Government to grant Dragonara another concession in terms of a letter signed by the Government of Malta dated 22 April 2015. The Guarantor is co-defendant in this lawsuit.

The Guarantor maintains that the action of the plaintiff is time-barred, is incorrect both in fact and at law, and in any event the Guarantor acted in line with the requirements of the Expression of Interest and the aforementioned Request for Proposals and that the decision declaring the Guarantor as the Preferred Proponent was correct both in fact and at law. The Guarantor has also raised a defence against the alternative claims on the basis that it is not the appropriate counter-party to those claims.

The First Hall, Civil Court has rejected the second plea raised by the Guarantor and the third plea raised by the other defendants that the action is time-barred. Leave to appeal was granted to the other defendants on this point and the matter is currently awaiting the first hearing before the Court of Appeal. As at the date of writing no date has been set. In the event the Court of Appeal accedes to the appeal request, the case would come to an end; otherwise the lawsuit will proceed on the merits in front of the First Hall, Civil Court.

11. ADDITIONAL INFORMATION

11.1 MAJOR SHAREHOLDERS AND SHARE CAPITAL OF THE ISSUER

The authorised and issued share capital of the Issuer is €1,164,686.50 divided into 500,000 Ordinary Shares having a nominal value of €2.329373 each.

The issued share capital of the Issuer is subscribed for, allotted and taken up as fully paid up shares by the Guarantor as to 499,999 Ordinary Shares of €2.329373 each and the remaining 1 Ordinary Share having a nominal value of €2.329373 is held by EEL.

The authorised share capital of the Issuer may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by extraordinary resolution of the shareholders in general meeting.

Each Ordinary Share confers the right to one (1) vote at general meetings of the Issuer.

It is not expected that the Issuer issues during the next financial year any shares, whether fully or partly paid up, in consideration for cash or otherwise.

There is no capital of the Issuer 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.

The Issuer adopts measures in line with the Code to ensure that the relationship of the Issuer with the rest of the Group and/or with the shareholders are retained at arm's length, including adherence to rules on Related Party Transactions set out in Chapter 5 of the Listing Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted by independent Non-Executive Directors of the Issuer.

11.2 MAJOR SHAREHOLDERS AND SHARE CAPITAL OF THE GUARANTOR

On 20 May 2016, the authorised and issued share capital of the Guarantor was increased to €60,000,000, following a share issue of €25,000,000 divided into 5,024,000 voting 'A' Ordinary Shares having a nominal value of €2.50 each and 4,976,000 non-voting 'B' Ordinary Shares having a nominal value of €2.50 each. The consideration of this issue was paid in full by way of capitalisation of revaluation reserve.

The authorised and issued share capital of €60,000,000 is divided into 12,057,600 voting 'A' Ordinary Shares having a nominal value of €2.50 each and 11,942,400 non-voting 'B' Ordinary Shares having a nominal value of €2.50 each. The issued share capital of the Guarantor is subscribed for, allotted and taken up as fully paid up shares as follows:

Shareholder	'A' Voting Ordinary Shares	'B' Non-Voting Ordinary Shares
Capitola Inv. Limited (C 15543)	5,911,810	5,790,857
Cedar Investments Ltd (C 63943)	5,911,810	5,790,857
Ian De Cesare (787950M)	116,990	180,343
Kevin De Cesare (344659M)	116,990	180,343
	12,057,600	11,942,400

Capitola Inv. Limited is 99.8% owned by Kevin De Cesare, and Cedar Investments Limited is equally owned by Ian De Cesare and his two children, Kate De Cesare and Simon De Cesare. The Audit Committee of the Issuer is tasked with monitoring the operators of the Guarantor, and in particular, has the role and function of evaluating any proposed transaction to be entered into by the Guarantor and a related party, to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Guarantor.

The authorised share capital of the Guarantor may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by extraordinary resolution of the shareholders in general meeting.

Each 'A' Ordinary Share confers the right to one (1) vote at general meetings of the Guarantor. The 'B' Ordinary Shares have no voting rights but they shall receive and can attend any general or extraordinary meetings of the Guarantor.

It is not expected that the Guarantor issues during the next financial year any shares, whether fully or partly paid up, in consideration for cash or otherwise.

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

11.3 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

11.3.1 Objects

The Memorandum and Articles of Association are registered with the Registry of Companies. The main objects of the Issuer's activities are set out in Clause 3 of the Memorandum of Association and is authorised to, but are not limited to, act as a finance and investment company, borrow and raise money for the purpose of its business, and issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public.

A copy of the Memorandum and Articles of Association may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Registry of Companies.

11.3.2 Appointment and Removal of Directors

In terms of the Memorandum and Articles of Association, the directors of the Issuer shall be appointed as follows:

- (a) the appointment of directors to the Board of Directors is reserved to shareholders or a number of members who individually or between them have a holding of 20% of the total issued share capital of the Company having voting rights;
- (b) a shareholder or a number of members who individually or between them hold 20% of the issued share capital of the Company are entitled to appoint one director for every such 20% shareholding held. Any shareholder who does not appoint a director or directors as described above will participate in the annual election of directors at the Annual General Meeting of the Company. Shareholders who are entitled to appoint directors pursuant to their 20% holding shall be entitled to participate in the annual election of directors, provided that in such an election they only use such shares not otherwise used to appoint a director as described above; and
- (c) all directors may be removed from their post by the shareholder appointing them or by an ordinary resolution of the shareholders in general meeting. Unless appointed for a longer or shorter period or unless they resign or are removed, the directors shall, unless otherwise specified in the letter of their appointment, hold office for a period of one year. Directors are eligible for re-appointment upon the lapse of the period stated in their letter of appointment.

11.3.3 Powers of Directors

The directors of the Issuer 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. In terms of the Memorandum and Articles of Association, they may do all such things that are not by the Memorandum and Articles of Association reserved for the shareholders in general meeting.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and give security therefor, as it thinks fit.

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.

11.4 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE GUARANTOR

11.4.1 Objects

The Memorandum and Articles of Association are registered with the Registry of Companies. The main objects of the Guarantor's activities are set out in Clause 3 of the Memorandum of Association and is authorised to, but are not limited to, carry on the business of hoteliers, restaurateurs, suppliers, caterers, and entertainment.

A copy of the Memorandum and Articles of Association may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Registry of Companies.

11.4.2 Appointment and Removal of Directors

At present, the Board of Directors of the Guarantor shall consist of not less than two (2) and not more than five (5) directors who shall remain in office until they resign or are removed or until the company decides to start holding elections to the Board of Directors.

11.4.3 Powers of Directors

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

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.

12. MATERIAL CONTRACTS

Save for the acquisition of the Giorgianis Hotel property described in section 5.4.2(d) of this Registration Document, the Issuer, the Guarantor and/or the Group, taken as a whole, have not entered into any material contracts which are not in the ordinary course of their respective business 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 securities being issued pursuant to, and described in, the Securities Note.

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

Save for the Financial Analysis Summary, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 27 March 2017 has been included in Annex IV of the Securities Note in the form and context in which it appears with the authorisation of Charts Investment Management Service Limited of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein. Charts Investment Management Service Limited does not have any beneficial interest in the Issuer. 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.

The sourced information contained in section 6.2 has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14. DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document, the following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at Eden Place, St George's Bay, St Julians STJ 3310, Malta, during office hours:

- (a) Memorandum and Articles of Association of the Issuer and the Guarantor;
- (b) Audited financial statements of the Issuer for the financial years ended 31 December 2014 to 2016;
- (c) Audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2014 to 2016;
- (d) The deed of acquisition published by Notary Dr. Marco Burlo and dated 27 October 2014 relating to the purchase by the Guarantor from Perla Hotels Limited of the premises named 'Giorgianis Hotel';
- (e) The letter of confirmation drawn up by Deloitte Audit Limited dated 27 March 2017;
- (f) The Guarantee; and
- (g) Financial analysis summary prepared by Charts Investment Management Service Limited dated 27 March 2017.

Items (b), (c) and (g) above are also available for inspection in electronic form on the Issuer's website at www.edenleisure.com



a public limited liability company incorporated under the laws of Malta,
company registration number C 26843

Issue of:

€40,000,000 4% Unsecured Bonds 2027

ISIN: MT0000141227

Guaranteed* by

Eden Leisure Group Limited

a private limited liability company incorporated under the laws of Malta,
company registration number C 4529

**Prospective investors are to refer to the guarantee contained in Annex I of this 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 "Risks" or "Risk Factors" contained in the Summary Note, the Registration Document and this Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the guarantee provided by Eden Leisure Group Limited.*

SECURITIES NOTE

Dated 27 March 2017


This document is a Securities Note issued pursuant to the requirements of Rule 4.14 of the Listing Rules of the Listing Authority and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended. This Securities Note should be read in conjunction with the Registration Document containing information about the Issuer dated 27 March 2017.


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


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


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

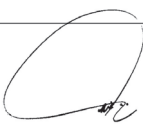
APPROVED BY THE DIRECTORS



IAN DE CESARE


KEVIN DE CESARE


DAVID VELLA


ANDREA GERA DE PETRI


PAUL MERECIECA


VICTOR SPITERI

LEGAL ADVISERS TO THE ISSUER

SPONSOR & MANAGER

REGISTRAR

MAMO TCV
ADVOCATES

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING

BOV
Bank of Valletta

IMPORTANT INFORMATION

This Securities Note, forming part of the Prospectus, contains information on an issue by the Issuer, Eden Finance p.l.c., of €40,000,000 Unsecured Bonds due 2027 having a nominal value of €100 per Bond, guaranteed by the Guarantor, Eden Leisure Group Limited. The Bonds will be issued at par and bear interest at the rate of 4% per annum payable annually on 28 April of each year, until the Redemption Date. The nominal value of the Bonds will be repayable in full at maturity on the Redemption Date unless otherwise previously repurchased for cancellation.

This Securities Note contains information about the Issuer, the Guarantor and the Bonds in accordance with the requirements of the Listing Rules, the Companies Act, and the Commission Regulation.

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 Bonds of the Issuer other than those contained in the Prospectus and in the documents referred to herein, and if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Guarantor or their respective directors or advisers.

The Prospectus does not constitute, and may not be used for purposes of, an offer or invitation to subscribe for Bonds 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 Prospectus and the offering, sale or delivery of any securities 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 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 applicants for any securities that may be issued by the Issuer should inform themselves as to the legal requirements of applying for any such securities and any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile.

Save for the issue in the Republic of Malta, no action has been or will be taken by the Issuer that would permit a public offering of the Bonds or the distribution of the Prospectus (or any part thereof) or any offering material in any country or jurisdiction where action for that purpose is required. In relation to each member state of the European Economic Area (other than Malta) which has implemented Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as subsequently amended, or which, pending such implementation, applies article 3.2 of said Directive, the Bonds can only be offered to “Qualified Investors” (as defined in said Directive) as well as in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of said 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.

All the advisers to the Issuer and Guarantor named under the heading “Advisers” and “Statutory Auditors” in sections 4.1 and 4.2 respectively of this Securities Note have acted and are acting exclusively for the Issuer and Guarantor in relation to this issue and have no contractual, fiduciary or other obligation towards any other person and will accordingly not be responsible to any investor or any other person whomsoever in relation to the transactions proposed in the Prospectus.

The contents of the Issuer's and Guarantor's websites or any website directly or indirectly linked to the Issuer's and 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.

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.

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.

Statements made in the Prospectus are, except where otherwise stated, based on the law and practice currently in force in Malta and are subject to changes therein.

A copy of this document has been submitted to the Listing Authority in satisfaction of the Listing Rules, the Malta Stock Exchange in satisfaction of the Malta Stock Exchange Bye-Laws and has been duly filed with the Registrar of Companies, in accordance with the Companies Act.

INFORMATION REGARDING CONSENT BY THE ISSUER AND ITS DIRECTORS TO THE USE OF THE PROSPECTUS IN THE EVENT OF ANY RESALE OR FINAL PLACEMENT OF BONDS BY AUTHORISED FINANCIAL INTERMEDIARIES

The Issuer and its directors consent to the use of this Prospectus (and accept responsibility for the information contained therein) with respect to any subsequent resale or final placement of Bonds by any of the Authorised Financial Intermediaries, in circumstances where there is an offer of securities to the public which requires the publication of a prospectus in terms of the Prospectus Directive, provided this is limited only:

- i. to any resale or final placement of Bonds taking place in Malta; and
- ii. to any resale or final placement of Bonds taking place within the period of 60 days from the date of the Prospectus.

Neither the Issuer nor its directors nor the Sponsor & Manager have any responsibility for any of the actions of any Authorised Financial Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale or final placement of Bonds.

Other than as set out above, neither the Issuer nor its directors nor the Sponsor & Manager have authorised (nor do they authorise or consent to the use of this Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or its directors or the Sponsor & Manager and neither the Issuer nor its directors nor the Sponsor & Manager has any responsibility or liability for the actions of any person making such offers.

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

No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Prospectus. If given or made, it must not be relied upon as having been authorised by the Issuer or its directors or Sponsor & Manager. The Issuer and its directors do not accept responsibility for any information not contained in this Prospectus.

In the event of a resale or final placement of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale or final placement at the time such is made.

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

Any Authorised Financial Intermediary using this Prospectus in connection with a resale or final placement of Bonds subsequent to the Bond Issue shall from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale or final placement in accordance with the consent of the Issuer and its directors and the conditions attached thereto.

Any new information with respect to Authorised Financial 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.edenleisure.com

The consent provided herein shall no longer apply following the lapse of a period of 60 days from the date of the Prospectus.

FORWARD LOOKING STATEMENTS

This Securities Note may contain "forward looking statements" which include, among others, statements concerning 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/or Guarantor's directors. No assurance is given that future results or expectations will be achieved.

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1 DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document forming part of the Prospectus.

Applicant	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 and delivering same to any of the Authorised Financial Intermediaries;
Application Form/s	the forms of application of subscription for Bonds, specimens of which are contained in Annex III of this Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex II of this Securities Note;
Bond(s)	the 4% bonds due 28 April 2027 being issued pursuant to this Prospectus having a nominal value of €100 each for an aggregate principal amount of €40,000,000;
Bondholder	a holder of Bonds;
Bond Conditions	the terms and conditions applicable to the Bonds set out in section 11 under the heading “Terms and Conditions of the Bonds” of this Securities Note;
Bond Exchange Programme	the bond exchange programme set out in section 8.5 under the heading “Bond Exchange Programme” of this Securities Note;
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;
Commission Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as subsequently amended;
Companies Act	the Companies Act (Cap. 386 of the Laws of Malta);
Company or Issuer	Eden Finance p.l.c., a company registered in Malta with registration number C 26843;
CSD	the Central Securities Depository of the Malta Stock Exchange, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Cut-Off Date	close of business of 27 March 2017 (trading session of 23 March 2017);
Eden Group Stakeholders	the shareholders, directors and employees of any company forming part of the Eden Group as at the Cut-Off Date;
Euro or €	the lawful currency of the Republic of Malta;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, and bearing company registration number C 42525;
Exchangeable Bonds	the €13,984,000 6.6% bonds 2017-2020 (ISIN: MT0000141219) issued by the Issuer pursuant to a prospectus dated 10 May 2010;
Existing Bondholder/s	existing holders of the Exchangeable Bonds as held on the Cut-Off Date;
Group or Eden Group	the Guarantor and the subsidiary companies of the Guarantor and the term “Group Company” shall be construed accordingly;

Guarantee	the corporate guarantee given by the Guarantor, laid out in Annex I of this Securities Note and the Bond Conditions;
Interest Payment Date	28 April of each year between and including each of the years 2018 and 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;
Listing Authority	the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta);
Listing Rules	the listing rules of the Listing Authority;
Offer Period	the period between 30 March 2017 and 19 April 2017 during which time the Bonds are on offer for Existing Bondholders and the period between 3 April 2017 and 19 April 2017 during which time the Bonds are on offer for Eden Group Stakeholders;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Placement Agreements	the agreements dated 17 March 2017 between the Issuer and each of Charts Investment Management Service Limited, Calamatta Cuschieri & Co Ltd and Bank of Valletta p.l.c. to subscribe for Bonds in accordance with section 8.3 of this Securities Note;
Prospectus	collectively the Summary Note, the Registration Document and this Securities Note (each as defined in this Securities Note);
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as subsequently amended;
Redemption Date	28 April 2027;
Redemption Value	the nominal value of each Bond (€100 per Bond);
Registration Document	the registration document issued by the Issuer dated 27 March 2017, forming part of the Prospectus;
Securities Note	this document in its entirety;
Sponsor & Manager	Charts Investment Management Service Limited, an authorised financial intermediary licensed by the Malta Financial Services Authority and a Member of the MSE;
Summary Note	the summary note issued by the Issuer dated 27 March 2017, forming part of the Prospectus.

