



Bond Issuance Programme

Dated 29th May 2017

Central Business Centres plc, a public limited liability company registered under the laws of Malta with company registration number C65702 and with registered office at Cortis Group, Cortis Buildings, Mdina Road, Zebbug, ZBG4211, Malta as Issuer of

€10,000,000 Unsecured Bond Issuance Programme

Application has been made to the Listing Authority in Malta which is the Maltese competent authority for the purposes of the Prospectus Directive for the approval of this Prospectus. Application will be also made to the MSE for each Series of the Bonds issued under the Programme to be admitted to trading on the MSE's Regulated Market and to be listed on the Official List of the MSE.

For a description of the ranking in respect of the Bonds, see the section entitled 'Status' in Section 10.2 of the Terms and Conditions. Also, see 'Risk Factors' for a discussion of certain factors which should be considered by prospective investors in connection with an investment in any of the Bonds. This Prospectus has been filed with the Listing Authority and will be published in electronic form on the website of the Listing Authority and of the Issuer. A printed form of this Prospectus is also available, free of charge, from the registered office of the Issuer.

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

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

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

Mr. Joseph Cortis

Legal Counsel

Mr. Joseph Cortis on behalf of: Mr. Anthony Cortis,
Mr. Alfred Sladden and Mr. Francis Gouder

Sponsor, Manager & Registrar

MAMO TCV
ADVOCATES

Calamatta Cuschieri
INVESTMENT ADVISORS & STOCKBROKERS

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1 RESPONSIBILITY STATEMENT

The Board of Directors of the Issuer, with its registered office in Malta, is solely responsible for the information given in this Prospectus. The said Board of Directors hereby declares that, having taken reasonable care to ensure that such is the case, the information contained in this Prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

2 IMPORTANT INFORMATION

This Prospectus contains information on Central Business Centres p.l.c. in its capacity as Issuer in accordance with the requirements of the Listing Rules issued by the Listing Authority, the Companies Act (Cap. 386 of the Laws of Malta) and Commission Regulation EC 809/2004 of 29 April 2004 implementing directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements as amended by Commission Delegated Regulation (EU) 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) 759/2013 of 30 April 2013, Commission Delegated Regulation (EU) 382/2014 of 7 March 2014 and Commission Delegated Regulation (EU) 2016/301 of 30 November 2015.

This Prospectus should be read and construed in conjunction with the Reference Documents. Full information on the Issuer and the Bonds is only available on the basis of the Prospectus, as supplemented from time to time, together with the Reference Documents and the applicable Final Terms.

The Issuer confirms that this Prospectus contains all information with respect to the Issuer and the Bonds which is material in the context of the Programme and the issue and offering of the Bonds thereunder. The Issuer further confirms that the information contained herein in respect of the Issuer and the Bonds is accurate in all material respects and is not misleading; that any opinions and intentions expressed herein are honestly held and based on reasonable assumptions; that there are no other facts, the omission of which would make any statement, whether of fact or opinion, in this Prospectus misleading in any material respect; and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No broker, dealer, salesman or other person has been authorised by the Issuer or its directors to issue any advertisement or to give any information or to make any representations which are not contained or consistent with this Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information in the public domain and, if given or made, such information must not be relied upon as having been authorised by the Issuer, its directors or advisors.

None of the advisors or any person mentioned in this Prospectus, other than the Issuer, is responsible for the information contained in this Prospectus or any supplement thereof, or any Final Terms or any Reference Documents, and accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility as to the accuracy and completeness of the information contained in any of these documents.

All the advisors to the Issuer have acted and are acting exclusively for the Issuer 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 this Prospectus or any supplement thereof, or any Final Terms.

This document constitutes a base prospectus (“**Prospectus**” or “**Base Prospectus**”) for the purposes of the Prospectus Directive and the Prospectus Regulation and relevant Maltese laws. This Prospectus is valid for 12 months from the date of publication and this Prospectus and any supplement hereto as well as any Final Terms reflect their status as at their respective dates of issue. The Prospectus and/ or any Final Terms and the offering, sale or delivery of any Bonds may not be taken as: (a) an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue; or (b) that there has been no adverse change in the financial condition of the Issuer since such dates; or (c) that any other information supplied in connection with the Programme 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.

The Issuer undertakes to supplement the Prospectus or publish a new Prospectus at any time after submission of the Prospectus for approval to the Listing Authority, if and when, the information herein should become materially inaccurate or incomplete in the event of any new significant factor that is capable of affecting the assessment of the Bonds by potential investors. **The Listing Authority is not required to approve any Final Terms issued by the Issuer pursuant to this Prospectus.**

It is the responsibility of any person in possession of this Prospectus to inform themselves of, and to observe and comply with all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for any Bonds 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.

The distribution of the Prospectus and any Final Terms and the offering, sale or delivery of the Bonds in certain jurisdictions may be restricted by law. Persons who are in possession of this Prospectus or any Final Terms are required by the Issuer to inform themselves about, and to observe, any such restrictions. Additionally, the Bonds will not be registered under the United States Securities Act of 1933, as amended. The Bonds will not be offered, sold or delivered within the United States or to United States persons.

A copy of this Prospectus has been submitted to the Listing Authority in satisfaction of the Listing Rules, the Malta Stock Exchange in satisfaction of the Malta Stock Exchange bye-laws and has been duly filed with the Registrar of Companies in accordance with the Companies Act. Application has been made to the Listing Authority for the approval of the Prospectus and for the admission of the 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 said exchange.

The Bonds issued under the Programme may be listed on the Official List of the Malta Stock Exchange and admitted to trading on the Regulated Market of the Malta Stock Exchange. The Malta Stock Exchange’s Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC.

This Prospectus can only be used for the purposes for which it has been published.

This Prospectus and any Final Terms must not be used for the purpose of an offer or solicitation to subscribe for Bonds by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Subject to the restrictions and conditions set out in this Base Prospectus, the categories of potential investors to which the Bonds are intended to be offered are retail and institutional investors in Malta. A percentage of any tranche may be reserved for specific retail and/or institutional investors, or categories of either, details of which shall be included in the Final Terms.

This Prospectus is drawn up in the English language. The English version shall prevail over any part of this Prospectus translated into any other language other than the Terms and Conditions in respect of the issue of any Tranche (as hereinafter defined) of Bonds under the Programme where the prevailing language will be specified in the applicable Final Terms.

This Prospectus 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 or acceptance or contract resulting herefrom, or the Prospectus as a whole.

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

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

A prospective investor should be aware of the potential risks in investing in the Issuer and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor. 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 this Prospectus and the Final Terms and should consult their own independent financial and other professional advisors.

Consent

Certain tranches of the Bonds may, subject to the below, be subsequently resold, placed or otherwise offered by financial intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive. Any such resale, placement or offer is referred to in this Base Prospectus as a "**Public Offer**".

The Issuer consents to the use of this Base Prospectus and Final Terms (and accepts responsibility for the information contained in this Base Prospectus and Final Terms) with respect to any Public Offer of Bonds which satisfies all of the following conditions:

- (i) the Public Offer is only made in respect of the tranche of Bonds specified in the Final Terms;
- (ii) the Public Offer is only made in Malta;
- (iii) the Public Offer is only made during the offer period specified in the Final Terms (the "**Offer Period**"); and
- (iv) the Public Offer is made by an entity (a "**Financial Intermediary**") which either:
 - (a) is expressly named as a financial intermediary in the Final Terms; or
 - (b) is a financial intermediary whose name and address is published on the Issuer's website (www.centralbusinesscentres.com).

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

The Issuer may give consent to one or more additional Financial Intermediaries in respect of a Public Offer after the date of the Final Terms, discontinue or change the Offer Period, and/or remove or add conditions to consent and, if it does so, such information will be published on the Issuer's website, www.centralbusinesscentres.com. Any new information with respect to Financial Intermediaries unknown at the time of the approval of this Base Prospectus or the filing of the Final Terms will be published and can be found on the Issuer's website www.centralbusinesscentres.com

Neither the Issuer, the Sponsor or the Manager has any responsibility for any of the actions of any Financial Intermediary (other than the Sponsor/Manager itself), including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to an offer.

Other than as set out above, neither the Issuer, the Sponsor or the Manager has authorised (nor do they authorise or consent to the use of this Base Prospectus in connection with) the making of any public offer of the Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer, the Manager, the Sponsor or any Financial Intermediary and none of the Issuer, the Sponsor, the Manager or Financial Intermediary has any responsibility or liability for the actions of any person making such offers. Investors should enquire whether an intermediary is considered to be a Financial Intermediary. If the investor is in doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents, it should obtain legal advice.

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

In the event of an offer being made by a Financial Intermediary, the Financial Intermediary will provide information to investors on the terms and conditions of the offer at the time the offer is made. Any offer or sale of securities to an investor by a Financial Intermediary will be made in accordance with any terms and other arrangements in place between such Financial Intermediary and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Base Prospectus or Final Terms, it will be the responsibility of the relative Financial Intermediary at the time of such offer to provide the investor with that information and neither the Issuer, the Sponsor or the Manager or other Financial Intermediary has any responsibility or liability for such information.

Any Financial Intermediary using this Base Prospectus in connection with a Public Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus for such Public Offer in accordance with the consent of the Issuer and the conditions attached thereto.

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

3 DEFINITIONS

In addition to the terms defined and used elsewhere in this Prospectus, including, but not limited to those defined in section 10 entitled '*Terms and Conditions*', the following capitalised terms shall have the meaning attributed hereunder:

2014 Bond Issuance Programme	the bond issuance programme pursuant to which the Existing Bonds were issued under a Base Prospectus dated 5 December 2014, as supplemented by a supplement dated 4 December 2015 and the Final Terms regulating each series dated 22 December 2014 and 4 December 2015 respectively;
Act or Companies Act	the Companies Act (Cap. 386 of the laws of Malta);
Bond/s	the bonds issued or to be issued in terms of this Programme;
Bond Issue Price	has the meaning set out in the Final Terms;
Bondholder/s	a holder of Bonds;
Cortis Group or Group	S.M.W. Cortis Limited and the S.M.W. Cortis Subsidiaries;
CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the laws of Malta) situated at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Directors or Board of Directors or Board	the directors of the Issuer whose names are set out in section 9.9.1 of this Base Prospectus;
Euro or €	the lawful currency of the Eurozone;
Existing Bonds	the six million Euro (€6,000,000) unsecured bonds issued pursuant to the 2014 Bond Issuance Programme;
Existing Bondholders	the holders of the Existing Bonds;

Existing Property	collectively the following immovable property: <ul style="list-style-type: none"> (i) the property serving as a business centre situated at Mdina Road, Zebbug, Malta, having no official number and named 'Central Business Centre' which comprises of 1,509 square metres of office space divided over 5 floors (including the ground floor, intermediate floor, levels 1, 2 and a penthouse at level 3), and which also comprises of 27 parking spaces at underground levels 1 and 2 (the "Zebbug Central Business Centre" or "Zebbug CBC"); (ii) the property serving as a business centre situated at Tarxien Road, Gudja, Malta, comprising of 1,365 square meters of office space, 555 square meters of commercial space and 19 open-air and underground car spaces (the "Gudja Central Business Centre" or "Gudja CBC"); (iii) the property situated at Spinola, St. Julian's, Malta covering a total area of 1,977 square metres comprising of: (a) the fully detached building known as 'Villa Fieres', its adjoining gardens and its airspace and underlying terrain in which the building itself occupies a footprint of approximately 200 square metres and has two floors and a semi-basement and the garden covers an approximate area of 900 square metres ("Villa Fieres"); and (b) a site having an area of approximately 877 square metres, adjoining the building of Villa Fieres on Spinola Square and which is currently occupied, at ground floor level, by three outlets (which are rented out to third parties on long-term leases) and a plot of land behind the retail outlets adjoining Villa Fieres (the "Villa Fieres Site") (Villa Fieres and Villa Fieres Site shall collectively be referred to as the "St. Julian's Central Business Centre" or "St. Julian's CBC");
Final Terms	final terms issued by the Issuer from time to time in the form set out in this Base Prospectus;
Issuer or Company or CBC	Central Business Centres p.l.c., a public limited liability company registered under the laws of Malta with company registration number C 65702;
Lease	the lease agreement entered into between the Issuer and SMW Cortis Limited dated 16 February 2017 whereby SMW Cortis Limited granted Property B on lease to the Issuer who accepted subject to the terms and conditions contained therein.
MEPA	the Malta Environment and Planning Authority, and subsequently, the Planning Authority (" Planning Authority " or " PA ");
MSE	the Malta Stock Exchange;
Programme	the bond issuance programme made by the Issuer pursuant to this Base Prospectus;
Project	the Issuer's project comprising the development of the Property;

Promise of Sale Agreement or POS

the agreement between the Issuer and S.M.W. Cortis Limited dated 13 September 2016, as subsequently amended, relating to the purchase and acquisition of the Property by the Issuer;

Property

collectively the following immovable property:

- (i) the building consisting of a showroom and factory at ground floor level and wedding hall at first floor level named "St. Mary Hall", without official number and named "S.M.W. Cortis" together with an adjacent undeveloped portion of land, all accessible from Triq L-Mdina in Zebbug Malta, which building and adjacent portion of land together have a total superficial area of approximately 4,533 square metres and are together bounded on the south by Triq L-Mdina, on the north and north-east by Property B, on the south-west by a mill room and on the west and north-west by a road known as Triq il-Qadima ta' H'Attard, with all their rights and appurtenances, as acquired by S.M.W. Cortis Limited by virtue of a deed in the Records of Notary Victor John Bisazza of the sixteenth day of May of the year one thousand nine hundred and eighty four (16/05/1984) (the "**Property A Deed**") and being subject to all the terms and conditions contained in the aforesaid deed and otherwise free and unencumbered; the property is registered at the Land Registry in the name of S.M.W. Cortis Limited with Land Certificate Title 07001059 ("**Property A**");
- (ii) the temporary *utile dominium* of the remaining period of one hundred and fifty (150) years which commenced on the seventh day of December of the year one thousand nine hundred and ninety (07/12/1990) of a portion of land in Zebbug, Malta, having a superficial area of approximately 1,989 square metres and bounded on the west by Triq H'Attard, on the east by the road known as Triq il-Qadima ta' H'Attard and partly by a mill room, on the south by Triq L-Mdina and on the north by an unnamed public road with all its rights and appurtenances, forming part of a larger portion of land, as acquired by S.M.W. Cortis Limited by virtue of a deed in the Records of Notary Victor John Bisazza of the seventh day of December of the year one thousand nine hundred and ninety (07/12/1990) (hereinafter referred to as the "**Property C Deed**") and as subject to the annual temporary ground-rent of twenty-three euro and twenty nine cents (EUR23.29), being the equivalent of ten Maltese Liri (Lm10), and as subject to all the terms and conditions contained in the Property C Deed, otherwise free and unencumbered. In accordance with the terms of the Property C Deed, as subsequently amended, the aforesaid ground-rent may be redeemed for the price of four hundred and sixty five euro and eighty seven euro cents (€ 465.87) and upon such redemption all the conditions contained in the Property C Deed shall be cancelled and the property will be free and unencumbered (hereinafter referred to as "**Property C**"); Property C is registered in the Land Registry in the name of S.M.W. Cortis Limited with Land Certificate Title 07004126.

Property B	the divided portion of land at Zebbug, Malta, having a superficial area of approximately 4,500 square metres, bounded on the south by Property A, on the north by an unnamed public road and on the west in part by the aforesaid unnamed public road and in part by the road known as Triq il-Qadima ta' H'Attard, with all its rights and appurtenances, as acquired by S.M.W. Cortis Limited by virtue of a deed in the Records of Notary Victor John Bisazza of the sixteenth day of June of the year one thousand nine hundred and ninety two (16/06/1992) (the " Property B Deed "), as free and unencumbered save for the terms and conditions in the deed of redemption in the Records of Notary Jessica Said dated 16/05/2016. The property is registered at the Land Registry in the name of SMW Cortis Limited with Land Certificate Title 07001060.
Redemption Date	has the meaning set out in the Final Terms;
Redemption Value	redemption at par;
Reference Documents	any supplement to this Base Prospectus, together with any document incorporated by reference;
Series	one or more Tranches, which are expressed to be consolidated and forming a single series and identical in all respects, except for issue dates, interest commencement dates and/or issue prices;
S.M.W. Cortis Limited	a limited liability company registered under the laws of Malta with company registration number C.6728;
S.M.W. Cortis Subsidiaries	the following subsidiaries of S.M.W. Cortis Limited: <ul style="list-style-type: none"> a) Cortis Timber and Wood Products Limited (a limited liability company registered under the laws of Malta with company registration number C.15637); b) Lapsi Court Limited (a limited liability company registered under the laws of Malta with company registration number C.896); c) Alcor Trading Limited (a limited liability company registered under the laws of Malta with company registration number C.31773); d) Calibre Industries Limited (a limited liability company registered under the laws of Malta with company registration number C.17167); e) Precision Optical Limited (a limited liability company registered under the laws of Malta with company registration number C.27531); and f) EVS Ltd (a limited liability company registered under the laws of Malta with company registration number C.49336).
"Terms and Conditions" or "Conditions"	the terms and conditions contained in section 10 of this Prospectus;
Tranche	each tranche of Bonds, identical in all respects, except for issue dates, interest commencement dates and/or issue prices, issued in accordance with the provisions of this Prospectus as may be amended, supplemented and updated from time to time and the applicable Final Terms.

4 SUMMARY

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 these types of securities 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 after the words 'not applicable'.

Section A – Introduction & Warnings

A.1 Introduction & Warnings

This Summary should be read as an introduction to the Base Prospectus. Any decision to invest in the Bonds should be based on consideration of the Base Prospectus as a whole, including any information incorporated by reference, and read together with the Final Terms.

Where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff might, under the national legislation of the relevant Member State of the European Economic Area, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

No civil liability shall attach to any responsible person solely on the basis of this Summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in the Bonds.

A.2 Consent by the Issuer to the use of the prospectus in subsequent resale or final placement of Securities, indication of offer period and conditions to consent for subsequent resale or final placement, and warning

The Issuer may provide its consent to the use of the Base Prospectus and Final Terms for subsequent resale or final placement of Bonds by financial intermediaries, provided that the subsequent resale or final placement of Bonds by such financial intermediaries is made during the offer period specified in the Final Terms. Such consent may be subject to conditions which are relevant for the use of the Base Prospectus.

The Issuer consents to the use of the Base Prospectus and Final Terms with respect to the subsequent resale or final placement of Bonds (a "**Public Offer**") which satisfies all of the following conditions:

- (a) the Public Offer is only made in Malta;
- (b) the Public Offer is only made during the period from and including [•], to, but excluding, [•] (the "**Offer Period**"); and
- (c) the Public Offer is only made by each financial intermediary whose name is published on the Issuer's website (www.centralbusinesscentres.com) and identified as a financial intermediary for these Bonds and the following financial intermediary or intermediaries: [•]

The consent referred to above relates to Offer Periods (if any) ending no later than the date falling 12 months from the date of the approval of the Base Prospectus by the Listing Authority in Malta.

Information on the terms and conditions of an offer by any Financial Intermediary is to be provided at the time of that offer by the Financial Intermediary.

Section B – Issuer

B.1	Legal & Commercial Name of Issuer	Central Business Centres p.l.c.
B.2	Domicile and legal form of the Issuer, legislation under which the Issuer operates and country of incorporation of the Issuer	<p>The Issuer is domiciled in Malta and lawfully incorporated, existing and registered in terms of the Companies Act.</p> <p>The Issuer is a public limited liability company registered under the Companies Act.</p>
B.4(b)	Known trends affecting the Issuer and industries in which the Issuer operates	The Issuer considers that generally it shall be subject to the normal business risks associated with the property market and barring unforeseen circumstances, 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 its upcoming prospects, at least for the current financial year.
B.5	Description of the group of companies of which the Issuer forms part	Not Applicable: the Issuer does not form part of a group of companies.
B.9	Profit Forecast or estimate	The following is an extract from the profit forecast of the Issuer for the financial years ending 31 December 2017, 2018 and 2019

Income Statement	FY17	FY18	FY19
	€'000	€'000	€'000
Revenue	519	1,626	2,144
Operating expenses	(142)	(292)	(399)
Operating (loss)/profit	376	1,334	1,745
Fair value movement in investment property	757	-	-
Investment income	-	4	5
Finance costs	(165)	(310)	(578)
Profit before tax	969	1,028	1,172
Income tax expense	-	(222)	(292)
(Loss)/Profit for the year	969	806	879

B.10	Nature of any qualifications in audit report on historical financial information	There have not been any qualifications in the audit report on historical financial information since incorporation in June 2014.
B.12	Selected key financial information; no material adverse change and no significant change statements:	

Selected Key Financial Information:

Income Statement	FY14	FY15	FY16
	€'000	€'000	€'000
Revenue	-	142	224
Operating expenses	(17)	(76)	(86)
Operating (loss)/profit	(17)	66	138
Finance costs	(5)	(184)	(348)
Finance costs capitalised	5	135	179
Profit before tax	(17)	17	(31)
Income tax expense	-	-	-
(Loss)/Profit for the year	(17)	17	(31)
Statement of Financial Position	31	31	31
	December	December	December
	2014	2015	2016
	€'000	€'000	€'000
Non-current assets	12,685	13,310	14,243
Current assets	619	2,892	1,898
Total assets	13,304	16,202	16,141
Total equity	10,283	10,301	10,270
Total liabilities	3,021	5,901	5,871
Total equity and liabilities	13,304	16,202	16,141
Statement of Cash flows	FY14	FY15	FY16
	€'000	€'000	€'000
Net cash generated from/(used in) operating activities	74	(185)	(852)
Net cash used in investing activities	(12,680)	(491)	(754)
Net cash generated from financing activities	13,193	2,941	-
Net movement in cash and cash equivalents	587	2,267	(1,606)
Cash and cash equivalents at beginning of period	-	587	2,854
Cash and cash equivalents at end of period	587	2,854	1,247

Material Adverse Change:

There has been no material adverse change in the prospects of the Issuer since the end of its last financial period.

Significant Change:

There has been no significant change in the financial or trading position of the Issuer since the end of its last financial period.

B.13	Recent events particular to the Issuer which are materially relevant to the evaluation of the Issuer's solvency	There are no recent events particular to the Issuer which are materially relevant to the evaluation of the Issuer's solvency.
B.14	Dependency of the Issuer on other entities within the group	The Issuer does not form part of a group of companies.
B.15	Description of the Issuer's principal activities	The Issuer was established in June 2014 to carry out the business of a property development, property-owning, finance and investment company. Its principal activity is to hold commercial property for investment purposes and to generate returns from the property which it holds by virtue of the rental of such property or units therein to third parties. It is empowered to purchase, take on lease, exchange, or acquire movable or immovable property.
B.16	Description of whether the Issuer is directly or indirectly owned or controlled, by whom and nature of such control	The Issuer is not controlled by any one single entity.
B.17	Credit ratings assigned to the Issuer or their debt securities	There are no credit ratings assigned to the Issuer or its debt securities.

Section C – Securities

C.1 Type and class of Securities being offered and/or admitted to trading

Up to ten million Euro (€10,000,000) aggregate nominal amount of Bonds outstanding at any one time pursuant to the Programme.

Bonds will be issued in Tranches, each Tranche consisting of Bonds which are identical in all respects except for issue dates, interest commencement dates and/or issue prices. One or more Tranches, which are expressed to be consolidated and forming a single Series and identical in all respects, except for issue dates, commencement dates and/or issue prices may form a Series of Bonds. Further Bonds may be issued as part of an existing Series.

Bonds shall be issued in fully registered and dematerialised form without interest coupons and are represented in uncertificated form by the appropriate entry in the electronic register maintained by the CSD on behalf of the Issuer.

Bonds will be issued in such denominations as may be determined by the Issuer and as indicated in the applicable Final Terms.

Bonds will be issued bearing a fixed rate of interest throughout the entire term of the Bonds and will be payable on that basis (as specified in the applicable Final Terms). The Bonds may be issued at an Issue Price which is at par or at a discount to, or a premium over, par.

Application will be made to list each Series of Bonds on the Official List of the MSE and to be admitted to trading on the Regulated Market of the MSE.

The Bonds will be governed by the laws of Malta.

Issue Specific Summary:

The Bonds are Euro [specify fixed interest rate of Bonds being issued] per cent, due [?].

Series: [?]

Tranche: [?]

Aggregate Nominal Amount: [?]

ISIN Code: [?]

Issue Price: [?]

Specified Denomination: [?]

C.2 Currency

Euro (€)

C.5 Description of restrictions on free transferability There is no restriction on the free transferability of the Bonds.

C.8 Description of rights attached to the Bonds and limitations to those rights; ranking of the Securities Bondholders have the right to the payment of capital and interest in accordance with the below described ranking. In addition to the above, the conditions for the issue of the Bonds contain provisions for the calling of meetings of Bondholders in certain instances.

Ranking: The Bonds are unsecured debt obligations of the Issuer ranking equally with all the Issuer's other present and future unsecured obligations

C.9 Interest/Redemption The length of the interest periods for the Bonds and the applicable interest rate will be set out in the relevant Final Terms.

Fixed interest will be payable in arrears on each Interest Payment Date.

The redemption date of the Bonds will be set out in the relevant Final Terms.

The Final Terms issued in respect of each issue of the Bonds will state whether such Bonds may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and, if so, the terms applicable to such redemption.

The Final Terms issued in respect of each issue of Bonds will set out an indication of the yield of the Bonds.

Issue Specific Summary

Rate of Interest: []% per annum

Interest Commencement [] [*Specify / Issue Date / Date: Not Applicable*]

Redemption Date: [*specify date*]

Early Redemption Option: Not Applicable

Yield: The gross yield calculated on the basis of the Rate of Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date, is []

C.10 Explanation of any derivative component in the interest payment Not Applicable: there is no derivative component in the interest payments on the Bonds

C.11 Listing and admission to trading

[Application has been made for the Bonds to be admitted to trading on [?]] with effect from [?] / [Not Applicable].

[The Bonds have already been admitted to trading on [?] with effect from [?]] / [Not Applicable].

Issue Specific Summary

[Application has been made for the Bonds to be admitted to trading on [?] with effect from [?]] / [Not Applicable]. / [The Bonds have already been admitted to trading on [?] with effect from [?]] / [Not Applicable].

Section D - Risks

D.2 Key information on the key risks that are specific to the Issuer

There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Bonds issued under the Programme.

In this section, forward-looking statements can be identified by the use of terms such as “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “will” or “should”. These forward-looking statements relate to matters that are not historical facts. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations, financial condition, liquidity and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this Prospectus.

The Issuer is subject to general market and economic risks that may have a significant impact on its business.

The Issuer has a brief history of operations. Risks associated with issuers having a limited trading record and history of operations include, but are not limited to, the lack of financial stability and risks of delays in the completion of its projects. If these risks were to materialise they would have a significant impact on the financial position of the Issuer.

The real estate market in Malta is competitive in nature. An increase in the supply, and/or a reduction in demand for the property segments in which the Issuer operates may cause the lease of the spaces at rates which are lower than those being anticipated by the Issuer. The occurrence of such event will have an adverse impact on the Issuer's business and financial condition.

The Issuer relies upon third-party service providers such as architects, building contractors and suppliers for the construction and completion of its projects. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Issuer's expectations and in accordance with their contractual obligations.

The Issuer makes reliance on the revenues it expects to generate from the lease of units forming part of its property portfolio.

The Issuer's indebtedness could adversely affect its financial position. The Issuer is dependent on debt financing through the Existing Bonds and financing arrangements with S.M.W. Cortis Limited. This could have an adverse effect on the financial condition of the Issuer.

The Issuer is currently completing the development of the St. Julian's CBC and is therefore susceptible to certain risks inherent in the real estate development, most notably the completion of the project within the projected timeframes and within the budgeted cost parameters. If either of these risks were to materialise, they could have a significant impact on the financial condition of the Issuer. Moreover, the Issuer plans to proceed with the execution of the Project in the near term. In this regard, the Issuer will be subject to a number of risks normally associated with real estate development projects, many of which are beyond the Issuer's control, and which could adversely affect its economic performance and value of its real estate. Such factors include the risk of delays or refusal in obtaining the necessary planning permissions.

Envisaged modifications to the development plans as approved by the Planning Authority in respect of the St. Julian's CBC and/or the Property require the re-approval of the same authority. Failure by the Issuer to obtain any such approvals for modifications to its development plans, which, if approved, may enhance the Issuer's financial position and increase the financial viability of the respective development, could result in delays or failure in the completion of the Project and/or the St. Julian's CBC development as envisaged by the Issuer and/or increased costs.

