

PROSPECTUS

dated October 18, 2013



Gasan Finance Company p.l.c.

(A Member of the Gasan Group of Companies)

€ 25,000,000
4.9% Bonds 2019-2021

MANAGER & REGISTRAR

BOV
Bank of Valletta

SPONSOR

CURMI
& PARTNERS

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Gasán Finance Company p.l.c.

(a public limited company incorporated under the Laws of Malta,
company registration number C 16435)

Issue of
4.9% Bonds due 2019-2021
Aggregate Principal Amount €25,000,000
Issue Price: At Par (100%)

SUMMARY NOTE DATED OCTOBER 18, 2013

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, 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. This Summary Note should be read in conjunction with the Registration Document containing information about the Issuer dated October 18, 2013 and the Securities Note dated October 18, 2013.

THE AUTHORISATION BY THE LISTING AUTHORITY FOR THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENT AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENT. THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THE PROSPECTUS INCLUDING ANY LOSSES INCURRED BY INVESTING IN THESE SECURITIES. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY LISTED FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE SECURITIES OF AN ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISER.

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION IN RELATION TO GASAN FINANCE COMPANY P.L.C. (THE “**ISSUER**”), ITS BUSINESS AND THE SECURITIES BEING ISSUED IN TERMS OF THE PROSPECTUS. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT, (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF APRIL 29, 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); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

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A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY AND THE MALTA STOCK EXCHANGE, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE APPROVAL OF THE PROSPECTUS AND FOR THE ADMISSION OF THE ISSUER’S BONDS ON A REGULATED MARKET. APPLICATION HAS ALSO BEEN MADE TO THE MALTA STOCK EXCHANGE, FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE. THE CONTENTS OF THE ISSUER’S WEBSITE OR ANY WEBSITE DIRECTLY OR INDIRECTLY LINKED TO THE ISSUER’S WEBSITE DO NOT FORM PART OF THIS DOCUMENT. ACCORDINGLY NO RELIANCE OUGHT TO BE MADE BY ANY INVESTOR ON ANY INFORMATION OR OTHER DATA CONTAINED IN SUCH WEBSITES AS THE BASIS FOR A DECISION TO INVEST IN ANY FINANCIAL INSTRUMENTS AND SECURITIES ISSUED BY THE ISSUER.

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THE PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE DIRECTORS OF THE ISSUER CONFIRM THAT WHERE INFORMATION INCLUDED IN THE PROSPECTUS HAS BEEN SOURCED FROM A THIRD PARTY, SUCH INFORMATION HAS BEEN ACCURATELY REPRODUCED, AND AS FAR AS THE DIRECTORS OF THE ISSUER ARE AWARE AND ARE ABLE TO ASCERTAIN FROM INFORMATION PUBLISHED BY THAT THIRD PARTY, NO FACTS HAVE BEEN OMITTED WHICH WOULD RENDER THE REPRODUCED INFORMATION INACCURATE OR MISLEADING.

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE WITH RESPECT TO THE BOND ISSUE, YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISER LICENSED UNDER THE INVESTMENT SERVICES ACT (CAP. 370 OF THE LAWS OF MALTA).

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY BONDS PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE. STATEMENTS MADE IN THIS DOCUMENT ARE, EXCEPT WHERE OTHERWISE STATED, BASED ON THE LAW AND PRACTICE CURRENTLY IN FORCE IN MALTA AND ARE SUBJECT TO CHANGES THERETO.

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

DEFINITIONS

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

Applicant	A person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form
Application	The application to subscribe for Bonds made by an Applicant by completing an Application Form and delivering it to the Registrar or to any of the Authorised Financial Intermediaries
Application Form	The form of application for subscription of the Bonds
Authorised Financial Intermediaries	The banks, financial institutions, stockbrokers and other persons referred to in Annex II of the Securities Note
Bonds	The four point nine per cent (4.9%) Bonds due 2019-2021 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of €25,000,000
Bonds 2014/16	The six per cent (6%) Bonds issued by the Issuer pursuant to a prospectus dated April 7, 2009
Bond Conditions	The terms and conditions applicable to the Bonds, a synopsis of which is set out in Section E of this Summary Note
Bond Exchange Programme	The bond exchange programme set out in Section E.3 of this Summary Note
Bondholders	The holders of the Bonds, each a "Bondholder"
Bond Issue	The issue of the Bonds
Business Day	Any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business
Central Securities Depository or CSD	The central registration system for dematerialised financial instruments operated by the Exchange at Garrison Chapel, Castille Place, Valletta VLT 1063 and set up in terms of the FMA
Companies Act	The Companies Act, 1995, (Cap. 386 of the Laws of Malta)
Cut-off Date	October 21, 2013

Designated Optional Redemption Date	Any date between November 30, 2019 and November 30, 2021 (both dates inclusive), as the Issuer may determine, on giving not less than thirty (30) days' notice when the Issuer may, at its option, redeem all or any of the Bonds then outstanding
Directors or Board	The Directors of the Issuer, who are, as of the date hereof: Mr. Joseph A. Gasan, Mr. Juan de Battista, Mr. Mark Gasan, Mr. Roderick Chalmers, Mr. Anthony R. Curmi and Mr. Michael Soler
Euro, EUR or €	The currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended
Existing Holders	Existing holders of the Bonds 2014/16 as held on the Cut-Off Date who will be participating in the Bond Exchange Programme
FMA	The Financial Markets Act, 1990, (Cap. 345, Laws of Malta)
Gasas Group or Group	The Gasan Group of Companies composed of the Issuer's parent company, Gasan Group Ltd (Company registration number C 29585), and the subsidiary undertakings of Gasan Group Ltd including the Issuer and the term "Group Company" shall be construed accordingly
Interest Payment Date	November 30 of each year, between 2014 and the year in which the Bonds are redeemed (both years included), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day
Issuer	Gasan Finance Company p.l.c., a company registered in Malta with registration number C 16435
Issue Date	Expected to be December 5, 2013
Issue Price	At Par (100%)
Listing Authority	The Malta Financial Services Authority, appointed as Listing Authority for the purposes of the FMA by virtue of L.N. 1 of 2003
Listing Rules	The Listing Rules of the Listing Authority
Manager/Registrar	Bank of Valletta p.l.c.
Mriehel Premises	The premises known as 'Gasan Centre', situated at the northern side of the Mriehel By-Pass, Mriehel which were built on land measuring approximately six thousand, eight hundred square metres (6,800m ²) which the Issuer purchased from Gasan Properties Ltd, a Group company, pursuant to a public deed dated December 23, 1998, in the records of Notary Dr. Hugh Grima
MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the FMA, having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta and company registration number C 42525
Offer Period	The period between October 28, 2013 and November 21, 2013 (or such earlier date as may be determined by the Issuer) during which the Bonds are on offer
Offering	The invitation to subscribe for Bonds contained in the Prospectus
Piazzetta Properties	A total of 12 apartments belonging to the Issuer consisting of offices and commercial premises situated in the block known as "Il-Piazzetta", in Tower Road, Sliema which the Issuer purchased from Gasan Properties Ltd, a Group Company, pursuant to a public deed in the records of Notary Pierre Attard dated the December 1, 2003
Preferred Applicants	Existing Holders, Directors of the Issuer and employees of the Gasan Group as at the Cut-Off Date excluding their spouses and dependents
Preferred Applicants Offer Period	The first part of the Offer Period during which the Bonds are on offer only to Preferred Applicants between October 28, 2013 and November 14, 2013
Public Offer Period	The second part of the Offer Period during which the Bonds are on offer to the general public between November 18, 2013 and November 21, 2013 (or such earlier date as may be determined by the Issuer)

Prospectus	Collectively the Registration Document, the Securities Note and the Summary Note, as such documents may be amended, updated, replaced and supplemented from time to time
Redemption Date	November 30, 2021 (subject to the Issuer's option to redeem all or any of the Bonds on a Designated Optional Redemption Date)
Redemption Value	€100 for each Bond
Registration Document	The registration document issued by the Issuer dated October 18, 2013, forming part of the Prospectus
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements
Securities Note	The securities note issued by the Issuer dated October 18, 2013, forming part of the Prospectus
Summary Note	Pages 1 to 15 of this document

SECTION A - INTRODUCTION AND WARNINGS

A.1	<p>Prospective investors are hereby warned that:</p> <ol style="list-style-type: none"> i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor; ii. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and iii. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus is misleading, inaccurate or inconsistent or does not provide key information in order to aid investors when considering whether to invest in such securities.
A.2	Not Applicable: The Prospectus will not be used for subsequent resale or final placement of the Bonds by Authorised Financial Intermediaries.

SECTION B - ISSUER

B.1	The legal and commercial name of the Issuer is Gasan Finance Company p.l.c.
B.2	The Issuer was incorporated, registered and domiciled in Malta in terms of the Companies Act as a private limited liability company on June 30, 1994. In July 1994 the Issuer was converted into a public limited company.
B.4b	<p>There have been no material adverse changes to the prospects of the Issuer since the date of its last published financial statements.</p> <p>At the date of publication of the Prospectus, the Directors consider that the Issuer will be subject to the normal risks associated with its business and the business of the Group in Malta and do not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the Issuer and its business for at least the current financial year.</p>

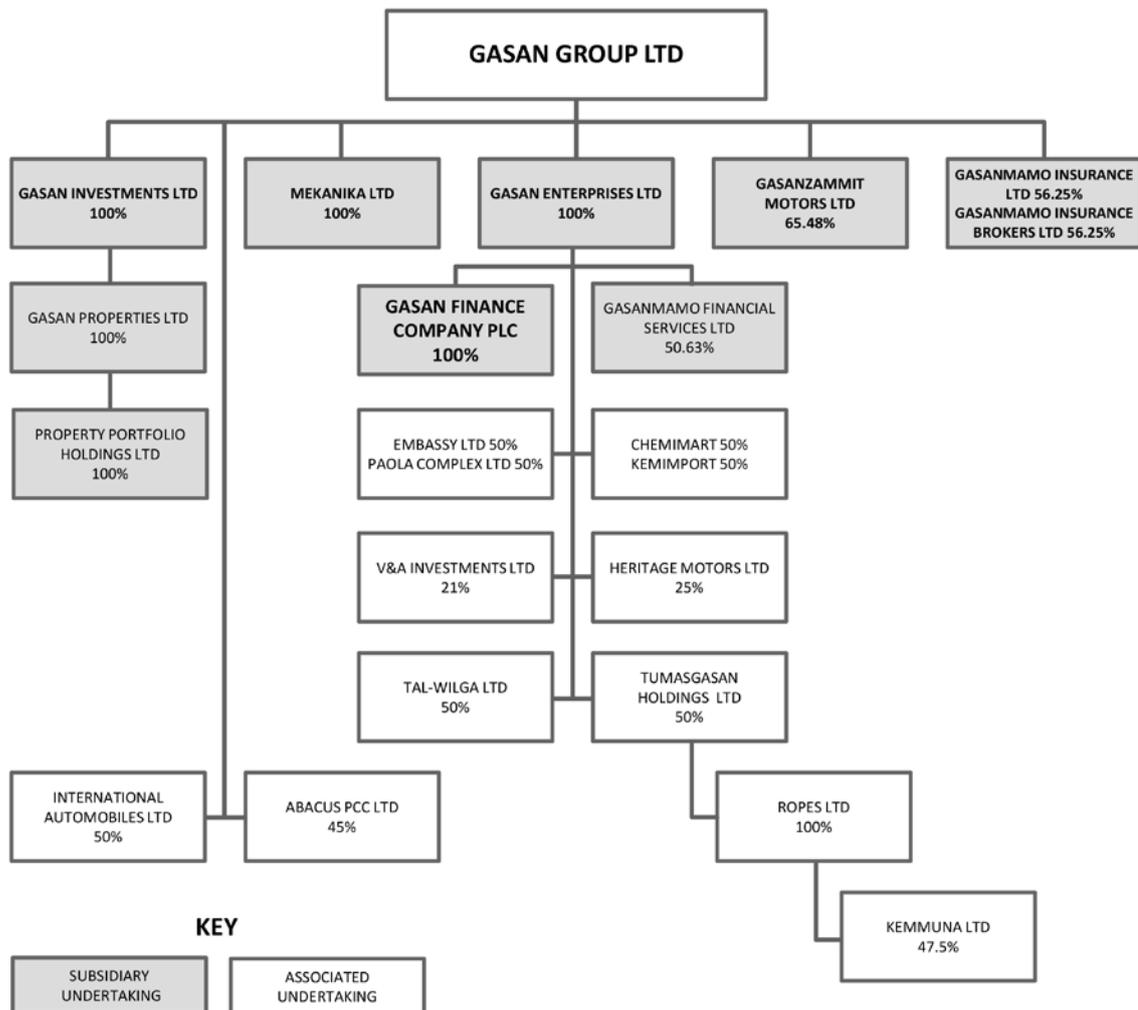
The following is an overview of the factors and trends expected in the key areas of operation of the Issuer in the foreseeable future.

Rent: The Issuer rents out the Mriehel Premises in their entirety to Gasan Properties Ltd, a Group Company which then sublets to other Group Companies and to third parties including an important rental agreement with Melita p.l.c. There is no reason to believe that such rental arrangements will not remain operative in the foreseeable future. All Piazzetta Properties are currently rented and most are covered by long-term leases which provide for regular rental revisions. Past statistics reveal healthy occupancy trends and lease agreements have either been consistently renewed or replaced back-to-back with new tenancy agreements.

Loans: The Issuer will continue advancing finance to Group Companies when appropriate to sustain trading and investment prospects. The Group will continue developing its existing ventures while tapping on opportunities to expand further its business.

Bills of Exchange: Up to December 31, 2012 the Issuer had acquired bills of exchange from Gasan Enterprises Ltd. As from November 1, 2012 the sales of the automotive division are effected by GasanZammit Motors Ltd, a company in which the Gasan Group has a 65.5% shareholding. The Issuer has not acquired bills of exchange from GasanZammit Motors Ltd and currently it is not the Issuer's intention to do so in the foreseeable future. The existing bills have a discounted value of €1,677,316. It is the Directors' intention to transfer back the bills of exchange to Gasan Enterprises Ltd upon redemption of the Bonds 2014/16.

B.5 The organisational structure of the Group is illustrated in the diagram below:



B.9 The following is an extract from the profit forecast of the Issuer for the year ending December 31, 2013.

	Forecast Year ending December 31, 2013 €000
Income	3,506
Operating profit	1,614
Profit for the year	<u>1,127</u>
Earnings per share (euro cents)	80.5

The Issuer's projected statement of financial position is summarised below:

	Forecast Year ending December 31, 2013 €000
Total assets	<u>62,763</u>
Total equity	22,149
Total liabilities	<u>40,614</u>
Total equity and liabilities	<u>62,763</u>

The Issuer's projected statement of cash flows is summarised below:

	Forecast Year ending December 31, 2013 €000
Net cash used in operating activities	(8,711)
Net cash generated from financing activities	<u>8,711</u>
Net movement in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u>-</u>

B.10 Not applicable: The financial statements have been audited by PwC and the auditor's report thereon comprises an unqualified audit opinion.

B.12 The historical financial information for the three financial years ended December 31, 2010, 2011 and 2012 as audited by PwC is set out in the financial statements of the Issuer. Such audited financial statements are available on the website www.gasan.com and at its registered office. The interim financial results of the Issuer for the six month periods ended June 30, 2012 and June 30, 2013, which are unaudited, are available on the website www.gasan.com.