2 RISK FACTORS

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE.

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. 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 OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR GUARANTOR OR THE SPONSOR & MANAGER OR AUTHORISED FINANCIAL 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.

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

2.1 SUITABILITY OF INVESTMENT

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus. Authorised Financial Intermediaries are to determine the suitability, or otherwise, of prospective investors' investment in the Bonds before making an investment decision. Prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. Authorised Financial Intermediaries should determine, in particular, whether each prospective investor:

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

2.2 RISKS RELATING TO THE BONDS

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

Trading and Liquidity

There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to re-sell his Bonds at or above the Bond Issue Price or at all. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on a number of factors including the presence in the market place of willing buyers and sellers of the Issuer's Bonds at any given time, which presence is dependent upon the individual decisions of investors 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. These factors include 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. 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.

Interest Rate Risk

Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Changes in Laws and Regulations

The Bonds are based on the requirements of the Listing Rules of the Listing Authority, the Companies Act and the Commission Regulation in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of this Prospectus.

Amendments to the Bond Conditions

The Bond Conditions contain provisions in section 11 for calling meetings of Bondholders in the event that the Issuer wishes to amend any of the Bond Conditions. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

2.3 RISKS RELATING TO RANKING

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 said Bonds by the Guarantor. The Bonds 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 to 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, if any.

Furthermore, subject to the negative pledge clause (section 11.5 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 and of the Guarantor, as the case may be, for so long as such security interests remain in effect.

In terms of article 1995 of the Civil Code (Cap. 16 of the laws of Malta), the property of a debtor is the common guarantee of his creditors, all of whom have an equal right over such property, unless there exist between them lawful causes of preference. Privileges and hypothecs are "lawful causes of preference". Accordingly any debts which are secured by privileges, whether existing now or which may come into existence in the future would rank according to the order set out by law, and debts which are secured by hypothecs would rank according to the date of registration.

2.4 RISKS RELATING TO THE GUARANTEE

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 said Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds is dependent upon and directly linked to the financial position and solvency of the Guarantor, such that the level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantor.

3 PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer and the Guarantor. All of the directors of the Issuer, whose names appear under the sub-heading “Persons Responsible” in section 3.1 of the Registration Document, accept responsibility for the information contained herein.

To the best of the knowledge and belief of the Directors of the Issuer, 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 accept responsibility accordingly.

4 ADVISERS AND AUDITORS

4.1 ADVISERS

Legal Advisers

Mamo TCV Advocates
Palazzo Pietro Stiges
103, Strait Street
Valletta VLT 1436, Malta

Sponsor & Manager

Charts Investment Management Service Limited
Valletta Waterfront, Vault 17
Pinto Wharf
Floriana FRN 1913, Malta

Registrar

Bank of Valletta p.l.c.
BOV Centre
Cannon Road,
Santa Venera SVR 9030, Malta

Financial Advisers

Deloitte Audit Limited
Deloitte Place
Mriehel Bypass
Mriehel BKR 3000, Malta

4.2 STATUTORY AUDITORS

VCA Certified Public Accountants
Finance House
Princess Elizabeth Street
Ta' Xbiex XBX 1102, Malta

5 ESSENTIAL INFORMATION

5.1 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which includes Bank of Valletta p.l.c., Charts Investment Management Service Limited and the latter's sister company Mediterranean Bank plc.), and any fees payable in connection with the Bond Issue to Bank of Valletta p.l.c. as Registrar and Charts Investment Management Service Limited as Sponsor & Manager, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

5.2 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The proceeds from the Bond Issue, net of Bond Issue expenses, are expected to amount to *circa* €39,450,000. However, the value of Bonds acquired by Existing Bondholders by virtue of the Bond Exchange Programme detailed in section 8.5 of this Securities Note will not be paid in cash. The net proceeds will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of up to €13,984,000 of the net proceeds, less the value of Bonds acquired through the Bond Exchange Programme, shall be used for the purpose of redeeming any Exchangeable Bonds remaining in issue as at 16 June 2017, being the first early date of redemption of the Exchangeable Bonds;
- (ii) the amount of *circa* €14,900,000 shall be used to repay bank facilities granted by HSBC Bank Malta as to *circa* €13,000,000 and Lombard Bank Malta as to *circa* €1,900,000, which funds were applied for the purpose of part-financing the capital expenditure described in section 5.4.2 of the Registration Document, including the acquisition of the property intended for the development of the Holiday Inn Express, the construction of 30 upmarket suites and the total conversion of the existing 24 hotel suites, and the development of the InterContinental Arena & Conference Centre;
- (iii) the amount of *circa* €7,400,000 shall be used to part finance various redevelopment and refurbishment works relating to the Group's properties including the completion of the Holiday Inn Express; and
- (iv) the remaining balance of €3,166,000 shall be used for general corporate funding purposes of the Group.

5.3 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €550,000 and shall be borne by Issuer. There is no particular order of priority with respect to such expenses.

6 OFFER STATISTICS

Issuer:	Eden Finance p.l.c., a company registered in Malta with registration number C 26843;
Guarantor:	Eden Leisure Group Limited, a company registered in Malta with registration number C 4529;
Issue:	4% Unsecured Bonds due 2027;
ISIN:	MT0000141227;
Amount:	€40,000,000;
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;
Denomination:	Euro (€);
Minimum amount per Subscription	Minimum of €2,000 and multiples of €100 thereafter;
Redemption Date:	28 April 2027;
Bond Issue Price:	At par (€100 for each Bond);
Status of the Bonds:	The Bonds constitute the general, direct, unconditional and (subject to the provisions of section 11.5 below) unsecured obligations of the Issuer and shall rank <i>pari passu</i> , without any priority or preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer;
Guarantee:	The Guarantor is standing surety jointly and severally with the Issuer, and undertakes to effect the due and punctual performance of all payment obligations undertaken by the Issuer under the Bonds if the Issuer fails to do so;
Negative Pledge:	The Bonds will contain a negative pledge clause binding both the Issuer and the Guarantor (section 11.5 of this Securities Note);
Listing:	The Listing Authority has approved the Bonds for admissibility to listing. Application has been made to the MSE for the Bonds to be listed and traded on its Official List;
Offer Period:	The period between 30 March 2017 and 19 April 2017 during which time the Bonds are on offer for Existing Bondholders and the period between 3 April 2017 and 19 April 2017 during which time the Bonds are on offer for Eden Group Stakeholders;
Interest:	4% per annum for each of the Bonds;
Yield:	The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at maturity is 4% for each of the Bonds;
Interest Payment Date(s):	Annually on 28 April as from 28 April 2018 (the first interest payment date);
Redemption Value:	At par (€100 for each Bond);
Sponsor & Manager:	Charts Investment Management Service Limited;
Registrar:	Bank of Valletta p.l.c.;
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 registered address and posted;
Governing Law of Bonds:	The Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts.

7 EXPECTED TIMETABLE

1.	Application Forms mailed to Existing Bondholders as at the Cut-Off Date	29 March 2017
2.	Application Forms available to Eden Group Stakeholders as at the Cut-Off Date	3 April 2017
3.	Closing date for applications to be received from Existing Bondholders and Eden Group Stakeholders	12.00 hours on 19 April 2017
4.	Private placements	21 April 2017
5.	Commencement of interest on the Bonds	28 April 2017
6.	Expected date of announcement of basis of acceptance	28 April 2017
7.	Refunds of unallocated monies	8 May 2017
8.	Expected date of notification of registration	8 May 2017
9.	Expected date of admission of the Bonds to listing	9 May 2017
10.	Expected date of commencement of trading in the Bonds	10 May 2017

8 DETAILS OF THE OFFER AND ADMISSION TO TRADING

8.1 THE BOND ISSUE

The Issuer is issuing 4% Unsecured Bonds due 2027 for an aggregate principal amount of €40,000,000, guaranteed by the Guarantor. The Bonds, having a nominal value of €100 each, will be issued at par and shall bear interest at the rate of 4% per annum payable annually in arrears on 28 April of each year, the first such payment to be made on 28 April 2018. The Bonds, unless previously purchased and cancelled, will be redeemed on 28 April 2027.

8.2 DISTRIBUTION, OFFER PERIOD AND ALLOTMENT

The Issuer has reserved an aggregate amount of Bonds amounting to €1 million for subscription by Eden Group Stakeholders during the period between 3 April 2017 and 19 April 2017 and €15 million for subscription by Existing Bondholders during the period between 30 March 2017 and 19 April 2017. In the event that the amounts reserved for Eden Group Stakeholders and Existing Bondholders are not fully taken up, the unutilised portion of each of the reserved amounts shall be subscribed for by Charts Investment Management Service Limited on 21 April 2017 in terms of the conditional placement agreement described in section 8.3 below.

If subscriptions exceed either or both of the reserved portions referred to hereinabove, the unsatisfied excess amounts relative to such Applications will be returned by direct credit to the account number indicated on the respective Application Form within five (5) Business Days from the date of final allocation.

Existing Bondholders and Eden Group Stakeholders may apply for the Bonds by completing Application Form 'A' and Application Form 'B' respectively. The completed Application Form is to be lodged with any of the Authorised Financial Intermediaries by not later than 12.00 hours on 19 April 2017. Submission of Application Form 'A' by Existing Bondholders must be accompanied by the Cash Top-Up referred to in section 8.5, where applicable, and/or an amount representing the difference between the full price of the amount of Bonds applied for and the nominal value of the Exchangeable Bonds being surrendered through the Bond Exchange Programme. Submission of Application Form 'B' by Eden Group Stakeholders must be accompanied by the full price of the Bonds applied for. Payment must be made in Euro and in cleared funds, and may be made in cash or by cheque payable to "The Registrar – Eden Bond Issue".

The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000 and any subscription thereafter must be in multiples of €100. Application for subscription to the Bonds may be made through any of the Authorised Financial Intermediaries listed in Annex II of this Securities Note.

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 (Cap. 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.

8.3 PLACING ARRANGEMENTS

On 17 March 2017, the Issuer entered into a conditional placement agreement with each of Charts Investment Management Service Limited, with address at Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, Calamatta Cuschieri & Co Ltd, with address at Valletta Buildings, Fifth Floor, South Street, Valletta VLT 1103, Malta, and Bank of Valletta p.l.c. with address at BOV Centre, Cannon Road, St Venera SVR 9030, Malta, for the subscription of an aggregate amount of €24 million in the Bonds on 21 April 2017.

In terms of the Placement Agreements, the Issuer bound itself to issue, and Charts Investment Management Service Limited, Calamatta Cuschieri & Co Ltd and Bank of Valletta p.l.c. bound themselves to subscribe for, the amount of €7 million, €6 million and €11 million respectively in the Bonds, subject to:

- a. the Prospectus being approved by the Listing Authority; and
- b. the Bonds being admitted to trading on the Official List.

Furthermore, Charts Investment Management Service Limited bound itself to subscribe to any Bonds reserved for Eden Group Stakeholders and Existing Bondholders which are not taken up by the closing of the Offer Period.

In terms of the Placement Agreement, each of Charts Investment Management Service Limited, Calamatta Cuschieri & Co Ltd and Bank of Valletta p.l.c. may subscribe for Bonds for its own account or for the account of underlying customers, including retail customers, and shall in addition be entitled to either:

- a. distribute to the underlying customers any portion of the Bonds subscribed for upon commencement of trading; or
- b. instruct the Issuer and the Registrar to issue a portion of the Bonds subscribed by it directly to its underlying customers.

8.4 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 €13,984,000 shall be allocated to Existing Bondholders applying for Bonds by way of the Bond Exchange Programme in accordance with section 8.5 below, subject to a minimum amount of €2,000, and in multiples of €100 thereafter;
- (ii) Up to an amount equivalent to €15,000,000 less the value of the Bonds allocated by way of the Bond Exchange Programme pursuant to (i) above, shall be allocated to Existing Bondholders in respect of any additional Bonds applied for over and above their entitlement under the Bond Exchange Programme without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar. Any unsatisfied excess amounts relative to such Applications will, following scaling down by the Issuer (acting through the Registrar) of the relative Applications, be returned by direct credit to the account number indicated on Application Form 'A' within five (5) Business Days from the date of final allocation;
- (iii) Up to an aggregate amount of €1,000,000 shall be allocated to Eden Group Stakeholders, without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar. Any unsatisfied excess amounts relative to such Applications will, following scaling down by the Issuer (acting through the Registrar) of the relative Applications, be returned by direct credit to the account number indicated on Application Form 'B' within five (5) Business Days from the date of final allocation;

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- (iv) The amount equivalent to €7,000,000 together with any amounts which were reserved for Existing Bondholders and Eden Group Stakeholders (detailed in para (i), (ii) and (lii) above) but which were not fully taken up, shall be allocated to Charts Investment Management Service Limited pursuant to the conditional placement agreement referred to in section 8.3 above;
 - (v) The amount equivalent to €6,000,000 and €11,000,000 shall be allocated to Calamatta Cuschieri & Co Ltd and Bank of Valletta p.l.c. respectively pursuant to the conditional placement agreement referred to in section 8.3 above.

The Issuer will announce the allocation policy for the allotment of the Bonds through a company announcement within five (5) Business Days of the closing of the placing arrangements.

8.5 BOND EXCHANGE PROGRAMME

Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds that they apply for by transferring to the Issuer part or all of the Exchangeable Bonds held by them as at the Cut-Off Date, at par value, subject to a minimum holding of €2,000 in Bonds. Any Existing Bondholders whose holding in Exchangeable Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A' ("**Cash Top-Up**").

Existing Bondholders transferring all of the Exchangeable Bonds held by them as at the Cut-Off Date may apply for an amount of Bonds in excess of the amount of Exchangeable Bonds being transferred. In such case the holders of Exchangeable Bonds may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of their Application Form 'A'.

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

- (i) to confirm that all or part (as the case may be) of the said Exchangeable Bonds as indicated in the Application Form 'A' are to be transferred in the Issuer's favour for cancellation; and
- (ii) as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Bondholder.

Any Existing Bondholder wishing to surrender and cancel all or part of their Exchangeable Bonds in exchange of the Bonds shall only be entitled to do so during the Offer Period.

The Bond Exchange Programme shall be without prejudice to the rights of the holders of Exchangeable Bonds to receive interest on the Exchangeable Bonds up to and including 15 June 2017. The Issuer will settle the difference between the interest rate applicable to the Exchangeable Bonds (6.6%) and the interest rate of 4% applicable to the Bonds, from 28 April 2017 up to and including 15 June 2017, being the day prior to the Exchangeable Bonds Redemption Date, to all persons holding Exchangeable Bonds who would have submitted their Application Form 'A' by not later than 12.00 hours on 19 April 2017 and, consequently, exercising their option to subscribe for Bonds and settle the consideration for Bonds by transferring their Exchangeable Bonds to the Issuer as mentioned above.

8.6 REFUNDS

In the event that an Existing Bondholder applying for a number of Bonds exceeding in value the aggregate nominal value of Exchangeable Bonds held by him/her as at the Cut-Off Date has been allocated a number of Bonds which is less than the additional Bonds applied for, then such Existing Bondholder shall receive a refund of the price of the Bonds applied for but not allocated.

As to Applications received from Eden Group Stakeholders, if any such Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, the Application monies or the balance of the amount paid on Application will be returned by the Registrar.