Property is a relatively illiquid asset and such illiquidity may impact the Issuer's ability to vary its portfolio or dispose of, or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market and other conditions. The real estate market is affected by several factors which include general economic conditions, availability of financing, interest rates and other factors, such as supply and demand that are beyond the Issuer's control. These factors could have an adverse effect on the Issuer's financial position and results.

The Issuer may become liable for the costs of removal, investigation or remediation of any hazardous or toxic substances that may be located on or in, or which may have migrated from, a property owned or occupied by it. These costs may be substantial. The Issuer may also be required to remove or remediate any hazardous substances that it causes or knowingly permits at any property that it owns or may in future own. These environmental liabilities, if realised, could have a material adverse effect on its business, financial condition and results of operations.

The Issuer depends, to a significant degree, on the efforts, performance and abilities of Joseph Cortis, the Chairman of the Board of Directors and Executive Director of the Issuer.

During its operations, the Issuer may be subject or become subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Issuer's future cash flow, results of operations or financial condition.

As on the date of this Prospectus, the Issuer and S.M.W. Cortis Limited have entered into the Lease in relation to the lease of Property B which is to be used to provide access to the basement levels under Property A. Pursuant to a letter dated 3 November 2016, the Government Property Division (Joint Office) alleged that S.M.W. Cortis Limited had failed to observe two conditions found in the Property B Deed, namely: (i) that Property B is to be used as an extension to the existing factory in accordance with a plan attached to the same deed, the failure to use the property as such, resulting in the recession of the deed; and (ii) that improvements having a value of not less than €46,588 (equivalent to Lm 20,000) had to be erected on the site within two years from the date of the emphyteutical concession. S.M.W. Cortis Limited has officially rebutted these allegations on the basis that Property B has been used as a timber yard annexed to the existing factory and that works having a value which is higher than the

amount stipulated in the emphyteutical concession had been carried out on the site. S.M.W. Cortis Limited believes that it will successfully rebut these allegations. The unsuccessful rebuttal of the claims could result in Government Property Division (Joint Office) attempting to attack the validity of the Lease which, if successful, could have a material adverse effect on the Project, the Issuer's business, its financial conditions and prospects. However, (i) subject to certain conditions prescribed by the law, even in the case that the Issuer is successful in its claim against S.M.W. Cortis Limited, the Lease may remain valid and (ii) alternative solutions to provide access to the basement levels under Property A have been assessed and should not be difficult to implement should the need arise.

In providing valuations, independent architects may make certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements. There can be no assurance that any such valuations will reflect actual market value.

The Issuer is subject to, *inter alia*, taxation, environmental and health and safety laws and regulations. The Issuer is at risk in relation to changes in laws and regulation and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of the Issuer.

The failure of the Issuer to comply with international health and safety standards to which it is subject by virtue of the nature of its business, may expose the Issuer to third party claims.

As on the date of this Prospectus, the terms of the purchase and acquisition of the Property are set out in the Promise of Sale Agreement. The acquisition and purchase by the Issuer of the Property is subject to the successful conclusion of the final deed of sale.

D.3 Key information on the key risks that are specific to the Bonds

There are certain factors which are material for the purpose of assessing the market risks associated with the Bonds, including the following:

A liquid market depends on, amongst others things, the presence of willing buyers and sellers. The Issuer cannot guarantee that such a liquid market will develop, or if it develops, will continue for the Bonds and that the Bonds may be traded at above their issue price. A public trading market depends on a number of factors over which the Issuer has no control.

The Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues.

The value of the Bonds may increase or decrease and past performance is not necessarily indicative of future performance.

An investment in the Bonds may not be suitable for all recipients of this Prospectus. Investors should discuss a decision to invest in the Bonds with their licensed investment advisors.

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

The Issuer has not granted any security over its own assets and therefore its obligations in relation to the Bonds are unsecured obligations ranking equally with all other present and future unsecured obligations.

This Base Prospectus contains provisions for calling meetings of Bondholders. These provisions permit defined majorities to bind all Bondholders.

The Listing Authority has the authority to suspend trading or listing of the Bonds if, amongst others, it comes to believe that such a suspension is required for the protection of the investors or the integrity or reputation of the market.

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

Section E - Offer

E.2(b) Reasons for offer and use of proceeds

The proceeds raised from the Bond issue, which net of Bond Issue expenses are expected to amount to €9,800,000 of the Bonds shall be applied by the Issuer as follows:

- (i) a maximum of €5,700,000 shall be used to finance the acquisition of the Property from S.M.W. Cortis Limited;
- (ii) a maximum of €3,920,000 shall be applied towards the financing of the Project;
- (iii) a maximum of €180,000 shall be used to cover costs relating to the Bond and for the general corporate funding purposes of the Issuer.

Issue specific summary:

The Issuer intends to use the proceeds from the offer of the bonds issued in Series [?], Tranche [?] as follows:

E.3 Description of the terms and conditions of the offer

Bonds may be offered to the public in Malta. Other than as set out in section A.2 above, the Issuer has not authorised the making of any Public Offer by any person in any circumstances and such person is not permitted to use the Prospectus in connection with its offer of any Bonds. Any such offers are not made on behalf of the Issuer and the Issuer has no responsibility or liability for the actions of any person making such offers.

Issue specific summary

Offer Period: [?]

Conditions to which the Offer is subject: [Not Applicable]/[?]

Description of application process: [Not Applicable]/[?]

Details of the minimum and/or maximum amount of application: [Not Applicable]/[?]

Manner in and date on which results of the Offer are to be made public: [Not Applicable]/[?]

E.4 Description of any interest material to the issue/offer, including conflicting interests

The relevant Final Terms will specify any interest of natural and legal persons involved in the issue of the Bonds.

Issue specific summary

[Not Applicable: So far as the Issuer is aware, no person involved in the issue of the Bonds has an interest material to the offer.] [Save for any fees payable to the Manager and the Sponsor in connection with the Issue of Bonds, and save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer. The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

E.7 Estimated expenses charged to investor by issuer/offerer

The relevant Final Terms will specify the estimated expenses applicable to any Tranche of the Bonds.

Issue specific summary

The estimated expenses are expected to be in the region of € [?].

5 RISK FACTORS

An investment in the Issuer and the Bonds involves certain risks. The following risks are those identified by the Issuer as at the date of the Prospectus. Prospective investors should carefully consider, with their own independent financial and other professional advisors, the following risk factors and other investment considerations as well as all the other information contained in this Prospectus and Reference Documents before deciding to make an investment in the Issuer and the Bonds.

Some of these risks are subject to contingencies which may or may not occur. The Issuer is not in a position to express a view 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 financial results and trading prospects and the ability of the Issuer to fulfil its obligations under the Bonds.

The risks and uncertainties discussed below may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those which the Directors of the Issuer are not currently aware of, may well result in a material impact on the financial condition and operational performance of the Issuer. Accordingly, prospective investors should make their own independent evaluation of all risk factors, and should consider all other sections in the Prospectus before investing in the Bonds. In addition, prospective investors ought to be aware that risk may be amplified due to a combination of risk factors.

Forward-Looking Statements

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout this Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or the Directors concerning, amongst other things, the Issuer's strategy and business plans, results of operations, financial condition, liquidity and prospects of the Issuer and the markets in which it operates. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations, financial condition, liquidity and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the results of operations, financial condition and liquidity of the Issuer are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in taxation regimes and the availability of suitable financing.

Potential investors are advised to read this Prospectus in its entirety and, in particular, the “Risk Factors” section hereof, for a further discussion of the factors that could affect the Issuer’s future performance. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this document may not occur. All forward-looking statements contained in this document are made only as at the date hereof. Subject to applicable legal and regulatory obligations, the Issuer and its Directors expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

5.1 Risks Relating to the Issuer

5.1.1 The Issuer is subject to market and economic conditions generally

The Issuer is subject to general market and economic risks that may have a significant impact on its business. These include factors such as the health of the local property market, inflation and fluctuations in interest rates, exchange rates, property prices and other economic and social factors affecting demand for real estate generally. An increase in supply and/or reduction in demand in the property segments in which the Issuer operates could have a negative impact upon the capital values and income streams. In the event that general economic conditions and property market conditions experience a downturn, this may have an adverse impact on the financial condition of the Issuer and its ability to meet its obligations under the Bonds.

5.1.2 The Issuer has a brief history of operations

The Issuer has a brief trading record and history of operations. The Issuer was established on the 20 June 2014 to carry out the business of a finance, investment, property development and property-owning company. The Issuer is empowered to, *inter alia*, purchase, take on lease, exchange, or acquire movable or immovable property by any title. The Issuer is a relatively new player in the property market. Risks associated with an issuer having a limited trading record and history of operations include, but are not limited to, the lack of financial stability, risks of cost over-runs and risks of delays in completion of its projects. If these risks were to materialise they could have a significant impact on the financial position of the Issuer.

5.1.3 The property market is a very competitive market that can influence the business of the Issuer

The real estate market in Malta is very competitive in nature. An increase in supply and/or a reduction in demand in the property segments in which the Issuer operates and targets may cause rentable units within the Issuer’s properties to be leased at rates which are lower than those being anticipated by the Issuer or may cause the lease of such rentable units to take place at a slower pace than that anticipated by the Issuer. If these risks were to materialise, particularly if due to unforeseen circumstances there is a delay in the projected timeframes for the lease of rentable units, this could have a material adverse impact on the Issuer’s business and financial condition.

5.1.4 The Issuer depends on third parties, giving rise to counter-party risks

In the course of its business, the Issuer relies upon third-party service providers such as architects, project managers, building contractors and suppliers. With a view to proceeding with the execution of the Project, the Issuer intends to engage the services of third party contractors for the purpose of carrying out, amongst others, excavation, construction and finishing works in a timely manner and within agreed cost parameters. The Issuer is also dependent on third-party service providers for the construction, finishing and completion of St. Julian's CBC. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Issuer's expectations and in accordance with their contractual obligations. If these risks were to materialise, the resulting delays in completion of the developments could have an adverse impact on the Issuer's business, and its financial condition, results of operations and prospects.

5.1.5 Risks relating to reliance on the lease of units

The Issuer relies on the revenues it generates and expects to generate from the lease of units forming part of its property portfolio. There can be no guarantee that the Issuer will find suitable tenants for the units on the terms it seeks. In addition, the financial stability of the tenants may change over time. Defaults by tenants could result in a reduction in rental revenues, which could require the Issuer to contribute additional capital or obtain alternative financing. In addition, the Issuer may incur costs in enforcing rights under the lease of a defaulting tenant, including eviction and re-leasing costs. Any adverse changes in tenants' financial condition may negatively affect cash flows generated by the tenants. Furthermore, if the tenants decide not to renew their leases upon expiration, the Issuer may not be able to re-let their space on terms as favourable as the original terms, if at all. If tenants default on, or fail to renew their leases, the Issuer may need to expend significant time and money in attracting replacement tenants. In addition, with respect to any renewal or re-letting, the Issuer may incur costs to renovate or remodel the unit. Any of the foregoing factors may adversely affect the business, financial condition and results of operations of the Issuer.

5.1.6 The Issuer's indebtedness could adversely affect its financial position

The Issuer's capital structure is already dependent on debt financing through the Existing Bonds and through financing arrangements currently in place with S.M.W. Cortis Limited. This could have an adverse effect on the financial condition of the Issuer if the lease of space available within the Issuer's properties were to slow down below the Issuer's current expectations or if the rates at which the Issuer expects to lease such spaces are materially lower than the projected rates expected by the Issuer.

5.1.7 Material risks relating to real estate development may affect the economic performance of the Issuer and the value of its property portfolio

The Issuer is currently completing the development of St. Julian's CBC and is therefore susceptible to certain risks inherent in the real estate development, most notably the completion of this project within the envisaged timeframes and within the budgeted cost parameters. If either of these risks were to materialise, they could have a significant impact on the financial condition of the Issuer.

Moreover, the Issuer intends to proceed with the execution of the Project in the near term. In this regard, the Issuer will be subject to a number of risks normally associated with real estate development projects, many of which are beyond the Issuer's control, and which could adversely affect its economic performance and value of its real estate. Such factors include:

- changes in general economic conditions in Malta;
- delays of refusal in obtaining the necessary planning permissions;
- changes in planning policies;
- general industry trends, including the cyclical nature of the real estate market;

- changes in local market conditions, such as an oversupply of similar properties, a reduction in demand for real estate or change of local preferences and tastes;
- possible structural and environmental problems;
- the incurrence of cost overruns;
- acts of nature, such as earthquakes and floods, that may damage the property or delay its development; and
- increased competition in the market segment in which the Issuer is undertaking the real estate development, which may cause an over-supply of commercial properties in such markets, resulting in lower rental fees and a corresponding reduction in the Issuer's income.

Any of the factors described above could have a material adverse effect on the Issuer's business and operations as well as on real estate developments in course during the term of the Bonds, its respective financial condition and prospects and accordingly on the repayment of the Bond and interest thereon.

5.1.8 Planning approvals that may be required from time to time

Modifications envisaged by the Issuer to the plans as approved by the Planning Authority in respect of St. Julian's CBC and/or the Property require the further approval of such authority. Failure by the Issuer to obtain any such approvals vis-à-vis further modifications to its developments, which, if approved, could enhance the Issuer's financial position and increase the financial viability of the respective developments, could result in delays in or failure of completion of the Project and/or the completion of St. Julian's CBC as envisaged by the Issuer and/or increased costs.

5.1.9 Real Estate investments are illiquid

The Issuer is a property-holding company. Property is a relatively illiquid asset and such illiquidity may impact the Issuer's ability to vary its portfolio or dispose of, or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market and other conditions. The real estate market is affected by several factors which include general economic conditions, availability of financing, interest rates and other factors, such as supply and demand that are beyond the Issuer's control. These factors could have an adverse effect on the Issuer's financial position and results.

5.1.10 The Issuer may be exposed to environmental liabilities attaching to real estate property

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

5.1.11 The Issuer's dependence on the executive director of the Issuer

The Issuer depends to a significant degree on the efforts, performance and abilities of Joseph Cortis, the Chairman of the Board of Directors and Executive Director of the Issuer. Joseph Cortis plays and is expected to continue playing a critical role in the business of the Issuer and were he to be unable or unwilling to continue in his present position within the Issuer it might not be possible to replace him in a timely fashion or at all, which could have a material adverse effect on the Issuer's business, financial condition, results of operations and prospects.

5.1.12 Litigation risk

Particularly, although not limitedly, with respect to those units within the Issuer's property portfolio that are currently leased out or will be leased out to third parties, the Issuer may be subject or become subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Issuer's future cash flow, results of operations or financial condition.

As on the date of this Prospectus, the Issuer and S.M.W. Cortis Limited have entered into the Lease in relation to the lease of Property B which is to be used to provide access to the basement levels under Property A. Pursuant to a letter dated 3 November 2016, the Government Property Division (Joint Office) alleged that S.M.W. Cortis Limited had failed to observe two conditions found in the Property B Deed, namely: (i) that Property B is to be used as an extension to the existing factory in accordance with a plan attached to the same deed, the failure to use the property as such, resulting in the recession of the deed; and (ii) that improvements having a value of not less than €46,588 (equivalent to Lm 20,000) had to be erected on the site within two years from the date of the emphyteutical concession. S.M.W. Cortis Limited has officially rebutted these allegations on the basis that Property B has been used as a timber yard annexed to the existing factory and that works having a value which is higher than the amount stipulated in the emphyteutical concession had been carried out on the site. S.M.W. Cortis Limited believes that it will successfully rebut these allegations. The unsuccessful rebuttal of the claims could result in Government Property Division (Joint Office) attempting to attack the validity of the Lease which, if successful, could have a material adverse effect on the Project, the Issuer's business, its financial conditions and prospects.

5.1.13 Fluctuations in property valuations

The valuations referred to in this Prospectus are prepared by an independent qualified architect and are inherently subjective. In providing these market valuations, the independent architect has made certain assumptions which ultimately may cause the actual values to be materially different from any future values that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends, as reality may not match the assumptions. There can be no assurance that such property valuations reflect actual market values.

5.1.14 Risks relative to changes in laws

The Issuer is subject to, *inter alia*, taxation, environmental and health and safety laws and regulations. The Issuer is at risk in relation to changes in laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes in the interpretation thereof which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus upon the business and operations of the Issuer.

5.1.15 Health and Safety

The nature of the Issuer's business necessitates that adequate importance is given to maintaining compliance with international health and safety standards. The failure to comply with such standards could expose the Issuer to third party claims which could in turn have a material adverse effect on the its business and profitability.

5.1.16 Acquisition of Property subject to conclusion of final deed of sale regarding the Property

As on the date of this Prospectus, the terms of the purchase and acquisition of the Property are set out in the Promise of Sale Agreement. The acquisition and purchase by the Issuer of the Property is subject to the successful conclusion of the final deed of sale. Should the conditions set out in the Promise of Sale Agreement, for whatever reason, not be fulfilled or should S.M.W. Cortis Limited fail to appear on the deed of sale, the Issuer will not be in a position to acquire the Property and proceed with the execution of the Project and hence benefit from the revenue expected to be generated from the lease of units created once the Project has been completed.

5.2 Risks Relating to the Bonds

5.2.1 No Assurance of Active Secondary Market in the Bonds

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that Bondholders will be able to sell the Bonds at or above the price at which the Issuer issued the Bonds or at all.

5.2.2 Additional Indebtedness and Security

The Issuer may incur further borrowings or indebtedness and may create or permit to subsist other security interests upon the whole or any part of its present or future undertakings, assets or revenues.

5.2.3 Effect of Future Public Offerings/Takeover/Merger Activity

No prediction can be made on 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 any of the Bonds prevailing from time to time.

5.2.4 Fixed Rate Bonds

The Issuer is entitled to issue Bonds bearing a fixed rate of interest. Investment in such fixed rate Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Bonds. Investors should also be aware that the price of the fixed rate Bonds moves adversely to changes in interest rates. When prevailing market interest rates are rising, the price of fixed rate Bonds decline. Conversely, if market interest rates are declining, the price of fixed rate Bonds rises. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.

5.2.5 Discontinuation of Listing

Even after the Bonds are admitted to trading on the MSE, the Issuer is required to remain in compliance with certain requirements relating *inter alia* to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations/discontinuations described above could have a material adverse effect on the liquidity and value of the Bonds.

5.2.6 Value of the Bonds

The value of investments can rise or fall and past performance is not necessarily indicative of future performance.

5.2.7 Suitability

An investment in the Issuer may not be suitable for all recipients of this Prospectus and investors are urged to consult a licensed stockbroker or an investment advisor licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in any of the Bonds before making an investment decision. An informed investment decision can only be made by investors after they have read and fully understood the risk factors associated with an investment in the Bonds and the inherent risks associated with the Issuer's business. In the event that an investor in the Bonds does not seek professional advice and/or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her profile.

5.2.8 Bondholder's Currency of Reference

A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds and the Bondholder's currency of reference, if different.

5.2.9 Ranking of Bonds

The Issuer has not granted any security over any of its assets and therefore, the Issuer's obligations under the Bonds are unsecured obligations ranking equally with its other present and future unsecured obligations.

5.2.10 Terms and Conditions

The Terms and Conditions of the Bonds are based on Maltese law in effect as at the date of the Prospectus. A change in Maltese law or administrative practice or a judicial decision may have an effect on the terms and conditions of the Bonds. No assurance can be given as to the impact thereof after the date of this Prospectus.

The Terms and Conditions of the Bonds contain provisions for the calling of meetings of the Bondholders in the event that the Issuer wishes to amend the Terms and Conditions of the Bonds found in section 10 of this Base Prospectus. 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 majority.

6 DIRECTORY

Name, Registration number and Registered Office of Issuer	Central Business Centres p.l.c. Cortis Group, Cortis Buildings Mdina Road Zebbug, ZBG 4211 Malta C.65702
Board of Directors of Issuer	Joseph Cortis Chairman and Executive Director Anthony Cortis Non-Executive Director Alfred Sladden Independent Non-Executive Director Francis Gouder Independent Non-Executive Director
	Dr Desiree Cassar is the company secretary of the Issuer.
Sponsor	Calamatta Cuschieri Investment Services Ltd Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta C.13729
Manager and Registrar	Calamatta Cuschieri Investment Services Ltd Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034, Malta C.13729
Auditors	PricewaterhouseCoopers 78, Mill Street Qormi, QRM3101 Malta
Reporting Accountants	Deloitte Mriehel Bypass Mriehel, BKR 3000 Malta
Legal Advisors to the Issuer	Mamo TCV Advocates Palazzo Pietro Stiges, 103 Strait Street Valletta, VLT 1436 Malta

7 INCORPORATION BY REFERENCE/DOCUMENTS ON DISPLAY

The following documents, hereinafter known as the Reference Documents, are incorporated by reference to this Prospectus and are available in the English language at the registered office:

- i) The Memorandum and Articles of Association of the Issuer; and
- ii) The audited financial statements of the Issuer for the financial years ending 31 December 2014, 31 December 2015 and 31 December 2016;

The following documents are available for inspection at the registered office of the Issuer for the lifetime of this Prospectus:

- a) The documents above referred to as Reference Documents;
- b) The Prospectus and each set of Final Terms issued thereunder;
- c) The Valuation Reports issued by Arch. Joe Cassar in respect of the Property and the Existing Properties;
- d) Copies of the Property A Deed, and Property C Deed and supplements thereto;
- e) Copies of the Property Acquisition Deed and the deed for the acquisition of the Villa Fieres Site dated 23 December 2014;
- f) Copy of the Promise of Sale Agreement dated 13 September 2016 and supplements thereto;
- g) Copy of the Lease dated 16 February 2017
- h) Copies of searches of privileges and hypothecs for the period up to 30 December 2016.
- i) The Financial Analysis Summary prepared by Calamatta Cuschieri Investment Services Ltd. dated 29th May 2017; and
- j) The letter of confirmation issued by Deloitte Services Limited dated 22nd May 2017.

8 GENERAL DESCRIPTION OF THE PROGRAMME

Under this ten million Euro (€10,000,000) Unsecured Bond Issuance Programme, the Issuer may from time to time issue Bonds. The maximum aggregate principal amount of the Bonds that may, from time to time be outstanding under the Programme will not exceed ten million Euro (€10,000,000).

The Bonds may be issued on a continuing basis and may be distributed by way of public or private placements. The method of distribution of each Tranche will be stated in the applicable Final Terms.

Subject to the restrictions and conditions set out in this Base Prospectus, the categories of potential investors to which the securities are intended to be offered are retail and institutional investors in Malta. A percentage of any Tranche may be reserved for specific retail and/or institutional investors, or categories of either, details of which shall be included in the Final Terms.

Bonds will be issued in Tranches, each Tranche consisting of Bonds which are identical in all respects except for issue dates, interest commencement dates and/or issue prices. One or more Tranches, which are expressed to be consolidated and forming a single Series and identical in all respects, except for issue dates, interest commencement dates and/or issue prices may form a Series of Bonds. Further Bonds may be issued as part of an existing Series.

The specific terms governing each Tranche will be set forth in the applicable Final Terms.

The Issuer shall notify the public of the method of publication of the Final Terms by means of electronic publication on the website of the Malta Stock Exchange (www.borzamalta.com.mt), or, in addition, and at the option of the Issuer, on the website of the Issuer (www.centralbusinesscentres.com). Any notice so given will be deemed to have been validly given on the date of such publication.

Bonds will be issued in such denominations as may be determined by the Issuer and as indicated in the applicable Final Terms.

Bonds will be issued bearing a fixed rate of interest throughout the entire term of the Bonds and will be payable on that basis (as specified in the applicable Final Terms).

Application will be made to list each Series of the Bonds on the Official List of the MSE and to be admitted to trading on the Regulated Market of the MSE. The Bonds shall be issued in terms of applicable Maltese law, including the Listing Rules issued by the Listing Authority and the Companies Act.

9 INFORMATION ABOUT THE ISSUER

9.1 History and Development of the Issuer

The Issuer was established as a public limited liability company on the 20 June 2014 under the name Cortis Group Investments p.l.c. On the 7 October 2014, the Issuer's name was changed to Central Business Centres p.l.c.

The principal objects of the Issuer are:

- to carry out the business of a finance, investment, property development and property-owning company; and
- to purchase, take on lease, exchange, lease or acquire movable or immovable property by any title including emphyteusis and sub-emphyteusis for the purposes of its business, and to sell, lease or otherwise dispose of the whole or any part of the property, assets or undertaking of the Company;

Presently, the Issuer's principal activity is the ownership of each of Zebbug CBC, Gudja CBC and St. Julian's CBC and the management and operation of Zebbug CBC and Gudja CBC. The Issuer intends to extend its management and operation functions to St. Julian's CBC once works thereon have been completed and the units situated within such development are launched on the market.

The Issuer has previously raised finance amounting to six million Euro (€6,000,000) through the 2014 Bond Issuance Programme, pursuant to which two separate issues of bonds of three million Euro (€3,000,000) each were issued as follows: three million Euro (€3,000,000) seven-year bonds (maturing in 2021) having a coupon of 5.75% were issued on the 22 December 2014; and three million Euro (€3,000,000) ten-year bonds (maturing in 2025) having a coupon of 5.25% were issued on the 4 December 2015. Each issue is listed on the Official List of the MSE and has been admitted to trading on the regulated market in Malta.

Additional information regarding the Issuer is found below:

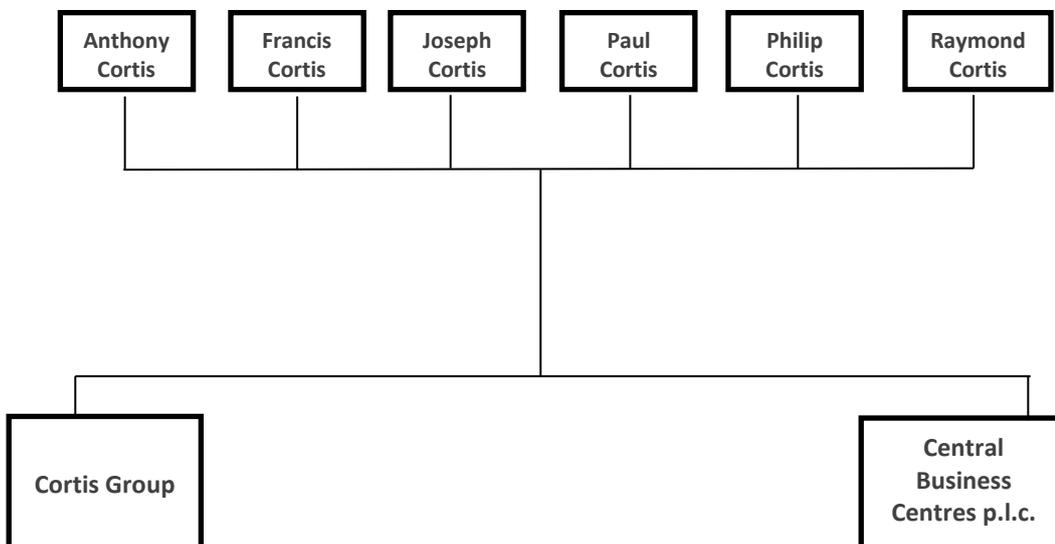
Issuer	
Legal and commercial name:	Central Business Centres p.l.c.
Company Registration Number:	C.65702
Date of Incorporation:	20 June 2014
Legislation of Operation:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Companies Act
Registered address:	Cortis Group, Cortis Buildings, Mdina Road, Zebbug, ZBG 4211, Malta
Place of registration and domicile:	Malta
Telephone number:	+356 2146 6520
Fax number:	+356 2146 5894
Email:	info@centralbusinesscentres.com
Website:	www.centralbusinesscentres.com

9.2 Statutory Auditors

The Issuer's audited financial statements for the financial year ending 31 December 2016 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta). PricewaterhouseCoopers have been appointed auditors of the Issuer for the year under review.

9.3 Organisational Structure

The following chart outlines the organisational structure of the Issuer and the relationship with the Cortis Group:



As at the date of this Prospectus, each of Anthony Cortis, Francis Cortis, Joseph Cortis, Paul Cortis, Philip Cortis and Raymond Cortis hold 41,666 (forty-one thousand six hundred and sixty-six) fully paid-up ordinary shares in the Issuer. In addition, Cortis Timber and Wood Products Limited holds 4 (four) fully paid-up shares in the Issuer.

The individual shareholders being natural persons of the Issuer, are also shareholders of S.M.W. Cortis Limited. However, the Issuer and S.M.W. Cortis Limited do not form part of the same group of companies. In this respect, the Issuer is not dependent on the financial performance, business prospects and outlook of the Cortis Group.