The following extracts of the historical information referred to above are set out below:

Income statement extracts

	Year ended December 31		
	2012 €000	2011 €000	2010 €000
Income	3,435	3,337	3,266
Operating profit	4,326	1,499	1,530
Profit for the year	<u>3,510</u>	<u>1,047</u>	<u>1,018</u>
Earnings per share (euro cents)	250.7	74.8	72.7

Statement of financial position extracts

	As at December 31		
	2012	2011	2010
	€000	€000	€000
Total assets	55,538	52,108	50,654
Total equity	24,022	20,513	19,466
Total liabilities	31,516	31,595	31,188
Total equity and liabilities	55,538	52,108	50,654

Statement of cash flow extracts

	Year ended December 31		
	2012	2011	2010
	€000	€000	€000
Net cash generated from operating activities	769	20	5,149
Net cash used in investing activities	-	(24)	(4,774)
Net cash used in financing activities	(769)	-	(376)
Net movement in cash and cash equivalents	-	(4)	(1)
Cash and cash equivalents at beginning of year	-	4	5
Cash and cash equivalents at end of year	-	-	4

Interim Financial results

Income statement extracts

	Six months ended June 30	
	2013	2012
	€000	€000
Income	1,727	1,703
Operating profit	845	805
Profit for the period	586	567
Earnings per share (euro cents)	41.87	40.52

Statement of financial position extracts

	As at	
	June 30, 2013	December 31, 2012
	€000	€000
Total assets	52,848	55,538
Total equity	21,608	24,022
Total liabilities	31,240	31,516
Total equity and liabilities	52,848	55,538

Statement of cash flow extracts

	Six months ended June 30	
	2013	2012
	€000	€000
Net cash generated from operating activities	384	384
Net cash used in financing activities	(384)	(384)
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	-	-
Cash and cash equivalents at end of the period	-	-

There have been no significant changes in the financial or trading position subsequent to the period covered by the historical financial information.

B.13	Not Applicable: The Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of its solvency.
B.14	<p>A description of the Group and the Issuer's position within the Group is given under Section B.5 above.</p> <p>The Issuer is mainly dependent on other Group Companies in the following areas:</p> <ul style="list-style-type: none"> i. Rent Receivable – The Issuer receives rent from Gasan Properties Ltd for the Mriehel Premises; ii. Interest receivable – The Issuer receives interest income on loans advanced to Group Companies; iii. Staff – The Issuer avails itself of the employees of the Group Companies; and iv. Bills of Exchange – The acquisition and sale of bills of exchange drawn by Gasan Enterprises Ltd on customers who purchase motor vehicles and marine engines on hire purchase terms. These bills of exchange are held as assets by the Issuer.
B.15	As at the date of the Prospectus, the Issuer's principal business is to hold immovable properties, raise financing from capital markets and to finance the Group's operations and its capital projects. The Issuer also holds investment property which it leases out to related and non-related parties.
B.16	As at the date of the Prospectus, the Issuer has an authorised and issued share capital of €3,500,000 divided into 1,400,000 ordinary shares of €2.50 each, all of which are fully paid and subscribed as to 1,399,999 ordinary shares by Gasan Enterprises Ltd and one ordinary share by JAG Ltd. Mr. Joseph Gasan indirectly, through holding companies, is an ultimate beneficial owner of, and holds a controlling interest in, the Issuer.
B.17	Not Applicable: The Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.

SECTION C – SECURITIES

C.1	The Issuer is issuing an aggregate principal amount of €25,000,000 having a nominal value of €100 per Bond, subject to minimum subscriptions of €1,000 and integral multiples of €100 thereafter. On admission to trading the Bonds will have ISIN number MT 0000061250. The Bonds shall bear interest at the rate of 4.9% per annum and shall be repayable in full upon maturity on any date between November 30, 2019 and November 30, 2021 unless previously re-purchased, cancelled or redeemed.
C.2	The Bonds are denominated in Euro (€).
C.5	The Bonds are freely transferable and once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
C.8	The Bonds shall constitute the unsecured obligations of the Issuer and will rank <i>pari passu</i> without any priority or preference with all other present and future unsecured obligations of the Issuer.
C.9	<p>The Bonds shall bear interest from and including November 30, 2013 at the rate of 4.9% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being November 30, 2014, provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 4.9%. Redemption shall take place on any date between November 30, 2019 and November 30, 2021.</p> <p>The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.</p>
C.10	Not Applicable: There is no derivative component in the interest payments on the Bonds.
C.11	The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated October 18, 2013. Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List of the Malta Stock Exchange. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from December 5, 2013 and trading is expected to commence on December 6, 2013.

SECTION D - RISKS

D.2 The Issuer is subject to a number of risks which could have an adverse affect on its business and the business of the Group, the value of its assets and results of operations. These risks include but are not limited to those risks which are discussed below. The risk exposure of the Issuer can be broken down into two main categories: non financial risks i.e. risks related to the business of the Issuer and financial risks.

Non Financial Risks

The Issuer's business is to hold immovable properties, raise financing from capital markets and finance the Group's operations and its capital projects. Consequently its own trading activities are limited to the assets which have been acquired from the proceeds of its various bond issues which are subject to the negative pledge clauses in favour of the holders of the various bonds. The assets primarily consist of (i) the Mriehel Premises; (ii) the Piazzetta Properties; and (iii) loans to Group Companies. The Issuer also holds bills of exchange which it acquired from Gasan Enterprises Ltd. The proportion of such bills of exchange to property and other assets is decreasing. The risk factors are those which relate to these assets and other matters as listed below.

- Risks relating to the Mriehel Premises: The Mriehel Premises are leased in their entirety to Gasan Properties Ltd, a Group Company, which then sublets to others. The income from the Mriehel Premises depends on the payment of rent by Gasan Properties Ltd. Gasan Properties Ltd is obliged to pay the rent whether or not it sublets the Premises but its financial position may be negatively impacted if the sub-leases do not continue to be renewed or if the demand in the letting market for such properties decreases. Furthermore, the value of the Mriehel Premises depends to some extent on whether there are buyers of that particular type of property at any moment in time.
- Risks relating to the Piazzetta Properties: The Piazzetta Properties are leased to third parties which are not connected to the Group. The income from the Piazzetta Properties depends to a large extent on the continued renewal of these leases or if the current leases are not renewed or terminated on the demand in the letting market for such properties. Their value also depends on whether there are potential lessees/buyers for those properties at any moment in time.
- Risks relating to loans to Group Companies: With respect to the loans to Group Companies, the risk is the capability of the Group Company borrowers to pay the interest and repay the loan. In this regard the risks are indirectly those which affect the Group's operations (see below).
- Risks relating to reliance on Group Companies: The Issuer is mainly dependent on other Group Companies for rent receivable and interest receivable and to a lesser extent bills of exchange.

Rent Receivable – The Issuer receives rent from Gasan Properties Ltd for the Mriehel Premises. In turn Gasan Properties Ltd sublets to various other Group Companies and third parties.

Interest Receivable – The Issuer lends money to and receives interest income from Group Companies.

Bills of Exchange – The Issuer acquired bills of exchange from Gasan Enterprises Ltd, a Group Company, which company effected sales within the automotive division of the Group. The acquisition and sale of bills of exchange are drawn by Gasan Enterprises Ltd on customers who purchase motor vehicles and marine engines on hire purchase terms. These bills of exchange are held as assets by the Issuer.

In this respect the operating results of Group Companies have a direct effect on the Issuer's financial position and as such the risks of Group Companies are indirectly those of the Issuer (see below).

- Other risks associated with the business of the Group: The Group operates in areas that are subject to significant competition. In particular, the automotive, the insurance and engineering divisions compete with local and at times international providers of similar products and services. Furthermore the businesses of the Group are largely geared to the consumer market which is vulnerable to macro economic trends and levels of interest rates both in Malta and overseas, over which it has no control. The current economic climate is extremely challenging and investors should be aware that negative economic trends may have an impact on the business of the Group. The Group's executive management structure is dependent on certain key personnel. Retention of these key personnel cannot be guaranteed.

Financial Risks

- Financial Risk: The Issuer's activities potentially expose it to a variety of financial risks, market risk (including cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Issuer's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Issuer's financial performance.
- Interest Rate Risk: Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Issuer is exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows. The Issuer has fixed rate interest-bearing assets comprising bills of exchange and amounts owed by Group undertakings. Accordingly, its income and operating cash flows are substantially independent of changes in market interest rates. The Issuer's interest rate risk arises from medium to long term borrowings. Bank loans expose the Issuer to cash flow interest rate risk. Changes in interest rates can have an adverse effect on the financial position and operating result of the Issuer.
- Counterparty Risk: This risk arises from credit exposures to counterparties including amounts receivable from Group Companies. Failure on the part of counterparties to fulfil their obligations may impact the business of the Issuer. The Issuer does not hold any collateral as security in this respect.
- Operational Risk: In view of the complexity, diversity and volume of its operations, the Gasan Group could be exposed to operational risk that may arise from inadequate information systems, operational issues, breaches in internal controls, fraud, or unforeseen catastrophes that will result in unexpected losses.
- Liquidity and Funding Risk: The Issuer is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally creditors and interest-bearing borrowings. The Issuer uses both the capital markets and banks to obtain debt finance for its operations. Changes in banking risk appetite may impact the willingness of banks to provide loans to companies. Also, changes in demand for debt instruments on capital markets could have an adverse impact on the Issuer's operations.

D.3 An investment in the Bonds involves certain risks including, but not limited to those described below: The value of investments can go up or down and past performance is not necessarily indicative of future performance. Unless previously repurchased and cancelled, the nominal value of the Bonds will be repayable in full upon maturity.

- Trading and Liquidity: Although the Issuer has had bonds freely trading on the MSE since 1994, there is currently no trading record in respect of the Bonds which are being issued pursuant to the Prospectus as there has never been a public market for the Bonds prior to the Offering. Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the MSE for the Bonds to be listed and traded on its Official List. There can be no assurance however, that an active secondary market for the Bonds will develop or, if it develops, that it will continue nor can there be any assurance that an investor will be able to re-sell its Bonds at or above the Issue Price or at all. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on a number of factors including the presence in the market place of willing buyers and sellers of the Issuer's Bonds at any given time, which presence is dependent upon the individual decisions of investors over which the Issuer has no control.

Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Bonds. These factors include the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds, the level, direction and volatility of market interest rates generally, economic conditions, the investment appetite of investors, the financial condition of the Issuer and the market for similar securities. No prediction can be made about the effect which any future public offerings of the Issuer's securities or any takeover or merger activity involving the Issuer will have on the market price of the Bonds prevailing from time to time.

- **Interest Rate Risk:** Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- **Foreign Exchange Rate Risk:** An investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds and the investor's currency of reference if different.
- **Early Redemption:** The Bonds are subject to redemption at the option of the Issuer between November 30, 2019 and November 30, 2021 upon giving thirty days advance notice to Bondholders.
- **Changes in Laws and Regulations:** The Bonds are based on the requirements of the Listing Rules of the Listing Authority, the Companies Act and the Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of this Prospectus.
- **Prior Ranking Charges:** The Bonds shall constitute unsecured obligations of the Issuer and will rank *pari passu* without any priority or preference with all other present and future unsecured obligations of the Issuer. Furthermore, third party interests have or will be registered which will rank in priority to or with Bondholders against the assets of the Group for so long as such security interests remain in effect.
- **Amendments to the Bond Conditions:** The Bond Conditions contain provisions (a synopsis of which is found in Section E3.13 of this Summary Note) for calling meetings of Bondholders in the event that the Issuer wishes to amend any of the terms and conditions applicable to the Bonds. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.
- **Credit Rating:** The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.

SECTION E - OFFER

E.2b	<p>The proceeds from the Bonds, which net of commissions and expenses are expected to amount to €24,480,000 will be used by the Issuer in this order:</p> <ol style="list-style-type: none"> i. a maximum of €20,026,900 will be available for the Bond Exchange Programme (as better described in Section E3.3 below of this Summary Note), which allows Existing Holders to exchange the Bonds 2014/16 with the Bonds now being issued rounded up to meet the minimum subscription amount; ii. an amount equivalent to the aggregate amount still outstanding of the Bonds 2014/16 (if any) after completion of the Bond Exchange Programme will eventually be utilised to repay the said aggregate outstanding amount of Bonds 2014/16, which the Issuer will be redeeming on May 31, 2014. Until such date the said amount will be utilised as indicated in (iii) below; and iii. the balance will be used for the general funding of the Issuer and the Group.
E.3	<p>The following is a synopsis of the general terms and conditions applicable to the Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Prospectus, including the full terms and conditions contained in the Securities Note:</p> <p>1. General</p> <p>Unless previously purchased and cancelled the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on any date between November 30, 2019 and November 30, 2021 in the currency in which the Bonds are designated.</p>

2. Allocation Policy

The Issuer will be reserving an amount of €20,026,900 or 80.1% of the full amount of the Offering for allocation to the Existing Holders and will furthermore be reserving a further amount of €1,000,000 or 4% of the full amount of the Offering, for allocations to Directors of the Issuer and Employees (the two reserved amounts hereinafter collectively referred to as “the Preferred Portion”). Applications for the Bonds made by Existing Holders will be satisfied in full up to the level of their existing holding in the Bonds 2014/16 rounded up to the minimum amount of €1,000, provided that no application for the Bonds shall be less than €1,000 and for an amount that is not an integral multiple of €100. Applications received from Existing Holders for amounts in excess of their existing holding shall be satisfied by allocation from any unallocated part of the Preferred Portion on a pro rata basis. In the event that the aggregate excess amounts of such Applications cannot be satisfied in full from the balance of the reserved amount of €20,026,900 and any unallocated part of the Preferred Portion on a pro rata basis, the unsatisfied excess amounts of such Applications will automatically participate in the amount of the Offering available to the general public and such allocation shall be made on a pro rata basis, if possible respecting the minimum subscription amount of €1,000. Directors of the Issuer and Employees will also be given preference for allocation purposes, provided that the amount allocated to Directors and Employees shall not exceed €1,000,000. A person who qualifies both as a Director of the Issuer and an Employee, shall be entitled to be given a preference in both such capacities. In the event that the aggregate amount of Applications received from Directors of the Issuer and Employees is in excess of the reserved amount of €1,000,000, the unallocated amount will automatically participate in the amount of the Offering available to the general public and such allocation shall be made on a pro rata basis, if possible respecting the minimum subscription amount of €1,000. In the event that the aggregate amount of Applications received from Directors of the Issuer and Employees is not taken up, such unutilized portion shall immediately become available for allocation to Existing Holders for amounts in excess of their existing holding on a pro rata basis. In the event that the Preferred Portion is not taken up by the Preferred Applicants in its entirety, such unutilized portion shall immediately become available for allocation to the general public during the Public Offer Period and such allocation shall be made on a pro rata basis. In all cases the Issuer shall, if possible, respect the minimum subscription amount of €1,000. In the event that the Bond Issue is over-subscribed the Issuer may not be in a position to allocate the minimum stipulated subscription amount of €1,000 to each Applicant for Applications received from the general public and Directors of the Issuer and Employees. Save for the above, the Issuer will announce the allocation policy for the allotment of the Bonds within five Business Days of the closing of subscriptions in, at least, one newspaper. It is expected that an allotment advice to Applicants will be dispatched within five Business Days of the announcement of the allocation policy. Dealing shall commence upon admission to trading of the Bonds by the MSE and subsequent to the above-mentioned notification.

3. Bond Exchange Programme

The Issuer has reserved €20,026,900 or 80.1% of the maximum aggregate amount of the Bonds being issued for subscription by Existing Holders (as described in Section E3.2 above). The Existing Holders shall use the pre-printed Application Form to be mailed directly by the Issuer and shall be required to submit same to Authorised Financial Intermediaries together with cleared funds, if applicable (as described below), during the Preferred Applicants Offer Period.

By virtue of the submission of the duly completed Application Form, Existing Holders shall indicate their agreement to settle the consideration for the Bonds by surrendering in the Issuer’s favour for cancellation all or part of the Bonds 2014/16 together with the payment of such additional amount in cash as may be required. By submitting the signed pre-printed Application Forms (whether in whole or in part consideration for the Bonds being applied for) together with the payment of such additional amount in cash as described above, Existing Holders shall be deemed to confirm that:

- a. All or part (as the case may be) of their holding of the Bonds 2014/16 indicated in the said Application Form are being surrendered in favour of the Issuer for cancellation; and
- b. The pre-printed Application Form constitutes the Existing Holders’ irrevocable mandate to the Issuer to:
 - i. Surrender the said Bonds 2014/16 in the Issuer’s favour for cancellation; and
 - ii. Engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.