Such refunds shall be without interest and shall be made by direct credit into the Applicant's bank account as indicated by the Applicant on the relevant Application Form, at the Applicant's sole risk by latest 8 May 2017. Neither the Issuer nor the Registrar will be responsible for any charges, loss or delays in transmission of the refunds.

8.7 ADMISSION TO TRADING

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 27 March 2017.

Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List.

The Bonds are expected to be admitted to the MSE with effect from 9 May 2017 and trading is expected to commence on 10 May 2017.

9 INFORMATION CONCERNING THE BONDS

9.1 DESCRIPTION OF THE BONDS

Once issued, the Bonds shall constitute the debt obligations of the Issuer that bind the Issuer to pay to the Bondholders interest on each Interest Payment Date and the nominal value of the Bonds on the Redemption Date. The Bonds shall be issued at a nominal value of €100 for each Bond. The Bonds have been created in terms of the Companies Act. The issue of the Bonds is being made in accordance with the requirements of the Listing Rules, the Companies Act, and the Commission Regulation.

The Bonds will be issued in dematerialised form, and following admission of the Bonds to the Official List of the Malta Stock Exchange, the Bonds shall be held in book-entry form by the CSD of the Malta Stock Exchange.

Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0000141227.

9.2 CURRENCY OF THE BOND ISSUE

The currency of the Bonds is euro (€).

9.3 RIGHTS ATTACHING TO THE BONDS

There are no special rights attached to the Bonds other than those arising from the Bond Conditions which, in summary, include but are not limited to:

- (i) the repayment of capital;
- (ii) the payment of interest;
- (iii) negative pledge;
- (iv) attending, participating in and voting at meetings of Bondholders; and
- (v) enjoying all such other rights attached to the Bonds emanating from this Prospectus.

9.4 RANKING OF THE BONDS

The Bonds constitute the general, direct, unconditional and (subject to the provisions of section 11.5 of this Securities Note) unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest and the principal amount under said Bonds by the Guarantor. The Bonds shall rank *pari passu*, without any priority or preference among themselves and with other unsecured and unsubordinated debt of the Issuer and Guarantor, present and future. They shall rank subsequent to any prior ranking indebtedness of the Issuer, if any.

Furthermore, subject to the negative pledge clause set out in section 11.5 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 and Guarantor, as the case may be, for so long as such security interests remain in effect. 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 31 December 2016 amounted to €49.4 million, and includes bank loans, corporate bonds and other borrowings from related parties. The bank borrowings included hereunder are secured by privileges, hypothecs and other security. The indebtedness being created by the Bonds, together with other issued unsecured bonds, rank after all 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.

Eden Leisure Group Limited Consolidated Borrowings

	As at 31 Dec 2016 €'000	Post Bond Issue €'000
Secured borrowings:		
Bank overdrafts	3,482	3,482
Bank loans	31,032	16,132
	34,514	19,614
Unsecured borrowings:		
6.6% bonds 2017-2020	13,872	-
4% Unsecured Bonds 2027	-	40,000
Other financial liabilities	1,000	1,000
	14,872	41,000
Total borrowings	49,386	59,614

In terms of section 5.2 of this Securities Note, Bond Issue proceeds amounting to *circa* €14.9 million shall be used to reduce the balance of bank loans of €31.0 million to *circa* €16.1 million.

9.5 NEGATIVE PLEDGE

The Bonds and the Guarantee contain a negative pledge clause.

9.6 TRANSFERABILITY OF THE BONDS

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in multiples of €100 in accordance with the rules, regulations and procedures of the MSE applicable from time to time. Further information on the transferability of the Bonds is provided in section 11.10 of this Securities Note.

9.7 INTEREST

The Bonds shall accrue interest at the rate of 4% per annum, payable annually in arrears on each Interest Payment Date. Interest shall accrue as from 28 April 2017. The first Interest Payment Date shall be 28 April 2018 (covering the period 28 April 2017 to 27 April 2018). Further information is provided in section 11.6 of this Securities Note.

In terms of article 2156 of the Civil Code (Cap. 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 years.

9.8 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 four per cent (4%).

9.9 MATURITY AND REDEMPTION

The Bonds shall become due for redemption on 28 April 2027. Redemption of the Bonds shall be made at the nominal value of the Bonds. In addition, the Issuer reserves the right to purchase and cancel Bonds from the market at any time after issue.

9.10 AUTHORISATIONS AND APPROVAL

The board of directors of the Issuer and Guarantor authorised the Bond Issue and the publication of the Prospectus pursuant to a board of directors' resolution passed on 15 February 2017.

9.11 EXPECTED ISSUE DATE OF THE BONDS

The expected issue date of the Bonds is 9 May 2017.

10 TAXATION

10.1 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 disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable 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.

10.2 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 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 person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta). 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 as special rules may apply.

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. No person shall be charged to further tax in respect of such income.

In the case of a valid election made 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 Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. 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.

10.3 EXCHANGE OF INFORMATION

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State and third country reporting jurisdictions 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 and other participating jurisdictions where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The automatic exchange of information, namely details of certain financial account information in respect of account holders, and, in some case, beneficial holders thereof, extends also to jurisdictions that are not EU Member States (participating jurisdictions) with which there is a relevant arrangement in place.

10.4 FOREIGN ACCOUNT TAX COMPLIANCE ACT

The United States (US) enacted the Foreign Account Tax Compliance Act, 2010 (FATCA) that generally imposes a reporting regime and withholding requirements with respect to certain US source payments (including dividends and interest), gross proceeds from the disposition of property that can produce US source interest and dividends and certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The US entered into an intergovernmental agreement with Malta on 6 December 2013 regarding the implementation of FATCA. Payments effected by the Issuer on or with respect to the Bonds are not expected to be subject to withholding under FATCA except to the extent that any Bondholder fails to comply with its obligations under FATCA. However, FATCA may affect payments made to custodians or intermediaries, if any, in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It may also affect payments to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Bondholders should choose any custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. The Issuer's obligations under the Bonds are discharged once it has effected payment as stipulated in this Prospectus and therefore the Issuer has no responsibility for any amount thereafter transmitted through the payment chain.

FATCA require participating financial institutions, as defined, to satisfy applicable due diligence and reporting requirements in terms of the intergovernmental agreement entered into by Malta together with the relevant regulations and guidelines issued by the Commissioner for Revenue. Consequently, certain confidential information in relation to the Bondholders and/or other relevant persons may be reported to the Commissioner for Revenue and automatically exchanged pursuant to these requirements.

FATCA is rather complex and each Bondholder should consult his own tax advisor to obtain a more detailed explanation of FATCA and to determine how it might affect such holder in his specific circumstance.

10.5 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", no tax on capital gains is chargeable in Malta in respect of transfer of the Bonds.

10.6 DUTY ON DOCUMENTS AND TRANSFERS

In terms of article 50 of the Financial Markets Act (Cap. 345 of the laws of Malta) as the Bonds constitute financial instruments of a company quoted on a regulated market Exchange, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese duty.

INVESTORS AND PROSPECTIVE INVESTORS ARE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND ANY FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF BONDS AS WELL AS INTEREST PAYMENTS MADE BY THE ISSUER. THE ABOVE IS A SUMMARY OF THE ANTICIPATED TAX TREATMENT APPLICABLE TO THE BONDS AND TO BONDHOLDERS. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO BONDHOLDERS WHO DO NOT DEAL IN SECURITIES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.

11 TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions, which will be applicable to the Bonds (the “**Bond Conditions**”). Each Bondholder and any person claiming through or under a Bondholder is deemed to have notice and knowledge of, and is bound by, these Bond Conditions.

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

11.1 GENERAL

Each Bond forms part of a duly authorised issue of 4% Bonds 2027 having a nominal value of €100 per Bond, issued by the Issuer at par for an aggregate amount of €40,000,000 (except as otherwise provided in section 11.12 of this Securities Note). The currency of the Bonds is Euro (€).

11.2 REGISTRATION, FORM, DENOMINATION, TITLE AND PRICING

- i. The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription they will be issued for a minimum of €2,000 for each individual Bondholder. Authorised Financial Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.
- ii. On subscription, the Bonds are being offered at par, that is, at €100 per Bond.
- iii. If and for so long as the Bonds are admitted to listing on the MSE, the Bonds will be issued in dematerialised form and shall accordingly be evidenced by a book-entry in the register of Bondholders held by the CSD of the Malta Stock Exchange or as may be stipulated by the MSE Bye-Laws from time to time. The said register will be kept at the Central Securities Depository of the MSE or as may be stipulated by, and in accordance with, the MSE Bye-Laws.
- iv. A copy of such register will at all reasonable times during business hours be open to the inspection of the Bondholders at the registered office of the Issuer for the purpose of the Bondholders inspecting information held on their respective account.
- v. The nominal value of each Bond is being established to facilitate trading therein. The bonds, and the transfer thereof, shall be registered as provided under section 11.10 below.
- vi. A person in whose name a Bond shall be registered shall (to the fullest extent permitted by law) be treated at all times and for all purposes (including the making of any payments) as the

absolute owner of such Bond regardless of any notice of ownership or trust. Title to the Bonds may be transferred as provided below under the heading “Replacement, Transfer and Exchange” in section 11.10 of this Securities Note.

11.3 STATUS OF THE BONDS

The Bonds constitute the general, direct, unconditional and (subject to the provisions of section 11.5 of this Securities Note) unsecured obligations of the Issuer. They shall rank *pari passu* without any priority or preference among themselves and with all other present and future unsecured and unsubordinated obligations of the Issuer.

11.4 GUARANTEE

- i. The Guarantor hereby stands surety jointly and severally with the Issuer and irrevocably and unconditionally undertakes to effect 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.
- ii. The obligations under the Guarantee 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.
- iii. 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 the Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.
- iv. 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 the Guarantee, gives rise to a separate and independent obligation from the other obligations in the Guarantee and gives rise to a separate and independent cause of action.
- v. The obligation of the Guarantor under the Guarantee constitutes a general, direct, unconditional and (subject to the provisions of section 11.5 of this Securities Note) unsecured obligation of the Guarantor and ranks equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.
- vi. The instrument creating the Guarantee shall be held by the Issuer at its registered address for the benefit of the Bondholders. Until such time as all obligations of the Guarantor have been discharged in full, every Bondholder shall have the right to obtain a copy thereof.
- vii. Until all amounts which may be payable under the terms of the Bonds have been paid in full, the Guarantor shall not by virtue of the Guarantee be subrogated to any rights of any Bondholder or claim in competition with the Bondholders against the Issuer.

11.5 NEGATIVE PLEDGE

The Issuer and Guarantor undertake, 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 and Guarantor, 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 or the Guarantor;

“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 Guarantor 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 and Guarantor being less than one hundred and four per cent (104%) of the aggregate principal amount of the Bonds still outstanding;

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

11.6 INTEREST

- i. The Bonds shall bear interest from and including 28 April 2017 at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 28 April 2018 (covering the period 28 April 2017 to 27 April 2018).
- ii. 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.
- iii. Each Bond will cease to bear interest from and including its due date of redemption unless payment of the principal in respect of their Bond is improperly withheld or refused or unless default is otherwise made in respect of such payment, in which event interest shall continue to accrue at the applicable rate specified above.
- iv. 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.

11.7 PAYMENTS

- i. Payment of the principal amount of a Bond, with interest accrued up to the Redemption Date, will be made in Euro by or on behalf of the Issuer to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the Redemption Date, by direct credit 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 loss or delay in transmission or any charges in connection therewith.
- ii. In the case of Bonds held subject to usufruct, payment of the principal amount 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.

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- iii. Payment of interest on a Bond will be made in Euro by or on behalf of the Issuer to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the Interest Payment Date, by direct credit 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 loss or delay in transmission or any charges in connection therewith.
 - iv. All payments are subject in all cases to any pledge, duly constituted, of the Bonds, and to any applicable fiscal or other laws and regulations. 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 governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or on behalf of the Government of Malta or authority thereof or therein having power to tax.
 - v. No commissions or expenses shall be charged by the Issuer to Bondholders in respect of payments made in accordance with this section 11.7. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

11.8 REDEMPTION AND PURCHASE

- i. Unless previously purchased and cancelled as provided below, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 28 April 2027 (the “Redemption Date”).
- ii. All Bonds so redeemed will be cancelled forthwith and may not be re-issued or re-sold.
- iii. The Issuer and any Group Company may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased by the Issuer will be cancelled forthwith and may not be re-issued or re-sold. All Bonds so purchased by any Group Company may be held or re-sold at the discretion of the relevant purchaser. The Bonds so purchased, while held by or on behalf of any Group Company, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of these Bond Conditions, including, without limitation, for the purposes of section 11.11 of this Securities Note.

11.9 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 or, in the event of default by the Issuer, the Guarantor, 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; or
- ii. the Issuer and/or the Guarantor duly fails to perform or shall otherwise be in breach of any other material obligation contained in the Bond Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer and/or the Guarantor by any Bondholder; 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 the Guarantor; or
- iv. the Issuer and/or the Guarantor stop or suspend payments (whether of principal or interest) with respect to all or any class of their debts or announce an intention to do so or cease or threaten to cease to carry on their business or a substantial part of their business; or

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- v. the Issuer and/or the Guarantor are unable, or admit in writing their inability, to pay their debts as they fall due or otherwise become insolvent; or
 - vi. there shall have been entered against the Issuer and/or the Guarantor 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 two million Euro (€2,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
 - vii. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in section 11.5 above) of the Issuer and/or the Guarantor in excess of two million Euro (€2,000,000) or its equivalent at any time.

11.10 REPLACEMENT, TRANSFER AND EXCHANGE

- i. The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in multiples of €100 in accordance with the rules, regulations and procedures of the MSE applicable from time to time.
- ii. 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.
- iii. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- iv. The cost and expenses of effecting any exchange or registration of transfer or transmission except for the expenses of delivery by regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Bondholder.
- v. 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.

11.11 RESOLUTIONS AND MEETINGS OF BONDHOLDERS

- i. 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 and to effect any change to the applicable Bond Conditions, including any change to a material term of issuance of the Bonds or the Prospectus.
- ii. No change to the Bond Conditions may be made unless such decision is made at a meeting of Bondholders duly convened and held.
- iii. A meeting of Bondholders shall be called by the directors of the Issuer 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 section 11.11 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

- iv. 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 of the Issuer to the 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, 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, the adjourned meeting.
- v. 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.
- vi. Once a quorum is declared present by the chairman 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 of the Issuer 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 the 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.
- vii. The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.
- viii. The proposal placed before a meeting of Bondholders shall only be considered approved if at least 65% 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.
- ix. 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.
- x. In the event that the Bonds are listed, and for so long as the Bonds remain listed, any resolution which may be proposed shall be subject to any laws, regulations, rules or bye-laws which may be applicable from time to time.

11.12 FURTHER ISSUES

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds, debentures, debenture stock, 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.

11.13 BONDS HELD JOINTLY

In respect of a Bond held jointly by several persons (including husband and wife), the joint holders shall nominate one 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 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 whose names appear in the field entitled "Additional Applicants" in the Application Form or joint holders in the register as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

11.14 BONDS HELD SUBJECT TO USUFRUCT

In respect of a Bond held subject to usufruct, the names of all the bare owner/s and the usufructuary/ies shall be entered in the register. The usufructuary/ies shall, for all intents and purposes, be deemed vis a vis the Issuer to be the holder/s 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 continuance of the Bond/s, have the right to dispose of the Bond/s so held without the consent of the bare owner.

11.15 GOVERNING LAW AND JURISDICTION

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

Any legal action, suit or proceedings against the Issuer arising out of or in connection with the Bonds and/or the Prospectus shall be brought exclusively before the Maltese courts and the Bondholders shall, upon and by submitting an Application, acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

11.16 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 registered address and posted.

11.17 REPRESENTATIONS AND WARRANTIES OF THE ISSUER AND GUARANTOR

Each of the Issuer and the Guarantor represents and warrants to Bondholders, that shall be entitled to rely on such representations and warranties, that:

- (a) 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
- (b) 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 Bond Conditions or the Prospectus.