9.4 Selected Financial Information of the Issuer

9.4.1 Historical financial information

The following is an extract from the audited financial statements for the period from incorporation to 31 December 2014 ("FY14") and for the years ended 31 December 2015 ("FY15") and 31 December 2016 ("FY16"):

INCOME STATEMENT	FY14 €'000	FY15 €'000	FY16 €'000
REVENUE	-	142	224
OPERATING EXPENSES	(17)	(76)	(86)
OPERATING (LOSS)/PROFIT	(17)	66	138
FINANCE COSTS	(5)	(184)	(348)
FINANCE COSTS CAPITALISED	5	135	179
PROFIT BEFORE TAX	(17)	17	(31)
INCOME TAX EXPENSE	-	-	-
(LOSS)/PROFIT FOR THE YEAR	(17)	17	(31)

In FY2014 and FY2015 the company's projects were not yet completed and hence incorporate a significant level of variance from one year to the next. In FY2014 and FY2015, the Group registered an Operating profit of €-17,000 and €66,000 on revenue of €0 and €142,000. After accounting for finance costs, the Group registered a pre-tax loss of €17,000 in 2014 and a gain of €17,000 in 2015. The Group reported a net loss of €17,000 in 2014 and a gain of €17,000 in 2015.

Financial Year 2016 reflects the progress of the company in completing projecting and deriving revenue streams. Net income increased to €224,000 resulting in an operating profit of €138,000. The increase in operating profit was more than off-set by an increase in finance costs (€348,000) which was partly capitalised, resulting in a net loss of €31,000 for the year. Revenue is expected to continue to grow in the forthcoming financial statements as further projects, including the development in St. Julian's is completed.

Statement of Financial Position	31 December	31 December	31 December
	2014	2015	2016
	€'000	€'000	€'000
ASSETS			
Non-current assets			
Investment property	12,685	13,310	14,243
	12,685	13,310	14,243
Current assets			
Trade and other receivables	32	38	650
Cash and bank balances	587	2,854	1,247
	619	2,892	1,898
Total assets	13,304	16,202	16,141
EQUITY AND LIABILITIES			
Share capital	250	250	250
Other equity	10,050	10,050	10,050
(Accumulated losses)/retained earnings	(17)	1	(30)
Total equity	10,283	10,301	10,270
Non-current liabilities			
Borrowings	2,893	5,847	5,865
Current liabilities			
Trade and other payables	127	54	6
Total liabilities	3,020	5,901	5,871
Total equity and liabilities	13,304	16,202	16,141

During the financial year 2016 there were no material shifts in the composition of the balance sheet. The project in St. Julian's remains under construction, albeit in an advanced stage, and it is expected to benefit from a positive revaluation once complete in line with the recent trends of the property market.

The total assets of the Issuer declined marginally over the financial period to €16,141,000 from €16,202,000 as at FY2015.

Statement of Cash flows	FY14	FY15	FY16
	€'000	€'000	€'000
Net cash generated from/(used in) operating activities	74	(185)	(852)
Net cash used in investing activities	(12,680)	(490)	(754)
Net cash generated from financing activities	13,193	2,941	-
Net movement in cash and cash equivalents	587	2,267	(1,606)
Cash and cash equivalents at beginning of period	-	587	2,854
Cash and cash equivalents at end of period	587	2,854	1,247

9.4.2 Forecast Financial information

The following is an extract from the profit forecast, the forecast statement of financial position and the forecast statement of cash flows of the Issuer for the financial years ending 31 December 2017 ("FY17"), 2018 ("FY18") and 2019 ("FY19"):

Income Statement	FY17	FY18	FY19
	€'000	€'000	€'000
Revenue	519	1,626	2,144
Operating expenses	(142)	(292)	(399)
Operating (loss)/profit	376	1,334	1,745
Fair value movement in investment property	757	-	-
Investment income	-	4	5
Finance costs	(165)	(310)	(578)
Profit before tax	969	1,028	1,172
Income tax expense	-	(222)	(292)
(Loss)/Profit for the year	969	806	879

Statement of Financial Position	31 December 2017 €'000	31 December 2018 €'000	31 December 2019 €'000
ASSETS			
Non-current assets			
Investment property	28,973	31,914	33,751
Other financial assets	-	1,500	600
	28,973	33,414	34,351
Current assets			
Trade and other receivables	70	70	70
Cash and bank balances	-	325	309
	70	395	379
Total assets	29,044	33,809	34,731
EQUITY AND LIABILITIES			
Share capital	250	250	250
Other equity	16,081	16,081	16,081
Revaluation reserve	757	757	757
Retained earnings	182	988	1,867
Total equity	17,269	18,076	18,955
Non-current liabilities			
Borrowings	11,774	15,734	15,776
Total equity and liabilities	29,044	33,809	34,731

Statement of Cash flows	FY17 €'000	FY18 €'000	FY19 €'000
Net cash generated from operating activities	951	1,112	1,452
Net cash used in investing activities	(13,621)	(3,987)	(688)
Net cash generated from financing activities	11,424	3,200	(780)
Net movement in cash and cash equivalents	(1,247)	325	(15)
Cash and cash equivalents at beginning of period	1,247	-	325
Cash and cash equivalents at end of period	-	325	309

9.5 Investments

9.5.1 Ownership of Existing Property

The Issuer acquired Zebbug CBC from S.M.W. Cortis Limited pursuant to a deed of purchase and acquisition on the 23 December 2014 (the “**Property Acquisition Deed**”). The property was purchased for a consideration of three million seven hundred thousand Euro (€3,700,000). Together with the transfer of Zebbug CBC, by virtue of the Property Acquisition Deed, S.M.W. Cortis Limited also transferred in favour of the Issuer all of its rights and obligations under the respective lease agreements pertaining to the Zebbug CBC. As a result of such transfers, the Issuer enjoys the benefit of the leases previously in place between the tenants of the Zebbug CBC and S.M.W. Cortis Limited.

Pursuant to the abovementioned Property Acquisition Deed, the Issuer also acquired Gudja CBC from S.M.W. Cortis Limited for a consideration of two million four hundred thousand Euro (€2,400,000).

Villa Fieres was acquired from S.M.W. Cortis Limited pursuant to the Property Acquisition Deed for the amount of four million five hundred thousand Euro (€4,500,000) and the Villa Fieres Site was acquired by the Issuer from Lapsi Court Limited in terms of a deed dated 23 December 2014 for the amount of two million Euro (€2,000,000).

9.5.2 The Property, the Promise of Sale Agreement and the Lease

The Property consists of a group of buildings with commercial and industrial uses located at Mdina Road, Zebbug occupying a fairly rectangular corner site which lies on the north eastern corner of the junction between Mdina Road and Attard Road in Zebbug, Malta, covering a total of approximately 7,453square metres. The Property is better described in the Valuation Reports.

As at the date of this Prospectus, S.M.W. Cortis Limited is the owner of the Property. On the 13 September 2016, the Issuer entered into the Promise of Sale Agreement with S.M.W. Cortis Limited, pursuant to which S.M.W. Cortis Limited undertook to sell and transfer, and the Issuer undertook to purchase and acquire the Property for the price of eleven million five hundred thousand Euro (€11,500,000). This sum is expected to be financed partly through proceeds raised through this Programme as explained in section 9.7 of this Prospectus and partly through a financing arrangement the Issuer has concluded with S.M.W. Cortis Limited. The Promise of Sale Agreement is subject to a number of conditions, including, the raising of at least six million Euro (€6,000,000) through this Bond Issuance Programme.

Further details on the Promise of Sale Agreement are found in section 9.14.4 below.

As at the date of this Prospectus, S.M.W. Cortis Limited is the owner of Property B. On the 16 February 2017, the Issuer entered into the Lease, pursuant to which S.M.W. Cortis Limited granted Property B on lease to the Issuer.

The Lease is conditional to, and effective upon, the Issuer’s realisation of the Bond. The lease period is for a period of two years automatically renewable for five (5) periods of two (2) years.

The rent payable is not due, nor shall the rent begin to accrue, unless (i) building and construction in relation to the Property has been completed; (ii) the Project is ready; and (iii) the minimum investment as described below has been made.

The Issuer is obliged to enhance Property B with a minimum investment of one hundred thousand Euro (€100,000) during the first year of the Lease

The rent payable in terms of the Lease begins one year after the rent becomes due, is at the annual rent of Euro 50,000 and is subject to a 2% annual increase

Further details on the Lease are found in section 9.14.5 below.

9.6 Principal Activities & Markets

The Issuer's key objects and activities are set out in its Memorandum of Association, and include, but are not limited to the carrying on the business of a finance, investment, property development and property-owning company and the financing or re-financing of the funding requirements of the business of its subsidiaries and/or associated companies.

In furtherance of its business model aimed towards steady cash flow generation through rental of property, the Issuer intends to continue developing the "Central Business Centre" brand and build on the success of the Zebbug CBC and Gudja CBC which have been generating a steady flow of rental return since their respective launches in 2012 and in early 2016. The Issuer aims to further strengthen its reputation as a reliable supplier of quality office, retail and warehousing space and to attract reputable businesses as tenants. The Issuer operates exclusively in and from Malta.

9.6.1 Zebbug CBC and Gudja CBC

Zebbug CBC comprises 1,509 square metres of office space spread over 5 floors (including ground floor, intermediate floor, first and second levels and a penthouse situated at level three). 27 parking spaces are located at underground levels 1 and 2. On the date of this Prospectus, Zebbug CBC enjoys a 100% occupancy of available office space and car park facilities.

Gudja CBC, which is located on a main road a few minutes away from Malta International Airport and the Malta Freeport, comprises 1,365 square metres of office space set over three floors as well as 555 square metres of commercial space available at basement level. There are 19 car spaces available for rent, seven of which are situated at basement level and a further twelve open-air spaces adjacent to the building. As at the date hereof, occupancy levels at the Gudja CBC have reached 87% of available office space and car park facilities.

Leases for both the Zebbug CBC and the Gudja CBC are entered into for a fixed period (the "**Fixed Term**") which is automatically renewable for further periods of one year each (the "**Renewed Term/s**") unless terminated by the lessee by notice in writing to the lessor, given at least three months prior to the commencement of the next Renewed Term. The lessee has the option to terminate the lease after the lapse of the Fixed Term by giving the lessor three months' notice in writing or at any time by mutual agreement between the lessor and the lessee without the necessity of any prior notice. The term of lease cannot extend beyond fifteen years unless a new lease agreement is entered into between the lessor and the lessee. Tenants may only use the premises for the purpose for which they are leased. The lease agreements contemplate an increase of 5 to 6% of the rent payable for every three-year period, such increase being calculated on the basis of the last rent payable. The Lessee is also obliged to pay a maintenance fee equivalent to 10% of the rent payable. This amount is used by the Issuer to fund annual maintenance administration and common area costs.

The valuation reports pertaining to the Zebbug CBC and Gudja CBC dated 10th May 2017 issued by Arch Joe Cassar are set out in Annex II of this Base Prospectus.

9.6.2 St. Julian's CBC

The development of the Villa Fieres Site is currently underway, as is the restoration of Villa Fieres.

The Villa Fieres Site is being developed into a multi-storey building for commercial purposes. The property is currently being developed, excavation works have been completed and construction works are in progress. In all, it is envisaged that the property will comprise two floors of 550 square metres each, two floors of 480 square metres each and one floor of 300 square metres. Currently, the permit obtained for the development designates the upper floors of the development for residential use. The Issuer has an ongoing application with the Planning Authority (PA 3824/16) for a change of use of the development from mixed residential/commercial use to use as commercial premises. Three commercial premises situated at ground level are currently occupied by tenants pursuant to lease agreements entered into prior to the acquisition of the Villa Fieres Site by the Issuer. Upon the expiry of the lease agreements, the said commercial premises will be incorporated into the existing project.

Villa Fieres is currently being renovated for lease to third parties. As the existing permit for Villa Fieres designates the building for residential use, the Issuer has filed an application with the relevant authorities to allow for the commercial use of Villa Fieres as a high end commercial venue and for the development of the surrounding gardens. The Board is confident that there are reasonably good prospects for the conversion to be approved by the relevant authorities. Alternatively, Villa Fieres could be leased as a residence to high-net-worth individuals.

A number of unforeseen difficulties presented themselves during the course of the development of the St. Julian's CBC which resulted in a delay in the target date for completion. The development is now expected to be completed by the third quarter of 2017. The Board expects the first rental agreements to become effective from the fourth quarter of 2017.

The Issuer expects that following its launch on the market, St. Julian's CBC will be managed and operated in a manner similar to the Zebbug CBC and Gudja CBC. Therefore, the Issuer intends to enter into an arrangement with S.M.W. Cortis Limited for the provision of support in the form of staff manning the day to day operations of the St. Julian's CBC. This would encompass the negotiation with prospective tenants and thereafter acting as liaison officer between the Issuer and the tenants.

The valuation pertaining to St. Julian's CBC dated 10th May 2017 and issued by Arch. Joe Cassar is set out in Annex II of this Base Prospectus.

9.6.3 The Property

The Board of Directors of the Issuer believes that the demand for high quality mixed-use commercial space has not experienced a slowdown and investors have continued to invest in this market, particularly over recent years. In its quest for further growth, the Issuer has identified the Property, which it intends to develop to cater for the requirements of small and medium size businesses and professional firms as well address the demand for retail and warehousing space in central Malta. The Issuer views the development of the Property as the natural step forward in the further enhancement and growth of the "Central Business Centre" brand on the local market.

As on the date of this Prospectus, CBC has entered into the Promise of Sale agreement with S.M.W. Cortis Limited for the purchase and acquisition of the Property which is expected to take place following the issue of the first tranche of the Bonds pursuant to this Programme. The Property currently comprises a group of buildings consisting of a two-storied showroom and underlying semi-basement, a factory/warehouse and adjoining yard, parking and landscaping, and is situated on the north eastern corner of the junction between Mdina Road and Attard Road in Zebbug, Malta.

The Property is covered by non-executable full development permit issued by MEPA on the 17 November 2014 numbered PA525/10 (the "Permit"). The Permit covers amongst others, an extension to the existing factory to include two levels of storage, improved access to site and extended parking facilities. The remaining area is designated for landscaping purposes. Further details regarding the Property are found in the relative valuation report prepared by Arch. Joe Cassar, attached as Annex II to this Prospectus.

CBC's management is proposing a number of modifications to the Permit. The proposed modifications envisage the conversion of the current two-storied showroom/wedding hall into Class 4A office space and the conversion of the entire ground floor level of the warehouse/factory into a space that could be used for such purposes as would be compatible with the site and with the Issuer's business model, such as a space that would accommodate a supermarket or similar. Whereas application numbered PA/04039/16 has been submitted with the Planning Authority for the conversion of the showroom/wedding hall into office space, on the date of this Prospectus, no application has been submitted with respect to the proposed conversion of the ground floor level of the warehouse/factory into such other space as would be compatible with the Issuer's business model described above.

As the Permit is a non-executable permit, upon acquisition of the Property, the Issuer intends to take the necessary steps to convert the Permit into an executable permit. Additionally, as the Permit also covers a stretch of land not forming part of the Property, the Issuer also intends to submit an application with the relevant authorities requesting an amendment thereto so that development is restricted to those areas comprising the Property. Further details relating to the conversion of the Permit into an executable Permit and the application for a minor amendment to the Permit are found in the valuation report relative to the Property.

The Issuer envisages that the proposed development would take around 24 months to complete. During the course of the development, CBC intends to rent out the Property to the Cortis Group so as to enable it to continue with its existing on-site operations. Following completion of the Project, the Cortis Group is expected to enter into an agreement with the Issuer for the lease of the warehouse situated at level -1 and adjoining yard.

9.7 Reasons for the Issue and use of Proceeds

The proceeds from the Bonds, which net of expenses relating to the issue of this Bond shall amount to nine million eight hundred thousand Euro (€9,800,000) will be used by the Issuer for the following purposes, in the amounts set out below:

9.7.1 Acquisition of the Property

As at the date of this Prospectus, S.M.W. Cortis Limited is the owner of the Property. On the 13 September 2016, the Issuer entered into a promise of sale agreement with S.M.W. Cortis Limited, pursuant to which S.M.W. Cortis Limited undertook to sell and transfer, and the Issuer undertook to purchase and acquire the Property for the price of eleven million five hundred thousand Euro (€11,500,000). The Promise of Sale Agreement is subject to a number of conditions, including the raising of at least six million Euro (€6,000,000) through this Bond Issuance Programme.

The Issuer intends utilising a maximum amount of five million seven hundred thousand Euro €5,700,000 for the purposes of part-financing the acquisition of the Property from S.M.W. Cortis Limited. The remaining balance payable shall be financed through a financing arrangement with S.M.W. Cortis Limited in terms of which amounts due to the creditor are subordinated to the Company's monetary obligations toward the Bondholders and the Existing Bondholders. The loan is non-interest bearing unless agreed otherwise and is repayable only once all the Issuer's liabilities under the 2014 Bond Issuance Programme and under this Programme have been settled in full.

9.7.2 Execution of the Project

A maximum amount of three million nine hundred and twenty thousand Euro (€3,920,000) of the Bond proceeds is intended to be utilised by the Issuer to:

- (i) excavate approximately 2,100 square metres of land adjacent to the factory;
- (ii) develop, on the excavated site, warehousing space at different underground levels and an overlying space to be used for purposes that are compatible with the site and in accordance with the Issuer's business model;
- (iii) convert the current showroom into Class 4A office space; and
- (iv) extend surface parking facilities and develop an underground parking facility below a landscaped area.

As stated in section 9.6.3 above, the Issuer shall be seeking Planning Authority approval for the conversion of the Permit into an executable permit and for an amendment thereto so that development is restricted to those areas comprising the Property. The Issuer also intends filing an application with the Planning Authority to allow for the conversion of the warehouse/factory space at ground floor level into such other space as would be compatible with site and the Issuer's business model. Furthermore, an application requesting a change of use of the space currently occupied by the showroom/wedding hall into office space has already been filed with the relevant authority.

In connection with the Project, the Issuer intends to enter into contracts of works with various contractors for the purpose of carrying out the necessary works on the Property consisting of demolition, excavation, construction, mechanical and electrical works and finishes. Contractors shall be selected following a tendering process and a review by the Issuer's Board of Directors of bids submitted. In terms of the contracts of works to be entered into by the Issuer, selected contractors shall be required to waive any privileged and hypothecary rights over the immovable property for debts that may be due to them in respect of the expenses and the price of their work. Such contracts of works are to be in the form of lump sum contracts or, if the nature of the work so requires, in the form of measured works contracts. Penalties for delay in execution of contracted works shall apply.

The Issuer expects the execution of the Project be managed applying the model adopted in the case of the other business centres. Accordingly:

- i. a project manager and architect will be responsible for the excavation and construction stage. Thereafter, the architect together with the design team to be engaged by the Issuer will run the finishing stage;
- ii. a marketing team shall be responsible for drawing up the marketing package;
- iii. legal counsel will be engaged to draw up the necessary leases (and other) agreements;
- iv. the Issuer expects to enter into an arrangement with S.M.W. Cortis Limited on terms similar to those found in the Management Agreements described in section 9.9.4 below for the latter to provide support in the form of staff to handle the day to day operations of the Property, including:
 - a. negotiations with prospective tenants leading to entry into agreements for the lease of units forming part of the Property, and thereafter acting as liaison officer between the Issuer and tenants; and
 - b. administration and accounting requirements.

The Board of Directors of the Issuer will keep all such processes under close scrutiny with a view to adjusting same depending on demands arising as the workload may intensify from time to time. During construction, the Board will retain responsibility for the running of the Issuer in accordance with its set business plan and targets with the aforementioned architecture, project management and design teams, all of which report to the Board.

9.7.3 Residual Amounts

The remaining balance of one hundred and eighty thousand Euro (€180,000) shall be applied for general corporate funding purposes of the Issuer.

9.8 Trend Information

There has been no material adverse change in the prospects of the Issuer since the date of publication of its latest audited financial statements.

At the time of publication of this Prospectus, the Issuer considers that it is generally subject to the normal business risks associated with the real estate market and barring unforeseen circumstances, 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 its upcoming prospects, for at least the current financial year.

The Directors are of the view that there is still an active demand for the rental of commercial property generally, particularly because Malta's economy is largely based on the services sector, rendering quality office space increasingly attractive to employers wishing to enhance their professional image.

The Directors are satisfied that their targets of renting out the office space available at the Zebbug CBC and the Gudja CBC have been achieved and are confident that the demand for units available at the St Julian's CBC will be equivalent, despite the competition from similar projects in the area.

The Issuer's strategy for the foreseeable future is to continue developing its assets with a view to realising and maximising their financial potential as well as exploring new opportunities on the local market. In September 2016, the Issuer announced the signing of a preliminary agreement for the acquisition of the Property.

Although the Issuer has a relatively brief history of operations in the property development sector, its management has acquired considerable experience and knowledge in property development and project management. The Issuer's Chairman and Executive Director has overseen the development of the Zebbug CBC and the Gudja CBC and is also closely following-up the various phases of the development of the St. Julian's CBC.

The Directors are confident that the development and finishing of the Project, shall, barring unforeseen circumstances, be smooth-running and timely, particularly in view of the experience that has now been acquired.

9.9 Board of Directors and Management

9.9.1 Board of Directors

The principal purpose of the Issuer's Board is to provide the required leadership, to set the present and future strategy of the Company and to ensure proper oversight and accountability. The Issuer is managed by a board of four directors, consisting of the Chairman and Executive Director, two independent non-executive directors and one non-executive director.

The office of Executive Director is designed to ensure that the Board has direct access to the individual having the prime responsibility for the executive management of the Issuer and the implementation of approved policies and strategies.

The following are the Directors of the Issuer:

Joseph Cortis	Chairman and Executive Director
Alfred Sladden	Independent Non-Executive Director
Francis Gouder	Independent Non-Executive Director
Anthony Cortis	Non-Executive Director

The business address of all Directors is the registered office of the Issuer.

The *curriculum vitae* of each of the Directors is found below.

Joseph Cortis

Joseph Cortis has been involved in the management of the Cortis Group since 1988, holding the position of Chairman and Chief Executive Officer of the Cortis Group. In his role as Chief Executive Officer, Joseph Cortis was particularly responsible for the strategy of the Cortis Group and its future growth. He has actively participated as a member of various committees and councils such as the Federation of Industry Council, the Malta Chamber of Commerce and the Malta Institute of Management. Joseph Cortis oversaw the development of the Zebbug and Gudja Central Business Centres and the rental of commercial spaces available at these business centres and is currently involved in overseeing the various phases of the development of the St. Julian's Central Business Centre.

Alfred Sladden

Alfred Sladden commenced his career at Barclays Bank, Malta, in 1954 until his appointment to senior training manager with Barclays Bank, London, in 1968. He held such office for three years until 1971. Throughout the years that followed, Alfred Sladden continued to hold several posts with credit institutions, including manager of various branches of Barclays Bank, credit advisor of Bank of Valletta, head of internal audit at Mid Med Bank, Assistant General Manager on administration, and Assistant General Manager of the international finance division as well as Deputy General Manager on corporate strategy at Mid-Med Bank. In 1994, he was appointed General Manager of Investment Finance Bank and held such post until 1995 whilst also holding the post of director of Mid Med Life Insurance until 1996. He also held the post of general manager of finance and operations at Mid-Med Bank between 1995 and 1998. Between the years 1998-1999, he was appointed chairman of Maltapost and the Foundation for Medical Services. For nine years, between the years 1999-2008, he held a part-time post as Financial Adviser of the Eurochange Financial Services whilst simultaneously holding a part-time post as Chairman of the VAT Appeals Board from 1999 until 2011. He was Executive Director of an affiliate company of the Corinthia Group of the Czech Republic between 2000 and 2010 and also held the post of financial adviser of Technoline Ltd between the years 2009-2013.

Francis Gouder

Francis Gouder served his career in the financial services sector for 45 years having held various managerial posts both in retail banking and at head office level. He was a non-executive director of Bay Street Finance p.l.c. and is currently a non-executive director of Izola Bank p.l.c. and of other companies operating in a varied spectrum of commercial activities.

Anthony Cortis

Anthony Cortis has been a director of the Issuer since its inception in June 2014. He previously held a long-standing position with S.M.W. Cortis Limited as a master craftsman in cabinet making, apertures and joinery, with over 45 years of experience in design, manufacture, factory organisation, costs control, management and customer relations.

9.9.2 Conflicts of Interest

Anthony Cortis and Joseph Cortis are directors of both the Issuer and S.M.W. Cortis Limited. Joseph Cortis is also a director of the S.M.W. Cortis Subsidiaries. Accordingly, conflicts of interest could potentially arise in relation to transactions involving the Issuer, S.M.W. Cortis Limited and/or S.M.W. Cortis Subsidiaries.

The audit committee of the Issuer, chaired by Alfred Sladden, is tasked with ensuring that any potential conflicts of interest that may arise in view of the roles held by the Directors are handled in the best interest of the Issuer and in accordance with applicable law and regulations. In terms of the Company's Articles of Association, any director of the Company who, in any way, whether directly or indirectly, has an interest in a contract or proposed contract with the Company is required to declare the nature of his interest at the meeting of the directors at which the question of entering into the contract is first taken into consideration, or if the director was not at the date of that meeting interested in the contract or proposed contract, at the next meeting of the directors held when he became so interested.

Furthermore, the said director shall not be counted for the purposes of forming a quorum and henceforth, is not permitted to vote at a meeting of directors in respect of any contract, arrangement or proposal in which he has a material interest.

9.9.3 Board Practices**Audit Committee**

The Audit Committee's primary objective is to assist the Board in dealing with issues of risk, control and governance and in reviewing the Issuer's reporting processes, financial policies and internal control structure. The Audit Committee also oversees the conduct of the external audit and facilitates communication between the Issuer's Board, management and external auditors.

The Board has set formal terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a committee appointed by the Board and is directly responsible and accountable to the Board.

The Audit Committee deals with, and advises the Board on a variety of matters, the most salient of which are listed below:

- (i) monitoring and reviewing the financial statements issued by the Issuer, as well as the internal control structures, the financial reporting process and financial policies of the Issuer;
- (ii) maintaining communications on such matters between the Board, management and the external auditors;

- (iii) preserving the Issuer's assets by understanding its risk environment and determining how to deal with those risks;
- (iv) the appointment of the external auditors and the approval of the remuneration and terms of engagement thereof following appointment by the shareholders in general meeting;
- (v) the Issuer's internal financial control systems;
- (vi) the external audit functions, including the external auditor's independence, objectivity and effectiveness;
- (vii) the information upon which management bases its decision to consider the business as a going concern;
- (viii) the accounting policies adopted and assumptions made;
- (ix) whether the Issuer's financial statements compare well with industry norms;
- (x) the Issuer's annual and interim financial statements, and evaluating the completeness of the financial information presented and investigating any significant variances from previous years; and
- (xi) the financial performance of the Cortis Group companies, in relation to any outstanding borrowings the latter may have with the Issuer.

In addition, the Audit Committee also has the responsibility for scrutinising any proposed transaction to be entered into between the Issuer and any entity forming part of the Cortis Group with a view to ensuring that any such transaction is executed at arm's length terms and is ultimately in the best interests of the Issuer and in accordance with law and applicable regulations.

The Audit Committee is currently composed of three members, Alfred Sladden, Francis Gouder as independent non-executive directors and Anthony Cortis as non-executive director. The committee is chaired by Alfred Sladden, who, for the purposes of the Listing Rules, is the independent non-executive director considered by the Board to be competent in accounting and/or auditing matters.

9.9.4 Management

The Issuer is party to an arrangement with S.M.W. Cortis Limited for the provision of management services relating to the day to day operation of the Zebbug CBC and the Gudja CBC (the "**Management Agreements**"). The Directors are of the view that the smooth running of the day to day management of the Issuer's business is guaranteed through this arrangement.

By virtue of the Management Agreements, a designated officer sourced from the accounts department of S.M.W. Cortis Limited is responsible for the administration of the Issuer's accounts department. This includes responsibility for the issuing of requests for payments, invoices and receipts and debt collection. In addition, a designated officer sourced from the customer care department of S.M.W. Cortis Limited performs the role of liaison executive, maintaining direct contact with both business centres' tenants and catering for their requirements in terms of their respective agreements. Responsibility for the maintenance and upkeep of the external and common areas also fall within such officer's remit.