Any Existing Holder wishing to surrender and cancel all or part of their Bonds 2014/16 in exchange of the Bonds shall only be entitled to do so during the Preferred Applicants Offer Period.

4. Form and Denomination

The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. The Bonds will be issued without interest coupons, in minimum subscriptions of €1,000 and thereafter in integral multiples of €100. Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Bond.

5. Interest

The Bonds shall bear interest from and including the Issue Date at the rate of 4.9% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, with the first Interest Payment Date being November 30, 2014. Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

6. Status of the Bonds

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

7. Payments

Payment of the principal amount of a Bond together with any outstanding interest accrued to the Redemption Date will be made in the currency in which that Bond is designated to the person in whose name such Bonds are registered at the close of business on the Redemption Date, by direct credit transfer into such bank account as the Bondholder may designate, from time to time, and held with any licensed bank in Malta. The Issuer shall not be responsible for any loss or delay in transmission.

8. Redemption

Unless previously purchased and cancelled, the Issuer will redeem the Bonds (together with payment of interest accrued thereon) at their nominal value on any date between November 30, 2019 and November 30, 2021. All Bonds purchased by the Issuer on its own account will be cancelled forthwith and may not be re-issued or re-sold.

9. Events of Default

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

10. Transferability of the Bonds

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

11. Register of Bondholders

There will be entered in the electronic register at the CSD the names, addresses, identity card numbers, registration numbers and MSE account numbers of the Bondholders and particulars of the Bonds held by them respectively, and the Bondholders shall have, at all reasonable times during business hours, access to the register of Bondholders held at the CSD for the purpose of inspecting information held on their respective account.

12. Further Issues

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

13. Meetings of Bondholders

Bondholders have certain powers exercisable by a resolution voted for, at a meeting of the Bondholders convened and held by a majority of Bondholders holding not less than 75% of the outstanding principal amount for the time being of the Bonds and any such resolution shall be binding on all Bondholders and each Bondholder is bound to give effect to it accordingly. The Issuer may at any time convene a meeting of the Bondholders and if it receives a written request by Bondholders holding 10% of the outstanding principal amount for the time being of the Bonds and is indemnified to its satisfaction against all costs, losses and expenses, the Issuer must convene a meeting of Bondholders. The time and place of the meeting must be specified by the Issuer. 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, in person or by proxy, accounting for at least 50% of the outstanding principal amount for the time being of the Bonds.

14. Governing Law and Jurisdiction

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

E.4	Mr. Joseph Gasan, Mr. Juan de Battista, Mr. Mark Gasan, Mr. Roderick Chalmers and Mr. Michael Soler, in addition to sitting on the Board of Directors of the Issuer, also act as directors of other companies within the Group. Mr. Joseph Gasan, Mr. Mark Gasan and Mr. Michael Soler have a direct or indirect shareholding in Gasan Group Ltd which is the parent company of Gasan Enterprises Ltd which owns the Issuer. The Audit Committee of the Group has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by Directors are handled in the best interests of the Issuer. To the extent known or potentially known to the Issuer as at the date of the Prospectus, there are no conflicts of interest between any duties of the Directors of the Issuer and their private interests and/or their other duties which require disclosure in terms of the Regulation.
E.7	Nil

Expected Time -Table

Application Forms mailed to Preferred Applicants	October 25, 2013
Opening of Preferred Applicants Offer Period	October 28, 2013
Application Forms available	November 1, 2013
Closing of Preferred Applicants Offer Period	November 14, 2013
Opening of Public Offer Period	November 18, 2013
Closing of Public Offer Period	November 21, 2013
Announcement of basis of acceptance	November 28, 2013
Expected dispatch of allotment advices & refunds of unallocated monies	December 4, 2013
Admission to trading and commencement of interest on the Bonds	December 5, 2013

The Issuer reserves the right to close the Bond Issue before November 21, 2013 in the event of over-subscription, in which case the remaining events set out above shall be brought forward in the same chronological order in such a way as to retain the same number of Business Days between the said events.



Gasán Finance Company p.l.c.

(a public limited company incorporated under the Laws of Malta,
company registration number C 16435)

Issue of:
4.9% Bonds due 2019-2021
Aggregate Principal Amount €25,000,000
Issue Price: At Par (100%)

REGISTRATION DOCUMENT DATED OCTOBER 18, 2013

This document is a Registration Document issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements. This Registration Document should be read in conjunction with the most updated Securities Note issued from time to time containing information about the securities to which it relates.

THE AUTHORISATION BY THE LISTING AUTHORITY FOR THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT 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.

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

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1. IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT FORMS PART OF THE PROSPECTUS AND CONTAINS INFORMATION ON GASAN FINANCE COMPANY P.L.C. (THE “**ISSUER**”) IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION.

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

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

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFER OF SECURITIES OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE SECURITIES CAN ONLY BE OFFERED TO “**QUALIFIED INVESTORS**” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BY-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

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

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 THE BONDS.

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

2. DEFINITIONS

Act	The Companies Act (Cap. 386 of the laws of Malta)
Bonds	The four point nine per cent (4.9%) Bonds due 2019-2021 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of €25,000,000
Bonds 2014/16	The €20,000,000 six per cent (6%) Bonds issued by the Issuer pursuant to a prospectus dated April 7, 2009
Bond Issue	The issue of the Bonds
CSD	The Central Securities Depository of the Malta Stock Exchange, having its address at Malta Stock Exchange, Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta
Directors or Board	The directors of the Issuer whose names and addresses are set out under the heading “The Board of Directors of the Issuer” in Section 12.1 of this Registration Document
Euro or €	The lawful currency of the Republic of Malta
Gasas Group or Group	The Gasas Group of Companies composed of the Issuer’s parent company, Gasas Group Ltd (Company registration number C 29585) and the subsidiary undertakings of Gasas Group Ltd including the Issuer and the term “Group Company” or “Group” shall be construed accordingly
Issuer or Company	Gasas Finance Company p.l.c., a company registered in Malta with registration number C 16435
Listing Authority	The Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta)
Listing Rules	The listing rules, issued by the Listing Authority
Malta Stock Exchange or MSE	The Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta and bearing company registration number C 42525
M&A	The memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus
MFSA	The Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta)
Mriehel Premises	The premises known as ‘Gasas Centre’, situated at the Mriehel By-Pass, Mriehel, B’Kara which were built on land measuring approximately 6,800m ² which the Issuer purchased from Gasas Properties Ltd, a Group company, pursuant to a public deed dated December 23, 1998, in the records of Notary Hugh Grima
Piazzetta Properties	A total of 12 apartments belonging to the Issuer consisting of offices and commercial premises situated in the block known as “Il-Piazzetta”, in Tower Road, Sliema which the Issuer purchased from Gasas Properties Ltd, a Group Company, pursuant to a public deed in the records of Notary Pierre Attard dated the December 1, 2003
Prospectus	Collectively the Registration Document, the Securities Note and the Summary Note, as such documents may be amended, updated, replaced and supplemented from time to time
Registration Document	This document in its entirety
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements
Securities Note	The securities note issued by the Issuer dated October 18, 2013, forming part of the Prospectus
Summary Note	The summary note issued by the Issuer dated October 18, 2013, forming part of the Prospectus

3. RISK FACTORS

An investment in the Issuer involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to make an investment in the Issuer. Some of these risks are subject to contingencies which may or may not occur and 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 securities issued by it from time to time.

The risks and uncertainties discussed below are those identified as such by the Directors, but these risks and uncertainties may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those which the Issuer's Directors 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 this document.

3.1 Forward Looking Statements

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

3.2 Risks Relating to the Issuer

The Issuer is subject to a number of risks which could have an adverse affect on its business and the business of the Group, the value of its assets and results of operations. These risks include but are not limited to those risks which are discussed below. The risk exposure of the Issuer can be broken down into two main categories: non financial risks i.e. risks related to the business of the Issuer and financial risks.

3.2.1 Non Financial Risks

The Issuer's business is to hold immovable properties, raise financing from capital markets and finance the Group's operations and its capital projects. Consequently its own trading activities are limited to the assets which have been acquired from the proceeds of its various bond issues which are subject to the negative pledge clauses in favour of the holders of the various bonds. The assets primarily consist of (i) the Mriehel Premises; (ii) the Piazzetta Properties; and (iii) loans to Group Companies. The Issuer also holds bills of exchange which it acquired from Gasan Enterprises Ltd. The proportion of such bills of exchange to property and other assets is decreasing. The risk factors are those which relate to these assets and other matters as listed below.

- Risks relating to the Mriehel Premises

The Mriehel Premises are leased in their entirety to Gasan Properties Ltd, a Group Company, which then sublets to others. The income from the Mriehel Premises depends on the payment of rent by Gasan Properties Ltd. Gasan Properties Ltd is obliged to pay the rent whether or not it sublets the premises but its financial position may be negatively impacted if the sub-leases do not continue to be renewed or if the demand in the letting market for such properties decreases. Furthermore, the value of the Mriehel Premises depends to some extent on whether there are buyers of that particular type of property at any moment in time.

- **Risks relating to the Piazzetta Properties**

The Piazzetta Properties are leased to third parties which are not connected to the Group. The income from the Piazzetta Properties depends to a large extent on the continued renewal of these leases or if the current leases are not renewed or terminated on the demand in the letting market for such properties. Their value also depends on whether there are potential lessees/buyers for those properties at any moment in time.

- **Risks relating to loans to Group Companies**

With respect to the loans to Group Companies, the risk is the capability of the Group Company borrowers to pay the interest and repay the loan. In this regard the risks are indirectly those which effect the Group's operations (see below).

- **Risks relating to reliance on Group Companies**

The Issuer is mainly dependent on other Group Companies for rent receivable and interest receivable and to a lesser extent on bills of exchange.

Rent Receivable – The Issuer receives rent from Gasan Properties Ltd for the Mriehel Premises. In turn Gasan Properties Ltd sublets to various other Group Companies and third parties.

Interest Receivable – The Issuer lends money to and receives interest income from Group Companies.

Bills of Exchange – The Issuer acquired bills of exchange from Gasan Enterprises Ltd, a Group Company, which company effected sales within the automotive division of the Group. The acquisition and sale of bills of exchange are drawn by Gasan Enterprises Ltd on customers who purchased motor vehicles and marine engines on hire purchase terms. These bills of exchange are held as assets by the Issuer.

In this respect the operating results of Group Companies have a direct effect on the Issuer's financial position and as such the risks of Group Companies are indirectly those of the Issuer (see below).

- **Other risks associated with the business of the Group**

The Group operates in areas that are subject to significant competition. In particular, the automotive, the insurance and engineering divisions compete with local and at times international providers of similar products and services.

Furthermore the businesses of the Group are largely geared to the consumer market which is vulnerable to macro economic trends and levels of interest rates both in Malta and overseas, over which it has no control. The current economic climate is extremely challenging and investors should be aware that negative economic trends may have an impact on the business of the Group.

The Group's executive management structure is dependent on certain key personnel. Retention of these key personnel cannot be guaranteed.

3.2.2 Financial Risks

- **Financial risk**

The Issuer's activities potentially expose it to a variety of financial risks: market risk (including cash flow interest rate risk and fair value interest rate risk), credit risk and liquidity risk. The Issuer's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Issuer's financial performance.

- **Interest rate risk**

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Issuer is exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows.

The Issuer has fixed rate interest-bearing assets comprising bills of exchange and amounts owed by Group undertakings. Accordingly, its income and operating cash flows are substantially independent of changes in market interest rates. The Issuer's interest rate risk arises from medium to long term borrowings. Bank loans expose the Issuer to cash flow interest rate risk. Changes in interest rates can have an adverse effect on the financial position and operating result of the Issuer.

- **Counterparty risk**

This risk arises from credit exposures to counterparties including amounts receivable from Group Companies. Failure on the part of counterparties to fulfil their obligations may impact the business of the Issuer. The Issuer does not hold any collateral as security in this respect.

- **Operational risk**

In view of the complexity, diversity and volume of its operations, the Gasan Group could be exposed to operational risk that may arise from inadequate information systems, operational issues, breaches in internal controls, fraud, or unforeseen catastrophes that will result in unexpected losses.

- **Liquidity and funding risk**

The Issuer is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise principally creditors and interest-bearing borrowings. The Issuer uses both the capital markets and banks to obtain debt finance for its operations. Changes in banking risk appetite may impact the willingness of banks to provide loans to companies. Also, changes in demand for debt instruments on capital markets could have an adverse impact on the Issuer's operations.

4. PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of giving information with regards to the Issuer. All of the Directors, whose names appear under heading "The Board of Directors of the Issuer" in Section 12.1 of this Registration Document, accept responsibility for the information contained herein.

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

5. STATUTORY AUDITORS

The annual statutory financial statements of the Issuer for the financial year ended December 31, 2012 have been audited by PricewaterhouseCoopers Certified Public Accountants of 78, Mill Street, Qormi, QRM 3101, Malta. PricewaterhouseCoopers is a firm of certified public accountants holding a warrant to practice the profession of accountancy in terms of the Accountancy Profession Act, 1979 (Cap. 281 of the Laws of Malta).

6. SELECTED FINANCIAL INFORMATION

The Issuer's financial statements for the financial years ended December 31, 2010, 2011 and 2012 have been published and are available on the website www.gasan.com and at its registered office. These financial statements

have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU. The financial statements have been audited by PricewaterhouseCoopers and the auditor's report thereon comprises an unqualified audit opinion. There were no significant changes to the financial or trading position of the Issuer since the December 31, 2012.

Extracts from the audited financial statements of the Issuer for the three financial years ended December 31, 2010, 2011 and 2012 are set out below.

6.1 Income Statement Extracts

	Year ended December 31		
	2012	2011	2010
	€000	€000	€000
Income	3,435	3,337	3,266
Interest payable	(1,497)	(1,497)	(1,492)
Gross profit	1,938	1,840	1,774
Administrative expenses	(272)	(341)	(244)
Changes in fair value of investment property	2,660	-	-
Profit before tax	4,326	1,499	1,530
Tax expense	(816)	(452)	(512)
Profit for the year	3,510	1,047	1,018
Earnings per share (euro cents)	250.7	74.8	72.7

6.2 Statement of Financial Position Extracts

	As at December 31		
	2012	2011	2010
	€000	€000	€000
ASSETS			
Non-current assets			
Investment property	32,500	29,840	29,820
Trade and other receivables	1,677	864	235
Total non-current assets	34,177	30,704	30,055
Current assets			
Trade and other receivables	21,361	21,404	20,595
Cash and cash equivalents	-	-	4
Total current assets	21,361	21,404	20,599
Total assets	55,538	52,108	50,654
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	3,500	3,500	3,500
Other reserve	13,150	10,810	10,812
Retained earnings	7,372	6,203	5,154
Total equity	24,022	20,513	19,466
Non-current liabilities			
Deferred tax liabilities	3,606	3,320	3,351
Borrowings	26,015	26,690	19,677
Total non-current liabilities	29,621	30,010	23,028
Current liabilities			
Trade and other payables	637	717	469
Current taxation	489	99	4
Borrowings	769	769	7,687
Total current liabilities	1,895	1,585	8,160
Total liabilities	31,516	31,595	31,188
Total equity and liabilities	55,538	52,108	50,654

6.3 Cash Flow Extracts

	Year ended December 31		
	2012	2011	2010
	€000	€000	€000
Net cash generated from operating activities	769	20	5,149
Net cash used in investing activities	-	(24)	(4,774)
Net cash used in financing activities	(769)	-	(376)
Net movement in cash and cash equivalents	-	(4)	(1)
Cash and cash equivalents at beginning of year	-	4	5
Cash and cash equivalents at end of year	-	-	4

6.4 Issuer Interim Financial Results

Set out below are the interim financial results of the Issuer for the six months ended June 30, 2012 and 2013. The said results, which are unaudited, have been published and are available on the Issuer's website www.gasan.com and at its registered office.