11.18 LISTING

The Bonds, upon issue and subscription, shall be admitted to the Official List of the MSE. Accordingly, all these Bond Conditions shall be read in conjunction with the Listing Rules of the Listing Authority and with the Bye-Laws of the MSE as applicable from time to time.

12 THE GUARANTEE

The Bond Issue is being made with the benefit of a corporate guarantee, which is laid out in Annex I of this Securities Note and the Bond Conditions. The terms and conditions of the Guarantee are laid out in the Bond Conditions.

The Guarantee is unconditional and shall cover all payments that may be due to Bondholders pursuant to the Prospectus. All relevant information about the Guarantor as required in terms of applicable law may be found in the Registration Document.

The Guarantor is also bound by a negative pledge clause, contained in section 11.5 of this Securities Note.

13 TERMS AND CONDITIONS OF THE APPLICATION

The following are the terms and conditions which are applicable to Applications (the “**Application Conditions**”). Any Applicant is deemed to have notice of, and is bound by, these Application Conditions.

- i. The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE, the Bond Exchange Programme (see section 8.5 above) shall not take effect, and 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.
- ii. Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio, 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>.
- iii. Subject to all other Application Conditions, 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.
- iv. If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, then the Applicant shall receive a refund of the price of the Bonds applied for but not allocated, the Application monies or the balance of the amount paid on Application will be returned by direct credit into the Applicant's bank account as indicated in the Application Form, within five (5) Business Days from the date of final allocation. No interest shall be due on refunds and the Issuer shall not be responsible for any charges, loss or delay in transmission.
- v. In the case of joint Applications, reference to the Applicant in these Application Conditions is a reference to each Applicant, and liability therefor is joint and several.
- vi. The consideration payable by Existing Bondholders applying for Bonds may be settled, after submitting the appropriate Application Form 'A', by the transfer to the Issuer of all or part of the Exchangeable Bonds held by such Applicant as at the Cut-Off Date, subject to a minimum application of €2,000, which transfer shall be effected at the par value of the Exchangeable Bonds. Any Existing Bondholders whose holding in Exchangeable Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A'.

Existing Bondholders, electing to subscribe for Bonds through the Bond Exchange Programme, shall be allocated Bonds for the corresponding nominal value of Exchangeable Bonds transferred to the Issuer (including cash top-up, where applicable).

The transfer of Exchangeable Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Exchangeable Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds.

Bonds applied for by Existing Bondholders through the Bond Exchange Programme shall be allocated prior to any other allocation of Bonds.

In addition to the aforesaid, Existing Bondholders transferring all of the Exchangeable Bonds held by them as at the Cut-Off Date, may apply for an amount of Bonds in excess of the amount of Exchangeable Bonds being transferred. In such a case Existing Bondholders may subscribe for additional Bonds in multiples of €100 by completing the appropriate section of the respective Application Form 'A'.

By virtue of the submission of the duly completed and signed Application Form 'A', Existing Bondholders shall be deemed:

- (i) to confirm that all or part (as the case may be) of the said Exchangeable Bonds as indicated in the Application Form are to be transferred in the Issuer's favour for cancellation; and
 - (ii) as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Bondholder.
- vii. Any person, whether natural or legal, shall be eligible to submit an Application, and any one person, whether directly or indirectly, should not submit more than one Application Form, provided that an Application Form submitted in terms of Condition (v) above shall not be counted for this purpose. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign on behalf of, and bind, such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact authorised.
- viii. 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. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest 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 interests 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.
- ix. Existing Bondholders and Eden Group Stakeholders may subscribe for Bonds by submitting Application Form 'A' and Application Form 'B' respectively.
- x. Application Form 'A' and Application Form 'B' are to be completed and submitted by not later than 12:00 hours on 19 April 2017.
- xi. Pursuant to the placing arrangements described in more detail under section 8.3 above, Authorised Financial Intermediaries named in the said section (either in their own names or in the names of clients) are to submit Application Form 'C' representing the amount they have been bound to subscribe to by not later than 14:00 hours on 21 April 2017.
- xii. The minimum subscription of the Bonds is €2,000 in value. Applications in excess of the said minimum thresholds must be in multiples of €100. The completed Application Forms are to be lodged with any of the Authorised Financial Intermediaries mentioned in this Prospectus. Submission of Application Form 'A' by Existing Bondholders must be accompanied by payment representing difference between the full price of the amount of Bonds applied for and the

nominal value of Exchangeable Bonds being surrendered. Submission of Application Form 'B' by Eden Group Stakeholders must be accompanied by the full price of the Bonds applied for.

- xiii. By completing and delivering an Application Form you (as the Applicant(s)):
- a) irrevocably offer to purchase the number of Bonds specified in your Application Form (or any smaller number for which the Application is accepted) at the Bond Issue Price subject to the Prospectus, the Bond Conditions and the Memorandum and Articles of Association;
 - b) authorise the Registrar and the directors of the Issuer to include your 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 you;
 - c) warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you 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 you make payment in cleared funds for such Bonds and such payment is accepted by the Issuer (which acceptance shall be made in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer of such late delivery of consideration in respect of such Bonds, the Issuer 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 you will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);
 - d) agree that the registration advice and other documents and any monies returnable to you may be retained pending clearance of your remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the laws of Malta), and regulations made thereunder, and that such monies will not bear interest;
 - e) agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that you submit to the jurisdiction of the Maltese Courts and agree 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;
 - f) warrant that, if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have 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 Application Conditions and undertake to submit your power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;
 - g) agree that all documents in connection with the issue of the Bonds and any returned monies including refund of all unapplied Application monies will be returned at your risk and will be returned by direct credit into the bank account as specified in the Application Form;
 - h) agree that, having had the opportunity to read the Prospectus, you have, and shall be deemed to have had, notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - i) confirm that in making such Application you are not relying on any information or representation in relation to the Issuer or the issue of the Bonds other than those contained

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- in the Prospectus and you accordingly agree 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;
- j) confirm that you have reviewed and you will comply with the restriction contained in Condition (xiv) below;
 - k) warrant that you are not under the age of eighteen (18) years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor;
 - l) agree that such Application Form is addressed to the Issuer and that in respect of those Bonds for which your Application has been accepted, you shall receive a registration advice confirming such acceptance;
 - m) confirm that in the case of a joint Application the first-named Applicant shall be deemed the holder of the Bonds;
 - n) agree to provide the Registrar and/or Issuer as the case may be, with any information which it may request in connection with your Application(s);
 - o) agree that Charts Investment Management Service Limited will not, in its capacity of Sponsor & Manager, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds and that Charts Investment Management Service Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;
 - p) warrant that, in connection with your Application, you 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 your Application in any territory and that you have not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Bond Issue or your Application;
 - q) warrant that all applicable exchange control permits and authorisations which may be applicable have been duly and fully complied with;
 - r) represent that you are not a U.S. person (as such term is defined in Regulation "S" under the U.S. Securities Act of 1933, as amended (the "Securities Act, 1933")) and that you are not accepting the invitation comprised in the Prospectus from within the United States of America, its territories or its possessions, any State of the United States of America 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, unless you indicate otherwise on the Application Form in accordance with the instructions of the Application Form.
- xiv. The Bonds have not been and will not be registered under the Securities Act, 1933 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.
- xv. 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 him nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself 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 issues, transfer or other taxes required to be paid in such territory.

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- xvi. For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008, as subsequently amended), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all information they hold about clients, pursuant to Articles 1.2(d) and 2.4 of the “Members’ Code of Conduct” appended as Appendix 3.6 of the MSE Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the laws of Malta) for the purposes, and within the terms of, the Malta Stock Exchange’s data protection and privacy policy as published from time to time.
 - xvii. Within five (5) Business Days from the closing of the Bond Issue, the Issuer shall determine and announce by way of a company announcement, the basis of acceptance of Applications and allocation policy to be adopted.
 - xviii. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Application Conditions, in the Application Form and in any other document issued pursuant to the Prospectus.

14 ADDITIONAL INFORMATION

Save for the financial analysis summary set out as Annex IV, the Securities Note does not contain any statement or report attributed to any person as an expert.

The financial analysis summary has been included in the form and context in which it appears with the authorisation of Charts Investment Management Service Limited of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana, FRN 1913, Malta, which has given and has not withdrawn its consent to the inclusion of such report herein.

Charts Investment Management Service Limited does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in the Securities Note and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

ANNEX I - THE GUARANTEE



Eden Finance p.l.c.

Eden Place, St. George's Bay, STJ 3310, Malta

Tel: (+356) 23710 100 • Fax: (+356) 23710 125

E-mail: elg@edenleisure.com • www.edenleisure.com

Co Reg Number C26843

To All Bondholders:

Reference is made to the issue of €40,000,000 4% unsecured bonds due 2027 (the "Bonds") by Eden Finance p.l.c. (the "Issuer") pursuant to and subject to the terms and conditions contained in a Prospectus to be dated 27 March 2017 (the "Prospectus").

Now, therefore, by virtue of this Guarantee, Eden Leisure Group Limited hereby stands surety jointly and severally with the Issuer and irrevocably and unconditionally undertakes to effect 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.

The terms and conditions of this Guarantee are laid out in the Bond Conditions, in particular in sections 11.4, 11.5 and 11.17 of the Securities Note.

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 the 17th day of March 2017, after approval of the board of directors of Eden Leisure Group Limited.

A handwritten signature in black ink, appearing to read 'Ian De Cesare', written over a horizontal line.

Ian De Cesare
for and on behalf of
Eden Leisure Group Limited

A handwritten signature in black ink, appearing to read 'Kevin De Cesare', written over a horizontal line.

Kevin De Cesare
for and on behalf of
Eden Leisure Group Limited

ANNEX II - AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
APS Bank Ltd	APS Centre, Tower Road, Birkirkara BKR 4012	25603000
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	25688130
Charts Investment Management Service Ltd	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	21224106
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
Financial Planning Services Ltd	4, Marina Court No. 1, G. Cali Street, Ta' Xbiex XBX 1421	21344244
FINCO Treasury Management Ltd	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	21220002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta'Xbiex XBX 1403	21342342
Hogg Capital Investments Ltd	Ferris Building, Level 4, 1, St Luke's Road, Gwardamangia, Pieta PTA 1020	21322872
Jesmond Mizzi Financial Advisors Ltd	67/3, South Street, Valletta VLT 1105	23265696
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	25581806
Mediterranean Bank plc	10, St Barbara Bastion, Valletta VLT 1961	25574860
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2550	21554492
MZ Investment Services Ltd	55, MZ House, St Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	22583000

ANNEX III - SPECIMEN APPLICATION FORMS

Eden Finance p.l.c. €40,000,000 4% Unsecured Bonds 2027 Guaranteed by Eden Leisure Group Limited		APPLICATION FORM 'A' EXISTING BONDHOLDERS <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> Application Number </div>	
Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.			
A APPLICANT (see note 4 and 5)			
		TEL NO.	MOBILE NO. <small>(Mandatory for e-portfolio registration)</small>
<input type="checkbox"/> Please register me for e-portfolio			
<p>This Application Form is not transferable and entitles you to a preferential treatment as holder of Eden Finance p.l.c. 6.6% Bonds 2017/2020 (the "Exchangeable Bonds") and is to be submitted as a method of payment where the Applicant elects to apply for the Eden Finance p.l.c. 4% Unsecured Bonds 2027 (the "Bonds") so as to transfer to the Issuer all or part of the holding in the Exchangeable Bonds held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel B hereunder. By submitting this signed Application Form, Existing Bondholders shall be deemed:</p> <p>(i) to confirm that all or part (as the case may be) of the said Exchangeable Bonds as indicated in the Application Form are to be transferred in the Issuer's favour for cancellation; and</p> <p>(ii) as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Applicant.</p>			
B I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 4 and 6)			
BOX 1 – Nominal Value of Exchangeable Bonds		AMOUNT IN FIGURES BOX 1 €	
BOX 2 – I/We wish to purchase and acquire the amount set out in Box 2 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 27 March 2017 (minimum €2,000 and in multiples of €100 thereafter).			
AMOUNT IN WORDS		AMOUNT IN FIGURES BOX 2 €	
BOX 3 – Amount of Bonds applied for less the nominal holding in Exchangeable Bonds payable in full upon application under the Bonds Conditions set out in the Prospectus.		AMOUNT IN FIGURES BOX 3 Difference payable on Application Box 2 – Box 1 €	
C RESIDENT - WITHHOLDING TAX DECLARATION (see notes 7 and 8a) (to be completed ONLY if the Applicant is a Resident of Malta)			
<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest. <input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).			
D NON-RESIDENT – DECLARATION FOR TAX PURPOSES (see note 3, 8, 8a) (to be completed ONLY if the Applicant is a Non-Resident)			
TAX COUNTRY	CITY OF BIRTH	TIN (TAX IDENTIFICATION NO.)	
NATIONAL ID CARD / PASSPORT NO.	COUNTRY OF BIRTH	COUNTRY OF ISSUE	ISSUE DATE
<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union. <input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.			
E INTEREST, REFUND & REDEMPTION MANDATE (see note 9) (completion of this panel is mandatory)			
BANK	IBAN		
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus and subject to its Bond Conditions as contained therein which I/we fully accept.			
Signature/s of Applicant/s _____ <small>(Parents or legal guardian/s are/is to sign if Applicant is a minor) (All parties are to sign in the case of a joint Application) (Bare owner/s and usufructuary/ies to sign in the case of holdings of Exchangeable Bonds that are subject to usufruct)</small>		Date _____	
		<div style="border: 1px solid black; width: 100px; height: 30px; margin: 0 auto;"></div> Authorised Financial Intermediary's Code	
Authorised Financial Intermediary's Stamp			

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 27 March 2017 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Application contained in Section 13 of the Securities Note dated 27 March 2017 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the 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 complete Panel D overleaf.
4. The MSE account number pertaining to the Applicant has been pre-printed in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 27 March 2017 (trading session of 23 March 2017). **APPLICANTS ARE TO NOTE THAT ANY BONDS ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
Upon submission of an Application Form, Bondholders who opt to have an online e-Portfolio account (by marking the relative box in Panel A) will receive by mail at their registered address a handle code to activate the new e-Portfolio login. Registration for e-Portfolio requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to the 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>.
5. In the case where an Existing Bondholder is a body corporate, Application Forms must be signed by duly authorised representative/s indicating the capacity in which they are signing.
6. The amount set out in Box 2 of Panel B overleaf must be in multiples of €100. The Issuer will be giving preference to Applications made by Existing Bondholders up to their full amount held as at the Cut-Off Date, subject to a minimum application of €2,000.
Where the Applicant wishes to acquire a number of Bonds having an aggregate value which exceeds the nominal value of the number of Exchangeable Bonds set out in Box 1 of Panel B, the Applicant may do so by including such higher amount in Box 2 in Panel B. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of Exchangeable Bonds being transferred. Payment of the amount representing such difference, which is to be inserted in Box 3 of Panel B overleaf, must be made in Euro in cleared funds and may be made in cash or by cheque payable to "The Registrar - Eden Bond Issue".
7. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents 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 will then be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%) deducted from interest payments.
In terms of Section 10.2 of the Securities Note, 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 person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
8. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State and third country reporting jurisdictions 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 and other participating jurisdictions where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The automatic exchange of information, namely details of certain financial account information in respect of account holders, and in some cases, beneficial holders thereof, extends also to jurisdictions that are not EU Member States (participating jurisdictions) with which there is a relevant arrangement in place.
- 8a. The contents of Notes 7 and 8 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisers in case of doubt.
9. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel E. Interest or redemption proceeds will be credited to the account designated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.
10. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex II of the Securities Note during normal office hours by not later than 12:00 hours on 19 April 2017. 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 19 April 2017 will not be accepted.
11. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
 - a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the laws of Malta);
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. 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 adviser, licensed under the Investments Services Act (Cap. 370 of the laws of Malta), for advice.