The Management Agreements are valid for renewable periods of three years each. The management fee payable in terms of the said Maintenance Agreements is fixed at the rate of 5% of the aggregate monthly rental income received by the Issuer from the lease agreements with tenants leasing out units at the Zebbug CBC and the Gudja CBC and in respect of which the said management support services are provided.

Additionally, the Issuer has entered into separate agreements with S.M.W. Cortis Limited in connection with the provision, by the latter company, of maintenance services at the Zebbug CBC and the Gudja CBC (the "**Maintenance Agreement/s**"). The Maintenance Agreements relate to the general upkeep and cleanliness of the external and common areas as well as the maintenance of the fire alarm systems and the lifts of both business centres.

The Maintenance Agreements are valid for a renewable period of three years. The maintenance fee payable in terms of the Maintenance Agreement in relation to the Zebbug CBC is fixed at the rate of 10% of the net monthly rental income received by the Issuer from the tenants of the said business centre from time to time (exclusive of tax), whereas the maintenance fee payable in terms of the Maintenance Agreement in relation to the Gudja CBC is fixed at the rate of 9% for the first year and 10% for the second and third years of the net monthly rental income received by the Issuer from the tenants of the said business centre from time to time (exclusive of tax).

9.9.5 Compliance with the Code of Good Corporate Governance

The Issuer is subject to, and declares its support of the Code of Principles of Good Corporate Governance contained in Appendix 5.1 of the Listing Rules (the “Code”) and undertakes to continue complying with the Code by taking such steps which may be considered necessary or conducive for the purposes of adopting the provisions of the Code in so far as they are considered complimentary to the size, nature and operations of the Issuer.

As at the date hereof, the Board considers the Company to be compliant with the Code save as provided below:

Principle 2: Chairman and Chief Executive: The Code recommends that the position of Chairman and Chief Executive Officer be occupied by different individuals with clear divisions of responsibilities. It is noted that the roles of Chairman and Executive Director of the Issuer are both occupied by Joseph Cortis. The Board believes that Mr Cortis is best suited to maintain this dual role as this results in more effective communication between management and the board of directors. As Executive Director of the Issuer, Joseph Cortis has in-depth knowledge of the company's daily operations and is thus best suited to set the boardroom agenda and to foster a more cohesive leadership.

Principle 7: Evaluation of the Board’s Performance: At present, the Board conducts a self-evaluation exercise on its own performance and that of its committees on an annual basis. The board considers such evaluation procedure to suffice, without the necessity of setting up an evaluation committee as advocated by the Code. The Board shall retain the matter under review over the coming year.

Principle 8: Committees: The board of directors considers that the size and operations of the Issuer do not warrant the setting up of a Remuneration Committee and a Nomination Committee. The remuneration of the board of directors of the Issuer is determined by the shareholders in accordance with its Memorandum and Articles of Association. Appointments to the board of directors of are also determined by the shareholders of the Company in accordance with its Memorandum and Articles of Association. The Issuer considers that the members of the Board provide the level of skill, knowledge and experience expected in terms of the Code.

9.10 Major Shareholders

To the knowledge of the Issuer, the control of the Issuer is not vested in any individual shareholder forming part of the Company’s current shareholding structure. The shareholders of the Issuer identified in section 9.3 above, currently hold an equal shareholding in the Issuer and no individual shareholder is a major shareholder in the Company.

The Issuer may, at its discretion, exercise the option available under the Property Acquisition Deed and the deed for the acquisition of the Villa Fieres Site to settle the consideration, or any part thereof due to the vendors under such deeds, by the allotment, in favour of such vendors, of ordinary shares in the Issuer. The Promise of Sale Agreement relative to the Property has been entered into on similar terms.

Similarly, in terms of the 2014 Subordinated Loan Agreements and 2017 Subordinated Loan Agreement (as defined hereunder), the repayment of the loans may, at the sole discretion of the Issuer, be effected by way of issue of shares in the Company in favour of the lenders or any other party indicated thereby at par value.

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

9.11 Historical Financial Information

The financial information about the Issuer is included in the financial statements for the financial years ending December 2014, 31 December 2015 and 31 December 2016. 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 since the end of the financial period to which the last audited financial statements relate.

9.12 Legal & Arbitration Proceedings

Save for what is stated below, the Company is not and has not been engaged in, nor, so far as the Company is aware, has there been pending or threatened governmental, legal or arbitration proceedings which may have, or have had during the twelve (12) months preceding the date of this Prospectus, a significant effect on the Company's financial position or profitability.

As on the date of this Prospectus, the Issuer and S.M.W. Cortis Limited have entered into the Lease in relation to the lease of Property B which is to be used to provide access to the basement levels under Property A. Pursuant to a letter dated 3 November 2016, the Government Property Division (Joint Office) alleged that S.M.W. Cortis Limited had failed to observe two conditions found in the Property B Deed, namely: (i) that Property B is to be used as an extension to the existing factory in accordance with a plan attached to the same deed, the failure to use the property as such, resulting in the recession of the deed; and (ii) that improvements having a value of not less than €46,588 (equivalent to Lm 20,000) had to be erected on the site within two years from the date of the emphyteutical concession. S.M.W. Cortis Limited has officially rebutted these allegations on the basis that Property B has been used as a timber yard annexed to the existing factory and that works having a value which is higher than the amount stipulated in the emphyteutical concession had been carried out on the site. S.M.W. Cortis Limited believes that it will successfully rebut these allegations. The unsuccessful rebuttal of the claims could result in Government Property Division (Joint Office) attempting to attack the validity of the Lease which, if successful, could have a material adverse effect on the Project, the Issuer's business, its financial conditions and prospects. However, (i) subject to certain conditions prescribed by the law, even in the case that the Issuer is successful in its claim against S.M.W. Cortis Limited, the Lease may remain valid and (ii) alternative solutions to provide access to the basement levels under Property A have been assessed and should not be difficult to implement should the need arise

9.13 Additional Information

9.13.1 Share Capital

The Issuer was established with an authorised share capital of two hundred and fifty thousand Euro (€250,000) divided into two hundred and fifty thousand (250,000) shares of one Euro (€1.00) each and an issued share capital of forty-eight thousand Euro (€48,000) divided into forty-eight thousand (48,000) ordinary shares of one Euro (€1.00) per share (each 25% paid-up).

On the 9 October 2014, the Issuer resolved to raise its issued share capital to two hundred and fifty thousand Euro (€250,000), such share capital being divided into two hundred and fifty thousand (250,000) ordinary shares of one Euro (€1) per share, all being fully paid-up. The ordinary shares in the Issuer are held in the manner described in section 9.3.

The shares in the Issuer are not listed on the Malta Stock Exchange and no application for such listing has been made as on the date of this Prospectus.

9.13.2 Memorandum and Articles of Association

The Memorandum and Articles of Association of the Issuer, as amended from time to time, are registered with the Registry of Companies in Malta.

9.13.3 Objects

Article 3 of the Memorandum contains the full list of objects of the Issuer. The principal objects of the Issuer are: (i) to carry on the business of a finance, investment, property development and property owning-company and, in particular, but without prejudice to the generality of the foregoing, the financing or refinancing of the funding requirements of the business of its subsidiaries and/or associated companies; (ii) to acquire and hold, buy and/or sell shares, membership interests, rights, stocks, bonds, debentures or securities in any company, partnership or body of persons where the so doing may seem desirable in the interests of the Company; (iii) to issue bonds, notes commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public; and (iv) to purchase, take on lease, exchange, lease or acquire movable or immovable property by any title including emphyteusis or sub-emphyteusis for the purposes of its business, and to sell, lease or otherwise dispose of the whole or any part of the property, assets or undertaking of the Company.

9.13.4 Voting Rights and Restrictions

All ordinary shares in issue are entitled to attend and vote at general meetings of the Company whereupon each ordinary share is entitled to one vote.

9.13.5 Appointment of Directors

All Directors of the Issuer shall be individuals. The Directors are appointed by means of an ordinary resolution of the shareholders of the Issuer in general meeting. An election of Directors takes place on an annual basis at the Issuer's annual general meeting. All directors, except a managing director are required to retire from office every three (3) years, however, they are eligible for re-election.

9.13.6 Powers of Directors

The Directors are vested with the administration and management of the Company, such powers emanating directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Company and exercise all of the Company's powers saving those which are restricted by law or the Memorandum and Articles of Association of the Issuer. The Members in general meeting may, from time to time, restrict and limit the aforesaid powers of the Directors, in such manner as they may deem appropriate.

The Directors shall be obliged to disclose their interest in a contract with the Company in accordance with article 145 of the Companies Act. Furthermore, a Director shall not vote at a meeting of Directors in respect of any contract, arrangement or proposal in which he has a material interest.

The maximum aggregate emoluments 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.

Unless they resign or are removed, Directors shall hold office up until the end of the annual general meeting next following their appointment. Directors whose term of office expires or who resign or are removed are eligible for re-appointment.

9.13.7 Meetings of Shareholders

The Company must in each year hold a general meeting as its annual general meeting in addition to any other general meetings in that year, and must specify the meeting as such in the notices calling it, and not more than fifteen months shall elapse between the date of one annual general meeting of the Issuer and that of the next. The annual general meeting shall be held at such time and place as the Directors shall appoint.

Notice of every general meeting shall be given to:

- a. every registered member except members who (having no registered address in Malta) have not supplied the Company with an address for the giving of notices to them;
- b. the Directors; and
- c. the Company's auditor or auditors for the time being.

A general meeting of the Issuer shall be deemed not to have been duly convened unless at least fourteen (14) days' notice shall have been given in writing to all members entitled to receive such notice. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it was given, and shall specify the place, the day and the hour of the meeting, and in case of special business, the general nature of that business, and shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such special business.

No business shall be transacted at any general meeting unless a quorum of members is present, in person or by proxy, at the time when the meeting proceeds to business and save as herein otherwise provided, at least two (2) members present in person shall constitute a quorum.

At any general meeting a resolution put to the vote shall be determined and decided by a show of hands, unless a poll is demanded before or on the declaration of the result of a show of hands by:

- a. the chairman of the meeting; or
- b. by any member or members present in person or by proxy and representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting; or
- c. by at least two members present in person or by proxy; or
- d. by a member or members holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid on all the shares conferring that right.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the book containing the minutes of the proceedings of the Issuer shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution; Provided that where a resolution requires a particular majority in value, the resolution shall not be deemed to have been carried on a show of hands by the required majority unless there be present at that meeting, whether in person or by proxy, a number of shareholders holding in the aggregate the required majority as aforesaid.

The Chairman of the board of Directors shall preside as chairman at every general meeting of the Company or, if there is no such Chairman, or if he shall not be present within twenty (20) minutes from the time appointed for the commencement of the meeting, or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting.

In the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall have no second or casting vote.

9.14 Material Contracts

9.14.1 Agreement relating to the acquisition of the Existing Property

The Issuer acquired Zebbug CBC from S.M.W. Cortis Limited pursuant to the Property Acquisition Deed dated 23 December 2014. The property was purchased for three million seven hundred thousand Euro (€3,700,000). Upon acquisition of Zebbug CBC, S.M.W. Cortis Limited transferred in favour of the Issuer all of its rights and obligations under the respective lease agreements pertaining to the Zebbug CBC. As a result of such transfer, the Issuer enjoys the benefit of the leases previously in place between the tenants of the Zebbug CBC and S.M.W. Cortis Limited.

By virtue of the said Property Acquisition Deed, the Issuer also acquired Gudja CBC from S.M.W. Cortis Limited for the amount of two million four hundred thousand Euro (€2,400,000).

Villa Fieres was also acquired from S.M.W. Cortis Limited in terms of the said Property Acquisition Deed for the amount of four million five hundred thousand Euro (€4,500,000) and the Villa Fieres Site was acquired by the Issuer from Lapsi Court in terms of a separate deed dated 23 December 2014 for the amount of two million Euro (€2,000,000).

9.14.2 2014 Subordination Agreements

The Issuer has obtained finance through financing arrangements entered into with S.M.W. Cortis Limited and with Lapsi Court Limited. The purpose of these loans was to mainly part-finance the acquisition of the Existing Properties and to make up for any shortfall in revenue generation that was expected to arise during the St. Julian's CBC project development phase. (The subordinated loan agreements entered into for the part-financing of the acquisition of the Existing Properties as well as the subordinated loan agreement entered into for the financing of any shortfall in revenue generally are collectively referred to as the "**2014 Subordinated Loan Agreements**").

Further details regarding the 2014 Subordinated Loan Agreements are set out further below in this section:

- (i) *Subordinated Loan Agreement between the Issuer and S.M.W. Cortis Limited for the loan amount of €8,050,000*

The Issuer entered into a subordinated loan agreement dated the 20 November 2014 with S.M.W. Cortis Limited wherein S.M.W. Cortis Limited undertook to grant the amount of €8,050,000 as a loan to the Issuer for part-financing the acquisition of the Zebbug CBC, the Gudja CBC and the St. Julian's CBC.

- (ii) *Subordinated Loan Agreement between the Issuer and Lapsi Court Limited for the loan amount of €2,000,000*

The Issuer entered into a subordinated loan agreement dated the 20 November 2014 with Lapsi Court Limited wherein Lapsi Court Limited undertook to grant the amount of €2,000,000 as a loan to the Issuer for part-financing the acquisition of the Zebbug CBC, the Gudja CBC and the St. Julian's CBC.

(iii) *Subordinated Loan Agreement between the Issuer and S.M.W. Cortis Limited for the loan amount of €400,000*

The Issuer entered into a subordinated loan agreement dated the 20 November 2014 with S.M.W. Cortis Limited wherein S.M.W. Cortis Limited undertook to grant the loan amount of €400,000 to finance shortfalls, if any, in revenue generation which may impact its ability to pay interest due to the Existing Bondholders and for the purpose of ensuring that it will have sufficient funds to maintain interest payments due in relation to the Existing Bonds.

Salient terms of the 2014 Subordinated Loan Agreements referred to above are as follows:

Repayment date: the repayment of principal and interest (if applicable) under the 2014 Subordinated Loan Agreements must be made by the 25th anniversary of the date of execution of the final deeds of sale and purchase of the Existing Properties or under such other terms as may be agreed to by the parties in writing from time to time;

Repayment of principal and any interest is subordinated to the rights of bond holders: the repayment of principal and interest (if applicable) under the 2014 Subordinated Loan Agreements is subordinated to any and all monetary obligations of the Issuer toward the Existing Bondholders under the 2014 Bond Issuance Programme, including, but not limited to the obligation of the Issuer to pay principal and interest and any other payment obligations to Existing Bondholders under the 2014 Bond Issuance Programme. Accordingly, no repayment of the principal and interest (if applicable) under the 2014 Subordinated Loan Agreements shall be effected by the Issuer, and no claim for such payment shall be made by S.M.W. Cortis Limited and/or Lapsi Court Limited as lenders until such time as all principal and interest on the Existing Bonds shall be repaid in full by the Issuer to the Existing Bondholders under the 2014 Bond Issuance Programme;

By virtue of amendment agreements to the 2014 Subordinated Loan Agreements, each of the loans due by the Issuer to S.M.W. Cortis Limited and Lapsi Court Limited as described in (i) to (iii) above has been further subordinated to any and all monetary obligations of the Issuer toward the Bondholders under this bond issuance Programme. Accordingly, no repayment of the principal and interest (if applicable) under the 2014 Subordinated Loan Agreements shall be effected by the Issuer, and no claim for such payment shall be made by S.M.W. Cortis Limited and/or Lapsi Court Limited until such time as all principal and interest on the Bonds issued under the Programme has been repaid in full by the Issuer to the Bondholders;

Modes of repayment: the repayment of principal and interest (if applicable) by the Issuer under the 2014 Subordinated Loan Agreements may be made in cash or, at the sole discretion of the Issuer, by way of the issue of shares in the Issuer in favour of S.M.W. Cortis Limited and/or Lapsi Court Limited or in favour of any other party indicated by S.M.W. Cortis Limited and/or Lapsi Court Limited at par value; and

Interest payments: the parties to the 2014 Subordinated Loan Agreements have agreed that the subordinated loans are to be interest-free unless otherwise agreed from time to time in writing, provided that: a two year moratorium from the date of the 2014 Subordinated Loan Agreements shall apply in all cases; any interest charge that may be agreed to shall in no case be in excess of 5% per annum; and any interest accruing as a result of the parties agreeing to apply interest following the lapse of the said two- year moratorium shall not become payable by the Issuer until such time as all principal and interest on the Existing Bonds shall have been repaid in full by the Issuer in accordance with the terms of the 2014 Bond Issuance Programme.

9.14.3 2017 Subordination Agreement

By virtue of a subordinated loan agreement entered into on the 15th May 2017, S.M.W. Cortis Limited undertook to finance the amount of five million eight hundred thousand Euro (€5,800,000) by way of a subordinated loan (the “**2017 Subordinated Loan Agreement**”).

The main terms of the 2017 Subordinated Loan Agreement are set out below:

Repayment date: the repayment of principal and interest (if applicable) under the 2017 Subordinated Loan Agreement must be made by the 25th anniversary of the date of publication of the final deed of sale and purchase of the Property or under such other terms as may be agreed to by the parties in writing from time to time;

Repayment of principal and any interest is subordinated to the rights of bond holders: the repayment of principal and interest (if applicable) under the 2017 Subordinated Loan Agreement is subordinated to any and all monetary obligations of the Issuer toward the Existing Bondholders under the 2014 Bond Issuance Programme and toward the Bondholders under this bond issuance Programme. This refers, but is not limited to the obligation of the Issuer to pay principal and interest and any other payment obligations to Bondholders under the 2014 Bond Issuance Programme and under this bond issuance Programme. Accordingly, no repayment of the principal and interest (if applicable) under the 2017 Subordinated Loan Agreement shall be effected by the Issuer, and no claim for such payment shall be made by S.M.W. Cortis Limited as lender until such time as all amounts due on the Bonds and on the Existing Bonds shall have been repaid in full by the Issuer to the Bondholders and to the Existing Bond Holders respectively;

Modes of repayment: the repayment of principal and interest (if applicable) by the Issuer under the 2017 Subordinated Loan Agreement may be made in cash or, at the sole discretion of the Issuer, by way of the issue of shares in the Issuer in favour of S.M.W. Cortis Limited or in favour of any other party indicated by S.M.W. Cortis Limited at par value; and

Interest payments: the parties to the 2017 Subordinated Loan Agreement have agreed that the subordinated loan shall be interest-free unless otherwise agreed, provided that a two year moratorium from the date of the final deed of sale and purchase of the Property shall apply in all cases; any interest charge that may be agreed to shall in no case be in excess of 5% per annum; and any interest accruing as a result of the parties agreeing to apply interest following the lapse of the said two-year moratorium shall not become payable by the Issuer until such time as all principal and interest on the Bonds and the Existing Bonds shall have been repaid in full by the Issuer in accordance with the terms of this bond issuance Programme and the 2014 Bond Issuance Programme respectively.

9.14.4 Promise of Sale Agreement

The Issuer has, on the 13 September 2016 entered into the Promise of Sale Agreement pursuant to which it agreed to purchase and acquire, and S.M.W. Cortis Limited agreed to sell and transfer the Property with its respective rights and appurtenances and as covered by development permit PA525/10.

The Property shall be sold and purchased as free from burdens, ground-rents, easements, hypothecs, privileges, charges, cautions, third party rights whether real or personal and of whatever type or nature, requisition orders, possession and use or any other form of expropriation, any rights in favour of the Government of Malta or any other public authority, enforcement orders and litigation other than as specified.

The Property (or parts thereof) is, on the date of this Prospectus, subject to a number of charges which are described in further detail in section 10.2.1 below.

The Promise of Sale was made and accepted for the global price of eleven million five hundred thousand Euro (€11,500,000), of which the sum of five hundred and eighty thousand Euro (€580,000) was paid by way of deposit on account of the purchase price.

In terms of the POS, the Issuer, in its capacity as purchaser, has the unilateral right not to appear on the final deed without forfeiture, penalty or any liability and with the immediate refund of monies paid by way of deposit in the event that it shall not raise at least six million Euro (€6,000,000) in the first tranche of the Bond issue.

In the preliminary agreement, the vendor has undertaken that on the final deed of sale and purchase it shall warrant and guarantee in favour of the Issuer:

- (i) the good title, peaceful possession and real enjoyment of the Property in accordance with law;
- (ii) that the Property is free from debts, whether registered or otherwise;
- (iii) that the Property is free from any requisition or expropriation orders or enforcements orders issued by the PA or any other competent authority;
- (iv) that there are no proceedings pending or threatened, known or which should be known to the vendor, in connection with and/or relating to the Property and that there are no circumstances, known or which should be known to the vendor which are likely to give rise to any litigation or arbitration.

9.14.5 Lease Agreement

As at the date of this Prospectus, S.M.W. Cortis Limited is the owner of Property B. On the 16 February 2017, the Issuer entered into the Lease pursuant to which S.M.W. Cortis Limited granted Property B, *tale quale*, on lease to the Issuer.

The Lease is conditional to, and effective upon, the Issuer's realisation of the Bond. The period is for a period of two years automatically renewable for five (5) periods of two (2) years. The Issuer has the right of first refusal upon termination of the Lease.

The rent payable is not due, nor shall the rent begin to accrue, unless (i) building and construction in relation to the Property has been completed; (ii) the Project is ready; and (iii) the minimum investment as described below has been made (the "Commencement of Rent Date").

The Issuer is obliged to enhance Property B with a minimum investment of one hundred thousand Euro (€100,000) during the first year of the Lease

The rent payable in terms of the lease begins one year after the Commencement of Rent Date, is at the annual rent of Euro 50,000 and is subject to a 2% annual increase.

Following the Commencement of Rent Date, the rent will be payable six monthly in advance, one week before the 1st day of each six (6) month term and will be inclusive of VAT at the rates effective at the time of payment.

9.15 Property Valuation Reports

The Issuer commissioned Arch. Joe Cassar to issue a property valuation report in relation to the Property and the Existing Properties. The following are the details of the valuer:

Name: Arch. Joe Cassar
Business address: C.E. House, 2nd Floor, Dun Karm Street, B'Kara By Pass, Birkirkara, Malta
Qualifications: BA (Arch) B.Arch (Hons) MSc, A&CE

Listing Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of the publication of the prospectus. The valuation reports are dated 10th May 2017.

A copy of the condensed valuation reports compiled by Arch. Joe Cassar in respect of the Property and the Existing Properties are annexed to this Prospectus as Annex II.

9.16 Statements by Experts and Declarations of Interest

Save for the property valuation reports prepared in relation to the Property and the Existing Properties and attached as Annex II and the financial analysis summary set out as Annex III, this Prospectus does not contain any statement or report attributed to any person as an expert.

The property valuation reports have been included in the form and context in which they appear with the authorisation of Arch. Joe Cassar, who has given and has not withdrawn his consent to the inclusion of the said reports herein. Arch. Joe Cassar does not have any material interest in the Issuer. The Issuer confirms that the property valuation reports have been accurately reproduced in this 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 financial analysis summary contained as Annex III to this Prospectus has been included in the form and context in which it appears with the authorisation of Calamatta Cuschieri Investment Services Limited who has given and has not withdrawn its consent to the inclusion of the said report herein. Calamatta Cuschieri Investment Services Limited does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in this 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.

10 TERMS AND CONDITIONS

The following is the text of the terms and conditions that, subject to completion and as supplemented in accordance with the provisions of the relevant Final Terms, shall be applicable to the Bonds.

All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms. References in these Terms and Conditions to Bonds are to the Bonds of one Series only, not to all Bonds that may be issued under the Programme.

The Bonds are issued by the Issuer to retail and institutional investors. References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

For the purpose of these Terms and Conditions, Regulated Market means any regulated market situated in a Member State of the European Economic Area (EEA) as defined in the Markets in Financial Instruments Directive 2004/39/EC.

10.1 Currency, Denomination, Form, Title, Transferability and Certain Definitions

10.1.1 Denomination & Issue Price

Bonds shall be issued in Euro (€) at the issue price determined in the relevant Final Terms (the “Issue Price”).

10.1.2 Currency

Bonds shall be issued in the Euro (€) currency.

10.1.3 Form

Bonds shall be issued in fully registered and dematerialised form without interest coupons and are represented in uncertificated form by the appropriate entry in the electronic register maintained by the CSD on behalf of the Issuer. There will be entered in such electronic register, the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively and a copy of the Bondholder’s entry into the register will, at all reasonable times during business hours, be open to the inspection of the Bondholders at the registered office of the Issuer. Title to the Bonds shall be evidenced by an entry in the register of Bonds held by the CSD.

The CSD will issue, upon a request by the Bondholder, a statement of holdings to Bondholders evidencing their entitlement to Bonds held in the register kept by the CSD.

10.1.4 Transferability

There are no restrictions on the free transferability of the Bonds.

10.2 Status

10.2.1 Status and Negative Pledge

The obligations in regard to the Bonds constitute the unsecured debt obligations of the Issuer. As regards the Issuer’s obligations, the Bonds shall at all times rank *pari passu* without any priority or preference with all other present and future unsecured obligations of the Issuer.

On the basis of official public registry searches carried out for the period up to 29 August 2016, it resulted that the Property (or parts thereof) is subject to the charges registered in favour of: (a) HSBC Bank Malta p.l.c. having the following inscription numbers (i) H 8032/1985 renewed by HR 34/2015 (hypothec), (ii) H 10,788/1986 renewed by HR 48/2016 (hypothec), (iii) H 308/1990 (hypothec), (iv) H 383/1991 (hypothec), (v) H 11,241/1992 (hypothec), (vi) H.15,102/1996 (hypothec), (vii) H 15,744/1996 (hypothec), (viii) H 6,679/2003 (hypothec), (ix) H 8,260/2003 (hypothec), (x) H 8,359/2003 (hypothec), (xi) H 8,371/2003 (hypothec and special privilege), (xii) H 11,899/2006 (hypothec), (xiii) H 14,746/2006 (hypothec), (xiv) H 14,758/2008 (hypothec) and (xv) H 14,759/2008 (hypothec); and (b) the Administrator of Ecclesiastical Benefices in Malta having the following inscription numbers (i) H 22,268/1990 (special privilege) for the amount of Euro 23.29 and (ii) H 11,840/1992 (special privilege) for the amount of Euro 23.29.

With respect to the charges referred to in (a)(i) – (xv) above, the Issuer expects HSBC Bank Malta p.l.c. to release the Property (or the parts thereof subject to a charge) from all charges issued in its name upon the settlement by S.M.W. Cortis Limited (in its own name and/or on behalf of other companies forming part of the Cortis Group, as applicable) of outstanding liabilities with the said bank. The Issuer envisages that such release shall take place prior to or concurrently with the publication of the final deed of sale in relation to the Property. Other than as stated above, no further privileged or hypothecary rights have been registered over the Property by third party creditors of S.M.W. Cortis Limited, the current owners of the Property.

The Issuer undertakes that it shall not, for as long as any principal or interest under the Bonds or any of them remains outstanding, create or permit to subsist any prior ranking security interest upon the whole or any part of its present or future assets to secure any Relevant Indebtedness (as defined hereunder). The Issuer shall be at liberty to create or permit to subsist additional security interests over its present or future assets provided they rank after the Bondholders' interests.

For the purposes of this section, the term 'Relevant Indebtedness' shall mean any indebtedness in respect of:

- (a) monies borrowed;
- (b) any debenture, bond, loan stock or other security creating or acknowledging indebtedness;
- (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 or financing the acquisition of that asset;
- (e) leases entered into primarily as a method of raising finance or financing the acquisition of the asset leased;
- (f) amounts raised under any other transaction having the commercial effect of borrowing or raising of money; and
- (g) any guarantee, indemnity or similar assurance in respect of any such indebtedness.

10.2.2 Resolutions and Meetings of Bondholders

10.2.2.1 Bondholders have the following powers, exercisable by a resolution voted for at a meeting of Bondholders, by a majority holding not less than seventy-five per cent (75%) of the nominal value of Bondholders present at the meeting in person or by proxy:

- (i) power to authorise the Issuer to amend and modify the Terms and Conditions (such Terms and Conditions as duly completed and supplemented in relation to any Series of Bonds by the terms of the relevant Final Terms in relation to such Series);
- (ii) power to approve any scheme of reconstruction of the Issuer or the amalgamation of Issuer with any other company or corporation;

and any such resolution shall be binding on all Bondholders and each Bondholder is bound to give effect to it accordingly.

10.2.2.2 The Issuer may at any time convene a meeting of the Bondholders. If the Issuer receives a written request by Bondholders holding ten per cent (10%) of the then outstanding principal amount of the Bonds and is indemnified to its satisfaction against all costs, losses and expenses, the Issuer must convene a meeting of Bondholders. Meetings shall be convened and requested only for the purpose of considering a resolution specified in the immediately preceding paragraph.