6.4.1 Income Statement Extracts

	Six months ended June 30	
	2013	2012
	€000	€000
Income	1,727	1,703
Interest payable	(734)	(758)
Gross profit	993	945
Administrative expenses	(148)	(140)
Profit before tax	845	805
Tax expense	(259)	(238)
Profit for the period	586	567
Earnings per share (euro cents)	41.87	40.52

6.4.2 Statement of Financial Position Extracts

	As at	
	June 30, 2013 €000	December 31, 2012 €000
ASSETS		
Non-current assets		
Investment property	32,500	32,500
Trade and other receivables	1,746	1,677
Total non-current assets	34,246	34,177
Current assets		
Trade and other receivables	18,602	21,361
Total current assets	18,602	21,361
Total assets	52,848	55,538
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	3,500	3,500
Other reserve	13,150	13,150
Retained earnings	4,958	7,372
Total equity	21,608	24,022
Non-current liabilities		
Deferred tax liabilities	3,606	3,606
Borrowings	25,765	26,015
Total non-current liabilities	29,371	29,621
Current liabilities		
Trade and other payables	460	637
Current taxation	640	489
Borrowings	769	769
Total current liabilities	1,869	1,895
Total liabilities	31,240	31,516
Total equity and liabilities	52,848	55,538

6.4.3 Cash Flow Extracts

	Six months ended June 30	
	2013	2012
	€000	€000
Net cash generated from operating activities	384	384
Net cash used in financing activities	(384)	(384)
Net movement in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of the period	-	-
Cash and cash equivalents at end of the period	-	-

7. INFORMATION ABOUT THE ISSUER

7.1 History and Development of the Issuer

7.1.1 Introduction

Legal & Commercial Name	Gasán Finance Company p.l.c.
Place of Registration	Malta
Registration Number	C 16435
Domicile	Malta
Legal Form	Public limited company
Country of Incorporation	Malta
Date of Registration	June 30, 1994 (private limited liability company) and in July 1994 became a public limited company.
Legislation under which Issuer Operates	Companies Act (Cap. 386 of the Laws of Malta)
Address & Telephone Number	Gasán Centre, Mriehel By-Pass, B'Kara, BKR 3000, Malta + 356 27788500

7.1.2 History and Development

The Issuer was incorporated and registered under the laws of Malta as a private limited liability company on June 30, 1994. In July 1994, pursuant to amendments made to the Memorandum and Articles of Association of the Issuer whereby the Issuer was given the power to issue debentures, bonds, notes and other securities to the public, the Issuer was converted into a public limited company.

In September 1994, the Issuer's issued share capital was increased from five thousand Maltese Liri (Lm5,000) to five hundred thousand Maltese Liri (Lm500,000) divided into 500,000 ordinary shares of one Maltese Lira (Lm1) each.

In December 1998, the authorised and issued share capital were further increased by the creation and issue of nine hundred thousand (900,000) ordinary shares of one Maltese Lira (Lm1) each which were allotted as fully paid up to Gee Five Ltd by way of set-off against an equivalent amount due by the Issuer to Gee Five Ltd.

On July 18, 2013 Gasán Enterprises Ltd acquired Gee Five Ltd as a result of an amalgamation. Therefore, as of that date, Gasán Enterprises Ltd holds the shares in the Issuer previously held by Gee Five Ltd.

Since the principal business of the Issuer is to raise financial resources from capital markets to finance the Group's operations (see Section 8 of this Registration Document), the Issuer has made a number of bond issues listed hereunder, which bonds were all fully taken up, admitted to the Official List of the MSE and have now been redeemed:

- i. Lm3,000,000 (equivalent to €6,988,120.20) 6.50% Bonds (prospectus dated September 12, 1994);
- ii. Lm3,500,000 (equivalent to €8,152,806.89) 6.15% Bonds and Lm3,500,000 (equivalent to €8,152,806.89) 6.50% Bonds (prospectus dated April 9, 1999);
- iii. Lm5,000,000 (equivalent to €11,646,867) 6.40% Bonds (prospectus dated October 17, 2003).

Pursuant to the prospectus dated April 7, 2009, €20,000,000 6% Bonds due 2014/2016 (the "Bonds 2014/16") were issued. These bonds were fully taken up and admitted to the official list of the MSE on May 8, 2009. The Issuer intends to redeem the Bonds 2014/16 on May 31, 2014 from the proceeds of this Bond Issue.

7.2 Assets

7.2.1 Mriehel Premises

The Issuer holds by title of ownership the premises known as 'Gasam Centre', situated at the Mriehel By-Pass, Mriehel limits of B'Kara. The Mriehel Premises were built on land measuring approximately 6,800m² which the Issuer purchased from Gasam Properties Ltd, a Group company, pursuant to a public deed dated December 23, 1998, in the records of Notary Hugh Grima. The construction of the Mriehel Premises was completed in March 2001. The financing of the construction of the Mriehel Premises was one of the purposes for the bond issue in 1999. An additional floor was constructed in the latter half of 2008 at a cost of €1,778,345.

The value of the Mriehel Premises included in the audited accounts of the Issuer as at December 31, 2012 is €27,000,000. This property was valued by an independent architect at €27,000,000 as at September 16, 2013 (see Architect's Valuation Report Annex I).

Upon construction in 2001, the Mriehel Premises were leased to Gasam Properties Ltd, a Group company managing the property division of the Group. This lease agreement was subsequently renewed under different terms and conditions. On September 1, 2013, the Issuer and the said Gasam Properties Ltd entered into a lease agreement that provides for the lease of the entire Mriehel premises for a period of eight years and four months, which started to run as from September 1, 2013.

The annual rental income for the Mriehel Premises is currently €1,400,000.

In terms of the lease agreement, Gasam Properties Ltd unconditionally promised and bound itself to purchase and acquire the Mriehel Premises from the Issuer upon a request in writing by the latter. Such a request can be made at any time during the duration of the agreement at the Issuer's discretion. The purchase of the Mriehel Premises would be at the higher of the market value at the time of the request or the total actual costs of the Mriehel Premises.

The agreement allows Gasam Properties Ltd to enter into a number of separate sub-lease agreements with third parties in respect of space within the Mriehel Premises. At present, Gasam Properties Ltd is subleasing the Mriehel Premises to other Group Companies and to Melita p.l.c., Blevins Franks group, Abacus Corporate Services Ltd, Gamesys Ltd and Euch. Zammit Co. Ltd.

7.2.2 Piazzetta Properties

The Issuer owns a total of 12 apartments consisting of offices and commercial premises situated in the block known as “Il-Piazzetta”, in Tower Road, Sliema which the Issuer purchased from Gasan Properties Ltd, a Group Company, pursuant to a public deed in the records of Notary Pierre Attard dated the December 1, 2003. The purchase of the Piazzetta Properties was financed from the proceeds of the issue of the bonds due 2008/11. The Piazzetta Properties are leased out to third parties. The total rental income for these properties is currently €251,495. Lease agreements govern the increases during the lease period.

The value of the Piazzetta Properties included in the audited accounts of the Issuer as at December 31, 2012 is €5,500,000. This property was valued by an independent architect at €6,400,000 as at September 16, 2013 (see Architect’s Valuation Report Annex I).

7.2.3 Loan Agreements

The Issuer advances funds, from time to time, as and when required, to Group Companies at agreed rates of interest and on an arms’ length basis and will continue to do so. As at the date of this Prospectus, there are two loan agreements in place between the Issuer and Gasan Enterprises Ltd and between the Issuer and Gasan Group Ltd (refer to Section 18 for more information). As at December 31, 2012, Gasan Enterprises Ltd owed the Issuer by way of loan the sum of €15,818,454 whilst Gasan Group Ltd owed the Issuer by way of loan the sum of €4,997,949.

The major components of the statement of financial position of Gasan Enterprises Ltd are currently investment property, various financial investments and debtors mainly on hire purchase terms. The loan from the Issuer to Gasan Enterprises Ltd is still in force to sustain the latter company’s core assets.

Gasan Group Ltd is the parent company of the Group and has five subsidiary undertakings that represent the main divisions of the Group as outlined in Section 9 of this Registration Document. The loan from the Issuer to Gasan Group Ltd was advanced to sustain operational requirements in the various Group companies.

7.2.4 Bills of Exchange

The Issuer acquired bills of exchange from Gasan Enterprises Ltd, a subsidiary of the Group. Such bills of exchange were drawn by Gasan Enterprises Ltd on customers who purchased motor vehicles and marine engines on hire purchase terms. As from November 1, 2012 the sales of the automotive division are effected by GasanZammit Motors Ltd, a company in which the Gasan Group has a 65.5% shareholding. The Issuer has not acquired bills of exchange from GasanZammit Motors Ltd and currently it is not the Issuer’s intention to do so in the foreseeable future (see Section 10). The discounted value of the bills of exchange included in the audited accounts of the Issuer as at December 31, 2012 is €1,677,316.

8. BUSINESS OVERVIEW

8.1 Principal Business

The company’s principal business and principal activity is to hold immovable properties, raise financing from capital markets and to finance the Group’s operations and its capital projects.

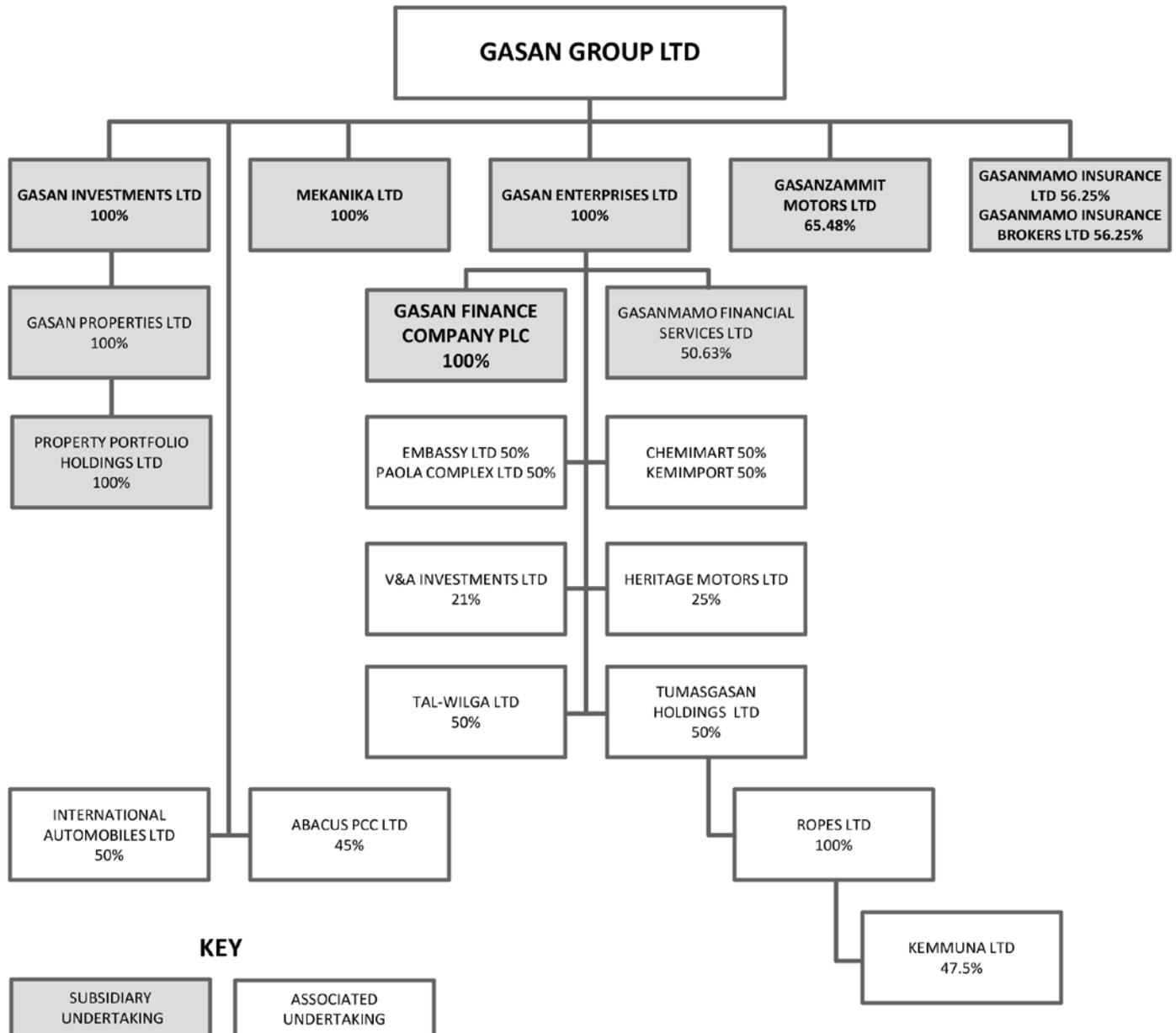
8.2 Principal Markets

The Issuer operates exclusively in and from Malta.

9. ORGANISATIONAL STRUCTURE

9.1 Gasan Group Structure

The Issuer is wholly owned (except for one share) by Gasan Enterprises Ltd which, in turn, is wholly owned by Gasan Group Ltd and therefore forms part of the Gasan Group of Companies with Gasan Group Ltd as the ultimate parent company. The immediate parent company of Gasan Group Ltd is JAG Holdings Ltd (54.3% holding). The parent company of JAG Holdings Ltd is J.A.G. Ltd (57.9% holding). The diagram below sets out the companies forming part of the Group, together with the effective percentage holding and also includes associated undertakings.



9.2 Organisation, Historical Development and Business Overview of the Gasan Group

The Group traces its origin to the 1920's at the forefront of what was then one of the 20th century's newest industries, the automotive business. At the same time, the late Joe Gasan also operated the 'Malta Mail and Passenger Service' between Malta and other Mediterranean ports. In the early thirties, the Group's founder took on the business of running Malta's main public bus route and also started the importation of consumer and pharmaceutical goods.

The Group expanded its portfolio of activities, establishing itself in the business of insurance, the development of residential and commercial property as well as in the engineering sector.

The companies forming the Group are split into a number of divisions, with the main companies listed below:

Automotive

Gasanzammit Motors Ltd

After 85 years in the automotive trade, the name “Gasanz” is synonymous with the motor vehicle business in Malta. In 1928, Gasanz was awarded the Ford franchise in Malta, a move which makes the Group one of the longest-running Ford franchises outside the United States. Other renowned marques have since been added to the range of franchises. In 1973, the franchises for Mazda motor vehicles and Yamaha motorcycles, marine engines and power products were obtained, followed by the Volvo, Maruti and Jaguar franchises in 1985, 1988 and 1995 respectively.

In 2012, the Group extended its portfolio of franchises to include the Honda, Chevrolet and Isuzu brands through the formation of Gasanzammit Motors Ltd, operating from the Mriehel Premises. The Gasanz Group has a 65.5% shareholding in Gasanzammit Motors Ltd.

Gasanzammit Motors Ltd operates from an automotive sales and customer care centre in Mriehel. This centre provides a one-stop shop for customers by housing all showrooms, sales and administrative offices and service centres for all marques.

Property Development

Gasanz Properties Ltd

The Group’s property development division has been involved in some of the island’s largest developments, also participating in several consortia undertaking major development projects. The property portfolio has expanded and diversified over the past four decades. It seeks to maximise investments by providing a mix of commercial and residential developments suited to the island’s infrastructure and social and commercial needs.

The primary role of the property development division includes sourcing of sites, concept development and the issuing of tenders and contracts, through to project management, sales and property management. The division, which is also involved in projects in which the Group has a major shareholding, is pro-active in seeking new opportunities for the Group in one of the islands’ most dynamic sectors.

The property development division has been a partner in developing three of the islands’ commercial and retail centres, the Embassy complex in Valletta, which also combined retail, leisure and catering development, Main Street complex in Paola and the Plaza Complex, in Sliema. It is also involved in the project management of the development of Townsquare in Sliema. TumasGasanz Holdings Ltd owns and develops Ta’ Monita complex in Marsascala, owns property in Birkirkara and has an interest in the hotel, bungalows and adjacent lands in Comino. Tal-Wilga Ltd owns property in Mriehel.

The property development division also leases out to various tenants a building numbered 333, Rue D’Argens, Gzira that comprises 3,200m² of office space.