Eden Finance p.l.c.**€40,000,000 4% Unsecured Bonds 2027**

Guaranteed by Eden Leisure Group Limited

APPLICATION FORM 'B'
EDEN GROUP STAKEHOLDERSApplication
Number

Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

APPLICANT (see notes 2 to 6)

A	<input type="checkbox"/> Non-Resident			<input type="checkbox"/> Body Corporate/Body of Persons		
B	TITLE (MR/MRS/MS/....)		FULL NAME & SURNAME/REGISTERED NAME			
ADDRESS/REGISTERED OFFICE						
POSTCODE						
MSE A/C NO. (IF APPLICABLE)		ID CARD / PASSPORT / COMPANY REG. NO.		TEL NO.		
				MOBILE NO. (Mandatory for e-portfolio registration)		
<input type="checkbox"/> Please register me for e-portfolio						

C ADDITIONAL (JOINT) APPLICANTS (see note 4) (please use additional Application Forms if space is not sufficient)

TITLE (MR/MRS/MS/....)		FULL NAME & SURNAME/REGISTERED NAME		ID CARD/PASSPORT NO.	
TITLE (MR/MRS/MS/....)		FULL NAME & SURNAME/REGISTERED NAME		ID CARD/PASSPORT NO.	

This Application Form is not transferable and entitles you to subscribe to Eden Finance p.l.c. 4% Unsecured Bonds 2027 (the "Bonds") as shareholder, director or employee of any company forming part of the Eden Group as at the Cut-Off Date (the "Eden Group Stakeholders").

D I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 7 and 8)

AMOUNT IN FIGURES		AMOUNT IN WORDS	
€			
Eden Finance p.l.c. 4% Unsecured Bonds 2027 (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 27 March 2017 (the 'Prospectus'), payable in full upon application under the Bond Conditions as set out in the Prospectus.			

E RESIDENT - WITHHOLDING TAX DECLARATION (see notes 9 and 10a) (to be completed ONLY if the Applicant is a Resident of Malta)

- ☐ I/We elect to have Final Withholding Tax deducted from my/our interest.
☐ I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 3, 10, 10a) (to be completed ONLY if the Applicant is a Non-Resident)

TAX COUNTRY		CITY OF BIRTH		TIN (TAX IDENTIFICATION NO.)	
NATIONAL ID CARD / PASSPORT NO.		COUNTRY OF BIRTH		COUNTRY OF ISSUE	
				ISSUE DATE	
<input type="checkbox"/> I/We am/are NOT Resident in Malta but I/we am/are Resident in the European Union. <input type="checkbox"/> I/We am/are NOT Resident in Malta and I/we am/are NOT Resident in the European Union.					

G INTEREST, REFUND & REDEMPTION MANDATE (see note 11) (completion of this panel is mandatory)

BANK	IBAN

I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus and subject to its Bond Conditions as contained therein which I/we fully accept.

Signature/s of Applicant/s

Date

(All parties are to sign in the case of a joint Application)

Authorised Financial Intermediary's Stamp

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Authorised Financial Intermediary's Code

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 27 March 2017 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Application contained in Section 13 of the Securities Note dated 27 March 2017 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the 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 F. The relative box in Panel A must also 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 6 below).
5. In the case of a body corporate, the Application Form must be signed by duly authorised representative/s indicating the capacity in which they are signing.
6. 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 THIS 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 opt to have an online e-Portfolio account (by marking the relative box in Panel B) will receive by mail at their registered address a handle code to activate the new e-Portfolio login. Registration for e-Portfolio requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to the 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>.
7. Applications must be for a minimum of €2,000 and thereafter in multiples of €100.
8. Payment in Euro must be made in cleared funds and may be made in cash or by cheque payable to "The Registrar - Eden Bond Issue".
9. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents 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 will then be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%) deducted from interest payments.

In terms of Section 10.2 of the Securities Note, 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 person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).
10. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State and third country reporting jurisdictions 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 and other participating jurisdictions where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The automatic exchange of information, namely details of certain financial account information in respect of account holders, and in some cases, beneficial holders thereof, extends also to jurisdictions that are not EU Member States (participating jurisdictions) with which there is a relevant arrangement in place.
- 10a. The contents of Notes 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisers in case of doubt.
11. Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies of the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel G. Interest and redemption proceeds will be credited to the account designated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
12. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex II of the Securities Note during normal office hours by not later than 12:00 hours on 19 April 2017. 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 19 April 2017 will not be accepted.
13. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
 - a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. 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 adviser, licensed under the Investments Services Act (Cap. 370 of the laws of Malta), for advice.

Eden Finance p.l.c.**€40,000,000 4% Unsecured Bonds 2027**

Guaranteed by Eden Leisure Group Limited

APPLICATION FORM 'C'
PLACEMENTApplication
Number

Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

APPLICANT (see notes 2 to 7)

A	<input type="checkbox"/> Non-Resident <input type="checkbox"/> Minor (under 18) <input type="checkbox"/> Body Corporate/Body of Persons <input type="checkbox"/> CIS-Prescribed Fund			
B	TITLE (MR/MRS/MS/....)		FULL NAME & SURNAME/REGISTERED NAME	
ADDRESS/REGISTERED OFFICE			POSTCODE	
MSE A/C NO. (IF APPLICABLE)		ID CARD / PASSPORT / COMPANY REG. NO.	TEL NO.	MOBILE NO. <small>(Mandatory for e-portfolio registration)</small>
<input type="checkbox"/> Please register me for e-portfolio				

C **ADDITIONAL (JOINT) APPLICANTS** (see note 4) (please use additional Application Forms if space is not sufficient)

TITLE (MR/MRS/MS/....)	FULL NAME & SURNAME/REGISTERED NAME	ID CARD/PASSPORT NO.
TITLE (MR/MRS/MS/....)	FULL NAME & SURNAME/REGISTERED NAME	ID CARD/PASSPORT NO.

D **MINOR'S PARENTS/LEGAL GUARDIAN/S** (see note 5) (to be completed ONLY if the Applicant is a minor)

TITLE (MR/MRS/MS/....)	FULL NAME & SURNAME/REGISTERED NAME	ID CARD/PASSPORT NO.
TITLE (MR/MRS/MS/....)	FULL NAME & SURNAME/REGISTERED NAME	ID CARD/PASSPORT NO.

E **I/WE APPLY TO PURCHASE AND ACQUIRE** (see notes 8 and 9)

AMOUNT IN FIGURES	AMOUNT IN WORDS
€	

Eden Finance p.l.c. 4% Unsecured Bonds 2027 (minimum €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 27 March 2017 (the 'Prospectus'), payable in full upon application under the Bond Conditions as set out in the Prospectus.

F **RESIDENT - WITHHOLDING TAX DECLARATION** (see notes 10 and 11a) (to be completed ONLY if the Applicant is a Resident of Malta)

<input type="checkbox"/> I/We elect to have Final Withholding Tax deducted from my/our interest.
<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

G **NON-RESIDENT - DECLARATION FOR TAX PURPOSES** (see note 3, 11, 11a) (to be completed ONLY if the Applicant is a Non-Resident)

TAX COUNTRY	CITY OF BIRTH	TIN (TAX IDENTIFICATION NO.)	
NATIONAL ID CARD / PASSPORT NO.	COUNTRY OF BIRTH	COUNTRY OF ISSUE	ISSUE DATE

☐ I/We am/are **NOT** Resident in Malta but I/we am/are Resident in the European Union.
☐ I/We am/are **NOT** Resident in Malta and I/we am/are **NOT** Resident in the European Union.

H **INTEREST & REDEMPTION MANDATE** (see note 12) (completion of this panel is mandatory)

BANK	IBAN
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I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus and subject to its Bond Conditions as contained therein which I/we fully accept.

Signature/s of Applicant/s
(Parents or legal guardian/s are/is to sign if Applicant is a minor)
(All parties are to sign in the case of a joint Application)

Date

Authorised Financial Intermediary's Stamp

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Authorised Financial Intermediary's Code

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 27 March 2017 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Application contained in Section 13 of the Securities Note dated 27 March 2017 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the 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 also 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 6 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 authorised 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 THIS 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 opt to have an online e-Portfolio account (by marking the relative box in Panel B) will receive by mail at their registered address a handle code to activate the new e-Portfolio login. Registration for e-Portfolio requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to the 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>.
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 a valid official Maltese Identity Card or companies registered in Malta will be treated as residents 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 will then be obliged to declare interest so received in the tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%) deducted from interest payments.

In terms of Section 10.2 of the Securities Note, 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 person net of final withholding tax (currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income 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 and third country reporting jurisdictions 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 and other participating jurisdictions where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. The automatic exchange of information, namely details of certain financial account information in respect of account holders, and in some cases, beneficial holders thereof, extends also to jurisdictions that are not EU Member States (participating jurisdictions) with which there is a relevant arrangement in place.
- 11a. 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 advisers in case of doubt.
12. Interest and redemption proceeds will be credited to the account designated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
13. Authorised Financial Intermediaries are to submit completed Application Forms representing the total amount committed in terms of the Placement Agreement as mentioned in Section 8.3 of the Securities Note by 14:00 hours on 21 April 2017. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of Application as contained in the Prospectus.
14. By completing and delivering an Application Form you (as the Applicant/s) acknowledge that:
 - a. the Issuer may process the personal data that you may provide in the Application Form in accordance with the Data Protection Act (Cap. 440 of the laws of Malta);
 - b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. 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 adviser, licensed under the Investments Services Act (Cap. 370 of the laws of Malta), for advice.

FINANCIAL ANALYSIS SUMMARY

27 March 2017

Issuer

Eden Finance p.l.c.

Guarantor

Eden Leisure Group Limited

The Directors
Eden Finance p.l.c.
Eden Place
St George's Bay
St Julians STJ 3310
Malta

27 March 2017

Dear Sirs

Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary (the “**Analysis**”) set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Eden Finance p.l.c. (the “**Issuer**”) and Eden Leisure Group Limited (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 31 December 2014 to 31 December 2016 has been extracted from the audited financial statements of the Issuer and from the audited consolidated financial statements of the Guarantor for the three years in question.
- (b) The forecast data for the years ending 31 December 2017 and 31 December 2018 has been provided by management.
- (c) Our commentary on the results of the Eden Group and on its financial position is based on the explanations provided by management.
- (d) The ratios quoted in the Analysis have been computed by us applying the definitions set out in Part 5 of the Analysis.
- (e) Relevant financial data in respect of the companies included in Part 4 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

The Analysis is meant to assist investors in the Issuer's securities and potential investors by summarising the more important financial data of the Eden Group. The Analysis does not contain all data that is relevant to investors or potential investors. The Analysis does not constitute an endorsement by our firm of any securities of the Issuer and should not be interpreted as a recommendation to invest in any of the Issuer's securities. We shall not accept any liability for any loss or damage arising out of the use of the Analysis. As with all investments, potential investors are encouraged to seek independent professional financial advice before investing in the Issuer's securities.

Yours faithfully,



Wilfred Mallia
Director

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PART 1 - INFORMATION ABOUT THE EDEN GROUP

1. KEY ACTIVITIES OF THE ISSUER

Eden Finance p.l.c. (the “**Issuer**” or “**Company**”) was incorporated in August 2000 as a public limited liability company under the Companies Act with an authorised and fully paid up issued share capital of €1,164,686.50. The principal activity of the Company is to carry on the business of a finance and investment company within the Eden Group.

The Issuer is not engaged in any trading activities but is involved in raising debt and advancing same to members of the Eden Group as and when the demands of this business or the demands of a particular project so require. Accordingly, the Issuer is economically dependent on the operations, performance and prospects of the Eden Group.

2. DIRECTORS OF THE ISSUER

The Issuer is managed by a Board comprising six directors who are entrusted with its overall direction and management. The Board members of the Issuer as at the date of this report are included hereunder:

Board of Directors

Ian De Cesare	Chairman and Executive Director
Kevin De Cesare	Deputy Chairman and Executive Director
David Vella	Executive Director
Andrea Gera de Petri	Non-Executive Director
Paul Mercieca	Independent Non-Executive Director
Victor Spiteri	Independent Non-Executive Director

3. KEY ACTIVITIES OF THE GUARANTOR

Eden Leisure Group Limited (the “**Guarantor**”) is the parent holding company of the Eden Group and is principally engaged, through subsidiary companies and/or associated entities, in the ownership of a varied portfolio of business entities within the hospitality and entertainment industries in Malta (including a cinema complex, bowling alley, health & fitness club, radio station, a conference & events centre and a car park), the ownership of the InterContinental Malta (which is operated by the InterContinental Hotels Group) and the management of timeshare apartments (which are owned by the Group and leased out to a third party operator on a long-term lease).

Furthermore, the Guarantor holds a number of properties directly in its own name which are leased out to third parties. The Guarantor also leases commercial space to Casino Malta Ltd (a related party) for the operation of a casino.

The authorised and issued share capital of the Guarantor was increased to €60,000,000 on 20 May 2016, following a share issue of €25,000,000 divided into 5,024,000 voting ‘A’ Ordinary Shares having a nominal value of €2.50 each and 4,976,000 non-voting ‘B’ Ordinary Shares having a nominal value of €2.50 each. The consideration of this issue was paid in full by way of capitalisation of revaluation reserve.

The authorised and fully paid up issued share capital of €60,000,000 is divided into 12,057,600 voting ‘A’ Ordinary Shares having a nominal value of €2.50 each and 11,942,400 non-voting ‘B’ Ordinary Shares having a nominal value of €2.50 each.

4. DIRECTORS OF THE GUARANTOR AND SENIOR MANAGEMENT

The Guarantor is managed by a Board comprising five directors who are entrusted with its overall direction and management, including the establishment of strategies for future development. The Board members of the Guarantor as at the date of this report are included hereunder:

Board of Directors

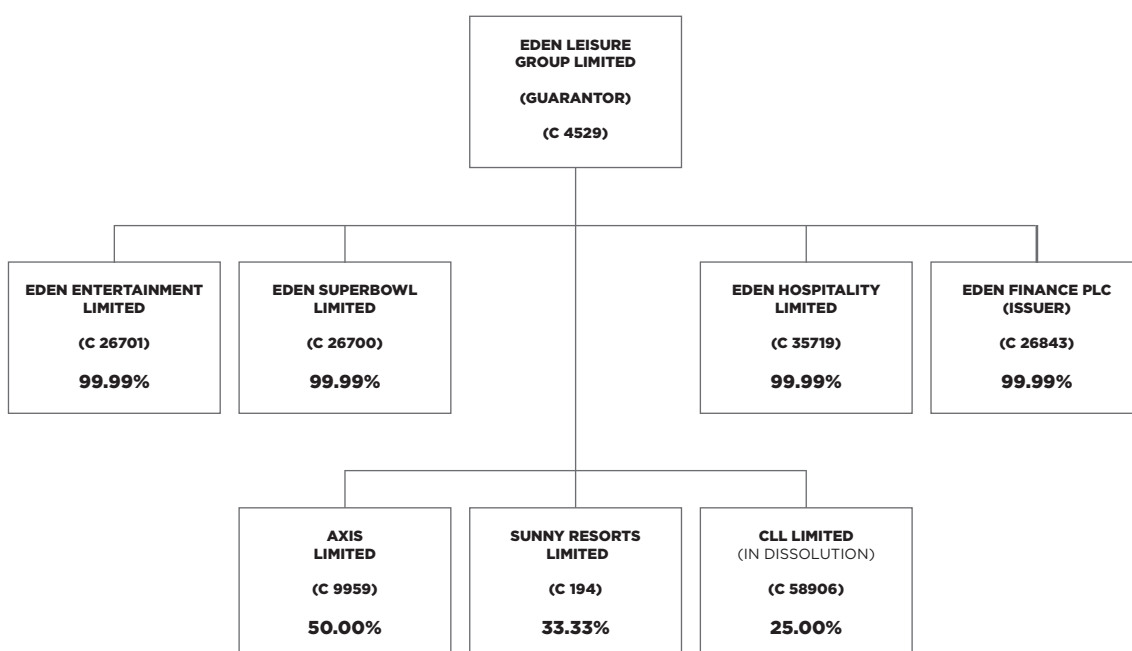
Ian De Cesare	Chairman
Kevin De Cesare	Managing Director
Simon De Cesare	Operations Director
Kevin Jnr De Cesare	Executive Director
David Vella	Finance Director

The day-to-day management of the Eden Group is entrusted to the Executive Management Team, comprising the directors of the Guarantor and Kate De Cesare (Director of Marketing & PR). Some of the more important functions carried out by this team include, *inter alia*, the consideration of new business opportunities, the execution of existing and new projects, and the procurement of funding thereof.