10.2.2.3 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, a quorum shall be considered present if there are Bondholders present, whether in person or by proxy, accounting for at least fifty per cent (50%) in nominal value of the Bonds then outstanding.

10.2.2.4 Once a quorum is declared present by the Chairman of the meeting (being the person who in accordance with the Memorandum and Articles of Association of the Issuer would chair a general meeting of shareholders) the meeting may then proceed to business and the Directors of the Issuer or the Bondholder(s) who requested the meeting (as the case may be) or their representatives shall present to the Bondholders the reasons for proposing the resolution. The meeting shall allow reasonable and adequate time to the Issuer to present its views to the Bondholders and to the Bondholders to present their views to the Issuer and to the other Bondholders. The meeting shall then put the resolution to a vote of the Bondholders present.

10.2.2.5 The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.

10.2.2.6 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.

10.2.2.7 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

10.2.2.8. In the event that the proposed amendments or modifications affect only the Final Terms of one particular tranche of Bonds and not all the Bondholders, it is only the Bondholders of that particular tranche of Bonds who shall be entitled to attend and vote at a meeting summoned for the purpose. In such cases, the regulations found in this section 10.2.2 shall be applied accordingly and the terms “Bonds” and “Bondholders” shall be construed to refer only to the Bonds and Bondholders pertaining to the affected tranche of Bonds.

10.3 Interest

10.3.1 Definitions:

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of Euro, a day on which the Trans European Automated Real Time Gross Settlement Express Transfer or any successor thereto (the **TARGET System**) is operating (a **TARGET Business Day**) and/or
- (ii) in the case of a specified currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency;

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Bond for any period of time (from and including the first day of such period to but excluding the last and whether or not constituting an Interest Period, the “**Calculation Period**”);

“**Actual/Actual**”, and calculated by applying the actual number of days in the Calculation Period divided by 365 or, when all or part of an Interest Period falls in a leap year, 366;

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms;

“**Interest Payment Date**” means the date(s) specified in the relevant Final Terms;

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

“**Redemption Date**” means the date(s) specified in the relevant Final Terms; and

“**Rate of Interest**” means the rate of interest payable from time to time in respect of the Bonds and that is specified in the relevant Final Terms.

10.3.2 Rate:

Each Bond bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. In the event that any Interest Payment Date falls on a day other than a Business Day, the relevant Interest Payment Date will be the first following day which is a Business Day (the “**Following Business Day Convention**”).

10.3.3 Accruals:

Interest (if any) shall cease to accrue on each Bond on the day preceding the Redemption Date thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest shall continue to accrue at the Rate of Interest up until the payment thereof.

10.3.4 Rounding:

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (b) all figures shall be rounded to seven significant figures (with halves being rounded up), and, (c) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

10.3.5 Calculations:

The amount of interest payable in respect of any Bond for any Interest Period shall be equal to the product of the Rate of Interest, the principal amount of the Bonds and the Day Count Fraction for such Interest Period. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

10.4 Payments

Payment of the principal amount of the Bonds will be made in Euro (€) by the Issuer to the person in whose name such Bonds are registered as at the close of business on the Redemption Date, with interest accrued up to (but excluding) the Redemption Date, by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro (€) and held with any licensed bank in Malta. Such payment shall be effected on the Redemption Date. The Issuer shall not be responsible for any loss or delay in transmission. Upon payment of the Redemption Value (which, unless otherwise provided, is its nominal amount), the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

In the case of Bonds held subject to usufruct, payment will be made against the joint instructions of all bare owners and usufructuaries. Before effecting payment, the Issuer 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.

Payment of any instalment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business such number of Business Days prior to the Interest Payment Date described in the Final Terms (the “**Register Cut-Off Date**”) by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro (€) and held with any licensed bank in Malta.

All payments with respect to the Bonds are subject in all cases 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 government charges of whatsoever nature imposed, levied, collected, withheld or assessed.

No commissions or expenses shall be charged by the Issuer to Bondholders in respect of such payments.

10.5 Redemption on Redemption Date

The Issuer will redeem the Bonds (together with payment of interest accrued thereon) at their Redemption Value on such date indicated in the Final Terms as being the Redemption Date (the “**Redemption Date**”). The Bonds are not subject to an early redemption option by the Issuer.

10.6 Taxation

Where the Issuer is compelled by a law or other regulation to deduct or withhold such taxes, duties or governmental charges, all amounts payable under the Bonds will be paid with deduction or withholding for or on account of any present or future taxes, duties or governmental charges whatsoever imposed or levied by or on behalf of the Republic of Malta or any taxing authority therein. The Issuer will not be obliged to make any additional payments in respect of any such withholding or deduction imposed.

10.7 Acceleration

Each Bondholder shall be entitled to declare his Bonds due and demand immediate redemption thereof at the Redemption Value, together with accrued interest, if any, to the date of repayment, in the event that any of the following events (each an “**Acceleration Event**”) occurs:

- a) the Issuer 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 by any Bondholder; or
- b) the Issuer shall duly fail to perform or shall otherwise be in breach of any other material obligation contained in the Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or
- c) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer; or
- d) the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; or
- e) the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent.

10.8 Form of Notice

Any notice, including any notice declaring Bonds due shall be made by means of a written declaration delivered by hand or registered mail to the registered office of the Issuer.

10.9 Prescriptive Period

In terms of article 2156 of the Civil Code (Cap. 16, laws of Malta), actions for the payment of interest on sums taken on loan and for the return of money given on loan (if the loan does not result from a public deed) are barred by the lapse of five years. Accordingly, actions for the payment of interest and principal on the Bonds are barred by the said prescriptive period.

10.10 Further Issues, Purchases and Cancellation

The Issuer may from time to time, without the consent of the Bondholders, create and issue further bonds, including further Tranches of Bonds so as to form a single Series with the Bonds, debentures or 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) or otherwise upon such terms and conditions as the Issuer may determine. Any further debt securities may rank in all respects with the Bonds but shall not rank ahead of the Bonds.

The Issuer may at any time purchase Bonds in the open market or otherwise and at any price. If purchases are made by tender, tenders for such Bonds must be made available to all Bondholders of the Tranche/s that are being tendered for.

All Bonds redeemed in full shall be cancelled forthwith and may not be reissued or resold.

10.11 Final Terms

These Conditions shall be completed in relation to any Series of Bonds by the terms of the relevant Final Terms in relation to such Series.

10.12 Notices

All notices concerning the Bonds will be made by means of electronic publication on the website of the MSE (www.borzamalta.com.mt), or, in addition and at the option of the Issuer, on the website of the Issuer (www.centralbusinesscentres.com). Any notice so given will be deemed to have been validly given on the date of such publication. Furthermore, Bondholders may request that any such notices be sent by post to the address contained in the register of Bondholders maintained by the CSD on behalf of the Issuer.

10.13 Method of Publication of the Base Prospectus and of the Final Terms

This Base Prospectus will be published on the websites of (a) the Listing Authority (www.mfsa.com.mt) during a period of twelve months from the date of this Base Prospectus and (b) the Issuer (www.centralbusinesscentres.com). The Final Terms related to Bonds admitted to trading on any Regulated Market will be published on the websites of (a) the Listing Authority (www.mfsa.com.mt) and (b) the Issuer (www.centralbusinesscentres.com).

10.14 Applicable Law, Place of Performance, Place of Jurisdiction and Enforcement

The Bonds, as to form and content, and all the rights and obligations of the Bondholders and the Issuer, shall be governed by Maltese law.

10.15 Submission to Jurisdiction

The place of jurisdiction for all legal proceedings arising out of or in connection with the Bonds shall be Malta.

11 FORM OF FINAL TERMS

Final Terms dated [?]



Central Business Centres p.l.c.

€10,000,000 Unsecured Bond Issuance Programme

Series No: [?]

Tranche No: [?]

[Brief description and Amount of Bonds]

Issued by: Central Business Centres p.l.c. (the Issuer)

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Bonds in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Bonds. Accordingly, any person making or intending to make an offer of the Bonds may only do so:

(i) in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or

(ii) in Malta, provided such person is one of the persons mentioned in Paragraph 7(i) of Part B below and that such offer is made during the Offer Period specified for such purpose therein.

The Issuer has not authorised, nor does it authorise, the making of any offer of Bonds in any other circumstances.

The expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the Directive 2010/73/EU, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [?] which was approved by the Listing Authority in Malta on the [?] [and the Supplement to the Base Prospectus dated [?] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 as amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010 to the extent that such amendments have been implemented in a relevant Member State) (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the Bonds described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Bonds is only available on the basis of the combination of these Final Terms and the Base Prospectus.

The Base Prospectus [and the Supplement to the Base Prospectus] [is] [are] available for viewing at the office of the Issuer and on the websites of (a) the Listing Authority during a period of twelve months from the date of the Base Prospectus and (b) the Issuer (www.centralbusinesscentres.com) and copies may be obtained free of charge from the registered office of the Issuer.

1.	Issuer:	Central Business Centres p.l.c.
2.	Series Number:	[•]
3.	Tranche Number:	[•]
4.	Specified Currency(ies)	Euro (€)
5.	Aggregate Nominal Amount:	
	(i) Series	[•]
	(ii) Tranche	[•]
6.	(i) Issue Price of Tranche	[•]
	(ii) Net Proceeds	[•]
7.	Specified Denomination	[•]
8.	(i) Issue Date	[•] <i>[specify/Issue Date]</i>
	(ii) Interest Commencement Date	[•]
9.	Redemption Date	<i>[specify date]</i>
10.	Redemption Value	Redemption at Par
11.	Register Cut-Off Date	[•]
12.	Dates of the corporate authorisations for issuance of the Bonds:	Resolution of the Board of Directors of the Issuer dated [•]
INTEREST		
13.	Rate of Interest:	[•] per cent per annum payable semi-annually in arrears
14.	Interest Payment Date(s):	[•] in each year up to and including the Redemption Date
EARLY REDEMPTION OPTION		
15.	Early Redemption Option:	Not Applicable
GENERAL PROVISIONS		
16.	Taxation	As per 'Taxation' section of the Prospectus

PURPOSE OF FINAL TERMS

These Final Terms comprise the Final Terms required for the issue and public offer in Malta and admission to trading on the Official List of the MSE of the Bonds described herein pursuant to the €10,000,000 Bond Issuance Programme of Central Business Centres p.l.c.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [•] *has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.*

Signed on behalf of Central Business Centres p.l.c.

[?]

Duly represented by:

[?]

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING AND LISTING

(i) Listing	MSE
(ii) Admission to trading:	<i>[Application has been made for the Bonds to be admitted to trading on [•] with effect from [•]. / [Not Applicable.]</i>
(iii) Previous admission to trading	Not Applicable
(iv) Estimate of total expenses related to admission to trading:	[•]

2. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save for any fees payable to the Manager and the Sponsor in connection with the Issue of Bonds, so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer. The Manager and its affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business."]

3. [THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Where a statement or report attributed to a person as an expert is included in these Final Terms in respect of the Issuer or the Bonds, provide such person's name, business address, qualifications and material interest if any in the Issuer. If the report has been produced at the Issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part in respect of the Issuer or the Bonds.

Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

In addition, the Issuer shall identify the source(s) of the information.]

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) Reasons for the offer	[•]
(ii) Estimated net proceeds	[•]
	<i>(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and -sources of other funding.)</i>
(iii) Estimated Total Expenses	[•] <i>[Include breakdown of expenses.]</i>

- (iv) Conditions to which the offer is subject [•]

5. YIELD

- (i) Indication of Yield [•]

- (ii) Method of Calculating the Yield The gross yield calculated on the basis of the Rate of Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date, is [•]

6. OPERATIONAL INFORMATION

- (i) ISIN Code [•]

- (ii) Delivery Delivery against payment

- (iii) Names and addresses of Paying Agent(s) (if any): Not Applicable

- (iv) name and address of the entity in charge of keeping records of the securities Malta Stock Exchange
Garrison Chapel,
Castille Place,
Valletta, VLT 1063
Malta

7. DISTRIBUTION

- (i) Method of Distribution – Public Offer An offer of the Bonds may be made by the Issuer, the Manager, the Sponsor [and [specify names of other financial intermediaries] / [each such financial intermediary whose name and address is published on the Issuer's website www.centralbusinesscentres.com com](together with the Manager and the Sponsor, the "**Financial Intermediaries**") other than pursuant to Article 3(2) of the Prospectus Directive in Malta during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [•] Business Days thereafter"] ("**Offer Period**").

- (ii) Other conditions for use of the Base Prospectus by the Financial Intermediary(ies): [•]

- (iii) Coordinator(s) of global offer Not Applicable

- (iv) Coordinator(s) of single parts of the offer Not Applicable

- (v) Placing Agent(s) Not Applicable

- (vi) Depository Agents Not Applicable

- (vii) Underwriting [Not Applicable / Applicable] [If Applicable, insert: name and address of underwriters and material features of the respective agreement, including quotas, placing / underwriting commission. If not all offer is underwritten, statement of portion not covered. Indication of whether underwriting agreement has been or will be reached.

(viii) Intermediaries giving firm commitment to act as intermediaries in secondary market providing liquidity through bid and offer rates	[Applicable] [Not Applicable] [if applicable, provide name and address of intermediaries and main terms of commitment]
(ix) Selling Commission	[•]%
(x) Reservation of tranche in the event that the offer is made in the markets of two or more countries	Not Applicable
(xi) Expected Timetable	[•]
(xii) Credit Rating	Not Applicable

8. ADDITIONAL INFORMATION

(i) Reservation of a tranche in favour of specific retail and/or institutional investors or categories of either:	[Not applicable]/[Applicable, if applicable, insert details of the percentage being reserved and the details of the persons in whose favour the reservation is made]
(ii) Time period, including any possible amendments, during which the offer will be open:	[•]
(iii) Arrangements for publication of final size of issue/offer:	[•]
(iv) Description of the application process:	[•]
(v) Details of the minimum/maximum amount of application (whether in numbers of securities or aggregate amount to invest):	[•]
(vi) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[•]
(vii) Method and time limits for paying up the securities and for delivery of the securities:	[•]
(viii) Full description of the manner and date in which results of the offer are to be made to public:	[•]

(ix) Procedure for the exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: Not Applicable

(x) Indication of the expected price at which the securities will be offered or the method of determining the price and the process for its disclosure: [•]

(xi) Amount of any expenses and taxes specifically charged to the subscriber: [•]

(xii) Process for notification to applicants of the amount of Bonds allotted and indication whether dealing may begin before notification is made: [•]

12 TAXATION

12.1 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.

12.2 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. Interest payments made to Prescribed Funds will be subject to a final withholding tax at the rate of 10%. 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. For the purpose of the above, a “recipient” is generally a person who is resident in Malta during the year in which investment income is payable to him or other persons or entities acting on behalf of such resident person or a trustee or foundation pursuant to or by virtue of which any money or other property whatsoever shall be paid or applied to or for the benefit of such resident persons.

The withholding tax is considered a final tax and a Maltese resident individual Bondholder may not declare the interest so received in his income tax return. No person shall be charged 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 progressive rate/s 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 does not qualify as a "recipient" in terms of article 41(c) of the Income Tax Act. 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.

12.3 Foreign Account Tax Compliance Act

The United States has enacted rules, commonly referred to as "**FATCA**", that generally impose a new 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 United States has entered into an intergovernmental agreement with Malta dated 6 December 2013 regarding the implementation of FATCA with Malta. 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 also may 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 requires participating financial institutions 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 particularly complex. Each Bondholder should consult his own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in his specific circumstance.

12.4 Directive on Administrative Cooperation in the Field of Taxation

The Council of the European Union has adopted Directive 2014/107/EU amending Directive 2011/16/EU on administrative cooperation in the field of taxation so as to introduce an extended automatic exchange of information regime that implements the OECD measures known as the “Common Reporting Standard”. Member States are required to begin exchanging information pursuant to this Directive no later than 30 September, 2017 (subject to deferral under transitional rules in the case of Austria).

Malta has transposed Directive 2014/107/EU into national law by means of Legal Notice 384 of 2015 amending the Cooperation with Other Jurisdictions on Tax Matters Regulations. In terms of this legal notice, the automatic exchange of information obligations extends also to jurisdictions that are not EU Member States with which there is a relevant arrangement in place.

In consequence, financial institutions of an EU Member State and of participating jurisdictions will be required to report to their respective tax authorities certain financial account information in respect of account holders (and in some cases, beneficial holders), that are residents of another EU Member State or of a participating jurisdiction in order to be exchanged automatically with the tax authorities of the other EU Member States or participating jurisdictions. Financial account information in respect of holders of the Bonds could fall within the scope of EU Directive 2014/107/EU and they may therefore be subject to reporting obligations.

12.5 Malta capital gains on transfer of the Bonds

To the extent that the Bonds do 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 instruments that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return*”, no Malta tax on capital gains should be chargeable in respect of transfers of Bonds held as capital assets at the time of disposal.

12.6 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, as is the Malta Stock Exchange, 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 BOND 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.

13 GENERAL INFORMATION

13.1 Listing on the official list and admission to trading information

Application will be made to list each Series of the Bonds on the Official List of the MSE and to be admitted to trading on the Regulated Market of the MSE.

13.2 Financial Analysis Summary

The financial analysis summary is annexed to this Prospectus as Annex III. The financial analysis summary is a summary of an analysis by the Sponsor of the Issuer’s financial information for the current financial year.

In the event that additional Final Terms are issued throughout the lifetime of the Prospectus, the Issuer shall, if applicable, update the financial analysis summary through the issuance of a further supplement.

13.3 Authorisation

The establishment of the Programme was authorised by the Board of Directors of the Issuer on the 17 March 2017.

ANNEX I – FORECAST FINANCIAL INFORMATION

A. Summary of significant assumptions and accounting policies

1. Introduction

The forecast statement of financial position, the forecast income statement, and the forecast statement of cash flows of Central Business Centres p.l.c. (the “Company”) for the three financial years ending 31 December 2017 (FY17), 2018 (FY18) and 2019 (FY19), have been prepared to provide financial information for the purposes of inclusion in the Base Prospectus of the Company, dated 29 May 2017. The forecast financial information as presented in Annex I of the Base Prospectus, together with the assumptions set out below, are the sole responsibility of the Directors of the Company.

The forecast information is intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. Attention is drawn, in particular, to the risk factors set out in the Base Prospectus, which describe the primary risks associated with the business to which the forecast financial information relates.

The forecast financial information is not intended to and does not provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position, and cash flows of the Company, in accordance with International Financial Reporting Standards as adopted by the EU.

The Directors have exercised due care and diligence in adopting the assumptions set out below. The forecast financial information was formally approved on the 12 May 2017 by the Directors, and the stated assumptions reflect the judgements made by the Directors at that date. The assumptions that the Directors believe are significant to the prospective financial information are described in Section 2 below.

2. Basis of preparation and principal assumptions

The principal assumptions relating to the environment in which the Company operates, and the factors which are exclusively outside the influence of the Directors and which underlie the forecast financial statements, are the following:

- There will be no material adverse movements originating from market and economic conditions affecting the property market in Malta, consumer spending levels, employment and job growth, amongst others;
- The rate of inflation will be in line with historic trends;
- The Company will be able to meet its financial obligations;
- The basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the prospective financial information.

The principal assumptions relating to the environment in which the Company operates, and the factors which the Directors can influence and which underlie the forecast financial information, are the following:

(i) Property acquisition and lease agreement

- The Company will acquire property and land from S.M.W. Cortis Limited (related company) for a total consideration of €11.5m.
- The Company will also lease a site adjacent to the property being acquired from S.M.W. Cortis Limited to improve the accessibility to the site. The site is being leased at €50k p.a. from the completion of the proposed development.

(ii) Property development

- The Company will develop the property acquired from S.M.W. Cortis Limited at a cost of €3.982m.
- Development works will commence in July 2017. The development works are projected to be completed within 24 months from commencement.
- Payment of the development costs is projected at 10% in FY17, 50% in FY18 and 40% in FY19.

(iii) Financing

- The acquisition of the property from S.M.W. Cortis Limited will be financed through the following sources:
 - €5.7m cash raised through a €6m bond issued in terms of this Programme;
 - €5.8m through a subordinated loan from S.M.W. Cortis Limited.
- Property development costs will be financed through a €4m bond, issued in terms of this Programme.
- In FY17 the company will drawdown €231k from its existing €400k subordinated loan agreement with S.M.W. Cortis, which is currently undrawn, to finance a temporary cash flow requirement derived from the St. Julians development expenditure.

(iv) Rental Income: CBC Zebbug

- Projected income relating to the Zebbug Business Centre is based on existing contracts. The financial projections assume that maturing rental agreements will be replaced without loss of income.

(v) Rental Income: CBC Gudja

- Projected income relating to the Gudja Business Centre is based on existing contracts, which occupied 87.1% of the above ground area within the development as at 18 April 2017. 25% of, the remaining space is projected to be rented out by the end of 2017 while the remaining vacant space will be leased in full in 2018.
- Projected revenue is based on estimated annual rates per square metre for office and commercial spaces and annual rates per unit for car park spaces. The rates are projected to increase by 6% every three years.
- In addition to rental income, the projections assume that CBC will charge tenants an additional 10% of rent for maintenance fees in accordance with existing rental agreements on other properties owned by the Company.

(vi) Rental Income: CBC St. Julian's

- The project is currently under development and is expected to be complete by the third quarter of 2017. The development will consist of 2,360 Square meters of office space and seven retail outlets at street level.
- The first tenants are projected to move into CBC St Julian's in the fourth quarter of 2017 with a gradual increase in occupancy reaching 95% by the end of 2019. Occupancy is projected to stabilise at 95% for office space and 100% for Retail space thereafter.
- Projected revenue is based on estimated rates per Square metre of office space and a daily rate per retail outlet. Rent is projected to increase by 6% every three years.
- In addition to the projected rental income, the projections assume that CBC will charge tenants an additional 10% of rent for maintenance fees in accordance with existing rental agreements on other properties owned by the Company.

(vii) Rental Income: Villa Fieres

- Villa Fieres is currently undergoing refurbishment works and is expected to be completed by the third quarter of 2017.
- The property is projected to be rented out to one tenant for commercial use in the fourth quarter of 2017. The permit for a change in used is still pending.

- Projected revenue is based on a daily rate, which is projected to increase by 6% every three years.
- In addition to the projected rental income, the projections assume that CBC will charge tenants an additional 10% of rent for maintenance fees in accordance with existing rental agreements on other properties owned by the Company.

(viii) Rental Income: New Zebbug Site

- The project is expected to have approximately 1,278 square meters of office space, 3,042 square meters of supermarket space, 4,050 square meters of warehouse space, 1,500 square meters of yard space, 710 square meters of storage space, 46 underground parking spaces and 62 outdoor parking spaces.
- Rental income from S.M.W. Cortis Limited, a company under common ownership, for the period FY17, FY18 and FY19 is projected at €0.1m, €0.2m and €0.1m respectively for use of part of the site.
- The permitted development is expected to take 24 months to complete, with works commencing in July 2017. The retail space which will occupy an existing structure on the site and will only require six months of refurbishment works with rental income expected to commence in January 2018. Third party rental agreements from the remainder of the property are projected to become effective from July 2019.
- Following completion of the permitted development, S.M.W. Cortis Group is expected to occupy warehouses situated at level -1 and level -2 and adjoining yard of 1,500 square meters.
- Projections assume 100% occupancy levels from June 2019 onwards.
- Projected revenue is based on market rates, and is projected to increase by 6% every three years.
- In addition to the projected rental income, the projections assume that CBC will charge tenants an additional 10% of rent for maintenance fees in accordance with existing rental agreements on other properties owned by the Company.

(ix) Operating expenses

- Maintenance and administrative duties will be subcontracted to S.M.W. Cortis Limited at a cost of 15% of rental income.
- Other overheads comprise marketing costs, brokers management costs, trust costs, directors' fees, company secretary fees, corporate costs and marketing costs. Marketing costs are expected to be substantially higher in the initial period for each project falling within the projected period, stabilising at €3k per annum thereafter. The projections assume a 2% annual increase in overheads beyond FY17 in line with estimated inflation.
- The projections provide costs pertaining to the bond issue at 2% of the expected bond proceeds (i.e. €200,000). This provision covers legal and professional fees as well as costs relating to the listing of securities on the Malta Stock Exchange

(x) Bond Interest

- A coupon of 4.5% has been assumed on the Bonds within this issuance Programme. Interest is assumed to be payable every six months.
- Bond interest is capitalised for projects still under development.

(xi) Interest on subordinated Loans

- No interest is charged on subordinated loans from companies under common ownership.

(xii) Short term investments

- The projections assume that excess cash at the end of each financial year will be invested in a sinking fund that is forecast to generate a return of 0.5% per annum.

(xiii) Taxation

- In 2017 the tax charge has been estimated at nil based on the application of the existing 35% tax regime on rental income.
- From 2018 onwards tax charge has been provided at a flat rate of 15% on projected rental income, in accordance with existing tax legislation.

(xiv) Other Equity

- The projections assume that the subordinated loan from S.M.W. Cortis Limited will be presented as equity in the projected balance sheet of the Company in accordance with IAS 8.

3. Conclusion

The Directors believe that the assumptions on which the projections are based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Issuer will be sufficient for the carrying on of its business.

Approved by the Board of Directors on 12 May 2017 and signed on its behalf by:



Joseph Cortis
Director

B. Forecast Income Statement - Periods ending 31 December

Income Statement	FY17	FY18	FY19
	€'000	€'000	€'000
Revenue	519	1,626	2,144
Operating expenses	(142)	(292)	(399)
Operating (loss)/profit	376	1,334	1,745
Fair value movement in investment property	757	-	-
Investment income	-	4	5
Finance costs	(165)	(310)	(578)
Profit before tax	969	1,028	1,172
Income tax expense	-	(222)	(292)
(Loss)/Profit for the year	969	806	879

C. Forecast Statements of Financial Position - As at 31 December

Statement of Financial Position	31 December 2017 €'000	31 December 2018 €'000	31 December 2019 €'000
ASSETS			
Non-current assets			
Investment property	28,973	31,914	33,751
Other financial assets	-	1,500	600
	28,973	33,414	34,351
Current assets			
Trade and other receivables	70	70	70
Cash and bank balances	-	325	309
	70	395	379
Total assets	29,044	33,809	34,731
EQUITY AND LIABILITIES			
Share capital	250	250	250
Other equity	16,081	16,081	16,081
Revaluation reserve	757	757	757
Retained earnings	182	988	1,867
Total equity	17,269	18,076	18,955
Non-current liabilities			
Borrowings	11,774	15,734	15,776
Total equity and liabilities	29,044	33,809	34,731

D. Forecast Statement of Cash Flows - Year ending 31 December

Statement of Cash flows	FY17 €'000	FY18 €'000	FY19 €'000
Net cash generated from operating activities	951	1,112	1,452
Net cash used in investing activities	(13,621)	(3,987)	(688)
Net cash generated from financing activities	11,424	3,200	(780)
Net movement in cash and cash equivalents	(1,247)	325	(15)
Cash and cash equivalents at beginning of period	1,247	-	325
Cash and cash equivalents at end of period	-	325	310



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Company Reg No: C51320
VAT Reg No: MT2013 6212
Exemption number: EXO2156

The Directors
Central Business Centres p.l.c
Cortis Group,
Mdina Road,
Zebbug

Malta

29 May 2017

Dear Sirs,

Independent Accountants' Report on the forecast financial information of Central Business Centres p.l.c

We report on the forecast statement of financial position, income and cash flow (“the forecast financial information”) of Central Business Centres p.l.c (the “Company”) for the three financial years ending 31 December 2017, 2018 and 2019. The forecast financial information, the basis of preparation and the material assumptions upon which the forecasts are based, are set out in Section A “Summary of significant assumptions and accounting policies” of Annex I of the Base Prospectus issued by Central Business Centres p.l.c dated 29 May 2017.

This report is required in terms of rule 5.40 of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the forecast financial information

It is the responsibility of the Company to prepare the forecast financial information and the assumptions upon which it is based, as set out in Section A “Summary of significant assumptions and accounting policies” of Annex I of the Base Prospectus, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and EU Regulation EC 809/2004.