The property development division was responsible for the sourcing, designing and project management of the Mriehel Premises which in 2008 was further developed via the construction of an additional floor. In 2008 another commercial building was purchased by the property division to serve as an annex to the Mriehel Premises.

Insurance and Financial Services

GasanzMamo Insurance Ltd

GasanzMamo Financial Services Ltd

GasanzMamo Insurance Brokers Ltd

Gasanz Finance Company p.l.c. (the Issuer)

In 1975, Gasanz Insurance Agency Ltd was appointed local agent and attorney of General Accident Fire & Life Assurance Corporation p.l.c. of Perth, Scotland, a leading British insurance company. In 1999, Gasanz Insurance Agency Ltd merged its activities with those of Galdes and Mamo Ltd, another insurance agency in Malta, to become GasanzMamo Insurance Agency Ltd.

Gasamamo Insurance Agency Ltd was the local agent and attorney for CGNU Insurance p.l.c., an insurance company which is a result of the merger between Commercial Union and General Accident in 1998 and the merger with Norwich Union in 2000.

In April 2003, Gasamamo Insurance Agency Ltd was awarded a licence to operate as a general business insurance principal in Malta and the company's name was changed to Gasamamo Insurance Ltd. In 2007, Gasamamo Insurance Ltd launched Sana Healthcare to provide private medical insurance cover.

Gasamamo Insurance Brokers Ltd offers insurance brokerage services in all classes of insurance and reinsurance while Gasamamo Financial Services Ltd is licensed by the MFSA to conduct investment services business, which includes a trading service for licensed investment products.

Gasam Group Ltd holds a 45% share in Abacus Risk Management Services PCC Ltd that provides for the establishment and management of captive, protected cells or other insurance operations in Malta.

The Issuer was the first Maltese company that sought financing by means of various bond issues as described in Section 7.1.2 of this Registration Document.

Engineering - Total Business Services

Mekanika Ltd

Mekanika was established in 1975 and commenced operations in the trading and support of industrial machinery. Over the years Mekanika established itself as a leading electrical and mechanical contracting company successfully completing total electrical and mechanical solutions in a number of prestigious projects such as the Hilton hotel, Radisson Bay Point, Intercontinental hotel, Capua Palace hospital, all the leading shopping complexes including the Plaza, the Embassy and the Gallarija projects and numerous other projects. Mekanika still provides professional total turnkey solutions for all engineering service requirements.

In September 2003, Mekanika became the sole distributor for Kone elevators and escalators for the local market. Since then Mekanika has been awarded a number of prestigious contracts for lifts/escalators installation including Pendergardens, Tumas Group, hotels such as Vivaldi and Phoenicia, retail outlets such as Joinwell and GS Supermarket, the Barrakka lifts and also numerous residential properties and corporate offices.

In October 2007 Mekanika were appointed as exclusive distributors for Sanyo air conditioning systems and later Panasonic air conditioning systems for the local market. Since then, the aircondition division has registered rapid growth in both the domestic and commercial market sectors.

Mekanika also represents established mechanical brands such as Jungheinrich, Perkins, Alto and Ceccato and electrical brands such as Chloride, Enersis, TAC and Ziton.

Mekanika has also been awarded significant facilities management contracts including Mater Dei hospital and HSBC bank.

Investments

Gasam Enterprises Ltd

Following the consolidation of the Group's automotive business into GasamZammit Motors Ltd, Gasam Enterprises Ltd became non-operational with assets that include debtors and immovable property. To streamline the Gasam Group structure, Gee Five Ltd was merged into Gasam Enterprises Ltd with the latter company becoming the investment vehicle of the Group. It holds various investments, mainly 12% in Melita p.l.c., 9.06% in MIDI p.l.c. and 2.087% in Consortium 1 S.a.r.l. (Luxembourg the owner of GTS, a telecommunication services provider in five European countries).

Gasam Enterprises Ltd also has a number of other participating investments, including a 50% interest in the Chemimart Group and a 50% interest in the Embassy Group.

9.3 Group Dependencies

The Issuer is dependent on other entities within the Group. The Issuer is mainly dependent on other Group Companies in the following areas:

- i. Rent receivable – The Issuer receives rent from Gasan Properties Ltd for the Mriehel Premises;
- ii. Interest receivable – The Issuer receives interest income on loans advanced to Group Companies;
- iii. Staff – The Issuer avails itself of the employees of the Group Companies; and
- iv. Bills of Exchange – The Issuer receives interest income from bills of exchange acquired from Gasan Enterprises Ltd on customers who purchased motor vehicles and marine engines on hire purchase terms.

9.3.1 Rent

Rental income accounts for around half the Issuer's total income, with the remainder comprising interest from bills of exchange and interest from loans to Group undertakings.

The Issuer lets the entire Mriehel Premises to and receives its rental income for the said premises from Gasan Properties Ltd which in turn receives rental income by subletting space within the Mriehel Premises which consists of office space, showrooms, parking, warehousing space and a cafeteria. Rental agreements are in place with all of the tenants and the Mriehel Premises is currently fully occupied.

The Issuer also receives rental income from nine tenants occupying the Piazzetta Properties. Tenants include established names including an embassy and a foreign bank. Formal lease agreements are in place with all tenants.

9.3.2 Loan Agreements

The Issuer advances funds, from time to time, as and when required, to Group Companies at agreed rates of interest, on an arms' length basis and will continue to do so. Currently, the Issuer has two loan agreements in place with Gasan Enterprises Ltd and Gasan Group Ltd (refer to Section 18 for more information). As at December 31, 2012, Gasan Enterprises Ltd owed the Issuer by way of loan the sum of €15,818,454 whilst Gasan Group Ltd owed the Issuer by way of loan the sum of €4,997,949.

9.3.3 Bills of Exchange

The Issuer acquired bills of exchange from Gasan Enterprises Ltd, a Group Company which effected sales within the automotive division of the Group. As at December 31, 2012, these bills of exchange have a discounted value of €1,677,316. As from November 1, 2012 the sales of the automotive division are effected by GasanZammit Motors Ltd, a company in which the Gasan Group has a 65.5% shareholding. The Issuer has not acquired bills of exchange from GasanZammit Motors Ltd and currently it is not the Issuer's intention to do so in the foreseeable future (see Section 10).

10. TREND INFORMATION

There have been no material adverse changes to the prospects of the Issuer since the date of its last published financial statements.

At the date of publication of the Prospectus, the Directors consider that the Issuer will be subject to the normal risks associated with its business and the business of the Group in Malta and do not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the Issuer and its business for at least up to the end of the next financial year. However, investors are strongly advised to carefully read the risk factors in the Prospectus.

The following is an overview of the factors and trends expected in the key areas of operation of the Issuer in the foreseeable future.

Rent

The Issuer rents out the Mriehel Premises in their entirety to Gasan Properties Ltd, a Group Company which then sublets primarily to Group Companies but also to third parties including an important rental agreement with Melita p.l.c. There is no reason to believe that such rental arrangements will not remain operative in the foreseeable future.

All Piazzetta Properties are currently rented and most are covered by long term leases which provide for regular rental revisions. Three of these leases will expire in 2018 and the Directors expect that upon expiration, these offices will be rented at prevailing market rates. Past statistics reveal healthy occupancy trends and lease agreements have either been consistently renewed or replaced back-to-back with new tenancy agreements.

Loans

The Issuer will continue advancing finance to Group Companies when appropriate to sustain trading and investment prospects. The Group will continue developing its existing ventures while tapping on opportunities to expand further its business.

Bills of Exchange

Up to December 31, 2012 the Issuer had acquired bills of exchange from Gasan Enterprises Ltd. As from November 1, 2012 the sales of the automotive division were effected by GasanZammit Motors Ltd, a company in which the Gasan Group has a 65.5% shareholding. The Issuer has not acquired bills of exchange from GasanZammit Motors Ltd and currently it is not the Issuer's intention to do so in the foreseeable future. The existing bills have a discounted value of €1,677,316 as at December 31, 2012. It is the Directors' intention to transfer back the bills of exchange to Gasan Enterprises Ltd upon redemption of the Bonds 2014/16.

11. PROFIT FORECASTS OR ESTIMATES

Extracts from the consolidated profit forecast of the Issuer for the years ending December 31, 2013 are set out below. The detailed profit forecast and the assumptions on which the forecast is based are included in Annex II to this document.

11.1 Forecast Income Statement

	Forecast Year ending December 31, 2013 €000
Income	3,506
Interest payable	(1,512)
Gross profit	1,994
Administrative expenses	(380)
Profit before tax	1,614
Tax expense	(487)
Profit for the year	1,127
Earnings per share (euro cents)	80.5

11.2 Forecast Statement of Financial Position

Forecast
Year ending
December 31, 2013
€000

ASSETS

Non-current assets

Investment property	32,500
Trade and other receivables	<u>1,812</u>
Total non-current assets	<u>34,312</u>

Current assets

Trade and other receivables	<u>28,451</u>
Total current assets	<u>28,451</u>

Total assets

62,763

EQUITY AND LIABILITIES

Capital and reserves

Share capital	3,500
Other reserve	13,150
Retained earnings	<u>5,499</u>
Total equity	<u>22,149</u>

Non-current liabilities

Deferred tax liabilities	3,719
Borrowings	<u>34,924</u>
Total non-current liabilities	<u>38,643</u>

Current liabilities

Trade and other payables	927
Current taxation	275
Borrowings	<u>769</u>
Total current liabilities	<u>1,971</u>

Total liabilities

40,614

Total equity and liabilities

62,763

11.3 Forecast Statement of Cash Flow

	Forecast Year ending December 31, 2013 €000
Net cash used in operating activities	(8,711)
Net cash generated from financing activities	8,711
Net movement in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	-
Cash and cash equivalents at end of year	-

12. BOARD OF DIRECTORS AND BOARD COMMITTEES

12.1 The Board of Directors of the Issuer

In accordance with Article 6 (a) of the Memorandum and Articles of Association of the Issuer, the Board of Directors of the Issuer is to consist of a minimum of four and a maximum of six Directors. At the date of this Registration Document, the Board is composed of the following Directors:

Name and ID no. of Director	Function
Mr. Joseph Gasan 311050(M)	Chairman
Mr. Juan de Battista 67255(M)	Managing Director
Mr. Mark Gasan 74781(M)	Executive Director
Mr. Roderick Chalmers 708847(M)	Non-Executive Director
Mr. Anthony R. Curmi 348134(M)	Non-Executive Director
Mr. Michael Soler 47350(M)	Non-Executive Director

The address of the Directors is the same as that of the Issuer. All the Directors are of Maltese nationality.

The Board of Directors meets as necessary but at least twice a year to review and approve the Issuer's financial statements. The Board is responsible for the entire management and organisation of the Issuer. In particular it:

- identifies and executes new investment opportunities;
- approves the acquisitions of assets and source of funding; and
- appoints executives and key personnel.

The quorum necessary for the transaction of the business of the directors shall be three directors (Article 62). The continuing Directors may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to the regulations of the company as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the company, but for no other purpose (Article 63).

12.1.1 Curriculum Vitae of the Directors of the Issuer

Hereunder is a brief curriculum vitae of each of the current Directors:

Mr. Joseph Gasan is the Chairman of Gasan Group Ltd, the Issuer, Melita p.l.c., GasanMamo Insurance Ltd, GasanZammit Motors Ltd, the Embassy Group and various companies constituting the Gasan Group. He is also a director of several companies including MIDI p.l.c., Air Malta p.l.c., Kemmuna Ltd and TumasGasan Holdings Ltd.

Mr. Gasan assumed the running of the family business in 1971 and in the mid-seventies initiated and directed an expansion and diversification programme which resulted in the evolvement of the Group to its present level of development. Under his chairmanship, the Group successfully expanded its portfolio of activities, established leadership of the automotive business, captured a significant share of the insurance market, secured a strong presence in the development of residential and commercial property and maximized business opportunities in the engineering and information and communications technology sectors. The result has been the creation of a dynamic enterprise with the necessary human and financial resources to continue to seek fresh opportunities at home and abroad.

Mr. Juan de Battista is a chartered management accountant by profession. He furthered his studies with Henley Business School, from where he graduated with an MBA degree.

Mr. de Battista joined the Gasan Group in July 1979 and over the years played an active role in major projects undertaken by the Group. He is Chief Financial Officer of the Gasan Group and Director of Gasan Finance Company p.l.c., Gasan Enterprises Ltd, GasanZammit Motors Ltd and Mekanika Ltd.

Mr. Mark Gasan is a graduate in Economics and Politics from the University of Leeds. He started working for the Gasan Group in 2003, specifically in the property division. Over the years he has involved himself in all operations of the Group and today he is the Executive Director of Gasan Group Ltd, effectively responsible to the Board for the operations and investments of all Gasan Group subsidiaries.

He is the Managing Director of Gasan Properties Ltd which manages all properties owned by the Gasan Group and its subsidiaries and of Mekanika Ltd, the Group's Engineering arm.

He is also a Director of GasanZammit Motors Ltd, Gasan Enterprises Ltd, International Automobiles Ltd, GasanMamo Insurance Ltd, TumasGasan Holdings Ltd, Paola Complex Ltd and Embassy Ltd.

Mr. Roderick Chalmers is a chartered accountant by profession, specialising in the financial services sector. Between 1972 and 1983 he practised in Malta as a partner with the offices of Coopers and Lybrand, before moving to Hong Kong in 1984. He was a partner with Coopers and Lybrand, (later PricewaterhouseCoopers), Hong Kong between 1984 and 2000, when he retired from the firm to pursue a full time MA degree at Edinburgh University. He was the elected Managing Partner of Coopers & Lybrand Hong Kong between 1990 and 1998, during which period he also acted as Chairman of the firm's South East Asia Regional Executive. He was appointed to the International Board of Directors of Coopers & Lybrand between 1996 and 1998.

Upon the merger of Coopers & Lybrand and Price Waterhouse in 1998, he was appointed Chairman, Asia-Pacific, for PricewaterhouseCoopers (PwC) and continued in that position through to his retirement from the firm in the autumn of 2000. Between 1998 and 2000, he was also a member of the PwC Global Management Board, a 25 man body responsible for overseeing the global activities of the firm.

He was appointed by the Government of Hong Kong to act as a non-executive director of the Securities and Futures Commission (the regulator of the Stock and Futures exchanges) between 1992 and 1999. He was also a member of the Takeovers and Mergers Panel and was appointed by the Financial Secretary of Hong Kong to sit on the Banking Advisory Committee.

In November 2004, he was appointed Chairman of Bank of Valletta p.l.c. and continued in that position until he retired for personal reasons in July 2012. Between 2004 and 2012 he was also a director of Middlesea Insurance p.l.c. and MSV Life p.l.c. He is currently a non-executive director of Global Sources Ltd (a NASDAQ listed company),

Gasan Finance Company p.l.c., Gasan Group Ltd, GasanZammit Motors Ltd and Alfred Gera & Sons Ltd and Simonds Farsons Cisk p.l.c. since 2006.

Mr. Anthony R. Curmi is a former senior bank executive. He is an independent non-executive Director of the Issuer and has been on the Board of Directors of the Issuer since May 1995. He is also a director of a finance company of a local hotel group.

Mr. Curmi joined Barclays Bank as a junior clerk in 1950 and obtained a Banking Diploma from the Institute of Bankers, London in 1958. In 1971 he was elected a Fellow of the Institute. He is a former founder member and past President of the Malta Centre of the Institute and was appointed as the first General Manager of Mid-Med Bank Ltd. in 1975. He re-joined Barclays Bank in London in 1980 and returned to Malta on retirement after having held senior executive posts at the Bank's Head Office, London and as Group General Manager in Italy.

After retiring from banking in 1987, Mr. Curmi was a Board member of various companies involved in financial, insurance and investment activities. He devotes a lot of his time to voluntary work.

Mr. Michael Soler is a non-executive director of Gasan Group Ltd and has served for a number of years on boards of other companies including Air Malta p.l.c., MIDI p.l.c. and Plaza Centres p.l.c.