The weekly average number of employees engaged by the Eden Group during FY2016 amounted to 480 persons (FY2015: 461).

5. EDEN GROUP ORGANISATIONAL STRUCTURE

The diagram hereunder illustrates the shareholding structure relative to the Eden Group. The Eden Group's businesses are described in more detail in Part 2 below.



Eden Entertainment Limited

EEL was established in Malta on 14 July 2000 as a private limited liability company, and is principally engaged in the operation of the Eden Cinemas, Eden Car Park, Bay Radio and Cynergi Health & Fitness Club.

Eden SuperBowl Limited

ESL was established in Malta on 14 July 2000 as a private limited liability company. The company owns and operates the Eden SuperBowl.

Eden Hospitality Limited

EHL was established in Malta on 22 February 2005 as a private limited liability company, and is principally engaged in the operation of the InterContinental Malta and the InterContinental Arena & Conference Centre. The company also manages 46 self-catering apartments which are leased to a third party timeshare operator.

Axis Limited

The Eden Group has a 50% shareholding in Axis Limited, a company set up in Malta on 27 September 1988 as a private limited liability company. Axis Limited leases from a third party a property formerly occupied by the Axis discotheque in Paceville. In the last 5 years, the property was developed into 11 commercial outlets and are all leased to third parties. The 50% share of results of this company is included in the consolidated financial statements of the Guarantor under the heading "share of results in associated undertakings".

Sunny Resorts Limited

Sunny Resorts Limited, a 33.33% owned associated company of the Guarantor is a non-trading company and holds one immovable property in St Julians.

6. MAJOR ASSETS OWNED BY THE GROUP

Eden Leisure Group Limited

Major Assets

as at 31 December	2014 €'000	2015 €'000	2016 €'000
Property, plant and equipment	86,496	113,684	137,040
Assets under development	7,634	12,147	8,503
Investment property	3,247	12,200	12,200
	97,377	138,031	157,743

Source: Consolidated audited financial statements of Eden Leisure Group Limited.

Property, plant and equipment primarily comprises land, buildings, furniture, fittings and equipment used in the Group's hospitality and entertainment operations including the InterContinental Malta, the InterContinental Arena & Conference Centre, the Eden Cinemas, the Eden SuperBowl, Cynergi Health & Fitness Club, Bay Radio, Eden Car Park etc. During the latest financial year ended 31 December 2016, the Group's property was revalued (net of deferred tax) by €14.5 million.

Assets under development as at 31 December 2016 comprise land and buildings relating to a 118-room three star hotel that will be operated by the InterContinental Hotels Group under the Holiday Inn Express brand.

Investment property as at 31 December 2016 includes the Eden Business Centre located in Elia Zammit Street, St Julians valued at €2.2 million and a property, valued at €10.0 million, which is currently leased out as a casino to Casino Malta Limited.

PART 2 - OPERATIONAL DEVELOPMENT

7. INTERCONTINENTAL MALTA

Introduction

The Group owns the 481-room 5-star InterContinental Malta located in St Julians, Malta. The hotel is operated by InterContinental Hotels Group under a 15-year management contract till 2028. The hotel offers a wide range of facilities to its guests, including food and beverage offerings, a spa, health and fitness centre and extensive conference facilities.

In 2014, the Group embarked on a project which comprised the development of 30 upmarket suites on 3 additional floors (known as the High Line Suites), the total conversion of the existing 24 hotel suites, a new Executive Business Lounge, and a new rooftop swimming pool on the 19th floor. The project was completed in December 2016 at an aggregate cost of *circa* €9 million.

Operational Performance

The following table sets out the highlights of the hotel's operating performance for the years indicated therein:

InterContinental Malta	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Projection	FY2018 Projection
Turnover (€'000)	19,320	20,181	22,529	26,495	28,193
Gross operating profit before mgt fees (€'000)	4,808	4,457	5,488	8,608	9,457
Gross operating profit margin (%)	25	22	24	32	34
Occupancy level (%)	74	67	67	69	70
Average room rate (€)	119	137	139	154	164
Revenue per available room (RevPAR) (€)	(a) 128	136	136	151	161
Benchmark performance					
Occupancy level (%)		77	80	77	
Average room rate (€)		123	145	151	
Revenue per available room (RevPAR) (€)	(b)	147	181	182	
Revenue Generating Index (RGI)	(a)/(b)	0.87	0.75	0.75	

Source: Management information.

During the three historical years under review, the hotel was adversely affected by construction works in neighbouring properties as well as the hotel's own refurbishment and extension project. On the other hand, the positive trend in tourism in Malta enabled the hotel to increase revenue in each of the aforesaid years, from €19.3 million in FY2014 to €20.2 million and €22.5 million in FY2015 and FY2016 respectively. Gross operating profit margin was lower in FY2015 at 22% as compared to 25% in FY2014, but recovered to 24% in FY2016 and amounted to €5.5 million (FY2015: €4.5 million).

In the forward years, management expects the hotel's performance to improve significantly as a result of the newly renovated property and the termination of construction works. As such, revenue in FY2017 is projected to increase by €4.0 million (+18%) from €22.5 million in FY2016 to €26.5 million, and in the subsequent financial year, revenue is expected to amount to €28.2 million, an increase of €1.7 million (+6%) over the prior year. Gross operating profit margin is projected to improve from 24% in FY2016 to 32% and 34% in FY2017 and FY2018 respectively, and thereby gross operating profit is forecasted to increase from €5.5 million in FY2016 to €8.6 million in FY2017 (+57%) and €9.5 million in FY2018 (+10%). In comparison to its competitive set (being 5-star hotels in the Sliema and St Julians area), the InterContinental Malta's performance indicators were below the benchmark in each of the financial years FY2014 to FY2016, principally due to: (i) the disruptions caused by construction and renovation works at the hotel and neighbouring properties; (ii) the larger room capacity as compared to its competitors;

and (iii) the inland location of the hotel which presents a competitive disadvantage since most 5-star hotels in the Sliema/ St Julians area are seafront properties. Although forecasted benchmark performance indicators for FY2017 and FY2018 are not available, management is anticipating that the current discrepancy of *circa* 25% in RevPAR (FY2016 – Hotel: €136, Benchmark: €182) will be reduced as a consequence of the significant improvement in the hotel's projected operating performance in the aforesaid financial years.

8. HOLIDAY INN EXPRESS MALTA

Introduction

On 27 October 2014, the Guarantor completed a deed of purchase with Perla Hotels Limited for the Giorgianis Hotel property, situated in St Augustine Street, St Julians, adjacent to the InterContinental Malta, for a total consideration of €5.55 million which was financed through own funds and bank borrowings. The property was subsequently demolished and works commenced in the same year on the development of a 118-room 3-star Holiday Inn Express to be operated by the InterContinental Hotels Group through a 15 year management contract. The hotel development project is expected to cost *circa* €6 million and is being financed through own funds and part of proceeds from the Bond Issue. It is expected that the new hotel will commence operations in 2017.

The Holiday Inn Express, which forms part of the InterContinental Hotels Group hotel portfolio, is a low amenity high quality hotel with an emphasis on the business traveller. The concept focuses on a standardisation of design and highlights comfort in sleep, shower facilities, WIFI and a hot quality breakfast.

Operational Performance

The following table sets out the highlights of the hotel's projected operating performance for the last quarter of FY2017 and FY2018 (being first full year of operation):

Holiday Inn Express Malta	Q4 2017 Projection	FY2018 Projection
Turnover (€'000)	464	2,842
Gross operating profit before mgt fees (€'000)	127	1,418
Gross operating profit margin (%)	27	50
Occupancy level (%)	60	77
Average room rate (€)	66	81
Revenue per available room (RevPAR) (€)	43	66

Source: Management information.

The Holiday Inn Express is expected to commence operations in October 2017. Management will be positioning the hotel as a superior 3-star property, and aims to take advantage of synergies (both on a commercial and operational level) with the adjacent InterContinental Malta. In its first full year of operation (FY2018), the hotel is projected to generate revenue of €2.8 million and gross operating profit is expected at €1.4 million. The hotel is expected to achieve an occupancy of 77% and RevPAR of €66.

9. HOSPITALITY SECTOR ANALYSIS

9.1 ECONOMIC UPDATE

Economic activity in Malta is expected to remain robust in the near term, supported by both demand and supply factors. In particular, the energy reforms that have taken place in recent years, new investment projects, increased labour market participation and robust services exports are the primary drivers supporting the economic expansion. Real GDP growth is expected at 4.3% for 2016 and thereafter, is projected to decelerate to 4.1% in 2017, 3.7% in 2018 and 3.3% in 2019.

As a result, the labour market is projected to remain tight, with the unemployment rate falling further to 4.9% in 2016, before increasing slightly to 5.3% by 2019. Downward international price pressures are expected to contribute towards a further easing of consumer price inflation in 2016 (annual inflation should ease from 1.2% in 2015 to 0.9% in 2016). It is then projected to trend up to 1.9% by 2019, reflecting a pick-up in international commodity prices and domestic cost pressures.

In terms of public finances, restraint in key expenditure variables is expected to contribute towards a decline in the general government deficit, with the government budget set to become broadly in balance by 2019.

9.2 TOURISM MARKET

Tourism in Malta has in recent years been performing at a strong level and this trend continued in 2015 as well as in 2016. Inbound tourism from January to December 2015 amounted to 1.8 million guests, an increase of 6.0% over the same period in 2014. Although tourists residing in collective accommodation (hotels, guesthouses, hostels, B&Bs, etc) made up 71.7% of the market in 2015, preference for private accommodation has been growing in the last years at a faster pace, and actually increased by 18.2% from 2014. Tourism expenditure was estimated at €1.6 billion, 7.5% higher than that recorded for the comparable period in 2014.

Inbound tourist trips from January to December 2016 amounted to 1.99 million, an increase of 10.2% when compared a year earlier. Total nights spent by inbound tourists went up by 5.7%, reaching almost 15.0 million nights. During 2016, total guests in collective accommodation establishments surpassed 1.6 million, an increase of 2.1% over the same period in 2015. Within the collective accommodation establishments, the 5 star and 4 star hotels gained 10,878 guests (+2.8%) and 30,779 guests (+4.5%) respectively in 2016 when compared to a year earlier, while there was a decrease of 24,042 guests (-5.7%) in the 3 star category. Tourism expenditure was estimated at €1.71 billion in 2016, an increase of 4.3% over 2015.

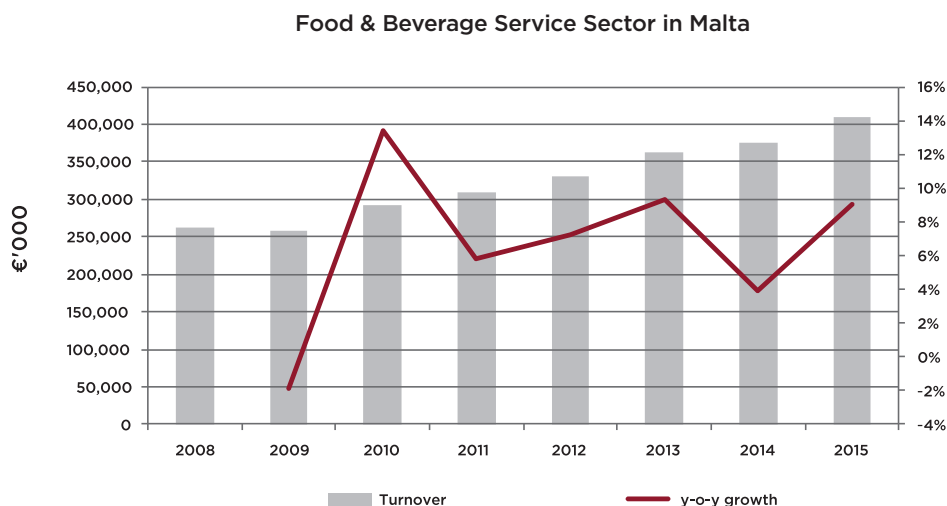
Focus will be maintained on increasing traffic during the winter months and attracting more visitors from new markets to Malta. This bodes well for the Maltese hospitality industry to continue to grow revenues and increase profitability.

Malta's EU Presidency in 2017 together with Valletta serving as the European City of Culture in 2018 are widely expected to generate increased demand for hotels and enhance Malta's image as a tourist and leisure destination, which would in turn generate future growth. Meanwhile, the somewhat uncertain future of the national carrier Air Malta poses a threat to further growth, and competition from other Mediterranean countries will likely remain strong.

This positive trend was also witnessed at the InterContinental Malta, where over the past few years there has been significant year-on-year growth both in revenue streams and profitability, even though operations were partly hampered by construction works in neighbouring properties and at the hotel between 2014 and 2016. As such, given that construction works were substantially completed and operations at the InterContinental Malta fully restored by end 2016, management anticipates that the hotel should achieve further growth in earnings during the current financial year (2017). Moreover, the Eden Group expects to benefit further from the expansion of the local tourism industry with the opening of the Holiday Inn Express in 2017.

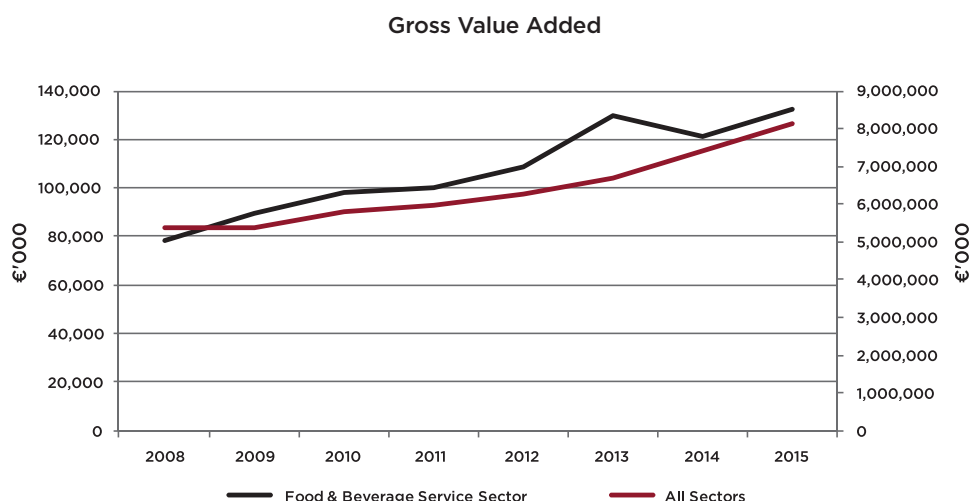
9.3 FOOD & BEVERAGE SERVICE SECTOR

The food & beverage service sector comprises restaurants & mobile food service activities and beverage serving activities. In 2015 (being the latest available statistical data), the total income from this sector in Malta amounted to €411 million, an increase of 9.1% over the previous year. The chart below illustrates the output from the food & beverage service sector in Malta for the past 8 years (2008 to 2015). As highlighted, market output has progressively increased over the reviewed period, except for 2009 when gross income decreased marginally by €4.8 million (-1.8%) when compared to the prior year. Since 2008, the food & beverage service sector grew at an annual compound rate of 6.6%.



Source: National Statistics Office Malta (NACE 56.1 & NACE 56.3 data)

The chart hereunder shows that the gross value added generated by the food & beverage service sector in Malta has grown on a year-to-year basis from €78.1 million in 2008 to €132.4 million in 2015. The chart also highlights the sector's correlation to Malta's economic performance, since over the reported period the food & beverage service sector has maintained the same percentage of gross value added generated by the whole economy of *circa* 1.7%.