Accountants' responsibility

It is our responsibility to form an opinion as required by Listing Rule 5.40 as issued by the Listing Authority of the Malta Financial Services Authority and Annex IV item 9.2 of EU Regulation EC 809/2004 as to the proper compilation of the forecast financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you. Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with the report or our statement, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Base Prospectus

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Basis of preparation of the forecast financial information

The financial information has been prepared on the basis stated in Section A “Summary of significant assumptions and accounting policies” of Annex I of the Base Prospectus and is based on the forecast for the years ending 31 December 2017, 2018 and 2019. The forecast financial information is required to be presented on a basis consistent with the accounting policies of the Company.

Basis of opinion

We have examined the basis of compilation and the accounting policies of the accompanying forecast financial information of the Company for the years ending 31 December 2017, 2018 and 2019 in accordance with ISAE 3000 “Assurance Engagements Other than Audits and Reviews of Historical Financial Information”. Our work included evaluating the basis on which the financial information included in the forecast has been prepared and considering whether the forecast financial information has been accurately computed based upon the disclosed assumptions and the accounting policies of the Company.

The assumptions upon which the forecast financial information is based are solely the responsibility of the Directors of the Company and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the forecast financial information have not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the forecast financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

The forecast financial information is not intended to, and does not provide all the information and disclosures necessary to give a true and fair view of the results of the operations and the financial position of the Company in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

Since the forecast financial information and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we can express no opinion as to whether the actual results reported will correspond to those shown in the forecast financial information and differences may be material.

Opinion

In our opinion, the forecast financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Company.

Yours sincerely,



David Bonett
Principal

ANNEX II – ARCHITECT’S CONDENSED VALUATION REPORTS

JOE CASSAR

Architect and Civil Engineer

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*The Board of Directors
Central Business Centre p.l.c.
Cortis Group,
Cortis Buildings,
Mdina Road,
Zebbug, Malta*

10th May 2017

Zebbug Central Business Centre

i. Introduction

The undersigned architect and civil engineer have been instructed to issue a valuation report drawn up with respect to the following property:

ZEBBUG CENTRAL BUSINESS CENTRE, MDINA ROAD, ZEBBUG

I have prepared this valuation as an independent valuer. I confirm that there is no conflict of interest in preparing this valuation report, since neither I, nor my practice, will benefit from the valuation exercise other than the valuation fee. As a warranted architect in terms of section 7 (3) of the architecture and civil engineering professionals (Periti) Act 1996, I have been involved in numerous valuations for public and private companies and for individual clients. This is a condensed version of the full valuation report for the property. The full valuation report is available for inspection at the Registered Office of Central Business Centres plc.

ii. Basis of Valuation

The basis of this valuation is to arrive at the open market value of the Property with its present existing state. The market value is the amount in monetary terms that the property is expected to realize when offered for sale on the open market by a willing seller, who after proper marketing, brings to the attention of a willing buyer, the said property in an arm’s length transaction wherein the parties acted knowledgeably, prudently and without compulsion.

iii. Purpose of this valuation

The purpose of this valuation is for the inclusion with the prospectus to be published in connection with the proposed public bond issue by Central Business Centre p.l.c (C-65702) herein after referred to as “CBC” in accordance with Chapter 7 of the Listing Rules published by the Malta Financial Services Authority.

iv. Data Consulted

This valuation relies on information provided by the directors of CBC as well as the following data.

- a) Valuation carried out by Perit Anthony Fenech Vella, together with all the information researched by the said Perit, in arriving at his valuation. The said valuations were carried out during the period October/November 2014;
- b) Planning Permits;
- c) Construction and finishing costs;
- d) Annual maintenance costs;
- e) Anticipated long term replacement costs of worn out elements;
- f) Expected letting streams of letting prices.

v. Inspections

For the purpose of this valuation, a number of site inspections were carried out during the past weeks.

vi. Description of the property

The Zebbug Central Business Centre was constructed approximately 10 years ago, and was acquired by Central Business Centers plc in 2014. It is located at Mdina Road c/w Triq Mikelang Sapiano Zebbug. It is a prominent site facing a major road and at the intersection with a road leading to Attard.

The site covers a footprint of 586m² and is built on seven levels. The footprint of the various levels is indicated below.

Level -2 586m² (used as parking)

Level -1 586m² (used as parking)

Level 0 440m²

Intermediate 263m²

1 482m²

2 482m²

Penthouse 282m²

Level 0, Intermediate, 1, 2 and penthouse levels are all used as office spaces, giving a gross floor area of approximately 1509m² (one thousand five hundred and nine square metres).

The present net annual income of the leased property amounts to one hundred and thirty two thousand Euro (€132,000).

The premises are leased out, with 100% occupancy, with the hereunder standard lease conditions:

- A rent (€ 75 per square meter base) payable monthly / quarterly (lessee option) in advance, with an increase of 5 % every three years;
- The first 3 to 5 years of the lease period are “di fermo” (Lessee’s option) and the rest of the lease up to a total of 15 years “di rispetto”, renewable every year at Lessee’s option;

- A maintenance fee of 10% of rents, payable with the rent that the Lessor uses for the common areas and the external façade upkeep;
- Utilities cost are invoiced to the Lessee on an as per use basis;
- Ordinary maintenance is at Lessee's expense, while maintenance of an extraordinary nature is at Lessor's expense.

To my knowledge, there are no registered mortgages and privileges and other charges, real rights thereon emphyteutic concessions, easements and other burdens, except what is stated in this property description. The site has been the subject of various planning applications.

Date	PA No.	Request	Remarks
15/02/94	655/94	Studio (timber structure) at 1 st floor and swimming pool in front garden	Application approved 03/10/94
10/03/99	1254/99	To demolish existing building and erect a mixed development including commercial and residential	Request granted at reconsideration stage on 03/12/01
15/10/02	5747/02	To demolish existing building and erect offices and showroom as per outline permit	Request for reconsideration granted overlooking the original decision on 20/01/04
25/08/05	5324/05	To erect additional floor PA5747/02 and carry out minor internal amendments to approved plans including lift, fire escape and parking layout.	Granted at reconsideration stage on 08/01/08
06/12/05	7728/05	To sanction commercial development as built including roofing over part of basement, internal alterations and higher floors at first & second floors	Granted at appeal stage on 25/07/08
23/12/10	5501/10	To sanction an additional third floor level together with internal alterations especially around lift well which have been carried out during construction together with an increase in parking spaces from 26 to 27 including 2 for disabled (a change of use to the second floor level is being vetted in PA 1045/11)	Approved on 05/06/12
08/07/11	1045/11	To carry out internal alterations to existing commercial building approved in PA7728/05 and PA5324/05 & change of use of part of second floor level office to training area in use of software	Approved on 05/06/12
05/02/15	1335/15	To sanction change of use of ground & intermediate floor levels from showroom to class 4A offices & fixing of illuminated sign in front garden.	Application approved

Building as existing is generally in line with PA1335/15. It has been in operation since June 2011.

Finishes are of a high standard and show very little sign of wear and tear. The façade is clad in a curvilinear curtain wall system providing an iconic feature to the building. Services include lift and utilities on each floor. Premises are accessible to all.

Property is freehold.

The property was acquired in 2014 by the company and this valuation is being requested in view that the company is seeking further funding for new acquisitions as listed in the Prospectus.

The property is free and unencumbered from any debts and liabilities.

vii. Valuation

It is the considered opinion of the undersigned that after having taken all factors into consideration as demanded by my profession, I estimate the present capital value in its present state of the Zebbug Central Business Centre at the date of this report at four million Euro (€4,000,000).

In the issuer's latest published Accounts, the value for this property was indicated at € 3.7 million.

There is no intra-Group lease on the property.

It is the considered opinion of the undersigned that there are no other matters which materially affect and are considered relevant to the value of the property, other than those taken into consideration in this evaluation.

Whilst I consider this valuation both reasonable and defensible, and while it may be different to what other valuers may propose, it is being submitted without prejudice to the party to whom it is being addressed and no responsibility is accepted or implied to third parties to whom it may be disclosed without my consent. In particular, I advise that no liability is accepted in contract, tort (including negligence or breach of statutory duty) restitution or otherwise, in respect of direct loss of profit, any indirect, special or consequential loss whatsoever, however caused including, without limitation, loss of profit, loss of business, loss of goodwill, loss of use of money and loss of opportunity. Whilst I hereby give my consent for the disclosure of this valuation report in the prospectus of Central Business Centre's plc, neither the whole nor any part of this valuation, nor reference thereto, may be included in any other published document without my prior written approval for the context in which it may appear in conformity with standard practice.

This is to confirm that this valuation has been carried out in accordance with the guidelines of the "Valuation Standards for accredited Valuers." published by the Kamra tal-Periti.



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JOE CASSAR

Architect and Civil Engineer

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*The Board of Directors
Central Business p.l.c
Cortis Group,
Cortis Buildings,
Mdina Road,
Zebbug, Malta*

10th May 2017

Gudja Business Centre

i. Introduction

The undersigned architect and civil engineer has been instructed to issue a valuation report with respect to the following property

GUDJA BUSINESS CENTRE, TRIQ HAL- TARXIEN GUDJA MALTA

I have prepared this valuation as an independent valuer. I confirm that there is no conflict of interest in preparing this valuation report, since neither I, nor my practice, will benefit from the valuation exercise other than the valuation fee. As a warranted architect in terms of section 7 (3) of the architecture and civil engineering professionals (Periti) Act 1996, I have been involved in numerous valuations for public and private companies and for individual clients. This is a condensed version of the full valuation report for the property. The full valuation report is available for inspection at the Registered Office.

ii. Basis of Valuation

The aim of this valuation is to arrive at the open market value of the Property in its present existing state. The market value is the amount in monetary terms that the property is expected to realize when offered for sale on the open market by a willing seller, who after proper marketing, brings to the attention of a willing buyer, the said property in an arm's length transaction wherein the parties acted knowledgably, prudently and without compulsion.

iii. Purpose of this valuation

The purpose of this valuation is for the inclusion with the prospectus to be published in connection with the proposed public bond issue by Central Business Centers p.l.c. (C-65702) herein after referred to as "CBC", in accordance with Chapter 7 of the Listing Rules published by the Malta Financial Services Authority.

iv. Data Consulted

This valuation relies on information provided by the directors of the CBC as well as the following data:

- a) Valuation carried out by Perit Anthony Fenech Vella, together with all the information researched by the said Perit in arriving at his valuation. The said valuations were carried out during the period October/November 2014;
- b) Planning Permits;
- c) Construction and finishing costs;
- d) Annual maintenance costs;
- e) Anticipated long term replacement costs of worn out elements; and
- f) Expected letting streams of letting prices.

v. Inspections

For the purpose of this valuation, a number of site inspections were carried out during the past weeks.

vi. Description of the property

The property comprises a showroom with overlying offices. This was constructed during 2010 at Triq Hal- Tarxien, Gudja. It forms part of an SME site as shown on the Gudja local plan. The property as acquired by Central Business Centers plc in 2014.

The premise is leased out, with 87% occupancy, with the hereunder standard lease conditions:

- A rent (€ 87 per square meter base) payable monthly / quarterly (lessee option) in advance, with an increase of 5 % every three years;
- The first 3 to 5 years of the lease period are “di fermo” (Lessee’s option) and the rest of the lease up to a total of 15 years “di rispetto”, renewable every year at Lessee’s option;
- A maintenance fee of 10% of rents, payable with the rent that the Lessor uses for the common areas and the external façade upkeep;
- Utilities cost are invoiced to the Lessee on an as per use basis;
- Ordinary maintenance is at Lessee’s expense, while maintenance of an extraordinary nature is at Lessor’s expense.

To my knowledge there are no registered mortgages and privileges and other charges, real rights thereon emphyteutic concessions, easements and other burdens except what is stated in this property description.

The site has been the subject of a number of planning requests as shown in the following table:-

Date	PA No.	Request	Remarks
09/08/95	4790/95	Outline development to excavate basement and redesign shop/store system	Permit granted on 06/05/96
18/06/98	3901/98	Excavation of basement and redesign of shop/stores	Permit granted on 21/08/98
04/12/03	7277/03	To excavate basement & erect shop & stores with warehousing facilities as per PA3901/98 & PA4790/95. Works on site have commenced including demolition of existing structures including minor amendments	Permit granted on 09/03/04
16/03/09	1041/09	Renewal of PA7277/03. To excavate basement & erect shop & stores with warehousing facilities	Permit granted on 26/01/10
22/08/14	1422/15	To sanction the minor changes from the plans approved with PA 7277/03 as renewed with PA1041/09 on the developed part of the site, including slight change in configuration with increase in footprint, introduction of intermediate floor, changes to internal layout & improved underground parking facilities & a proposal for an amended façade treatment	Permit granted on 01/12/15

The building on site largely follows PA1422/15. This permit granted the construction of the intermediate floor, improved underground parking facilities, sanctioned minor changes and approved an amendment to the façade with the intention of upgrading this façade, creating an iconic building in line with the upgraded use of an office building. The following table taken from the case officer's report sums up the two levels.

Level	As approved	Proposed
Basement level	Showroom (1000 sqm)	7 parking spaces, stores (82 sqm)
Ground level	Showroom (356 sqm), 17 parking spaces	Showroom (450 sqm), 12 parking spaces
Intermediate Floor	-	Showroom (300 sqm)
First floor	Offices (353 sqm)	Offices (500 sqm)

To conclude, the approved plans consist of 2 levels whole development of commercial space, intermediate level and an underlying basement level which is reached through an independent ramp from the communal court yard, part of which is used for parking whilst the rest is dedicated to storage.

Premises have been in operation since December 2015.

Premises are freehold.

The property was acquired in 2014 by the company and this valuation is being requested in view that the company is seeking further funding for new acquisitions as listed in the Prospectus.

Finishes adopted are in line with tenant's requirements. The level of finishes is satisfactory.

The property is free and unencumbered from any debts and liabilities.

The ultimate aim of CBC is to rent the premises. It is the practice of CBC to complete the finishes in the common parts, whilst the rest of the building is left in a semi-finished state. These will then be completed to suit client's requirements once the premises are rented out. A substantial part (87% of available rentable space) of the Gudja Central Business Centre has been rented out to date.

The present net annual income of the property amounts to ninety two thousand Euro. (€92,000)

vii. Valuation

It is the considered opinion of the undersigned that after having taken into account all factors as demanded by my profession, I estimate the market value of the property Gudja Central Business Centre as is, at three million five hundred thousand Euro (€3,500,000) as at the date of this report.

In the issuer's latest published Accounts, the value for this property was indicated at € 2.4 million.

There is no intra-Group lease on the property.

It is the considered opinion of the undersigned that there are no other matters which materially affect and/ or are considered relevant to the value of the property other than those taken into consideration in this evaluation.

Whilst I consider this valuation both reasonable and defensible, while possibly different to what other valuers may propose, it is being submitted without prejudice to the party to whom it is being addressed and no responsibility is accepted or implied to third parties to whom it may be disclosed without my consent. In particular, I advise that no liability is accepted in contract, tort (including negligence or breach of statutory duty) restitution or otherwise, in respect of direct loss of profit, any indirect, special or consequential loss whatsoever, however caused including, without limitation, loss of profit, loss of business, loss of goodwill, loss of use of money and loss of opportunity.

Whilst I hereby give my consent for the disclosure of this condensed valuation report in the prospectus of Central Business Centre plc., neither the whole nor any part of this valuation, nor reference thereto, may be included in any other published document without my prior written approval for the context in which it may appear in conformity with standard practice.

This is to confirm that this valuation has been carried out in accordance with the guidelines of the "Valuation Standards for accredited Valuers." published by the Kamra tal-Periti.



JOE CASSAR BA (Arch) B.Arch (Hons)
MSc A & CE

JOE CASSAR

Architect and Civil Engineer

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The Board of Directors

Central Business Centre p.l.c.

Cortis Groups,

Cortis Buildings,

Mdina Road,

Zebbug, Malta

10th May 2017

ST. Julian's Business Centre

i. Introduction

The undersigned architect and civil engineer have been instructed to issue a valuation report drawn up with respect to the following property:

ST. JULIAN'S CENTRAL BUSINESS CENTRE, IX-XATT TA SPINOLA, ST.JULIANS

I have prepared this valuation as an independent valuer. I confirm that there is no conflict of interest in preparing this valuation report, since neither I, nor my practice, will benefit from the valuation exercise other than the valuation fee. As a warranted architect in terms of section 7 (3) of the architecture and civil engineering professionals (Periti) Act 1996, I have been involved in numerous valuations for public and private companies and for individual clients. This is a condensed version of the full valuation report for the property. The full valuation report is available for inspection at the Registered Office.

ii. Basis of Valuation

The basis of this valuation is to arrive at the open market value of the Property in its present existing state. The market value is the amount in monetary terms that the property is expected to realize when offered for sale on the open market by a willing seller, who after proper marketing, brings to the attention of a willing buyer, the said property in an arm's length transaction wherein the parties acted knowledgeably, prudently and without compulsion.

iii. Purpose of this valuation

The purpose of this valuation is for its inclusion with the prospectus to be published in connection with the proposed public bond issue by Central Business Centre p.l.c. (C-65702) herein after referred to as "CBC" in accordance with Chapter 7 of the Listing Rules published by the Malta Financial Services Authority.

iv. Data Consulted

This valuation relies on information provided by the directors of CBC as well as the following data:

- a) Valuation carried out by Perit Anthony Fenech Vella, together with all the information researched by the said Perit, in arriving at his valuation. The said valuations were carried out during the period October/November 2014;
- b) Planning Permits;
- c) Construction and finishing costs;
- d) Annual maintenance costs;
- e) Anticipated long term replacement costs of worn out elements;
- f) Expected letting streams of letting prices;
- g) Phasing of the project.

v. Inspections

For the purpose of this valuation, a number of site inspections were carried out during the past weeks.

vi. Description of the property

The property was acquired by Central Business Centers plc in 2014.

The property under review is the scheduled Villa Fieres and its adjoining grounds. These are presently a building site. Restoration of the Villa itself and construction of a reinforced concrete frame are currently being undertaken on site. Villa Fieres is a scheduled grade 2 level building constructed approximately hundred years ago. Its location is unique. The grounds of the Villa Fieres site (where presently construction activity is being undertaken) extend right to St. Julian's square. The site is also in close proximity to St. Julian's Parish church. Originally, to the north side of the site, facing the piazza, there were a number of commercial outlets. Out of the original seven commercial outlets, three are still leased for a remaining period of fourteen (14) years. The commercial outlets which decided to remain on site immaterial of the ongoing construction activity were incorporated into the design. The land occupied by the retail outlets and the adjoining parts of it are subject to an annual and perpetual payment of seven point five seven Euro to the Parish church of Stella Maris Sliema. The property is free and unencumbered from any debts and liabilities except for the annual and perpetual payment mentioned in the preceding paragraph. To my knowledge, there are no registered mortgages and privileges and other charges, real rights thereon emphyteutic concessions, easements and other burdens except what is stated in this property description. Property is freehold.

The property was acquired in 2014 by the company and this valuation is being requested in view that the company is seeking further funding for new acquisitions as listed in the Prospectus.

The property is currently under construction and none of it is leased out. The Villa is undergoing restoration and is not lease out.

The planning history of the site in question is as follows:

Date	PA No.	Request	Remarks
26 th June 1995	4244/95	To demolish existing building and re-erect a multi-use complex.	Application withdrawn by Planning Directorate
16 th April 1999	1916/99	Construction of hotel	Application withdrawn at applicant's request. The then applicant was Mr. Noel Agius.
30 th Jan 2001	387/01	Development of complex to accommodate retail, catering and residential activities including the careful dismantling of Villa Fieres and the reconstruction of same villa over a structure to be developed following excavation works	Application was withdrawn by the then applicant Mr. Noel Agius obo Triangle investments
13 th Feb 2002	856/02	Construction of a multi-purpose development (residential and commercial) and the restoration of Villa Fieres, including internal alterations, the construction of a lift and the re-instatement of dismantled portico.	Application was approved
4 th Nov 2010	5567/10	Restoration of Villa Fieres including internal alterations, the construction of a lift and re-instatement of dismantled portico.	Application was withdrawn at the request of the applicant Mr. Joseph Cortis
14 th Nov 2014	3824/16	Amendments to approved permit PA856/02 to include change of use from residential to Class 4A offices and amendments to design to incorporate further parking spaces on site	Still being processed

Since the original valuation, works have started as per approved permit PA856/02. The conditions attached with this permit are shown in attached appendix. This permit granted the construction of 2 No. 1 bedroom apartments, 2 No. 2 bedroom apartments, 8 No. 3 bedroom apartments, 2 shops and 7 parking spaces.

Furthermore, the permit included the restoration of Villa Fieres and rehabilitation of the existing garden of the villa to comprise a formal residence. Masonry and concrete works are presently ongoing.

Recently, two applications have been submitted to the Planning Authority. They bear the numbers PA3824/16 and tracking No. 17006. Tracking No. 17006 requests the change of use of Villa Fieres into a catering establishment to comprise:

- Villa indoor area dedicated to catering 360 square meters.
- External landscaping gardens and paved area to be dedicated to external dining

PA3824/16 requests a change of use from mixed use Residential/commercial to commercial premises. This entails an office space of approximately 2525sq. meters and a retail area of 535 sq. meters.

It is expected that both applications shall be approved.

vii. Assumptions

- This valuation assumes that requests as submitted for the St. Julian's Business Centre bearing PA No. 3824//16 and Tracking No. 17006 shall eventually be approved.
- Construction costs to date have been obtained from actual expenditures incurred as provided by the directors of CBC.
- Apart from other costs such as financial, letting commission and other ancillary costs, the assumed cost of construction as shown below:
 - *Construction in shell form* - 250 Euro/sq. meter
 - *Cost of internal finishing of storage areas/garage* - 100 Euro/sq. meter
 - *For other areas, such as retail etc. cost of finishing including electrical & mechanical installation* - 700 Euro/sq. meter
 - *Landscaping area* - 100 Euro/sq. meter
- The St. Julian's Central Business Centre was completed in shell form at the end of 2016 and the first lease agreements are expected to be entered into during the fourth quarter of 2017.
- There is no material contravention of statutory requirements.
- Prices arrived at are based on the market trends since the original valuation was carried out.
- Rental value of office space in Sliema Area has been taken at a conservative estimate of 170 Euro/sq. meter.

viii. Valuation

It is the considered opinion of the undersigned that after having taken all factors into account as demanded by my profession, I estimate the present capital value in existing state of the property at St. Julian's at the date of this valuation at seven point five million Euro (€7,500,000).

The estimated total cost of completion including, without limitation, the cost of financial carrying charges, letting commissions and other ancillary costs, its capital value at current prices and on the basis of current market conditions after the development has been completed and the property has been let shall amount to ten million seven hundred thousand Euro (€10,700,000).

In the issuer's latest published Accounts, the value for this property was indicated at € 6.5 million.

There is no intra-Group lease on the property.

It is the considered opinion of the undersigned that there are no other matters which materially affect and are considered relevant to the value of the property, other than those taken into consideration in this evaluation.

Whilst I consider this valuation both reasonable and defensible, and while it may be different to what other valuers may propose, it is being submitted without prejudice to the party to whom it is being addressed and no responsibility is accepted or implied to third parties to whom it may be disclosed without my consent. In particular, I advise that no liability is accepted in contract, tort (including negligence or breach of statutory duty) restitution or otherwise, in respect of direct loss of profit, any indirect, special or consequential loss whatsoever, however caused including, without limitation, loss of profit, loss of business, loss of goodwill, loss of use of money and loss of opportunity.

Whilst I hereby give my consent for the disclosure of this valuation report in the prospectus of Central Business Centre plc, neither the whole nor any part of this valuation, nor reference thereto, may be included in any other published document without my prior written approval for the context in which it may appear in conformity with standard practice.

This is to confirm that this valuation has been carried out in accordance with the guidelines of the "Valuation Standards for accredited Valuers." published by the Kamra tal-Periti.



JOE CASSAR BA (Arch) B.Arch (Hons)
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JOE CASSAR

Architect and Civil Engineer

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*The Board of Directors
Central Business Centre p.l.c.
Cortis Group,
Cortis Buildings,
Mdina Road,
Zebbug, Malta*

10th May 2017

Cortis Buildings, Mdina Road, Zebbug

i. Introduction

The undersigned architect and civil engineer have been instructed to prepare an evaluation of the Property termed "Cortis Building", Mdina Road, Zebbug hereafter termed as "the Property".

I have prepared this evaluation as an independent valuer. I confirm that there is no conflict of interest in preparing this evaluation report, since I, or my practice will not benefit from the evaluation exercise other than the valuation fee. As a warranted architect in terms of section 7 (3) of the architecture and civil engineering professionals (Periti) Act 1996, I have been involved in numerous evaluations for public and private companies and for individual clients. This is a condensed version of the full valuation report for the property. The full valuation report is available for inspection at the registered office.

ii. Basis of Evaluation

The basis of this evaluation is to arrive at the open market value of the Property with its present existing state. The market value is the amount in monetary terms that the Property is expected to realize when offered for sale on the open market by a willing seller, who after giving proper marketing, brings to the attention of a willing buyer the said Property in an arm's length transaction wherein the parties had acted knowledgably, prudently and without compulsion.

iii. Purpose of this evaluation

The purpose of this evaluation is twofold;

1. For the inclusion with the Prospectus to be published in connection with the proposed public bond issue by Central Business Centre plc (C-65702) herein after referred to as “CBC” in accordance with Chapter 7 of the Listing Rules published by the Malta Financial Services Authority;
2. To arrive at the open market value of the property in its existing state At the date of valuation and the estimated present capital value at current prices and on the basis of current market conditions, which valuation is to be accepted as the purchase price and the selling price binding both the buyers and the sellers after both the buyers and sellers mutually agreed to the appointment of architect Joe Cassar to carry out this valuation.

iv. Data Consulted

This evaluation relies on information provided by the directors of CBC as well as the following data:

- a) Deeds of title;
- b) Property surveys presented by CBC;
- c) Planning Permits;
- d) Construction and finishing costs;
- e) Annual maintenance costs;
- f) Anticipated long term replacement costs of worn out elements;
- g) Expected revenue streams of letting prices;
- h) Financial feasibility studies;
- i) Phasing of the project and programme for development

v. Inspections

For the purpose of this evaluation a number of site inspections were carried out during the past weeks.

vi. Description of the Property

The Property being evaluated comprises a group of buildings with commercial and industrial uses located at Mdina Road, Zebbug. Mdina Road is one of the busiest arterial roads providing an easy access from both the North and South areas of Malta. Being easily accessible and being centrally located the premises offers a number of advantages.

The site on which the Property is situated is located outside the limits of development of Zebbug, within an area of Containment. The present building footprint is 2095m² which is approximately 14% site coverage.

The North and East areas around the site are characterized by agricultural land with irregular mixed ribbon development situated on Mdina Road. The site slopes down away from Mdina Road towards the Northern area.

An electricity sub-station also exists on the Southern periphery of the site, adjacent to the small car park and next to the existing showroom.

The total site area covers approximately seven thousand four hundred and fifty three (7,453) square metres. For the purpose of this evaluation, the Property has been split up into two areas namely Area A and Area C.

The directors of CBC have informed us that on the date hereof the Property is subject to a number of hypothecs and privileges. The details of the registered hypothecs and privileges and other charges are referred to in Section 10 of the Bond Issuance Programme and as per attachment "A".

There is no material contravention of statutory requirements.

There is not intra-Group lease on the property.

There is no matter which I consider relevant for the purpose of this evaluation except that mentioned in this valuation.

It is the considered opinion of the undersigned that there are no other matters which materially affect and considers relevant to the value of the property other than those taken into consideration in this evaluation.

To my knowledge there are no registered mortgages and privileges and other charges, real right thereon emphyteutic concessions, easements and other burdens except what is stated in this property description, except those listed in attachment "A".

There are no leases, sub-leases and/or repairing obligation related to the premises.

AREA A

The group of buildings presently existing on site are located in this area. The approximate age of the factory is 36 years and the showroom/hall 31 years.

The building fronting Mdina Road comprises a three storey building with one level beneath the level of Mdina road.

Due to the topography of the site, this level is accessed directly from the back of the building site.

This Building comprises:

Level -1 – Store measuring approximately seven hundred and ten (710) square meters.

Ground floor – Split level showroom measuring approximately seven hundred and ten (710) square metres

1st Floor – Hall measuring seven hundred and ten (710) square metres originally used as a Wedding Hall

At the back of the above building lies what was originally a factory. This measures approximately one thousand, fifty nine (1059) square metres.

The above building and adjacent land sited on Area A measures approximately four thousand five hundred and thirty three (4533) square metres.

The land was originally acquired by SMW Cortis Limited on the 16th May 1984 as per deed in the records of Notary Bisazza and is subject to all the terms and conditions contained in the deed otherwise free and unencumbered, therefore this property is freehold.