Mr. Soler is the Managing Director of Daystar Group of Companies, a family owned group with interests in real estate, leisure and international retail.

Mr. Soler served as Chairman of the Malta Development Corporation from 1987 to 1990 and Chairman of the National Tourism Organisation of Malta from 1992 to 1995.

12.2 Conflicts of Interests

In terms of Article 62 of the Articles of Association of the Issuer a Director who is in any way, whether directly or indirectly, interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Issuer shall declare the nature of his interest at a meeting of the Directors pursuant to the provisions of the Companies Act. A Director shall not vote at a meeting of Directors in respect of any contract or arrangement in which he has a personal interest, either directly or indirectly and if he shall do so his vote shall not be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to:

- a. any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Issuer; or
- b. any arrangement for the giving by the Issuer of any security to a third party in respect of a debt or obligation of the Issuer for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of personal security; or
- c. any contract by a Director to subscribe for, underwrite or sub-underwrite, shares or debt securities of the Issuer; or
- d. any contract or arrangement with a company which forms part of the group of companies which the Issuer forms part of or any other company in which he is interested only as an officer of the company or as a holder of shares or other securities.

All of the Directors of the Issuer, with the exception of Mr. Anthony R. Curmi, are also directors of other members of the Group.

12.2.1 Share Capital

Mr. Roderick Chalmers, Mr. Juan de Battista and Mr. Anthony R Curmi have no interests, whether beneficial or non-beneficial, in the share capital of the Issuer. The following Directors of the Issuer have the hereunder-mentioned beneficial interests in the share capital of the Issuer as at the date of this Registration Document:

Mr. Joseph Gasan indirectly, through holding companies, is an ultimate beneficial owner of and holds a controlling interest in the Issuer. Furthermore, Mr. Joseph Gasan is a director of all the holding companies.

Mr. Michael Soler indirectly, through Gasan Group Ltd, holds a beneficial interest in the Issuer and he is also a director of Gasan Group Ltd.

Mr. Mark Gasan indirectly, through Gasan Group Ltd holds a beneficial interest in the Issuer and he is also a director of Gasan Group Ltd.

12.2.2 Assets, Contracts and Arrangements

Mr. Joseph Gasan, Mr. Michael Soler, Mr. Mark Gasan, Mr. Roderick Chalmers and Mr. Juan de Battista have an indirect interest, as described hereunder, in the following assets, contracts or arrangements.

Mr. Joseph Gasan, Mr. Michael Soler, Mr. Mark Gasan, Mr. Roderick Chalmers and Mr. Juan de Battista are Directors of both the Issuer and the counterparties in the contracts below.

The Mriehel Premises

As stated above, the Mriehel Premises have been granted on lease by the Issuer to Gasan Properties Ltd which then sublets to other Group Companies.

Loan Agreements

Loan agreements may be entered into from time to time whereby the Issuer will provide finance to Group Companies at agreed rates of interest.

No private interests or duties unrelated to the Issuer which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer, have been disclosed by the Directors.

12.2.3 Measures to Control Conflicts of Interest

The Issuer's corporate governance is based on a five-tier structure consisting of a Board of Directors, Audit Committee, Executive Management, External Audit and Internal Audit. The Audit Committee has the task to ensure that any potential conflicts of interest are managed and resolved in the best possible manner. Also, the Audit Committee, which avails itself of the services of separate external audit and internal audit units, contributes to ensure proper conduct and thus serves to mitigate any potential corporate abuse in the manner in which the Issuer is managed and controlled.

Management contributes to managing potential conflicts by ensuring that reports including monthly management accounts, meeting minutes, performance reports and so on provide timely, accurate, complete and relevant information to direct and manage the business.

The external audit and internal audit units through separate and distinct audit initiatives support the Board of Directors and Audit Committee in the effective discharge of their responsibilities. The outcome of such audit initiatives are formally reported and discussed in the appropriate forums.

In addition, the practice is that where any board member or audit committee member may be involved in a potential conflict of interest, the member does not participate in discussing the respective agenda item.

13. BOARD PRACTICES

13.1 Audit Committee

The Issuer is a fully owned subsidiary of Gasan Group Ltd. The latter company has established an Audit Committee which lends itself to the Issuer. The Audit Committee, which reports to the Board of Directors of Gasan Group Ltd, has been requested to regularly monitor that the Issuer's internal controls are appropriate and effective. In addition, the Board of Directors of Gasan Group Ltd, which includes non-shareholders and non-executive members, reviews the ongoing operations and financial results of the Issuer on a monthly basis.

The Audit Committee's primary purpose is to protect the interests of the Issuer's shareholders, to review the financial reporting process, the system of internal control, the audit process and the Group's process for monitoring compliance with laws and regulations and with the code of conduct.

There exists formal terms of reference of the Audit Committee that establish its composition, role and function. The main role and responsibilities of the Audit Committee are:

- To evaluate whether management is setting the appropriate tone at the top by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;
- To focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications and the contingency plan for processing financial information in the event of a systems breakdown;
- To gain an understanding of whether internal control recommendations made by the external auditors have been implemented by management;
- To ensure that the external auditors keep the Audit Committee informed about fraud, illegal acts, deficiencies in internal controls and certain other matters;
- To review significant accounting and reporting issues, including recent professional and regulatory pronouncements and understand their impact on the financial statements;
- To obtain an understanding of the key areas of significant business and financial risk;
- To ask management and external auditors about significant business and financial risks and exposures and the plans to minimise such risks;
- To review the annual financial statements and determine whether they are complete and consistent with the information known to the Audit Committee and assess whether the financial statements reflect appropriate accounting principles;
- To pay particular attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- To focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting and disclosure of environmental liability, litigation reserves and other commitments and contingencies;
- To meet with management and the external auditors to review the financial statements and the results of the audit;
- To consider management's handling of proposed audit adjustments identified by the external auditors;
- To ensure that the external auditors communicate certain required matters to the Audit Committee;
- To discuss the annual audited financial statements with management and the external auditors and recommend to the Board of Directors the amendment or approval for issuance of the audited annual financial statements and the inclusion of such financial statements in the annual report;
- To review and discuss the quality, as well as the acceptability, of the Group's accounting policies, including the Group's critical accounting policies and practices and the estimates and assumptions used by management in the preparation of the Group's financial statements and in connection therewith shall discuss with the independent auditors all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of use of such alternative treatments and the treatment preferred by the independent auditors;
- To review and discuss the adequacy and effectiveness of the Group's internal controls, including any significant deficiencies in internal controls and significant changes in such controls reported to the Audit Committee by the independent auditors or management;
- To be briefed on how management develops and summarises quarterly financial information, the extent of internal

audit involvement, the extent to which the external auditors review quarterly financial information and whether that review is performed on a pre or post issuance basis;

- To gain insight into the fairness of the interim statements and disclosures, obtain explanations from management and from the external auditors on whether: the actual financial results for the quarter or interim period varied significantly from budgeted or projected results; changes in financial ratios and relationships in the interim financial statements are consistent with changes in the Group's operations and financing practices; generally accepted accounting principles have been consistently applied; there are any actual or proposed changes in accounting or financial reporting practices; there are any significant or unusual events or transactions, and that these have been appropriately disclosed; the Group's financial and operating controls are functioning effectively; the Group has complied with the terms of loan agreements, covenants, restrictions or security indentures and all regulatory restrictions and requirements; and the interim financial statements contain adequate and appropriate disclosures;
- To periodically obtain updates from management and consultants regarding compliance;
- As the representatives of the Board of Directors of the Group and the shareholders, to have the sole authority regarding and be directly responsible for: (a) the selection of the independent auditing firm for the shareholders of the Group to appoint or re-appoint, in accordance with and so long as required by Maltese Law, (b) to review the performance of the external auditors; and (c) the compensation, oversight and termination of, as well as funding for, the independent auditors for the purpose of preparing or issuing an audit report as related work, or any non-audit work, subject, if applicable, to shareholder ratification;
- To actively engage in a dialogue with the independent auditors regarding all relationships between the auditors and the Group's management that, in the Audit Committee's judgement, may impact on the objectivity and independence of the external auditors;
- To review and confirm the independence of the external auditors by reviewing the non-audit services provided and the auditors' assertion of their independence in accordance with professional standards and take appropriate action in response to the independent auditors' report to satisfy itself of the external auditors' independence; and
- To conduct an appropriate review of all related party transactions for potential conflict of interest situations on an ongoing basis and approve such transactions, if appropriate.

The Audit Committee consists of Mr. Roderick Chalmers as Chairman, Mr. Michael Soler and Mr. Juan de Battista.

Mr. Chalmers is independent because he is not a shareholder or employee of the Issuer and he is free from any business, family or other relationship with the Issuer that creates a conflict of interest such as to jeopardise exercise of his judgement. Mr. Chalmers is competent in accounting.

13.2 Corporate Governance

The Issuer is subject to and supports the Code of Principles of Good Corporate Governance ("the Code") originally issued by the MSE which now forms part of the Listing Rules.

The Board is of the opinion that the Company is in compliance with the Code, except for the instances of non-compliance listed hereunder. All three instances of non-compliance are due to the nature of the Issuer's business. Since the Issuer is a finance company and has no employees, compliance with the Code was not possible in the instances below:

1. *Principle 6 Information and Professional Development:* Code Provision 6.4.4 recommends that the Chief Executive Officer should ensure that systems are in place to establish a succession plan for senior management. There is currently no formal succession plan as recommended by Provision 6.4.4, since this is considered unnecessary in view of the fact that there is an informal understanding of how succession is to take place. This informal understanding is felt to be adequate by the Issuer.
2. *Principle 7 Evaluation of the Board's Performance:* Principle 7 recommends that there be an annual evaluation of the Board through a specifically appointed committee. Under the present circumstances, the Issuer does not consider it necessary to appoint a committee to carry out a performance evaluation of its role since an annual evaluation of the Board's practices as specified in Main Principle 7, is done informally. Moreover, the Board's performance is always under the scrutiny of the shareholders and parent company.
3. *Principle 8 Committees:* Principle 8 recommends the setting up of three committees: an audit committee, a remuneration committee and a nomination committee. As noted in Section 13.1 of this Registration Document, the Issuer makes use of the Audit Committee established for Gasan Group Ltd and this is deemed to be in compliance

with Main Principle 8. It also makes use of the Remuneration Committee set up for the same company. This too is considered to be in compliance with Main Principle 8. There is no nomination committee, either at Issuer or Group level since due diligence is carried out on all prospective directors and this is deemed to be sufficient.

14. MAJOR SHAREHOLDERS

14.1 Shareholding of the Issuer

As at the date of Registration Document, the following are the shareholders of the Issuer:

Names and addresses of shareholders	Number of shares taken up by each shareholder and amount paid up of such shares	Shareholding percentage
Gasane Enterprises Ltd C467 Gasane Centre Mriehel By-Pass B'Kara	One million three hundred and ninety nine thousand, nine hundred and ninety nine (1,399,999) Ordinary Shares of two point fifty euro (€2.50) each fully paid up	100%
J.A.G. Ltd C1635 Gasane Centre Mriehel By-Pass B'Kara	One (1) Ordinary Share of two point fifty euro (€2.50) each fully paid up	0%

As noted in Section 9.1 of this Registration Document, the Issuer is wholly owned (except for one share) by Gasane Enterprises Ltd which, in turn, is wholly owned by Gasane Group Ltd and therefore forms part of the Gasane Group of Companies with Gasane Group Ltd as the ultimate parent company of the Group. Mr. Joseph Gasane indirectly, through holding companies, is an ultimate beneficial owner of and holds a controlling interest in the Issuer (see Section 12.2.1).

As detailed in Section 13.1 of this Registration Document, the Audit Committee has the task to ensure that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The presence of independent non-executive Directors on the Board of the Issuer aims to minimise the possibility of any abuse of control by any major shareholder. Furthermore, in terms of the Articles of Association of the Issuer, in the event that a Director has a material interest, either directly or indirectly, in any contract or proposed contract or any transaction or arrangement with the Issuer, such Director is not entitled to vote on any decisions taken in connection therewith, as explained in further detail in Section 12 of this Registration Document.

15. FINANCIAL INFORMATION

This document makes reference to the financial statements of the Issuer for the financial years ended December 31, 2010, December 31, 2011 and December 31, 2012. The financial statements referred to have been audited by PricewaterhouseCoopers and copies thereof are available for inspection as set out in Section 20 below as well as on the website www.gasane.com. Unaudited financial statements for the period ending June 30, 2013 are available on the website www.gasane.com as well as available for inspection as set out in Section 20.

There is no significant change in the financial or trading position of the Issuer or the Group which occurred since the end of the financial period to which the audited financial statements for the year ended December 31, 2012 relate.

16. LEGAL AND ARBITRATION PROCEEDINGS

So far as the Issuer or the Group are aware there is no current litigation against or otherwise involving the Issuer or the Group, including pending or threatened, any governmental, legal or arbitration proceedings which may have, or have had during the previous twelve months, or have had in the recent past, a significant effect on the Issuer's and/or the Group's financial position or profitability.

17. ADDITIONAL INFORMATION

17.1 Share Capital

The Issuer has an issued share capital of €3,500,000. The Issuer has issued 1,400,000 shares, all fully paid up, which have a nominal value of €2.50 each.

All the ordinary shares of the Issuer rank *pari passu*. Each ordinary share is entitled to one vote. There are currently no different classes of ordinary shares in the Issuer and accordingly all ordinary shares have the same rights, voting rights and entitlements in connection with any distribution whether of dividends or capital (on a winding up or otherwise).

In terms of Articles 14 and 15 of the Issuer's Articles of Association, there are no restrictions on transfers of shares between shareholders. If the transferee is not a shareholder, the Board of Directors shall, within fifteen days from the receipt of a registered letter (which the transferor is bound to send within seven days of the signing of the transfer of shares), notify all the shareholders by registered letter of the said transfer. The shareholders have the option, exercisable within fifteen days of such notice by means of a registered letter addressed to the Board, to take up the share or shares so transferred at the price stipulated by the transferee. The shareholders exercising the said option shall take up the shares between them in proportion to their respective holdings. If the shares are not perfectly divisible between them the remaining odd number of shares shall be drawn by ballot between them.

The Issuer has no founders, management or deferred shares. No person has, or is entitled to be given, an option to subscribe for shares in or debentures of the Issuer, except that the Issuer will be giving preference to applications for the Bonds made by existing holders of Bonds 2014/16 and to applications for the Bonds made by Directors of the Issuer and employees of Group Companies as described in Section 8.3 of the Securities Note. No amount or benefit was paid or given or is intended to be paid or given to any promoter. There were no commissions, discounts, brokerage or other special terms granted during the two years immediately preceding the publication of this document in connection with the issue or sale of any capital of the Issuer.

Upon incorporation, the Issuer had an initial share capital of 5,000 ordinary shares. Since incorporation, the Issuer has allotted shares as detailed in the following table:

Date of allotment	Number of ordinary shares	Shareholder
September 7, 1994	495,000	Gee Five Ltd C5958
December 23, 1998	900,000	Gee Five Ltd C5958

On July 18, 2013 Gasan Enterprises Ltd acquired Gee Five Ltd as a result of amalgamation. Therefore, as of that date, Gasan Enterprises Ltd holds the shares in the Issuer.

17.2 Memorandum and Articles of Association

The objects of the Issuer are listed in clause four of the Memorandum of Association. The principal objects are:

- i. to issue debentures, debenture stock, bonds, obligations and securities of all kinds and to frame, constitute and secure the same, as may seem expedient, and either perpetual or terminable, and either redeemable or otherwise, and to charge or secure the same on the undertakings of the Issuer, or upon specific property and rights present and future of the Issuer (including, if thought fit, uncalled capital) or otherwise howsoever. Such securities may be

- secured or unsecured, registered or to bearer, contain such terms and conditions as may be decided upon by the Issuer and may be issued at a discount;
- ii. to receive loans at interest or otherwise, to lend money and give credit to any person, company or institution and to guarantee or give security for or to any third party, where this is in the interest of the Issuer;
 - iii. to borrow or raise money from time to time without limitation in such manner as the Issuer shall think fit and in particular by the issue of debentures or other rights;
 - iv. to purchase, sell, take on lease or in exchange, hire, rent or otherwise acquire or dispose of any immovable property and any rights thereof; to develop, alter, change and improve any immovable property acquired;
 - v. to implement and co-ordinate the financing activities of related companies; and
 - vi. to acquire, purchase, draw, accept, endorse, issue, discount or execute bills of exchange, promissory notes, warrants, bills of lading and other negotiable and transferable financial instruments and generally to do all business of a finance company.