Source: National Statistics Office Malta (NACE 56.1 & NACE 56.3 data)

10. ENTERTAINMENT & LEISURE

10.1 EDEN CINEMAS

The Group is the largest operator of multiplex cinemas in Malta (based on number of screens) with 13 fully digitised screens, situated in St Julians. Prior to 2015, the Group operated 17 screens, but has since converted 4 of the smaller screens into commercial space which is fully leased to a related party. Eden Cinemas generate operating revenue principally from theatre operations, including box office receipts, food and beverages, and on-screen and off-screen advertising.

The Eden Group initiated the conversion of its screens from 35mm film to digital projection technology in 2010, which entailed the replacement of most of the cinematic equipment. With the support of the Malta Government through the Cinema Digitisation Scheme, all screens were converted to digital by 2014.

Digital projection technology allows filmmakers the ability to showcase imaginative works of art exactly as they were intended, with incredible realism and detail. A digitally produced or digitally converted movie can be distributed to theatres via satellite, physical media or fibre optic networks. The digitised movie is stored on a computer server which is connected to a digital projector for each screening of the movie. This format enables cinema operators to more efficiently move titles between auditoriums within a theatre to appropriately address demand for each title. Furthermore, digital projection allows the presentation of three-dimensional (3-D) content and alternative entertainment such as live and pre-recorded sports programmes, concert events, and other special presentations.

Market Analysis

The Eden Cinemas is one of the leading cinema venues in Malta in terms of the number of screens and admissions, with a portfolio of 13 screens, representing *circa* 37% of the screens in Malta. It reduced its number of screens from 17 to 13 screens in 2014 to make better use of the space. In 2015 (being the latest available official market data published by the National Statistics Office, Malta), the Eden Cinemas received *circa* 54% of all gross box office receipts to cinemas in Malta.

As illustrated in the table below, in 2015, there were eight cinema establishments with a total of 35 screens and a seating capacity of 6,748. Of these eight cinemas, two were located in Gozo. During 2015, cinemas registered a total of 704,243 admissions, which represented an increase of 7.8% when compared to the prior year (2014), but a marginal increase of 2,004 admissions when compared to 2013. With respect to gross box office receipts, cinemas registered a decline in income of €0.23 million (-5.9%) in 2014, from €3.96 million in 2013 to €3.73 million. As for 2015, an increase in gross receipts of €0.47 million (+13%) from 2014 results was registered to €4.19 million.

Malta Cinema Statistics

	No. of cinema establishments	No. of screens	Seating capacity	No. of film titles	No. of admissions	Total no. of screenings	Gross Box Office receipts €'000	Average Ticket price €
2013	8	38	7,107	373	702,239	56,816	3,960	5.64
2014	8	35	6,784	368	653,002	47,384	3,726	5.71
2015	8	35	6,748	375	704,243	48,887	4,194	5.96

Source: National Statistics Office - Malta

In 2016, the Eden Cinemas registered a growth in gross box office receipts of 1% when compared to the prior year, despite having the UEFA Euro football tournament in June and July 2016. Such major events typically adversely affect cinema revenue by approximately 20% during the period thereof. Official market statistics for calendar year 2016 have not been published and therefore no comparison can be made with industry.

The Group aims to maintain its position as a leading operator of multiplex cinemas in Malta through the on-going investment in the latest technology and by being innovative in seeking alternative revenue streams. The Eden Cinemas expect box office revenue and bar income to progressively increase in the near term.

10.2 BAY RADIO

The Group has been operating 89.7 Bay since 1991. The radio station broadcasts 24 hours a day in Maltese and English, and offers the latest selection of music. Bay Radio derives the substantial majority of its revenue from the sale of advertising, but also generates income from the production of adverts.

Radio popularity is regularly surveyed by the independent Malta Broadcasting Authority. In the most recent survey, Bay Radio retained the number one spot as the most popular station with 20.4% of all radio listeners, followed by the next two radio stations with 16.3% and 11.0% respectively. Bay Radio is popular with all those under the age of 50, whereas the second placed radio station attracts more listeners over the age of 50.

The station's affiliation with the most popular music events and activities on the island as well as maintaining close ties with local musicians, coupled with professional and relevant content and on-air competitions are the key success factors of 89.7 Bay.

Market Analysis

Bay Radio operates in a market which comprises 15 national stations and a number of community stations and as such faces significant competition for both listeners and advertisers. While Bay Radio broadcasts to all categories of audience, the focus is on the youth market, an area that the station has dominated for numerous years. As indicated in the table hereunder, the station has been consistently voted most popular station by reach in October 2014, October 2015 and October 2016.

Radio Audience Assessment

	Population size	Radio audience reach	Radio audience reach/ population	Bay Radio listeners	Second placed radio listeners	Third placed radio listeners
Oct-14	379,268	186,200	49.09%	27.79%	16.58%	11.05%
Oct-15	387,270	191,200	49.37%	24.92%	14.89%	11.45%
Oct-16	391,741	186,600	47.63.%	20.41%	16.26%	11.08%

Source: Malta Broadcasting Authority

Management's strategy is to continue to broadcast relevant and up to date content using the latest available technology, to be innovative and to recruit and train quality presenters in order to increase its edge over competition, and in turn grow its listener base and advertising revenue.

10.3 CYNERGI HEALTH & FITNESS CLUB

The Club is one of the largest health and fitness venues in Malta and has approximately 1,600 members. The majority of these members use the Club during peak times and therefore preferential memberships are given to off-peak members to fully utilise the capacity of the facility. Apart from generating revenue from memberships, the Club also derives income from studio and squash court rentals, and from the sale of nutritional and beverage products.

In 2016, the Group concluded a deal with international manufacturer of fitness equipment "Life Fitness" for the replacement of all equipment in the Club so as to maintain the high quality experience offered to patrons. As part of this investment, the Group completely redesigned the Club and undertook the renovation of all bathrooms and changing rooms. This expenditure should in the coming years generate additional revenue through increased membership rates and new customers.

Cynergi Health & Fitness Club offers over 100 cardio vascular machines, a comprehensive weights area, 2 squash courts, an aerobics room, a crèche facility as well as an indoor pool equipped with steam bath and sauna. The Spa facilities are leased to a third party international company which has invested considerably in the indoor pool area and the addition of an authentic Turkish Bath or Hamam. The Club is accessed from the InterContinental Malta, the Eden Car Park and directly from the street.

10.4 OPERATIONAL PERFORMANCE

The following table sets out the highlights of operating performance relating to the entertainment & leisure segment (comprising Eden Cinemas, Bay Radio and Cynergi Health & Fitness Club) for the years indicated therein:

Entertainment & Leisure	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Projection	FY2018 Projection	CAGR FY14-16	CAGR FY14-18
Turnover (€'000)	4,704	5,265	5,563	5,554	5,721	8.7%	5.0%
Gross profit (€'000)	1,720	1,987	2,278	2,118	2,189	15.1%	6.2%
Gross profit margin (%)	37	38	41	38	38		

CAGR - Compound annual growth rate.

Source: Management information.

During the three historical financial years under review (FY2014 – FY2016), revenue increased from €4.7 million in FY2014 to €5.6 million in FY2016, an increase of €0.9 million (+18%, CAGR of 8.7%). Gross profit in FY2014 amounted to €1.7 million, which increased to €2.0 million and €2.3 million in FY2015 and FY2016 respectively. The gross profit margin improved from 37% in FY2014 to 38% in FY2015, and increased further to 41% in FY2016.

Management is projecting revenue in each of FY2017 and FY2018 to broadly match FY2016, but gross profit margin is expected to decline to 38%, due to plans to bolster middle-management and increase staff complement.

11. EDEN SUPERBOWL

The Eden SuperBowl operates the only tenpin bowling alley in Malta. It comprises 20 lanes and is popular with families, youngsters, language schools and corporate groups.

The Malta Ten Pin Bowling Association (MTBA) operates solely at the Eden SuperBowl and organises three national leagues and circa 15 tournaments annually. The Eden SuperBowl also hosts 2 international annual tournaments (the Malta Open and the Seniors Open) which attract over a 100 participants (mainly foreign nationals) per tournament.

On-going investment is made in the facility to maintain the lanes to the high standards required for international professional tournaments. The principal sources of operating revenue for the Eden SuperBowl include: the sale of tenpin bowling games to customers; food and beverages; and amusement machines.

The following table sets out the highlights of Eden SuperBowl's operating performance for the years indicated therein:

Eden SuperBowl	FY2014 Actual	FY2015 Actual	FY2016 Actual	FY2017 Projection	FY2018 Projection	CAGR FY14-16	CAGR FY14-18
Turnover (€'000)	881	960	992	985	1,015	6.1%	3.6%
Gross profit (€'000)	413	484	481	466	482	7.9%	3.9%
Gross profit margin (%)	47	50	48	47	47		

CAGR - Compound annual growth rate.

Source: Management information.

Revenue and gross profit generated by Eden SuperBowl has been relatively stable during the historical years under review, and is expected to maintain a similar trend in FY2017 and FY2018. In the current financial year, management plans to refurbish the cafeteria and bar areas to improve the general ambience and increase customer footfall.

12. OTHER OPERATIONS

InterContinental Arena & Conference Centre

In 2014, the Group executed the conversion of the Bay Arena into a conference centre and meeting rooms at a total cost of *circa* €2 million, and was renamed the InterContinental Arena & Conference Centre (IACC). This 3,000m² facility is mainly used by the InterContinental Malta as a venue for meetings, conferences and events including live shows. In 2015, the IACC was selected as the CHOGM press centre and was also used for the EU Summit for Migration in November 2015.

Diamond Suites

In 2005, Diamond Resorts International acquired from the Eden Group a 49-year lease on an apartment block of 46 self-catering units, known as 'Diamond Suites' (which block is located adjacent to the InterContinental Malta). In addition to the said lease, in 2006, a management contract was entered into with Diamond Resorts International for the provision of housekeeping, security and maintenance service to the 46 self-catering apartments. In April 2014, the afore-mentioned management contract was renegotiated and extended for a further 5 year period.

Property Leases

The Group owns and leases the following properties:

- (i) **Property on St Augustine Street** – The Group leases on a long term basis a property measuring circa 66m² which is operated as a Vodafone Malta outlet.
- (ii) **Various small outlets** – The Group rents to third parties a number of eateries which are annexed to the Eden Cinemas and Eden SuperBowl.
- (iii) **Eden Business Centre** – This property is situated in Elia Zammit Street, St Julians and comprises a total office space of 784m² on two levels with access to the Eden Car Park. The Eden Business Centre is leased to a third party.
- (iv) **Casino Malta** – A related party of the Group leases 3,000m² of space, situated under the InterContinental Malta, for the operation of Casino Malta. The lease contract is for a 10-year period as from December 2015.

Eden Car Park

The Eden Car Park is a multi-storey car park that spans the footprint of the InterContinental Malta and has a maximum capacity of 310 vehicles. Activity in the area, particularly from the commercial and tourism sectors, has been increasing constantly over the years and has in turn ensured a high utilisation rate of the car park. As such, the Eden Car Park is an important contributor to the Group's financial results. Moreover, the Eden Car Park is of significance to the business entities of the Eden Group, as it provides parking facilities to their respective customers.

13. BUSINESS DEVELOPMENT STRATEGY

The Group's objective is to retain its market presence in the local leisure and hospitality sectors, offering quality entertainment, events and products focusing on the youth market and to pioneer innovative products with a focus on the customer experience, as well as continue to consolidate its business relation with the Inter-Continental Hotels Group in order to maximise the potential within the tourism sector in Malta. As such, management will continue to build on the Group's core strengths as follows:

- continue to cross market and cross promote each business unit;
- develop and consolidate the Bay and Eden brands;
- diversifying, identify, invest in and develop new opportunities in the leisure and hospitality sectors;
- maintain high quality standards in its' offerings;
- drive top line growth;
- maintain and improve operational efficiencies; and
- maintain a zero tolerance policy towards any loss making business line.

In the implementation of the above strategies, the Group will continue to maintain an appropriate balance in relation to its exposure to the entertainment sector and the more capital intensive hospitality sector.

PART 3 - PERFORMANCE REVIEW

14. FINANCIAL INFORMATION RELATING TO EDEN FINANCE PLC

The financial information provided hereunder is extracted from the audited financial statements of Eden Finance p.l.c. for each of the years ended 31 December 2014 to 31 December 2016. The forecasted financial information for the years ending 31 December 2017 and 2018 has been provided by management of the Company.

The projected financial statements relate to events in the future and are based on assumptions which the Issuer believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

Eden Finance p.l.c.

Statement of Comprehensive Income for the year ended 31 December

	2014	2015	2016	2017	2018
	Audited	Audited	Audited	Projection	Projection
	€'000	€'000	€'000	€'000	€'000
Finance income	989	979	979	1,569	1,680
Finance costs	(932)	(923)	(923)	(1,490)	(1,600)
Gross profit	57	56	56	79	80
Administrative expenses	(29)	(30)	(33)	(51)	(66)
Profit before tax	28	26	23	28	14
Taxation	(10)	(9)	(8)	(10)	(5)
Total comprehensive income	18	17	15	18	9

Eden Finance p.l.c.

Cash flow Statement

	2014	2015	2016	2017	2018
	Audited	Audited	Audited	Projection	Projection
	€'000	€'000	€'000	€'000	€'000
Net cash from operating activities	(26)	(28)	(22)	(54)	(71)
Net cash from investing activities	1,108	949	946	1,569	1,680
Net cash from financing activities	(1,082)	(921)	(923)	(1,490)	(1,600)
Net movement in cash and cash equivalents	-	-	1	25	9
Cash and cash equivalents at beginning of year	1	1	1	2	27
Cash and cash equivalents at end of year	1	1	2	27	36

Eden Finance p.l.c.**Balance Sheet****as at 31 December**

	2014	2015	2016	2017	2018
	Audited	Audited	Audited	Projection	Projection
	€'000	€'000	€'000	€'000	€'000
ASSETS					
Non-current assets					
Loans owed by parent company	13,984	13,984	13,984	40,000	40,000
Held-to-maturity investments	1,165	1,165	1,165	1,165	1,165
Deferred tax asset	20	11	2	-	-
	15,169	15,160	15,151	41,165	41,165
Current assets					
Trade and other receivables	1,015	1,044	1,077	1,107	1,107
Cash and cash equivalents	1	1	2	27	36
	1,016	1,045	1,079	1,134	1,143
Total assets	16,185	16,205	16,230	42,299	42,308
EQUITY					
Equity and reserves	1,567	1,584	1,599	1,617	1,626
LIABILITIES					
Non-current liabilities					
Debt securities	13,984	13,984	13,984	40,000	40,000
Current liabilities					
Trade and other payables	634	637	647	682	682
	14,618	14,621	14,631	40,682	40,682
Total equity and liabilities	16,185	16,205	16,230	42,299	42,308

In May 2010, the Issuer entered into a loan agreement with the Guarantor, pursuant to which the Issuer advanced to the Guarantor the proceeds from the €15,000,000 6.6% bonds 2017 - 2020 issued in terms of a prospectus dated 10 May 2010. Interest under the afore-mentioned loan agreement was set at the rate of 7.0% per annum, with interest payable annually in arrears on 31 May of each year, until 31 May 2020. As at 31 December 2016, the amount of €13,984,000 of the said May 2010 bond issue was outstanding.

It is anticipated that the proceeds of the Bonds amounting to €40 million, issued in terms of the prospectus dated 27 March 2017, will be on-lent to the Guarantor at the rate of 4.2% per annum. The above-mentioned loan will be repaid by not later than 16 June 2017.

15. FINANCIAL INFORMATION RELATING TO EDEN LEISURE GROUP LIMITED

The financial information provided hereunder is extracted from the audited consolidated financial statements of Eden Leisure Group Limited for each of the years ended 31 December 2014 to 31 December 2016. The forecasted financial information for the years ending 31 December 2017 and 2018 has been provided by management of the Company.

The projected financial statements relate to events in the future and are based on assumptions which the Guarantor believes to be reasonable. Consequently, the actual outcome may be adversely affected by unforeseen situations and the variation between forecast and actual results may be material.