Property is registered in the name of SMW Cortis Limited with land registration title 07001059.

CBC has, on the 13th September 2016, entered into a promise of sale agreement with SMW Cortis Limited for the purpose of purchasing and acquiring the property described as Area A.

Area C

Property C measures approximately two thousand nine hundred and twenty square metres (2920m²).

It is bounded on the west by H'Attard Road, on the East by road known as Triq il-Qadima Attard and partly by a mill room property of unknown persons, on the South by Triq l-Imdina and on the North by an unnamed public road. SMW Cortis Ltd. had originally acquired the temporary utile dominium of the remaining period of one hundred and fifty (150) years which commenced on the 7th day of December of the year one thousand nine hundred and ninety as acquired by the deed in the records of Notary John Bizazza of the seventh day of December of the year one thousand nine hundred and ninety. (07/12/1990).

Property is subject to a temporary ground rent of twenty three Euro and twenty nine cents (€23.29) per annum. This ground rent may be redeemed for the price of four hundred and sixty five Euro and eighty-seven Euro cents and thereby all conditions contained in the deed of acquisition shall be cancelled and the property will be free and unencumbered.

Property C is registered in the Land Registry in the name of SMW Cortis Limited with Land Certificate Title 07004126. CBC has, on the 13th September 2016 entered into a promise of sale agreement with SMW Cortis Limited for the purpose of purchasing and acquiring the property described as Area C.

vii. Planning Permits

The site has been included within the containment area outlined in plan AC3 of the South Malta Local Plan approved in August 2006. It is also covered by the following planning permissions.

Ref	Permit	Proposal	Approved	Validity
1	PB 4449/81/3810/81	Erect workshop & offices	03/09/1981	03/09/1982
2	PB 3250/82/3810/81	Erect workshop, offices & showroom as per amended plans	08/07/1982	08/07/1983
3	PB 1889/87/87/3810/81	To erect first floor	24/04/1987	24/04/1987
4	PB 1889/87/87/3810/81	To erect boundary wall	22/11/1991	22/11/1993
5	PB 1889/87/87/3810/81	To erect boundary wall as per fresh Plans	05/11/1992	05/11/1994
6	PA 02523/92	To extend existing factory & warehouse – Appealed but refused	Refused	
7	PA 04232/93	Renewal to erect boundary wall	09/11/1997	09/11/2002
8	PA 06470/02	Outline 'To extend factory as per Appeals decision in PA2523/92' Non executable permit 'To extend existing factory to include 2 levels of parking. Present uses to be retained but existing rooms to be demolished	7/03/2008	7/03/2013
9	PA 00525/10	Full development 'To extend factory as per Appeals decision in PA2523/92' Non executable permit 'To extend existing factory to include 2 levels of parking.	17/11/2014	17/11/2019

		Present uses to be retained but existing rooms to be demolished		
--	--	---	--	--

Permit No. PA 525/10 was issued as a non executable. In order to convert this permit into an executable one, there are certain conditions such as presentation of a bank guarantee of ten thousand Euro (€10,000) and payment of a contribution of eight thousand one hundred and ninety-two Euro (€8,192) etc.

A full list of the conditions attached with this permit are shown in Attachment.

On 27/10/15 another application has been submitted requesting the extension of two levels of storage to factory and segregate industrial loading/unloading. Present uses to be retained but existing rooms to be demolished. This application is still in its initial stages.

It is to be noted that permit No. PA525/10 includes a parcel of land located between Areas A and B and Area C. CBC or SMW Cortis Limited intend submitting an application with the relevant authorities for a minor amendment to the approved development so as to limit development to Areas A, B and C only.

Other changes that are required involve:

- i. Revisiting the parking provision
- ii. Shifting of underground reservoir
- iii. Straightening of building so that it is sited solely on Area A
- iv. Access to lower levels from area A

The above are minor amendments and there should be no difficulty in regularizing the issues through a minor amendment application.

The time frames for the issue of a permit granting a minor amendment request are relatively speaking short when compared with a full development application.

viii. Proposed development

In accordance with the permits issued “the proposed development granted the extension of the existing factory to include two levels of storage, extend parking segregated industrial loading/unloading, improve access to site and rerouted to Attard Road and include landscaping. Present uses to be retained but existing rooms to be demolished.”

The proposed approved uses comprise:

Ground floor level:	Retail use	- 58m ²
	Storage	- 1867m ²
	Parking	- 62 spaces
	Amenities	- 58m ²
Level -1:	Storage & distribution	- 1950m ²
	Archive/Amenities	- 150m ²
Level -2:	Storage & distribution	- 1950m ²
	Parking	- 46 spaces

To recapitulate the existing uses as indicated previously are:

Showroom/Retail area	- 710m ²
Wedding hall	- 710m ²
Storage	- 710m ²
Factory	- 1059m ²

Therefore the total available commercial space is nine thousand two hundred and twenty two (9222) square meters out of which six thousand and thirty three (6033) square meters have still to be constructed.

It is being anticipated that the commencement date would be 1st July 2017.

ix. Assumptions

This evaluation assumes that:

1. A flexible method of construction is used for the proposed extension enabling the building to adapt to changing circumstances in the market.
2. Two scenarios are being considered for this evaluation.
3. That neither the Property nor its use give rise to any material contravention of any statutory requirements.

Scenario 1. The existing building as is and land covered by building permit PA525/10.

Scenario 2. As per scenario 1. But including:

- i. Construction & finishing of building granted in PA525/10
- ii. Ground floor of building granted in PA525/10 converted into a use which is more compatible with the site and with CBC Business model
- iii. Renovation of showroom and wedding hall & conversion into an office building

Bearing in mind the existing market trends, this second scenario should be the ultimate goal of the project. It makes the best present economical sense. However it is subject to P.A. approval.

4. Apart from other costs such as financial, letting commission and other ancillary costs, the assumed cost of construction as shown below:
 - Construction in shell form - 250 Euro/sq. metre
 - Cost of internal finishing of storage areas/garage - 100 Euro/sq. metre
 - For other areas such as retail etc. cost of finishing including electrical & mechanical installation - 700 Euro/sq. metre
 - Landscaping area - 100 Euro/sq. metre
5. Property is expected to take 24 months to be finished
6. Prices arrived at are based on the market value of largely similar Property
7. The total cost of the project as per scenario 2 is as per attachment "B" for cost schedule.

Scenario 1: twelve point five million

Scenario 2: seventeen million

In the issuer's latest published Accounts, the value for this property is not indicated as this property is being acquired.

It is the considered opinion of the undersigned that there are no other matters which materially affect the value of the property other than those taken into consideration in this evaluation.

Whilst I consider this evaluation both reasonable and defensible, but may be different to what other valuers may propose, it is being submitted without prejudice to the party to whom it is being addressed and no responsibility is accepted or implied to third parties to whom it may be disclosed without my consent. In particular, I advise that no liability is accepted in contract, tort (including negligence or breach of statutory duty) restitution or otherwise, in respect of direct loss of profit, any indirect, special or consequential loss whatsoever, however caused including, without limitation, loss of profit, loss of Business, loss of goodwill, loss of use of money and loss of opportunity. Whilst I hereby give my consent for the disclosure of this evaluation report in the prospectus of Central Business Centre's plc, neither the whole nor any part of this evaluation, nor reference thereto, may be included in any other published document without my prior written approval for the context in which it may appear in conformity with standard practice.

This valuation has been prepared in accordance with the Kamra tal-Periti Standards for Accredited Valuers (2012) which are largely based on the TEGOVA (The European Group of Valuers' Association Valuation Standards (2009).

A handwritten signature in black ink, appearing to read 'Joe Cassar', with a large, stylized initial 'C'.

JOE CASSAR BA (Arch) B.Arch (Hons)
MSC A & CE

Attachment "A"

I.8032/1985	Mid Med Bank (Creditor)	
R.2158/1995	SMW Cortis Ltd	
R.2159/1995	Overdraft Lm30,000	
R.2160/1995	GH & SH on;	
R.2161/1995	Unnumbered factory in Zebbug Malta Triq Il-Qadima of R.2162/1995	Attard,
built on approx 4533m2 bounded;		
R.3041/2009	North West – Said Street	
R.370/2011	South – Mdina Road	
R.2317/2012	North - Land Prop of Church of St.Pauls Shipwreck Valletta	
	Prop number LR 120901001	

(Property A)

Not Victor J Bisazza
12/07/1985

I.10,788/1986	Mid Med Bank (Creditor)	
R.2166/1995	SMW Cortis Ltd	
R.2167/1995	ext of Overdraft Lm44,000	
R.2168/1995	GH & SH on;	
R.2169/1995	Unnumbered factory in Zebbug Malta Triq Il-Qadima of R.2170/1995	Attard,
built on approx 4533m2 bounded;		
R.3041/2009	North West – Said Street	
R.370/2011	South – Mdina Road	
R.2317/2012	North - Land Prop of Church of St.Pauls Shipwreck Valletta	
	Prop number LR 120901001	

(Property A)

Not Victor J Bisazza
24/09/1986

I.308/1990	Mid Med Bank (Creditor)	
R.2174/1995	SMW Cortis Ltd	
R.2175/1995	ext of Overdraft Lm46,000	
R.2176/1995	GH & SH on;	
R.2177/1995	Factory known as "Saint Mary Woodworks" in Zebbug Malta Triq Il-Qadima of Attard, built on approx 4533m2 bounded;	
R.2178/1995		
R.3041/2009	North West – Said Street	
R.370/2011	South – Mdina Road	
R.2317/2012	North - Land Prop of Church of St.Pauls Shipwreck Valletta	
	Prop number LR 120901001	

(Property A)

Not Victor J Bisazza
3/01/1990

I.22268/1990	L-Amministraturi tal-Beni Ekklesiastici f'Malta f'isem u fl-interess tal-Beneficju ta' Srina (Creditor)	
	SMW Cortis Limited	
	SP Lm10 cens anwu u temporanju gall perjodu ta 150 snin mid-data tal-att li jkun jista jinfeda bis-somma ta Lm200 fi zmien ghaxar snin mid-data tal-att u mal-fidi il-kundizzjonijiet kollha tac-cens jitnehew u l-art tibqa libera u franka skond l-att	

Land f'haz-Zebbug Malta kejl 2920.08mk
 Punent; Attard Road
 Lvant- Triq Attard il-Qadima
 Nofsinhar – Mdina Road

Not Victor J Bisazza
 7/12/1990

(Property C)

I.383/1991

R.2184/1995
 R.2185/1995
 R.2186/1995
 R.2187/1995

Mid Med Bank (Creditor)

SMW Cortis Ltd
 ext of Overdraft Lm80,000
 GH & SH on;
 Factory Saint Mary Woodworks in Zebbug Malta Triq Il-Qadima of R.2188/1995
 Attard, built on approx 4533m2 bounded;
 North West – Said Street
 South – Mdina Road
 North - Land Prop of Church of St.Pauls Shipwreck Valletta
 Prop number LR 120901001

Not Victor J Bisazza
 3/01/1991

(Property A)

I.11241/1992

R.2189/1995
 R.2190/1995
 R.2191/1995
 R.2192/1995

Mid Med Bank (Creditor)

SMW Cortis Ltd
 ext of Overdraft add Lm50,000
 GH & SH on;
 Factory Saint Mary Woodworks in Zebbug Malta Triq Il-Qadima of R.2193/1995
 Attard, built on approx 4533m2 bounded;
 North West – Said Street
 South – Mdina Road
 North - Land Prop of Church of St.Pauls Shipwreck Valletta
 Prop number LR 120901001

Not Victor J Bisazza
 15/06/1992

(Property A)

I.15102/1996

R.839/2007
 R.1930/2007
 R.370/2011
 R.2317/2012

Mid Med Bank (Creditor)

SMW CORTIS LTD
 Ext of OD Lm300,000
 GH & SH on;

- a. Factory Saint Mary Woodworks in Zebbug Malta Triq Il-Qadima of Attard, built on approx 4533m2 b) the Temp Utile Dom remaining period of 150yrs from 7/12/1990 of the adjacent field measuring 3088sqm a+temp gr Lm10 c) another adjacent field measuring approx 1767sqm d) the temp utile dom for remaining period of 150yrs from 16/6/1992 of the land in Zebbug Malta measuring approx 4500sqm the whole (being adjacent and contiguous) is bounded on the north west by the abovementioned street, on the south by Mdina Road and on the north by property belonging to the Church of Saint Pauls Shipwreck in Valletta (properties registered at the Land Registry with Property numbers 120901001, 081703001, 120901026, 120901025)

- b. the unnumbered tenement known as "Cassar Yard" in Tarxien Road Gudja consisting of an unnumbered showroom, unnumbered offices overlying the said showroom, adjacent to it and two unnumbered and contiguous garages with relative airspaces f& u and comprising a yard giving access to the said showroom, garages and offices and including a divided portion of land measuring approx 1408m² adjacent to the abovementioned yard. All the said properties are contiguous and are together bounded on the North West by Triq Hal-Tarxien, on the South West by a private alley and on the North East by the divided portion of land abovementioned whilst the said divided portion of land is bounded on the south east by property of Carmelo Cassar Limited, on the North West partly by triq Hal-Tarxien and partly by the said yard, on the south west partly by a garage property of Lewis Pace and partly by the abovementioned yard and which divided portion of land is subject to the easement of passage and access by foot which are being enjoyed by several garages which are numbered 1-12 which are property of Carmelo Cassar Limited, on the south east boundary and victor Zammit and lewis press limited on the south west
- c. the two contiguous garages/warehouses unnamed and unnumbered situated in a private drive abutting on Tarxien Road Gudja bounded together being contiguous on the north by property of Lewis Press Limited on the west by the said drive in property of SMW Cortis Limited and on the south by property of Joseph Farrugia Beauty Products Limited, which two garages overly six garages (6) property of third parties and built on plots 8,9,10 and 11 of the fields "Tac-Cappa" which garages enjoy the right of passage in common with others from the said drive in, including the airspace of a private drive in accessible from Tarxien Road Gudja
- d. the temp utile dom for the remaining period of 50yrs that commenced on the 8/8/1990 of the factory without number having Land Certificate no 080705005 situate in the industrial estate of Attard in an unnamed street and bounded on all compass points by property of the government of malta which factory comprises a site measuring approx 1676m² as subject to the annual and temp gr of Lm386
- e. the field in the limits of Zebbug Malta in the district of Ta Bordin which field is also named Ta Bordin measuring approx 4237.957sqm bounded on the east by Sqaq ta Bordin through which land the field has its access on the south by a valley on the north by property of George Abela as subject to the a+p gr Lm10 together with all improvements erected on the said field consisting of five warehouses and two storeys of offices without number but named St.Pauls Farm land registry title 110901003

(Properties A, & C and other properties)

I.15744/1996	Mid Med Bank (Creditor)
R.839/2007	SMW Cortis Limited
R.1930/2007	Ext of OD
R.3041/2009	Same Properties as I.15102/1996
R.370/2011	
R.2317/2012	

I.6679/2003	HSBC Bank Malta (Creditor)
R.839/2007	Calibre Industries Limited (PD)
R.1930/2007	SMW Cortis Limited (JSS)
R.3041/2009	Fieres Limited (JSS)
R.370/2011	Ext of OD
R.2316/2012	GH&SH on; Same Properties as I.15102/1996
R.8848/2014	

Not.C Mangion

23/4/2003

I.8260/2003

R.839/2007
R.1930/2007
R.3041/2009
R.370/2011
R.2317/2012
R.8844/2014
R.8848/2014

HSBC Bank Malta (Creditor)

Loan 333,334
SMW Cortis Limited (PD)
Lapsi Court Limited (JSS)
GH&SH on; **Same Properties as I.15102/1996**
SH on;

Not.C Mangion

23/4/2003

I.8359/2003

R.3041/2009
R.370/2011
R.2317/2012
R.8844/2014
R.8848/2014

HSBC Bank Malta (Creditor)

SMW Cortis Limited (PD)
Lapsi Court Limited (JSS)
GH

I.8371/2003

R.839/2007
R.1930/2007
R.3041/2009
R.370/2011
R.2317/2012
R.8844/2014
R.8848/2014

HSBC Bank Malta (Creditor)

SMW Cortis Limited (PD)
Lapsi Court Limited (JSS)
GH&SH on; **Same Properties as I.15102/1996**

I.11899/2006

R.839/2007
R.1930/2007
R.3041/2009
R.370/2011
R.2317/2012

HSBC Bank Malta (Creditor)

SMW Cortis Limited (PD)
GH&SH on; **Same Properties as I.15102/1996**

I.14746/2006

R.839/2007
R.1930/2007
R.3041/2009
R.370/2011
R.2317/2012

HSBC Bank Malta (Creditor)

SMW Cortis Limited (PD)
Lapsi Court Limited (JSS)
GH&SH on; **Same Properties as I.15102/1996**

*correction of I.11899/2006***I.14758/2008**

R.3041/2009
R.370/2011
R.2317/2012

HSBC Bank Malta (Creditor)GH&SH on; **Same Properties as I.15102/1996**

I.14759/2008	HSBC Bank Malta (Creditor)
R.3041/2009	SMW Cortis Limited (PD)
R.370/2011	JPM Brothers (JSS)
R.2317/2012	GH&SH on; Same Properties as I.15102/1996 & Penthouses Block K no.29 & 32 "Belmonte Heights" Sliema

HR 34/2015 **HSBC Bank (Malta) plc (Creditor)**

This hypothec has already been registered I.8032/1985 and is now being renewed in terms of Article 2057 of the Civil Code Chap 16 of the Laws of Malta.

Attachment "B"

Cost of renovation of showroom/ wedding hall & conversion into an office building

Electrical & mechanical installation	€ 200,000
Removal of existing finishes & reinstallation of same for conversion into offices	<u>€ 300,000</u>
Sub-total	€ 500,000

Cost of construction & finishing of building in accordance with permit granted in PA525/10

Construction of building granted	€ 1,025,000
Electrical & mechanical installation	€ 820,000
Finishing	€ 937,000
Landscaping/external works	<u>€ 300,000</u>
Sub-total	€ 3,082,000
Total excluding contingencies	€ 3,582,000
Add 10% contingencies	<u>€ 350,000</u>
Total	€ 3,940,200

ANNEX III– FINANCIAL ANALYSIS SUMMARY



FINANCIAL ANALYSIS SUMMARY
Central Business Centres plc
29th May 2017



The Directors
Central Business Centres plc,
Cortis Buildings,
Mdina Road,
Zebbug, Malta, ZBG 4211

29th May 2017

Dear Sir/Madam,

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

The purpose of the financial analysis is that of summarising key financial data appertaining to Central Business Centres plc. ("the issuer"). The data is derived from various sources or is based on our own computations as follows:

- (a) The forecast data for the financial years ending 31st December 2017 to 31st December 2018 have been provided by management.
- (b) Our commentary on the results of Cortis Group ("the Group") and on its financial position is based on the explanations set out by the Issuer in the Prospectus.
- (c) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in the "Glossary and Definitions".
- (d) The principal relevant market players listed in the "Comparative Analysis" section of the document have been identified by management. Relevant financial data in respect of competitors has been extracted from public sources such as the web sites of the companies concerned or financial statements filed with the Registrar of Companies.

The Analysis is meant to assist potential investors by summarising the more important financial data set out in the Prospectus. The Analysis does not contain all data that is relevant to potential investors and is meant to complement, and not replace, the contents of the full Prospectus. The Analysis does not constitute an endorsement by our firm of the proposed Bond Issue and should not be interpreted as a recommendation to invest in the Bonds. We shall not accept any liability for any loss or damage arising out of the use of the Analysis and no representation or warranty is provided in respect of the reliability of the information contained in the Prospectus. Potential investors are encouraged to seek professional advice before investing in the bonds.

Yours sincerely,



Nick Calamatta
Co-CEO

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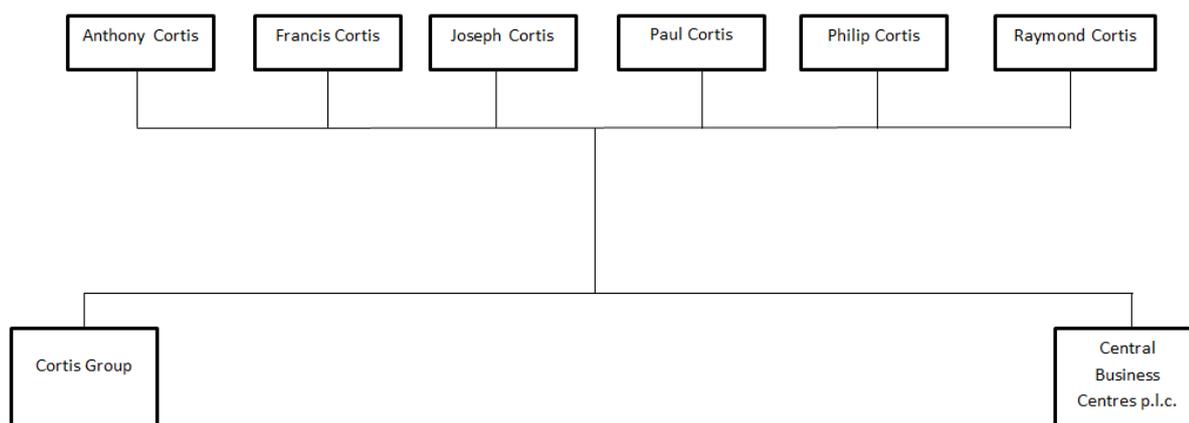
2. SCOPE OF ANALYSIS

In line with the Listing Authority Policies of the MFSA, this Financial Analysis Summary “FAS” aims to assist potential retail investors to better form an understanding of the financial standing of Central Business Centres p.l.c (“the issuer”).

3. INFORMATION ABOUT THE ISSUER

3.1 Issuer’s key activities

Central Business Centres plc. (CBC) was established as a sister company with the same shareholding structure as SMW Cortis Ltd. CBC is a licenced company registered with the Malta Financial Services Authority (registration number 65702). The principal activity of Issuer is to hold commercial property for investment purposes and generate returns from this property through rental. The company’s aim is to develop the “Central Business Centre” brand by emulating the success of the Group’s business centre in Zebbug which has been generating a steady flow of rental returns since its opening in 2011.



Cortis Group refers to S.M.W. Cortis Limited and the S.M.W. Cortis Subsidiaries. Central Business Centre plc (“the Issuer”) was established as a sister company to the group.

S.M.W. Cortis Limited and its subsidiaries are active in the following areas:

- ◇ SMW Cortis Ltd - manufacturer and supplier of indoor and outdoor furniture and joinery
- ◇ Cortis Timber & Wood Products Ltd - Import, distribution and retail of timber
- ◇ Lapsi Court Limited - Property development
- ◇ Alcor Trading Limited - Aluminium products suppliers
- ◇ Calibre Industries Limited - Architectural aluminium, glazing, steel, timber and turnkey projects
- ◇ Precision Optical Limited - Lens manufacturer and importer of eyewear and related products and operator of outlets.
- ◇ EVS Ltd - Import and distribution of electric vehicles. This company is currently dormant.

3.2 History of the company

In 2014, upon its incorporation, CBC acquired three properties from the Cortis Group - a group of companies under common ownership.

The three properties comprised:

1. A business centre in Zebbug (acquisition also included the contracts with tenants already in place);
2. A plot of land in Gudja, together with a shell structure for commercial use;
3. A plot of land and an old villa with adjoining gardens in St Julian's, together with permits for the restoration of the villa and the development of a third business centre for commercial use.

At the same time, the Company set up a €6,000,000 Bond Issuance programme which was approved by the MFSA on 5 December 2014. On 22 December CBC issued €3million 7-year bonds at 5.75%, and on 4 December 2015 it issued a further €3million 10-year bond at 5.25%.

Since 2014, the land in Gudja has been fully developed and the first tenants entered the premises as from 1 December 2015. The property is further described later on in this section of the report.

Works are in progress on the land held in St. Julian's. Excavation works were completed in May 2016 and the development stage of the project is currently underway. Management is projecting that the property will start being rented out from the first quarter of 2017.

Work on the villa (Villa Fieres) in St. Julian's is ongoing, together with the development in St Julian's mentioned above.

3.3 Shareholders

The current shareholders of the group are:

- Joseph Cortis – Chairman and CEO
- Anthony Cortis
- Francis Cortis
- Philip Cortis
- Raymond Cortis
- Paul Cortis

Each of the shareholders hold an equal share in the Company. The same shareholders own an equal holding in S.M.W. Cortis Limited which together with its subsidiaries forms the Cortis Group of companies.

3.4 Directors and Executive Management

BOARD OF DIRECTORS

The Board of Directors of the Issuer is composed of the following persons:

Name	Designation	Date of Appointment
Joseph Cortis	Executive Director, Chairman	06.04.2016
Anthony Cortis	Non - Executive Director	06.04.2016
Alfred Sladden	Non - Executive Director	06.04.2016
Francis Gouder	Non-Executive Director	06.04.2016

The business address of all of the Directors is the registered office of the Issuer. Below is a short curriculum vitae of each of the Directors.

Anthony Cortis

Anthony Cortis has been a director of the Issuer since inception in 2014. He previously held a long-standing position with SMW Cortis Limited as a master craftsman in cabinet making, apertures and joinery, with over 45 years of experience in design, manufacture, factory organisation, costs control, management and customer relations.

Alfred Sladden

Alfred Sladden commenced his career at Barclays Bank, Malta, in 1954 until his appointment to senior training manager with Barclays Bank, London, in 1968. He held such office for three years until 1971. Throughout the years that followed, Alfred Sladden continued to hold several posts with credit institutions, including manager of various branches of Barclays Bank, credit advisor of Bank of Valletta, head of internal audit at Mid-Med Bank, Assistant General Manager on administration, and Assistant General Manager of the international finance division as well as Deputy General Manager on corporate strategy at Mid-Med Bank. In 1994, he was appointed General Manager of Investment Finance Bank and held such post until 1995 whilst also holding the post of director of Mid-Med Life Insurance until 1996. He also held the post of general manager of finance and operations at Mid-Med Bank between 1995 and 1998. Between 1998-1999 he was appointed chairman of Maltapost and the Foundation for Medical Services. For nine years, between 1999-2008 he held a part time post as Financial Adviser of the Eurochange Financial Services whilst simultaneously holding a part time post as Chairman of the VAT Appeals Board from 1999 until 2011. He was Executive Director of an affiliate company of the Corinthia Group of the Czech Republic between 2000 and 2010 and also held the post of financial adviser of Technoline Ltd between 2009-2013.

Joseph Cortis

Joseph Cortis has been involved in the management of the Cortis Group since 1988, holding the position of Chairman and Chief Executive Officer of the Cortis Group. In his role as Chief Executive Officer, Joseph Cortis was particularly responsible for the strategy of the Cortis Group and its future growth. He has actively participated as a member of various committees and councils such as the Federation of Industry Council, the Malta Chamber of Commerce and the Malta Institute of Management. Joseph Cortis oversaw the management of the Zebbug Central Business Centre from the development of the said property throughout the rental of the commercial spaces forming part of the said property, and is actively involved in overseeing its management to date.

Francis Gouder

Francis Gouder was appointed as a non-executive director on the 27th August 2015. Mr Gouder served his career in the Financial Services sector for 45 years. He was a non-executive director of Bay Street Finance Plc between January 2010 and August 2012 and is currently non-executive director of Izola Bank pk. Mr Gouder currently also acts as a non-executive director of other companies operating in a different spectrum of commercial activities.

3.5 Major assets owned by the group

The main assets held by the business include:

- ◇ Central Business Centre - Zebbug;
- ◇ Central Business Centre - Gudja;
Lapsi Court and Villa Fieres (under development) - St Julian's;
- ◇ Other developments - The Company is in the process of acquiring an additional property in Zebbug earmarked for commercial development from S.M.W. Cortis Limited.

Further details about each property

Zebbug Property

Central Business Centre - Zebbug was acquired by the issuer from S.M.W Cortis Ltd. It is in finished state and fully rented out to 3rd parties.

- ◇ The property was developed in 2011/12 on land acquired by the Group in 2002
- ◇ The property was independently valued by Arch. A. Fenech Vella on 30th October 2014 at €3.7m. It was subsequently revalued at €4m on 10th May 2017 by Architect Joe Cassar.
- ◇ It was purchased at €3.7million and the consideration will comprise €2.3m in cash and €1.4m by means of a subordinated loan from S.M.W. Cortis Ltd.