18. MATERIAL CONTRACTS

The Issuer has entered into the following material contracts in the ordinary course of its business:

- i. Public deed in the records of Notary Hugh Grima dated December 23, 1998 whereby the Issuer purchased the Mriehel Premises from Gasan Properties Ltd for Lm1,400,000, equivalent to three million, two hundred and sixty one thousand, one hundred and twenty three euro (€3,261,123);
- ii. An agreement entered into on March 12, 2010 with Gasan Enterprises Ltd providing for advances to be made from time to time by the Issuer to Gasan Enterprises Ltd, which agreement will be superseded as from December 1, 2013 (“the Effective Date”) and replaced with an agreement entered into on September 23, 2013 with Gasan Enterprises Ltd providing for advances to be made from time to time by the Issuer to Gasan Enterprises Ltd with effect from the Effective Date in order to assist Gasan Enterprises Ltd in general corporate purposes. The Issuer has reserved the right to refuse, at its sole discretion, any and all requests for advances by Gasan Enterprises Ltd. Advances will bear interest per year as may be agreed from time to time between the Issuer and Gasan Enterprises Ltd or if no such rate is agreed for any period, at seven per cent per annum from the date such advances are made until repayment. Interest is payable in arrears on March 31 and September 30 and interest accrues from day to day on the balance of each advance outstanding from time to time;
- iii. An agreement entered into on March 12, 2010 with Gasan Group Ltd providing for advances to be made from time to time by the Issuer to Gasan Group Ltd, which agreement will be superseded as from the Effective Date and replaced with an agreement entered into on September 23, 2013 with Gasan Group Ltd providing for advances to be made from time to time by the Issuer with effect from the Effective Date in order to assist Gasan Group Ltd in general corporate purposes. The Issuer has reserved the right to refuse, at its sole discretion, any and all requests for advances by Gasan Group Ltd. Advances will bear interest per year as may be agreed from time to time between the Issuer and Gasan Group Ltd or if no such rate is agreed for any period, at seven per cent per annum from the date such advances are made until repayment. Interest is payable in arrears on March 31 and September 30 and interest accrues from day to day on the balance of each advance outstanding from time to time;
- iv. An agreement made on April 1, 2009 with Gasan Enterprises Ltd, providing for the purchase by the Issuer, at its option as it may from time to time determine, of bills of exchange and their re-transfer, at the option of the Issuer as it may determine from time to time. The consideration payable for the transfer and acquisition of the bills of exchange shall be the face value of each bill of exchange discounted at the rate of eight per cent per annum calculated on the remaining period until maturity of each bill of exchange. The rights granted to the Issuer under this agreement are exercisable until May 31, 2016;
- v. Public deed in the records of Notary Pierre Attard dated December 1, 2003 whereby the Issuer purchased Piazzetta Properties from Gasan Enterprises Ltd for a consideration of Lm1,400,000. The Piazzetta Properties were sold as

free and unencumbered save for specified perpetual groundrents burdening each one of the tenements sold. Gasan Enterprises Ltd retained ownership of the roof and retained the right to develop the airspace overlying the roof. No compensation shall be due to the Issuer for any disturbance that may occur during a period of development however Gasan Enterprises Ltd has to make good at its expense any damage caused;

- vi. Public deed dated December 19, 2008 in the records of Notary Diana Charles whereby the Issuer purchased land in Imriehel By-Pass, formerly Triq ir-Rabat at Mriehel from the Government of Malta for a consideration of €8,200,000. The property was sold *tale quale* and without warranty against latent defects. The Government of Malta did not guarantee vacant possession. The property was also acquired subject to the condition that it could not be transferred to persons or entities whose nature, aims and activities are not in conformity with the moral teachings of the Church;
- vii. Public deed dated December 19, 2008 in the records of Notary Pierre Attard whereby the Issuer sold land in Imriehel By-Pass, formerly Triq ir-Rabat at Mriehel to Tal-Wilga Ltd for a consideration of €8,988,329.60. The property was sold subject to the same conditions contained in the public deed dated December 19, 2009, described above. The property was sold *tale quale* and without warranty against latent defects. The Issuer warranted good title and the peaceful possession and real enjoyment of the property in accordance with law however Tal-Wilga Ltd did not request a general hypothec from the Issuer; and
- viii. An agreement entered into on September 1, 2013 between the Issuer and Gasan Properties Ltd whereby the Issuer granted the Mriehel Premises by title of lease to Gasan Properties Ltd for a period of eight years and four months which started to run on September 1, 2013. This agreement replaced a previous lease agreement between the Issuer and Gasan Properties Ltd entered into on March 12, 2009 for a period of eight years which commenced on March 12, 2009. The permitted uses of the Mriehel Premises are for parking, warehousing, showrooms, service centres, canteens, cafes or restaurants, gyms, stores and offices. Gasan Properties Ltd is allowed to sublet parts of the Mriehel Premises to third parties, provided these are approved by the Issuer. At the expiration of the lease, Gasan Properties Ltd shall not have any right of reference in respect of any new lease of the property. Gasan Properties Ltd unconditionally promised and bound itself to purchase and acquire the Mriehel Premises from the Issuer upon a request in writing by the latter. Such a request can be made at any time during the duration of the agreement at the Issuer's discretion. The purchase of the Mriehel Premises would be at the higher of the market value at the time of the request or the total actual costs of the Mriehel Premises.

The Issuer also has various lease agreements with Piazzetta tenants.

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

Save for the Valuation Report, which is annexed to this Registration Document as Annex I, the Accountants' Report, which is annexed to this Registration Document as Annex II and the Financial Analysis Summary, which is annexed to this Registration Document as Annex III, this Registration Document does not contain any statement or report attributed to any person as an expert.

19.1 Accountants' Report

The Issuer engaged PricewaterhouseCoopers, a firm of Certified Public Accountants, to issue the Accountants' Report dated October 11, 2013. The following are the details of the said expert:

Name: PricewaterhouseCoopers

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

19.2 Financial Analysis Summary

The Issuer engaged Curmi & Partners Ltd, members of the Malta Stock Exchange, to issue the Financial Analysis Summary dated October 18, 2013. The following are the details of the said expert:

Name: Curmi & Partners Ltd

Address: 'Finance House', Princess Elizabeth Street, Ta' Xbiex, XBX 1102, Malta

19.3 Valuation Report

The Issuer commissioned Lawrence Montebello B.Sc. Eng, B.A. Arch., A&C.E. to issue the Valuation Report dated September 16, 2013. The following are the details of the said valuer:

Name: Arch. Lawrence Montebello

Address: Beaumont Place, 40/1, Main Street, Hal Balzan, BZN 1259, Malta

19.4 Confirmations

To the knowledge of the Issuer, none of the above experts have any beneficial interest in the Issuer.

The Issuer confirms that the Accountants' Report, the Financial Analysis Summary and the Valuation Report have been accurately reproduced in this Registration Document, with the consent of PricewaterhouseCoopers, Curmi & Partners Ltd and Arch. Lawrence Montebello respectively. The Issuer further confirms 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.

PricewaterhouseCoopers, Curmi & Partners Ltd and Arch. Lawrence Montebello have given and have not withdrawn their consent for the publication of the Accountants' Report, Financial Analysis Summary and the Valuation Report in the form and context in which they are included in this Registration Document respectively.

20. DOCUMENTS ON DISPLAY

For the duration of the Registration Document, the following documents (or copies thereof) may be inspected at the registered office of the Issuer:

- a. Memorandum and Articles of Association;
- b. Audited Financial Statements of the Issuer for the financial year ended December 31, 2012;
- c. Audited Financial Statements of the Issuer for the financial year ended December 31, 2011;
- d. Audited Financial Statements of the Issuer for the financial year ended December 31, 2010;
- e. Interim Accounts of the Issuer for the six month period ended June 30, 2012;
- f. Interim Accounts of the Issuer for the six month period ended June 30, 2013;
- g. Public deed in the records of Notary Pierre Attard dated December 1, 2003 whereby the Issuer purchased Piazzetta Properties;
- h. Public deed in the records of Notary Hugh Grima dated December 23, 1998 whereby the Issuer purchased the Mriehel Premises;
- i. The Valuation Report, included as Annex I of this Registration Document;
- j. The Accountants' Report, included as Annex II of this Registration Document;
- k. The Financial Analysis Summary, included as Annex III of this Registration Document; and
- l. Letter of Confirmation prepared by PricewaterhouseCoopers.

By not later than May 31 of each year Gasan Group Ltd will upload its Consolidated Financial Statements on its website www.gasan.com.



16th September 2013

The Directors,
Gasam Finance Company plc.,
Gasam Centre,
Mriehel Bypass,
Mriehel

Dear Sirs,

Re: Valuation of Gasam Centre in Mriehel

1. Introduction

In accordance with your instructions to provide you with an open market valuation of Gasam Centre in Mriehel, I have carried out the necessary inspections of the property in question together with any required workings to enable me to arrive at such a valuation.

I understand that this valuation is required in accordance with MFSA Listing Rules which stipulate periodical revaluing of properties held as investments.

2. Basis of Valuation

In considering the market value of the property, consideration of the definitions of “market value” and “open market value” of both The Royal Institute of Chartered Surveyors’ Appraisal and Valuation Manual, and that of the European Council Directive, was taken.

The latter’s definition of “Market Value” is as follows: -

Market Value shall mean the price at which land and buildings could be sold under private contract between a willing seller and an arm’s length buyer on the date of the valuation. It being assumed that the property is publicly exposed to the market, that market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of the sale.

The definition of the “open market value” of The Royal Institute of Chartered Surveyors’ Appraisal and Valuation Manual, is as follows:

The Open Market Value is an opinion of the best price at which the sale of an asset of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming

- (a) willing seller
- (b) that, prior date to the valuation, had been a reasonable period
- (c) that the state of the market, level of values and other circumstances, were the same as on the date of the valuation.

In view of the fact that the premises in question are rented for commercial use the Market Value for Existing Use is also of interest. The definition of the Market Value for Existing Use adopted by the European Group of Valuers Association (TEGoVA) is – *Market Value for Existing Use is the estimated amount for which an asset should exchange on the date of the valuation based on continuation of its existing use, but assuming the asset is unoccupied, between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowingly, prudently, and without compulsion.*

Furthermore the Capital Value of a property is a reflection of that property’s Market Value at the date of the valuation.

In the case under review, the ‘open market value for existing use’ and the ‘present capital value in existing state’ are the same.

This valuation is in accordance with standards and guidelines issued by the Royal Institute of Chartered Surveyors (RICS).

3. The Property Valued

The property being valued consists of a large corner building in Mriehel with frontages on the Mriehel Bypass and Triq il-Merghat (formerly Herds Lane). This building consists of two basement floors, a lower and upper ground floor, an intermediate floor, a first floor, and an overlying penthouse floor, all occupying a total roofed area of about 25300 square metres. This property is leased to Gasan Properties Ltd, which, in turn, sub-lets different parts of the block to different entities.

The building was built in accordance with permit number PA 2098/98 issued on the 16th December 1998 and all works were completed in 2001, when the building was inaugurated. An additional receded floor was built in 2009 under PA 7781/07 issued on the 3rd June 2008. There are no current Enforcement Orders affecting the property.

4. Property Inspection

An inspection of the building structures and ancillary facilities was carried out in order to obtain a better understanding of the property and to identify any visible defects that could have an impact on the valuation of the property. This inspection did not represent a building survey and should not be construed as such. No detailed structural survey was carried out, nor were any building services tested, and no unexposed covered or inaccessible parts were inspected. Whilst the inspection has taken due regard of the apparent general condition of the property based upon visual inspections, I, the undersigned, cannot, therefore, provide any assurance that the property is free from structural defects.

For the purpose of this valuation no detailed measurements of the property were carried out, and therefore, all measurements and areas quoted, have been based on surveys and floor plans provided by Gasan Finance Company p.l.c. and Gasan Properties Ltd, and are therefore to be considered as approximate.

5. Location and Description

This property is situated at the southern periphery of the Mriehel Industrial Area, which is bounded on that side by the Mriehel Bypass. The centre part of this area consists mainly of industrial enterprises, whilst the areas around the periphery are more orientated towards commercial and other business enterprises, more so those on the southern periphery with a frontage on Mriehel Bypass, which is a very busy thoroughfare. The buildings there consist mostly of large showrooms and offices. The locality of this property, with a frontage on the Mriehel Bypass, is a highly sought-after commercial area. According to the Area Policy Map of the Central Malta Local Plan, the area in question is designated as a Commercial Area.

The building which has a frontage on Triq il-Merghat (formerly Herds Lane) of about 122 metres and a frontage on a service road running parallel to the Mriehel Bypass of about 59 metres, consists of a frame structure in reinforced concrete made up of adequately spaced columns supporting beams and slabs. There are external concrete block curtain walls enclosing the block and internal partition walls which are not load bearing.

From Triq il-Merghat there are accesses to the showrooms at the corner of the block, to the main reception area where there are two lifts and stairs reaching all floors, to a secondary stairwell with two lifts and stairs also reaching all floors, to another small showroom, to a canteen, and to a ramp leading down to the two underlying basement

levels. From the service road there is a vehicular access to the ground floor showroom and to the workshop areas.

The ramp situated at the northern end of the block leads down from road level to lower ground floor level, where on the opposite side there is another ramp, running along the opposite party wall, which leads down to the underlying floor, basement level -1; from this level a similar ramp leads down to level -2.

Level -2, which has an area of about 4750 square metres, consists mainly of a large open-plan area around a central warehouse, roofed over a height of about 12½ courses. The open areas are used mainly for parking. There are also a number of small store-rooms, employees' locker-rooms/rest-rooms, and toilets. The above-mentioned four lifts and stairs service this floor, and there are also two car lifts to the overlying floors. The finishes in this floor are very basic. The floors are finished with a concrete screed and the walls are merely pointed. There are extractors to provide cross ventilation.

Level -1, which has a similar area of about 4750 square metres, and roofed over a height of about 10½ courses, consists of two large open-plan areas, one used for parking, and the other as a bonded-store for new cars. The finishes are also the same as those of the underlying floor.

The lower ground floor occupies a similar area as the underlying floor and is divided into several different areas of different use. At the northern boundary there is the above-mentioned ramp giving access from the road to this floor. At the end of this ramp, there is an open area where there are two car lifts reaching all floors, and on the opposite side, along the western party wall, there is the other ramp leading down to the underlying floors. Along this western side there are a number of parking spaces, a few stores and two offices. Giving access to these, is a drive running parallel to the western boundary, right up to the southern boundary of the property. On the opposite side of this drive, facing the parking spaces, there is a walled up area which is used as a spare-parts store. At the southern far end, the drive gives access to a large car showroom at the corner of the block; from here there is access to the spare parts shop for the car business, which is adjacent to one side of the spare-parts storage area, and to a number of offices and a toilet. There are other toilets accessible directly from the Car showroom. From Triq il-Merghat there is the main access to this showroom and the other overlying one, which are linked by means of a free-standing, partly circular staircase. This showroom is reached through five wide steps down from road level; there is also a ramp for disabled persons.

Adjacent to this entrance to the showrooms, along the frontage on Triq il-Merghat, there is the main entrance and reception area for the overlying floors, having two lifts and a surrounding staircase; further along the frontage there is a small showroom, a few car parking bays, a terrace with entrance to a fairly large canteen, and another entrance to a stairwell with two lifts reaching all the floors.