Eden Leisure Group Limited

Consolidated Statement of Comprehensive Income

for the year ended 31 December	2014	2015	2016	2017	2018
	Audited	Audited	Audited	Projection	Projection
	€'000	€'000	€'000	€'000	€'000
Revenue	26,440	28,197	31,310	35,165	39,484
Net operating expenses	(20,267)	(21,799)	(22,943)	(24,337)	(26,465)
EBITDA¹	6,173	6,398	8,367	10,828	13,019
Depreciation	(2,986)	(3,160)	(3,673)	(4,448)	(4,718)
Other net non-operating income	45	218	62	127	-
Net finance costs	(2,069)	(2,061)	(2,104)	(2,143)	(2,122)
Profit before tax	1,163	1,395	2,652	4,364	6,179
Taxation	(440)	(77)	641	(1,527)	(2,163)
Profit after tax	723	1,318	3,293	2,837	4,016
Other comprehensive income					
Revaluation surplus, net of deferred tax	-	29,523	14,479	-	-
Total comprehensive income	723	30,841	17,772	2,837	4,016

¹ EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.

Eden Leisure Group Limited
Consolidated Balance Sheet
as at 31 December

	2014	2015	2016	2017	2018
	Audited	Audited	Audited	Projection	Projection
	€'000	€'000	€'000	€'000	€'000
ASSETS					
Non-current assets					
Intangible assets	12	9	7	3	-
Property, plant and equipment	86,496	113,684	137,040	148,501	146,924
Assets under development	7,634	12,147	8,503	-	-
Investment property	3,247	12,200	12,200	12,200	12,200
Investment in associated undertakings	721	721	721	721	721
Loans and receivables	-	1,050	730	730	-
Financial assets	-	-	-	4,000	9,100
	98,110	139,811	159,201	166,155	168,945
Current assets					
Inventory	1,288	1,835	1,803	1,933	1,972
Trade and other receivables	3,578	3,451	4,108	3,790	3,452
Cash and cash equivalents	773	330	384	435	613
	5,639	5,616	6,295	6,158	6,037
Total assets	103,749	145,427	165,496	172,313	174,982
EQUITY					
Equity and reserves	44,218	76,648	92,620	93,280	95,296
LIABILITIES					
Non-current liabilities					
Borrowings and bonds	35,629	40,146	40,632	54,023	51,248
Other non-current liabilities	7,633	9,366	11,380	12,276	14,370
	43,262	49,512	52,012	66,299	65,618
Current liabilities					
Bank overdrafts	2,731	3,525	3,482	737	1,380
Borrowings	3,267	4,486	5,272	2,131	2,775
Other current liabilities	10,271	11,256	12,110	9,866	9,913
	16,269	19,267	20,864	12,734	14,068
	59,531	68,779	72,876	79,033	79,686
Total equity and liabilities	103,749	145,427	165,496	172,313	174,982

Eden Leisure Group Limited

Consolidated Cash flow Statement

for the year ended 31 December

	2014	2015	2016	2017	2018
	Audited	Audited	Audited	Projection	Projection
	€'000	€'000	€'000	€'000	€'000
Net cash from operating activities	3,822	5,075	5,484	5,947	11,174
Net cash from investing activities	(7,501)	(11,765)	(6,614)	(11,401)	(7,508)
Net cash from financing activities	4,287	5,453	1,227	8,250	(4,131)
Net movement in cash and cash equivalents	608	(1,237)	97	2,796	(465)
Cash and cash equivalents at beginning of year	(2,566)	(1,958)	(3,195)	(3,098)	(302)
Cash and cash equivalents at end of year	(1,958)	(3,195)	(3,098)	(302)	(767)

Key Accounting Ratios

	FY2014	FY2015	FY2016	FY2017	FY2018
EBITDA margin	23%	23%	27%	31%	33%
<i>(EBITDA/revenue)</i>					
Interest cover (times)	2.98	3.10	3.98	5.05	6.14
<i>(EBITDA/net finance cost)</i>					
Net profit margin	3%	5%	11%	8%	10%
<i>(Profit after tax/revenue)</i>					
Earnings per share (€)	51.64	94.14	137.21	118.21	167.33
<i>(Profit after tax/number of shares)</i>					
Return on equity	2%	2%	4%	3%	4%
<i>(Profit after tax/shareholders' equity)</i>					
Return on capital employed	7%	5%	6%	7%	8%
<i>(EBITDA/total assets less current liabilities)</i>					
Return on assets	1%	1%	2%	2%	2%
<i>(Profit after tax/total assets)</i>					

Source: Charts Investment Management Service Limited

In **2015**, the Eden Group's revenue amounted to €28.2 million, reflecting an increase of €1.8 million on the turnover registered in 2014 (€26.4 million). As in previous years, the majority of income was derived from the hospitality segment of the Group, principally comprising the operation of the InterContinental Malta. During 2015, the Group generated €20.9 million from hospitality, an increase of €0.9 million (+4.5%) when compared to the prior year (2014: €20.0 million). This growth in hospitality revenue was achieved even though the hotel was closed from November 2014 to April 2015 due to construction works undertaken on various projects. During this period the existing complement of hotel suites and the executive lounge were completely renovated and re-launched. Furthermore, works on the addition of 30 luxury Hi Line suites, which commenced in 2014, continued throughout 2015.

The InterContinental Arena & Conference Centre (IACC), which was completely refurbished in 2014, was fully operational during 2015. Of particular note, the IACC was selected as the CHOGM press centre and the EU Summit for Migration in November 2015.

The balance in revenue for 2015 of €7.3 million was generated from entertainment & other related operations as compared to €6.4 million in 2014 (+€0.9 million). All businesses within this segment registered year-on-year growth, principally Eden Cinemas, whereby cinema attendance in 2015 rebounded for the first time since 2010 and revenue increased by 15% from a year earlier.

EBITDA for 2015 at €6.4 million represented an increase of €0.2 million on the EBITDA of €6.2 million reported in 2014. After accounting for depreciation, other net non-operating income and net finance costs, profit before tax for 2015 amounted to €1.4 million (2014: €1.2 million). Other comprehensive income of €29.5 million in 2015 reflected the revaluation of the Group's property, plant and equipment, net of taxation. As a result, total comprehensive income for 2015 amounted to €30.8 million (2014: €0.7 million).

Revenue in **2016** amounted to €31.3 million, an increase of €3.1 million (+11%) when compared to the prior year (FY2015: €28.2 million). The hospitality segment of the Group contributed to the major part of this growth, whereby revenue increased by €2.3 million (+11%) from €20.9 million in FY2015 to €23.2 million. The InterContinental Malta continued to perform positively, principally due to a favourable trend in tourism in Malta. The remaining balance of revenue was derived from entertainment & other related operations and amounted to €8.1 million, an increase of €0.8 million (+12%) over FY2015.

During the financial year under review, the Group's EBITDA increased significantly by €2.0 million (+31%) from €6.4 million in FY2015 to €8.4 million, mainly as a result of the above-mentioned growth registered at the InterContinental Malta, the increase in business at the InterContinental Arena & Conference Centre and the commencement of rental income generated from the casino property of circa €0.5 million. Overall, profit after tax in FY2016 amounted to €3.3 million, a year-on-year increase of €2.0 million (FY2015: €1.3 million). In FY2016, the Group revalued its property by €14.5 million (net of deferred tax) and as such, total comprehensive income amounted to €17.8 million (FY2015: €30.8 million).

Revenue for **FY2017** is projected to increase by €3.9 million (+12%) as compared to the prior year from €31.3 million to €35.2 million, primarily due to a projected increase in revenue generated from the InterContinental Malta. The disruptions caused by construction and refurbishment works at the hotel and neighbouring third party properties are expected to subside in FY2017, which should result in a material improvement in the hotel's operating performance.

EBITDA for FY2017 is forecasted at €10.8 million, an increase of €2.4 million (+29%) when compared to €8.4 million registered in FY2016. Net finance costs are projected to remain stable at €2.1 million, but depreciation is expected to increase by €0.8 million to €4.4 million. After accounting for an adverse year-on-year movement of €2.2 million in taxation, the Eden Group expects to register a net profit of €2.8 million, a decrease of €0.5 million when compared to the prior year.

As for **FY2018**, revenue is projected to increase from €35.2 million in FY2017 to €39.5 million (+12%) as management has factored in a 6% growth in revenue from the InterContinental Malta. Also included in this increase is revenue of €2.8 million expected to be generated by the Holiday Inn Express in its initial full year of operation. Other business interests of the Group are projected to maintain the same level of revenue as in the prior year. As a consequence, EBITDA is projected to increase by €2.2 million (+20%), from €10.8 million in FY2017 to €13.0 million, and total comprehensive income is expected to amount to €4.0 million, an increase of €1.2 million over the comparative year (FY2017).

The estimates for the forward years as presented in this document assume that the carrying values of Group properties will remain constant in FY2017 and FY2018, and therefore no adjustment has been made as to possible impairment or uplift of assets that may be booked and which may materially affect the consolidated income statement and balance sheet values.

Total assets of the Eden Group as at 31 December 2016 amounted to €165.5 million (FY2015: €145.4 million), and principally comprise the InterContinental Malta and other properties as detailed in section 6 above. Other than equity, the Eden Group is mainly financed by bank borrowings and bonds as provided hereunder:

Eden Leisure Group Limited

Consolidated Borrowings

as at 31 December	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Projection	Projection
	€'000	€'000	€'000	€'000	€'000
Bank overdrafts	2,731	3,525	3,482	737	1,380
Bank loans	25,090	29,793	31,032	15,154	13,023
Other financial liabilities	-	1,000	1,000	1,000	1,000
6.6% Bonds 2017-2020	13,806	13,839	13,872	-	-
4% Unsecured Bonds 2027				40,000	40,000
Total borrowings and bonds	41,627	48,157	49,386	56,891	55,403

Key Accounting Ratios	31 Dec'14	31 Dec'15	31 Dec'16	31 Dec'17	31 Dec'18
Net assets per share (€)	3.16	5.47	3.86	3.89	3.97
<i>(Net asset value/number of shares)</i>					
Liquidity ratio (times)	0.35	0.29	0.30	0.48	0.43
<i>(Current assets/current liabilities)</i>					
Gearing ratio	48%	38%	35%	38%	37%
<i>(Net debt/net debt and shareholders' equity)</i>					
Debt service cover ratio (times)	1.35	1.22	1.35	3.21	3.61
<i>(EBITDA/net finance cost and loan capital repayment)</i>					

Source: Charts Investment Management Service Limited

PART 4 - COMPARABLES

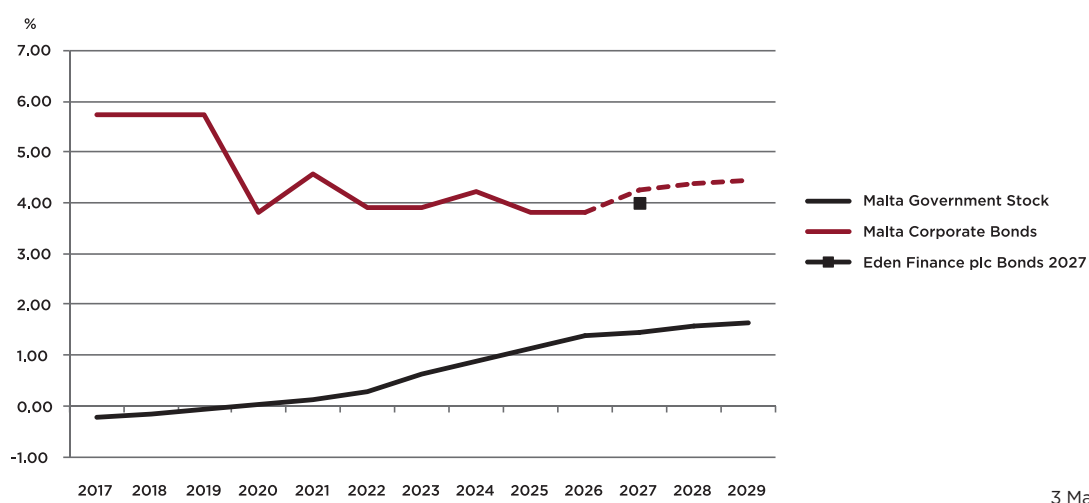
The table below compares the Eden Group and the proposed bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. Although there are significant variances between the activities of the Eden Group and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Group's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Group.

Comparative Analysis	Nominal Value (€)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'000)	Net Asset Value (€'000)	Gearing Ratio (%)
6% Pendergardens Dev. plc Secured € 2022 Series II	27,000,000	3.91	n/a	58,098	11,734	61.87
4.25% Gap Group plc Secured € 2023	40,000,000	3.98	n/a	61,002	7,541	81.51
6% AX Investments Plc € 2024	40,000,000	4.00	3.62	270,425	163,719	27.97
6% Island Hotels Group Holdings plc € 2024	35,000,000	4.62	0.58	145,140	54,053	53.19
5.3% Mariner Finance plc Unsecured € 2024	35,000,000	4.25	3.49	67,669	25,823	57.66
5% Hal Mann Vella Group plc Secured Bonds € 2024	30,000,000	4.22	0.05	81,842	31,150	55.46
5.1% PTL Holdings plc Unsecured € 2024	36,000,000	4.50	2.32	70,543	6,592	86.78
4.5% Hili Properties plc Unsecured € 2025	37,000,000	3.81	1.50	90,867	26,315	71.30
4.0% International Hotel Invest. plc Secured € 2026	55,000,000	3.63	1.45	1,159,643	608,288	36.49
4.0% MIDI plc Secured € 2026	50,000,000	3.46	2.64	187,462	71,248	37.55
3.75% Premier Capital plc € Unsecured Bonds 2026	65,000,000	3.50	7.93	185,070	43,401	57.85
4% Eden Finance plc 2027 € Unsecured Bonds 2026	40,000,000	4.00	3.98	165,496	92,620	34.60

3 March' 17

Source: Malta Stock Exchange, Audited Accounts of Listed Companies, Charts Investment Management Service Limited

Bond Yield to Maturity



3 March' 17

To date, there are no corporate bonds which have a redemption date beyond 2026 and therefore a trend line has been plotted (denoted in the above chart by the dashed line). The Malta Government Stock yield curve has also been included since it is the benchmark risk-free rate for Malta.

PART 5 - EXPLANATORY DEFINITIONS AND REFERENCES

Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year, including hospitality and entertainment, rental income and other revenue streams.
Operating expenses	Operating expenses include all direct (food, beverages, consumables, labour expenses, etc) and indirect (including general and administration expenses) operating costs.
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.
Key Performance Indicators	
Occupancy level	Occupancy level is the percentage of available rooms that were sold during a given period of time. It is calculated by dividing the number of rooms sold by total number of rooms available.
Average room rate	Average room rate is calculated by dividing hotel rooms that were sold during a given period of time. It is calculated by dividing the number of rooms sold by total number of rooms available.
Revenue per available room (RevPAR)	RevPAR is calculated by multiplying a hotel's total revenue by total room nights available. A hotel uses this indicator as a performance measure with other hotels in the same category or market.
Revenue generating index (RGI)	A revenue generating index measures a hotel's fair market share of its segment's (competitive set, market, etc) revenue per occupied room. If a hotel is capturing its fair market share, the index will be 1; if capturing less than its fair market share, a hotel's index will be less than 1; and if capturing more than its fair market share, a hotel's index will be greater than 1.
Profitability Ratios	
EBITDA margin	EBITDA 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.
Efficiency Ratios	
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 (room revenue, food & beverage, hotel services, etc) of the Group.
Cash flow from investing activities	Cash generated from activities dealing with the acquisition and disposal of long-term assets and other investments of the Group.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Group.
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 amortises 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 acquired.
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include accounts receivable, inventory (food, beverages, consumables, etc), cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt, including current portion of bank loans.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include long-term borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, retained earnings and minority interest.
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 operating profit of one period by the company's interest expense of the same period.
Debt service cover ratio	The debt service cover ratio measures a company's ability to service its current debts by comparing its EBITDA with its total debt service obligations.
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.

References

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