- ◇ The property comprises 1,509 Sqm of office space, over 5 floors (including ground floor, intermediate floor, levels 1, 2 and a penthouse at level 3). Additionally, there are 27 parking spaces at underground levels 1 and 2.
- ◇ Based on management information, current occupancy for the office space and car spaces is 100%. Rent agreements signed with tenants cater for an increase in rent of around 5% to 6% every three years from the start of the contract. First rent revisions came into force in June 2014 with a further batch of contracted rents revised in FY15. In addition to the rent, tenants pay a maintenance fee which is equivalent to 10% of the rent due. This amount is used by the Company to fund annual maintenance, administration and common area costs.

Gudja Property

- ◇ The issuer acquired the property for €2.4m from S.M.W. Cortis. The purchase was settled by means of subordinated loan from S.M.W. Cortis Ltd.
- ◇ The business centre in Gudja is complete and comprises of a basement, extending to under half the width of the adjacent drive-in and 2 upper levels for commercial use.
- ◇ The property is situated on a main road artery, a few minutes from Malta International Airport and within close proximity to the Freeport.
- ◇ On 30th October 2014, Arch. A. Fenech Vella valued the property at €2.4m. It was subsequently revalued at €3.5m on 10th May 2017 by Architect Joe Cassar following completion of the majority of finishing works.
- ◇ The project comprises approximately 1,365 Sqm of office space over 3 floors including the ground floor as well as 555 Sqm of commercial space at basement level.
- ◇ 19 car spaces are available, 7 of these car spaces at basement level, whilst a further 12 spaces are open air spaces adjacent to the building.
- ◇ The building is now operational with occupancy of 87%. All rental agreements are subject to a 6% increase in rent every three years from the start date of the contract. Each tenant is charged a maintenance allowance equal to 10% of the rental value, as agreed upon in the rental contracts.

St. Julian's Property

Current State

The issuer owns property in Spinola, St Julian's comprising:

- ◇ Villa Fieres and adjoining gardens (Lapsi Court), currently owned by CBC plc. The total area covers approx. 1,100Sqm. The building itself occupies a footprint of approximately 200 Sqm and has 2 floors and a semi-basement. The garden covers approximately 900 Sqm.
- ◇ An area of approximately 897 Sqm adjoining Villa Fieres on Spinola square currently owned by CBC plc. The area is currently occupied at ground floor level by 7 outlets, 3 of which are rented out to 3rd parties on long-term leases.
- ◇ The Cortis group acquired Fieres Ltd in May 2002. Arch. A. Fenech Vella valued the property at €6.5million on 30 October 2014. The properties were acquired by the issuer for €6.5million and the purchase price was settled by means of subordinated loans from the Cortis Group companies. The properties were subsequently revalued at €7.5m on 10th May 2017 by Architect Joe Cassar.

Proposed Development Underway

- ◇ The restoration of Villa Fieres. Management explained that the building has permits for commercial and/or residential use and is intended for rental to 3rd parties either as a high-end restaurant location or as a residence for high net worth individuals
- ◇ The development of c. 2,360 Sqm of office space targeted at medium-sized leases (250-500 Sqm per tenant). The building will comprise 2 floors at 550 Sqm each, 2 floors at 480 Sqm each and 1 floor at 300 Sqm)
- ◇ Develop the ground floor level of the Villa Fieres Site into retail outlets. The four outlets which have already been vacated shall be converted into a ground floor entrance to the Central Business Central and four (smaller) retail outlets of 45 square metres of retail space shall be developed. The remaining three outlets are expected to be developed into new retail outlets once vacated.

The property is currently under development, with excavation works complete and construction of the property in process. The development is expected to be completed by Q3 2017. Management expect first rental agreements on the property to become effective from the fourth quarter of 2017.

4. REVIEW OF THE BUSINESS

The property market in Malta has been gaining pace in recent years in the form of higher demand for high quality office space and residences. The increase has been the result of several international as well as local companies seeking to improve the working place for their employees, in part to improve employee retention and well-being. The drive has been from the services sector, where employers as well as employees are becoming increasingly more sophisticated in their choices due in part to their professional statuses, as reputation and image has become increasingly important. Trends indicate that quality office spaces in office blocks are becoming increasingly attractive to employers wishing to attract additional staff.

Subsequently, there is active demand for the rental of commercial property generally. The Directors are confident that the spaces of the properties forming part of the project will be successfully leased out by third parties in view of this continuing demand. In addition to the foregoing, the Directors are confident in that the development and/or finishing of the properties shall be, barring unforeseen circumstances, smooth-running and timely particularly in view of the experience that the Cortis Group has acquired in its business of property development and construction.

The office blocks and parking spaces forming part of the Project will aim to attain that objective. The Project is geared towards the development of small to medium sized office space, which, in the opinion of the Directors represents a vacuum in the real-estate local market which has seen the construction and development of larger scale commercial property projects.

5. THE PROJECT

Proposed Development – Zebbug site

Developable area

- ◇ 2,100 Sqm of the site footprint may be developed, as is currently permissible by a permit issued by the relevant authorities on 17 November 2014 (PA 525/10). The remaining area is designated for landscaping purposes and also includes allocated areas for surface and underground parking.

Management project proposal

- ◇ Excavation of 2,100 Sqm of land adjacent to the factory.
- ◇ In its place develop two levels of warehouse space and an overlying supermarket connected to the existing factory building.
- ◇ Conversion of the current showroom to office space.
- ◇ Develop an underground parking facility below the landscaped area.

Permit and applications for amendments

A permit by the relevant authorities is already in issue for the site. However the following amendments are required (i) Convert the current showroom into office space and (ii) convert the entire upper level of the warehouse/factory, into a supermarket. Management has already submitted an application to the Planning Authority to convert the Showroom into office space.

Management comments

- ◇ Management forecast development costs of €3,982k for the proposed development, while annual rental income is estimated at €854k per annum as from FY19.
- ◇ Management explained that they expect the relevant authorities to support the adjusted plans for the proposed development.

6. THE BOND ISSUE

The total bond proceeds are €10m to be raised from two bond issues.

6.1 Use of Proceeds

1. Tranche A with a nominal amount of €6m (60.4% of total bond proceeds) will be used in part to finance the acquisition of the Zebbug site from S.M.W. Cortis Limited. €5.7m of the bond proceeds will be used as a cash payment due on the acquisition. The Zebbug site has a total value of €11.5m. The remaining cash will be retained in CBC for general business purposes. Tranche A is projected to be issued in June 2017.
2. The remaining balance due on the acquisition of the Zebbug site amounting to €6.7m (not cash settled from Bond A) will be financed through a subordinated loan from S.M.W. Cortis Limited, which loan will be subordinated to all other company debt, bear no interest and is repayable after liabilities related to the Company's bond issuance programme have been repaid in full. The subordinated loan from S.M.W. Cortis Limited will be classified as quasi equity in CBC's financial statements in accordance with IAS 8.
3. Tranche B with a nominal value of €4m (39.6% of total bond proceeds) will be used in part to finance the proposed development at the Zebbug site which is estimated to cost €3.9m. Management indicated that the plans of the proposed development may be amended from time to time subject to the approval of the relevant authorities. However, any amendments to the plans will retain the Company's business objective to seek rental income from third parties, based on proposed land uses complementing the specific site characteristics. Tranche B is projected to be issued during 2018.

7. PERFORMANCE REVIEW

All financial information presented in this section was derived from the audited accounts of the issuer or supplied by management. Given that the majority of the Company's projects were not yet complete during the period under review, Management does not consider the FY14 and FY15 results to be reflective of the Company's future performance.

7.1 Income Statement

€'000	FY14	FY15	FY16	
Turnover	-	142	224	1
Operating Expenses	(17)	(76)	(86)	2
Reported EBIT	(17)	66	138	
Finance Costs	(5)	(184)	(348)	3
Finance costs capitalised	5	135	179	4
Profit for the year	(17)	17	(31)	
Earnings per share	-	0.07	(0.13)	

1. Revenue is all derived from rental income and maintenance fees charged to tenants occupying premises in CBC's rental properties. The level of revenue is in line with management's expectations.
2. Operating expenses are primarily administration and management fees, professional fees and insurance.
3. Finance costs relate to the annual interest expense incurred on outstanding debt and the annual amortisation of the bond issue costs which in FY16 amounted to €17.9k.
4. Finance costs capitalised reflect the part interest incurred on debt which is directly linked with development projects still under construction. Interest is capitalised until the development of the respective property is complete. This is reflected as an increase in the value of Investment property.

Financial Year 2016 reflects the progress of the company in completing projecting and deriving revenue streams. Net income increased to €224,000 resulting in an operating profit of €138,000. The increase in operating profit was more than off-set by an increase in finance costs (€348,000) which was partly capitalised, resulting in a net loss of €31,000 for the year. Revenue is expected to continue to grow in the forthcoming financial statements as further projects, including the development in St. Julian's is completed.

7.2 Revenue

€'000	FY14	FY15	FY16	
Zebbug central Business Centre	-	122	146	1
Gudja Business Centre	-	4	58	2
Total rental Income	-	126	204	
Other income	-	16	20	3
Total Revenue	-	142	224	

1. The purchase agreement of the Zebbug Business Centre by CBC provided that all income derived from the property until 31 December 2014 were to be earned by S.M.W. Cortis, the previous owner of the property, while all income from the property derived from the 1st January 2015 would accrue to CBC. As per Management, the Zebbug Central Business Centre is currently 100% occupied.
2. Rental income from Gudja Business Centre reflects the rental income earned from three new tenants occupying Gudja Business Centre whose lease agreement was effective from the first of December 2015.
3. Other revenue is primarily composed of Maintenance fee income amounting to approximately 10% of rental income as stipulated in rental agreements.

7.3 Income Statement Variance

In the above table below the income statement variance analysis in financial year 2016 is compared against previously projected results. The company appears to remain on course to achieve its financial objectives as witnessed by the marginal variances.

€'000	FY16A	FY16P	Variance
Turnover	224	214	10
Operating Expenses	(86)	(51)	(35)
Reported EBIT	138	163	(25)
Finance Costs	(348)	(353)	(5)
Finance costs capitalised	179	142	37
Profit for the year	(31)	(48)	17
Earnings per share	(0.13)	(0.20)	0.07

7.4 Financial Position

€000	Dec 14	Dec 15	Dec 16	
Assets				
Investment Property	12,685	13,310	14,243	1
Non- current assets	12,685	13,310	14,243	
Trade and other receivables	32	39	650	
Cash	587	2,854	1,247	
Total current assets	619	2,893	1,898	
Total assets	13,304	16,202	16,141	
Equity				
Share capital	250	250	250	
Capital reserve	10,050	10,050	10,050	2
Retained earnings	(17)	1	(30)	
Total equity	10,283	10,301	10,270	
Liabilities				
Borrowings	2,893	5,847	5,856	3
Total non-current liabilities	2,893	5,847	5,856	
Trade and other payables	127	54	6	
Total current liabilities	127	54	-	
Total liabilities	3,020	5,901	5,871	
Total equity and liabilities	13,304	16,202	16,141	

- Investment property is composed of three separately identifiable assets, namely the Zebbug Central Business Centre, The Gudja Business Centre and Property in St Julian's held for development. The increase from FY14 to FY15 was driven by an investment of €490k related to development works in Gudja and minor expenses incurred in connection with the development in St Julian's and a capitalisation of €135k in interest incurred on debt directly linked with investment property still under development.
- The increase from FY15 to FY16 was primarily driven by development works undertaken on the St Julian's property and a capitalisation of €179k in interest incurred on debt directly linked with investment property still under development.

3. Trade and other receivables in FY16 include a balance of €580k due from S.M.W. Cortis which reflects the deposit paid by the Company on the signing of the promise of sale agreement to acquire the land in Zebbug earmarked for the proposed development.
4. The entire €10,050k Capital reserve relates to two subordinated loans with related parties, which under IAS 8 are classified as equity. The company entered into the subordinated loan agreements to part finance the acquisition of the Zebbug Central Business Centre, the Gudja Central Business Centre and Villa Fieres sites. The terms of the Subordinated loan agreements stipulate that these loans will not be settled unless the company has sufficient funds to repay in full the principle and interest on the bonds in issuance in accordance with the terms of the Bond Issuance Programme. In the Audited Financial Statements of CBC plc dated 31 December 2014, the entire €10,050k subordinated loans balance was reported as borrowings in Current liabilities. This was subsequently restated in the Audited Financial Statements issued thereafter.
5. The Company has an additional €400k subordinated loan facility from S.M.W. Cortis Limited in place which as at 30 June 2016 was not withdrawn. This was extended to finance any cash shortfalls the Company may have during the St. Julian's development. Management indicated that this subordinated loan facility will remain in place.
6. CBC plc issued a bond of €3m on 22 December 2014 and another bond of €3m from the same issuance programme on the 24th of December 2015. The net proceeds of these funds were used to part finance the acquisition of the properties acquired in FY14 and to finance the development of St. Julian's Central Business Centre. Borrowings are presented net of bond issue costs. The bond issue cost is amortised over the term of the debt instrument. The nominal balance of debt securities in issue amounts to €6m.
7. During the financial year 2016 there were no material shifts in the composition of the balance sheet. The project in St. Julian's remains under construction, albeit in an advanced stage, and it is expected to benefit from a positive revaluation once complete in line with the recent trends of the property market.
8. The total assets of the Issuer declined marginally over the financial period to €16,141,000 from €16,202,000 as at FY2015. The variance in Total Assets and Total Equity from the projected figures for 2016 is a result of the delay in the revaluation of the property that was expected to be concluded by the end of the financial year 2016.

7.5 Cash Flow Statement Review

€000	FY14	FY15	FY16
Cash flows from operating activities			
EBITDA	(17)	66	138
Movement in long-term trade receivables	(31)	7	(612)
Movement in long-term trade payables	122	73	(48)
Finance costs paid	-	(171)	(330)
Net operating cash flows	74	(185)	(852)
Cashflow from investing activities			
Purchase of Investment property	(12,680)	(490)	(754) 1
Net cash used in investing activities	(12,680)	(490)	(754)
Cash flows from financing activities			
Loans from related parties	10,050	-	-
Bond proceeds	2,893	2,941	- 2
Issue of share capital	250	-	-
Net cash used in financing activities	13,193	2,941	-
Net movement in cash flows	587	2,267	(1,606)
Cash and cash equivalents at beg of year	-	587	2,854
Cash and cash equivalents at end of year	587	2,854	1,247

1. Purchase of investment property in FY14 relates to the acquisition of the three distinct properties in Zebbug, Gudja and St. Julian's as indicated in the first section of the report. The €12.68m acquisition value was financed up to €8.05m through a subordinated loan agreement from S.M.W. Cortis Limited, €2m through a subordinated loan agreement with Lapsi Court Limited, €250k through share capital and the remainder was settled in cash. Purchase of investment property in FY15 primarily related to capital expenditure to complete the property in Gudja.
2. Bond proceeds are presented net of bond issue costs. A bond with a nominal value of €3m, a coupon of 5.75% and a maturity date of 2021 was issued on the 22 December 2014. A second tranche of the bond with a nominal value of €3m, a coupon of 5.25% and a maturity date of 2025 was issued on the 29 December 2015. Bond liabilities are reported net of issue cost, with issue costs amortised annually over the term of the bond.

8. PROJECTED FINANCIALS

The information used in order to present the projected financial information below was supplied by the management of the issuer.

8.1 Income Statement

The projected Income Statement and Statement of financial position presented in this section represent management's financial projections pertaining to the Group for the current year and FY2018.

€000	FY17F	FY18F
Total rental income	471	1,478
Administrative fees charges	47	148
Revenue	519	1,626
Overheads	(142)	(292)
EBITDA	376	1,334
Fair Value movement – Inv. Prop	757	-
Interest Income on Investments	-	4
Amortisation of bond issue cost	(29)	(40)
EBIT	1,105	1,298
Interest expense	(136)	(270)
Profit before tax	969	1,028
Taxation	-	(222)
Profit after tax	969	806

Assumptions used:

- Tax expense relates entirely to tax on rental income projected at a flat rate of 15% in accordance with existing tax legislation. The tax charge is calculated using the 35% tax regime in 2017 resulting in a nil tax charge for the year.
- Interest income is projected at a flat rate of 0.5% on excess cash transferred to investments.
- The Proposed bonds are issued with a coupon rate of 4.5% and a term of 10 years. Bond A is projected to be issued in June 2017 while Bond B is projected to be issued in May 2018.
- Bond issue costs are amortised over the term of the Bond.
- Interest incurred on debt allocated to properties under development is capitalised.

Revenue growth between FY16 and FY18 is primarily driven by the completion and subsequent rental of the properties in St. Julian's. Following completion and subsequent rental of the permitted development on the newly acquired Zebbug site, total rental revenue is projected to reach a stabilised amount in FY20. Total revenue is projected to increase at the contractual rental increases thereafter.

8.2 Balance Sheet

€000	FY17F	FY18F
Assets		
Investment property	28,973	31,914
Investments	-	1,500
Trade and other receivables	70	70
Cash and Cash Equivalents	0	325
Total Assets	29,044	33,809
Equity and Liabilities		
Non-current liabilities		
Borrowings (bonds)	11,774	15,734
Total borrowings	11,774	15,734
Trade and other payables	-	-
Total Liabilities	11,774	15,734
Equity		
Share Capital	250	250
Quasi Capital	16,081	16,081
Revaluation reserve	757	757
Retained earnings	182	988
Total Equity	17,269	18,076
Total Equity and Liabilities	29,044	33,809

Assets

- ◇ Investment property in December 2017 includes management's estimates of the revaluation of property and includes development costs and capitalised interest incurred over the financial year ended 31 December 2017. No further property revaluations have been included in the projections.
- ◇ Excess cash is assumed to be invested in short term investments yielding 0.5% p.a.

Liabilities

- ◇ Bond borrowings include existing bonds in issue as well as further third party financing.

Equity

- ◇ Quasi equity consists of Subordinated debt due to S.M.W. Cortis Group arising on the acquisition of investment property. The subordinated debt incurs no interest and is repayable after full repayment of the outstanding bonds.

8.3 Cashflow Statement

€000	FY17F	FY18F
Cash flows from operating activities		
EBITDA	376	1,334
Movement in working capital	574	-
Tax	-	(222)
Net operating cash flows	951	1,112
Cashflow from investing activities		
Purchase of Investment property	(11,500)	-
Development and finishing costs	(2,121)	(2,491)
Short term Investments	-	(1,500)
Interest Income on Investments	-	4
Net cash used in investing activities	(13,621)	(3,987)
Cash flows from financing activities		
Bond Proceeds	5,880	3,920
Bank refinancing	-	-
Bond repayment	-	-
Interest payable on facilities	(488)	(720)
Quasi equity	6,031	-
Net cash used in financing activities	11,424	3,200
Net movement in cash flows	(1,247)	325
Cash and cash equivalents at beg of year	1,247	0
Cash and cash equivalents at end of year	0	325
Short term investments	-	1,500
Total Liquidity Level	0	1,825
Subordinated Loan facility	169	169
Headroom	169	1,994

Investing cash flows

- ◇ Acquisition of investment property relates to the cost of the New Zebbug Site. A deposit of €580k has already been paid and is reflected in the movement in working capital.
- ◇ Development costs include payments for development and finishing costs relating to St Julian's (FY17: €1,723k, FY18: €500k) and the New Zebbug site (FY17: €398k and FY18: €1,593k).
- ◇ Investment and disposal of short-term investments are projected based on cash flow requirements.

Financing cash flows

The forecasts assume the issuance of a new bond to the general public to finance a new development in Zebbug.

9. SUMMARY OF ANALYSIS

<i>€000's unless otherwise indicated</i>	2015	2016	2017F	2018F
Income Statement				
Revenue	142	224	471	1,478
Growth (YoY)	N/A	57.7%	110.3%	213.8%
Operating Income (EBIT)	66	138	1,105	1,298
Operating Margin	46.5%	61.6%	234.6%	87.8%
Net Income	17	(31)	969	806
Net Margin	12.0%	-13.8%	205.7%	54.5%
Earnings per share	0.07	(0.13)	3.88	3.22
Balance Sheet				
Cash and Cash Equivalents	2,854	1,247	-	325
Total Current Assets	2,893	1,898	70	395
Total Non-Current Assets	13,310	14,243	28,974	33,414
Total Assets	16,202	16,141	29,044	33,809
Total Current Liabilities	54	-	-	-
Total Non-Current Liabilities	5,847	5,856	11,774	15,734
Total Debt	5,847	5,856	11,774	15,734
Total Equity	10,301	10,270	17,269	18,076
Net Debt	2,993	4,609	11,774	15,409
Cashflow				
Cash from Operations	(197)	(852)	951	1,112
Capex	491	754	13,621	3,987
Free Cash Flow	(688)	(1,606)	(12,670)	(2,875)
Ratios				
Profitability				
Return on Common Equity	0.17%	-0.30%	5.61%	4.46%
Return on Assets	0.10%	-0.19%	3.34%	2.38%
Solvency				
Net Debt / Total Equity	0.29	0.45	0.68	0.85
Net Debt / Assets	0.18	0.29	0.41	0.46
Net Debt / EBIT	45.35	33.40	10.66	11.87
Current Ratio	53.57	N/A	N/A	N/A
Net Debt/CFO	-0.07	-0.18	0.08	0.07
CFO/EBIT	-2.98	-6.17	0.86	0.86
Interest Coverage	38.6%	41.8%	226.4%	180.3%
Reference Items				
Issued Share Capital	250	250	250	250

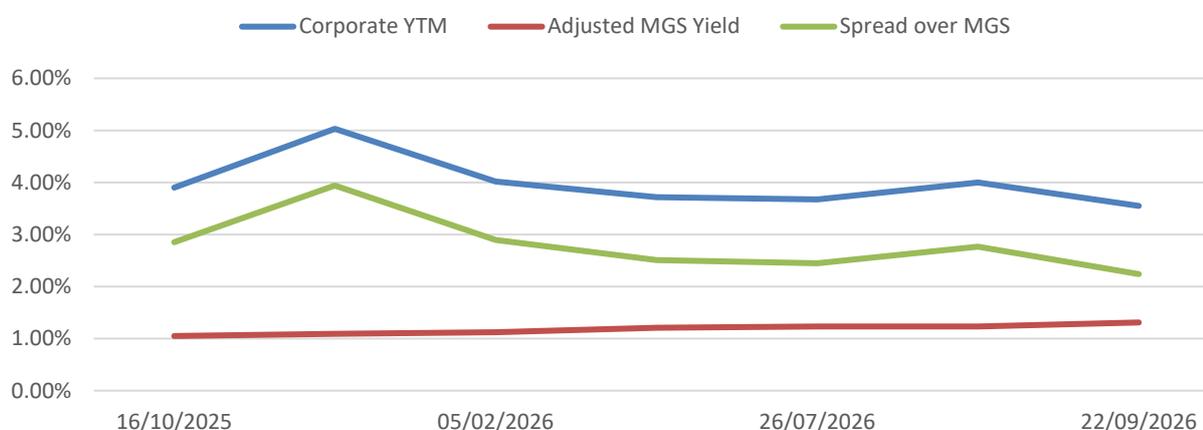
10. Listed debt and other securities of the Issuer and its related parties

Issuer / Related Company	Definition of Relationship	List of securities
Central Business Centres plc	Direct Issuer	€3 mln nominal 5.25% bonds maturing in 2025
Central Business Centres plc	Direct Issuer	€3 mln nominal 5.75% bonds maturing in 2021

11. COMPARATIVE ANALYSIS

The purpose of the table below compares the proposed debt issuance of the group to other debt instruments with similar duration. One must note that given the material differences in profiles and industries, the risks associated with the Group's business and that of other issuers is therefore also different.

Yield Curve Analysis



	Nominal Value (€'000)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'mln)	Net Asset Value (€'mln)	Gearing Ratio (%)
5.75% Central Business Centres plc Unsecured € 2021 S1T1*	3,000	4.57%	2.26	29.04	17.27	46%
4.5% Hili Properties plc Unsecured € 2025	37,000	3.90%	1.50	90.87	26.32	74%
5.25% Central Business Centres plc Unsecured € 2025 S2T1*	3,000	5.03%	2.26	29.04	17.27	46%
4.5% Medserv plc Unsecured € 2026	21,982	4.02%	2.24	121.45	26.41	70%
4.25% Corinthia Finance plc Unsecured € 2026	40,000	3.72%	1.13	1357.87	641.03	42%
4% MIDI plc Secured € 2026	50,000	3.67%	2.64	187.46	71.25	38%
4% International Hotel Investments plc Secured € 2026*	55,000	4.00%	3.3	1152.44	608.29	38%
3.9% Plaza Centres plc € 2026	8,500	3.55%				
4.3% Central business Centres plc Unsecured € 2027	10,000	4.30%	2.26	29.04	17.27	46%
Average of Comparable Peers		3.98%				

*Based on 2017 projections

As at 19th April 2017, the average spread over the Malta Government Stock (MGS) for corporates with maturity range of nine-ten years was 281 basis points. The Central Business Centres bond maturing on the 30/12/2025 was yielding 503 basis points and an equivalent spread of 394 basis points. The 5.75% bond maturing in 2021 was yielding 457 basis points and an equivalent spread of 433 basis points. The new central business centres bond is being priced with a 4.3% coupon issued at par, meaning a spread of 287 basis points over the equivalent MGS, and therefore at a slight premium to the average on the market.

12. GLOSSARY AND DEFINITIONS

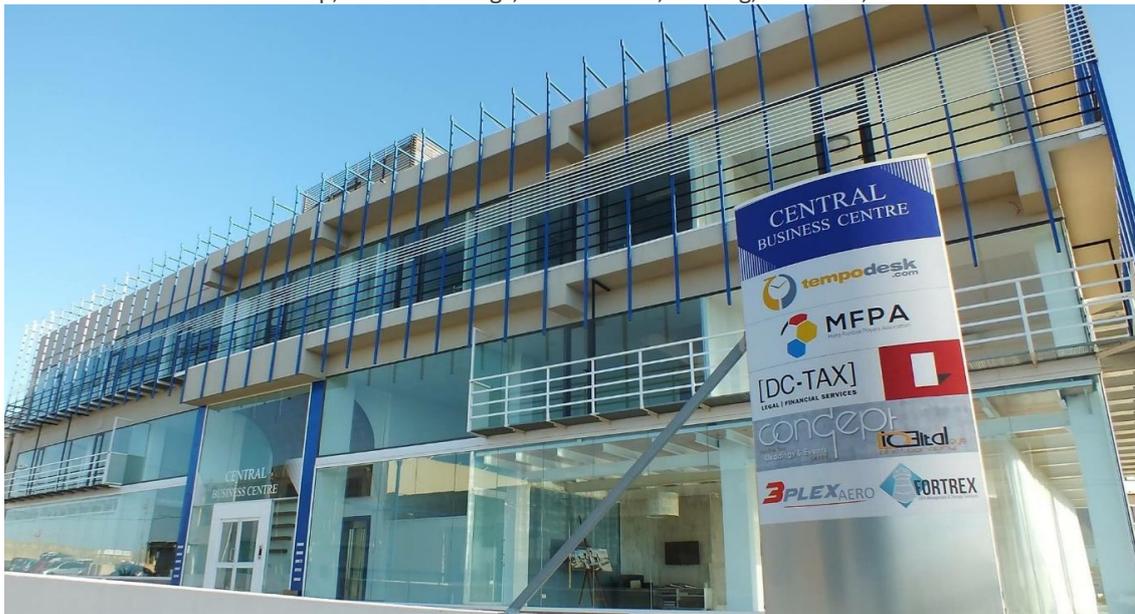
Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year, that is, the operations of BCT and EQR
Operating Expenses	Operating expenses include the cost of terminal operations and management expenses in maintaining the investment property of EQR.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.
Profitability Ratios	
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Profit before Tax (PBT)	Profit before Tax is the profit is achieved during the financial year after deducting all relevant expenses including interest expenses. This however does not include tax expense.
Efficiency	
Return on Equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.
Equity Ratios	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date
Cash Flow Statement	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Company.
Cash flow from investing activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Company.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Company.
Balance Sheet	
Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include intangible assets (goodwill on acquisition), investment properties, and property, plant & equipment.
Current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include intangible assets (goodwill on acquisition), investment properties, and property, plant & equipment.
Current assets	Current assets are all assets of the Company, which are realisable within one year from the balance sheet date. Such amounts include inventory, accounts receivable, cash and bank balances.

Current liabilities	All liabilities payable by the Company within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents.
Non-current liabilities	The Company's long-term financial obligations that are not due within the present accounting year. The Company's non-current liabilities include bank borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's operating profit of one period by the company's interest expense of the same period.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.



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