The finishes in the parking areas and stores are very basic. The floors are finished in a concrete screed. The walls are pointed and together with the ceilings and columns, etc. are painted over. The showroom on the other hand is well finished. The floor is paved with polished tiles and there is a soffit ceiling incorporating lighting fittings and air-conditioning units. The stairs to the overlying showroom are in steel with timber treads, and stainless steel handrails. The decoration is in a good state. The entrances to the overlying floors are also well finished. The walls are gypsum rendered. The floors are paved with good quality tiles and the stairs have granite treads, risers and skirting. There are two eight-passenger KONE lifts in each entrance having stainless steel doors and stainless steel trimmings in the cabins. One cabin has a grey laminate finish with Bianco Perla composite stone flooring, whilst the other has real wood finish with black composite stone flooring.

The ground floor consists of a roofed area of about 4000 square metres and an open drive along the western boundary and part of the northern boundary. The roofed area, which has an internal height of two storeys, is divided into two main areas; there is a large showroom at the southern part of the property with a few adjacent interconnected offices and toilets, which has a vehicular access from the drive on the western side and a main entrance, shared with the inter-connected underlying showroom and spare parts shop, from Triq il-Merghat. At this entrance there is a flight of steps up from road level together with an escalator. There is another entrance from the south-western side of the building where there are some steps up from road level and a ramp for disabled persons. The steps have marble treads, risers and skirting. The showroom is superbly finished. The floor is paved with polished tiles and there is a soffit ceiling incorporating lighting fittings and air-conditioning units.

The other area is occupied by a very large workshop which is divided into different sections for different trades. The main vehicular access to the workshop is from the open drive. This leads into the service area where there are a number of service bays each equipped with a car hoist; on one side there are a few offices, a changing-room and toilets and at the back of this area there are two car lifts to the other floors; the next section is the body shop area, which is also well equipped and further in there is the spray shop which is equipped with a number of spraying booths and ovens; in this area there are other toilets and a rest-room; following this is an area dedicated for the servicing of vehicle air-conditioners. At the far north-eastern corner, next to the access ramp, there is an electricity sub-station accessible from the road. The finishes in the workshop are also quite basic, similar, in fact, to the finishes of the vehicular accessible areas of the underlying floor.

The intermediate floor occupies an area of only about 750 square metres and consists of a number of offices and toilets, and overlies part of the showroom at ground floor and parts of the ground floor that have been roofed over a height of only one storey, namely the offices at the back part of the showroom, and the spray booths in the workshop situated along the frontage on Triq il-Merghat. The offices overlooking the showroom have a very good finish and are in an excellent state; the internal ones are in a fair state.

The first floor overlies all of the ground floor area, except an area over the showroom, where this floor has been set back, leaving a large open terrace. It has an area of about 3700 square metres. As mentioned above, this floor can be reached through two entrances from Triq il-Merghat, both consisting of a staircase and two lifts.

This first floor was originally built in the form of an open plan, having no dividing load-bearing walls. Today it consists mainly of a large number of rectangular small and large offices, partitioned by means of gypsum board partitions, accessible from corridors running along the entire length and width of the floor, on two sides, and surrounding a central court yard. There are several toilets situated in different parts of the floor. On the southern side, there is an area overlying part of the showroom that has a separate corridor and lobby giving access to a number of offices and toilets. Some south-facing offices have an irregular configuration, having an external circular wall, and have doors opening onto the adjoining terrace.

This floor is fairly well finished. The floors are paved mostly with terrazzo tiles, with some parts having ceramic tiles, which are in a fair condition. The southern separate area has parquet flooring. There is a soffit ceiling throughout incorporating lighting fittings. This floor is entirely air-conditioned. The internal apertures have aluminium framed doors with glazing. The toilets are fully tiled and are in a good condition.

The penthouse floor is set back on all sides and occupies an area of about 2600 square metres. It is divided into two main areas of offices, the southern half having its access from one of the entrances in Triq il-Merghat (the southern-most one), whilst the northern part has its access also from Triq il-Merghat, but from the other entrance, more or less at the centre of the building. Both areas are divided into a number of separate offices by means of partitions in glass with aluminium frames, which offices are superbly finished and gain access from corridors circulating around the respective areas. At the north-eastern corner of this floor, there is a generator supplying the whole block in an emergency.

The northern part consists of a reception area immediately next to the lift lobby, from where there is access to two corridors, one, towards the back, which gives access to offices at the back, and on the side of Triq il-Merghat, and the other, which crosses to the other side of the building, giving access to offices on that side.

The southern part, consists of a reception area from where there is access to two corridors on opposite sides, one giving access to offices at the centre of the block, and one which gives access to a number of offices at the southern tip of the block. The offices facing south have sliding doors opening onto the terrace on that side.

These offices have a very high standard of finish. Most of the floors are paved with porcellanato gres tiles, whilst some offices have fitted carpets. There are soffit ceilings throughout which incorporate lighting fittings and air-conditioning ceiling mounted concealed units. There are outdoor VRV Air-conditioning units on the roof feeding the whole floor. The toilets in the centre in both sections are fully tiled and fitted with white

sanitary accessories of good quality. The shower-rooms in the section at the southern tip are tiled with marble slabs and have also good quality sanitary accessories.

6. Rental Income

Gasan Finance Company plc leases the whole building in its current state to Gasan Properties Limited. The Agreement dated 1st September 2013 is for a period of eight years, expiring on the 31st December 2021. The rental income, excluding VAT, is as per Table below, which is attached to the Lease agreement and marked as Appendix 2.

<i>Di Fermo Term</i>	Rent per annum Euro
1/09/2013 to 31/12/2013	1,400,000
1/01/2014 to 31/12/2014	1,450,000
1/01/2015 to 31/12/2015	1,460,000
1/01/2016 to 31/12/2016	1,482,000
1/01/2017 to 31/12/2017	1,515,000
1/01/2018 to 31/12/2018	1,550,000
1/01/2019 to 31/12/2019	1,582,000
1/01/2020 to 31/12/2020	1,620,000
1/01/2021 to 31/12/2021	1,653,000

Rent shall be paid as follows:

The rent shall be be paid six (6) monthly in advance.

7. Costs

There are no Maintenance Costs as all such costs are to be borne by the lessee. Gasan Finance Company plc will not incur any operational costs on this building.

8. Charges and Burdens etc.

The undersigned has been informed by Notary Dr. Pierre Attard LL.D., that the property, which is held freehold, is not subject to any hypothecs, privileges, or any other charges, nor are there any easements burdening the property. The company has

also confirmed that no director had any interest in the acquisition or disposal of any of the properties during the last two years.

9. Source of Information

The details of the ground rent on the properties and of the rent received on each unit were given by Mr. Mark Gasan, a Director of Gasan Finance Company plc. Confirmation that the properties are not subject to any burdens or charges was given by Notary Dr. Pierre Attard LL.D.

Other information has been obtained from a review of the Company's documents and the undersigned's inspections of the properties.

10. Assumptions

An assumption can be defined as a supposition taken to be true. Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation, that by agreement need not be verified by a valuer as part of the valuation process. In undertaking this valuation the following assumptions were made:

- The building is in a good state of repair.
- The building services and ancillary facilities are in good working order.
- The property complies with all applicable laws and regulations.

11. Valuation

After taking into consideration the locality of the property in question, being on the outskirts of an industrial and commercial centre in Mriehel, with a frontage on the Mriehel Bypass, being a very busy thoroughfare and sought-after commercial area, the layout, the area and condition of the block, the net annual income generated, and the prevalent local market condition; I consider that the freehold market value of this property is in the region of twenty seven million Euros (€27,000,000).

12. Listing Rules

Listing Rules 7.4.7, 7.4.8, are not applicable to this valuation.

13. Confidentiality

It is to be noted that this report is being submitted solely for the use of Gasan Finance Company PLC for Listing purposes, and in accordance with MFSA Listing Rules, and no liability for its use by third parties is accepted. Except for publication on the MFSA Website, neither the whole nor any part of this report, nor any reference thereto, may be included in any published document, circular or statement nor published in any way without my prior written approval of the form and context in which it may appear.



L. Montebello A. & C.E.

16th September 2013

The Directors,
Gasam Finance Company plc.,
Gasam Centre,
Mriehel Bypass,
Mriehel

Dear Sirs,

Re: Valuation of Piazzetta Block in Tower Road, Sliema

1. Introduction

In accordance with your instructions to provide you with an open market valuation of the unsold units in the Piazzetta Block in Tower Road, Sliema, I have carried out the necessary inspections of the properties in question together with any required workings to enable me to arrive at such a valuation.

I understand that this valuation is required in accordance with MFSA Listing Rules which stipulate periodical revaluing of properties held as investments.

2. Basis of Valuation

In considering the market value of the property, consideration of the definitions of “market value” and “open market value” of both The Royal Institute of Chartered Surveyors’ Appraisal and Valuation Manual, and that of the European Council Directive, was taken.

The latter’s definition of “Market Value” is as follows: -

Market Value shall mean the price at which land and buildings could be sold under private contract between a willing seller and an arm’s length buyer on the date of the valuation. It being assumed that the property is publicly exposed to the market, that market conditions permit orderly disposal and that a normal period, having regard to the nature of the property, is available for the negotiation of the sale.

The definition of the “open market value” of The Royal Institute of Chartered Surveyors’ Appraisal and Valuation Manual, is as follows:

The Open Market Value is an opinion of the best price at which the sale of an asset of an interest in property would have been completed unconditionally for cash consideration on the date of valuation, assuming

(a) willing seller

(b) that, prior date to the valuation, had been a reasonable period

(c) that the state of the market, level of values and other circumstances, were the same as on the date of the valuation.

In view of the fact that the premises in question are rented for commercial use the Market Value for Existing Use is also of interest. The definition of the Market Value for Existing Use adopted by the European Group of Valuers Association (TEGoVA) is – *Market Value for Existing Use is the estimated amount for which an asset should exchange on the date of the valuation based on continuation of its existing use, but assuming the asset is unoccupied, between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowingly, prudently, and without compulsion.*

Furthermore the Capital Value of a property is a reflection of that property’s Market Value at the date of the valuation.

In the case under review, the ‘open market value for existing use’ and the ‘present capital value in existing state’ are the same.

This valuation is in accordance with standards and guidelines issued by the Royal Institute of Chartered Surveyors (RICS).

3. The Property Valued

The property being valued consists of a number of individual units forming part of a large complex, known as Il-Piazzetta, which was built in two stages. The first stage up to the fifth floor was completed in 1975, and the second stage consisting of the sixth and seventh floor and the penthouse floor was built between 1992 and 1994. The complex has two separate entrances, namely one to Block A and one to Block B. These blocks house a number of apartments and shops, the majority of which have been sold; the unsold properties, being the properties in question.

4. Ground Rents

A Ground Rent on the Piazzetta Apartment Block and other adjacent properties is payable to the Joint Office (previously to the Franciscan Minor Conventuals) amounting to €6645.70. This ground rent is due for revision in the year 2060 and thereafter every 50years.

The above mentioned ground rent was apportioned by Gasan Enterprises Ltd, between these properties as follows:

i.	Piazzetta Apartment Block (acquired by Gasan Finance Plc)	3221.52
ii.	area immediately in front of the existing Piazzetta Block	915.91
iii.	site of ex-clinic	1319.01
iv.	area in front of ex-clinic (the car-park)	<u>1189.26</u>
		€ <u>6645.70</u>

Of the total ground rent on the Piazzetta Apartment Block, the unsold units are subject to a total ground rent of €1043.88, divided between the properties as follows:

i.	Shop/Offices at Nos. 7, 8, & 8A, Block B	132.52
ii.	Storerooms at basement underlying entrance hall and part of shops/offices nos. 7, 8, and 8A in Block B	14.98
iii.	Apartment (unnumbered accessible from left hand side of stairwell)	259.84
iv.	Store Rooms at Basement underlying part of premises iii, above, in Block B	30.79
v.	Apartment (unnumbered accessible from right hand side of stairwell)	131.96
vi.	Apartments 13, 14, & 15 in Block B	157.93
vii.	Apartment 21 in Block A	52.64
viii.	Apartment 41 in Block A	52.64
ix.	Apartment 51, 52, & 53 in Blocks A & B	157.93
x.	Apartment 72 in Block A	<u>52.64</u>
		€ <u>1043.87</u>

5. Property Inspection

An inspection of the building structures and ancillary facilities was carried out in order to obtain a better understanding of the property and to identify any visible defects that could have an impact on the valuation of the property. This inspection did not represent a building survey and should not be construed as such. No detailed structural survey was carried out, nor were any building services tested, and no unexposed covered or inaccessible parts were inspected. Whilst the inspection has taken due regard of the apparent general condition of the property based upon visual inspections, I, the undersigned, cannot, therefore, provide any assurance that the property is free from structural defects.

For the purpose of this valuation no detailed measurements of the property were carried out, and therefore, all measurements and areas quoted, have been based on surveys and floor plans provided by Gasan Finance Company p.l.c. and Gasan Properties Ltd, and are therefore to be considered as approximate.

6. Location and Description

The Piazzetta apartment block is divided into two blocks. Block A has an entrance from Tower Road, whilst Block B has an entrance from Piazzetta Square. The two blocks housing a number of apartments/offices and underlying shops, stores and parking, consist of a basement, a ground floor, seven overlying floors and two penthouses, built in accordance with permit no. P.2666/72/2857/68 issued on the 1st August 1972, permit no. PB 5011/91/819/91 issued on the 26th December 1991, and permit no. PA 5219/93/2728/92 issued on the 20th October 1993. There are no current Enforcement Orders affecting the property.

Each of the two blocks has two lifts serving all floors. There is also a generator that will provide power to the four lifts, common areas and one light point in each unit in the event of a power supply failure.

No further future development is presently envisaged.

The unsold units consist of the following:

- (i) Shop/offices, at ground floor level, having an area of about 105 square metres, accessible from Piazzetta Square through the openings officially numbered 7, 8, and 8A, and consisting of an open area with two rooms further in and a stairwell with access to a toilet and with steps leading down to a very small corridor, at basement level, where there is also a small toilet. The general condition of these premises including the decoration is good. The tenants are responsible to maintain the premises, at their cost, however, extra-ordinary costs are to be paid for by the Landlord. The lease is for a fixed period until 31st November 2015, with further five-year optional periods at 20% increments every five years compounded. The current rent is € 30,000 exc. VAT per annum. These premises are leased to KD Travel Services Limited.
- (ii) The store rooms at basement level, having an area of about 56 square metres accessible from the entrance of Block B and from the common stairwell through a door situated between the two lifts, underlying part of the front shops and entrance to the block at ground floor, consisting of an entrance into one room, which, in turn, leads to two other adjoining rooms. Their general condition is good. The tenants are responsible to maintain the premises, at their cost, however, extra-ordinary costs are

to be paid for by the Landlord. The lease is for a fixed period until 31st November 2015, with further five-year optional periods at 20% increments every five years compounded. The current rent is € 3,000 exc. VAT per annum. They are presently leased to Western Union.

- (iii) The office, having an area of about 230 square metres, is situated at ground floor level (unnumbered), and accessible from the entrance of Block B, from the common stairwell, (on the left hand side). The office consists of an entrance into a large room from where there is access on one side to two small toilets and further in, a kitchenette and towards the back to a formerly large open area which is now divided into a number of rooms on either side of a central corridor by means of gypsum board and glass partitions. The general condition of these premises, including the decoration is good. The tenants are responsible to maintain the premises, at their cost, however, extra-ordinary costs are to be paid for by the Landlord. The lease is for a fixed period until 31st November 2015, with further five-year optional periods at 20% increments every five years compounded. The current rent is € 23,566 exc. VAT per annum. These premises are currently leased to Western Union.

- (iv) The store rooms, situated at basement level, having an area of about 120 square metres, accessible from the entrance of Block B and from the common stairwell (underlying part of premises described in (iii) above) consisting of an entrance into a corridor from where there is access to a room on the left hand side, and to two rooms on the right hand side; one of the rooms leads to two other rooms further in. The general condition of these rooms, including the decoration, is good. The tenants are responsible to maintain the premises, at their cost, however, extra-ordinary costs are to be paid for by the Landlord. The lease is for a fixed period until 31st November 2015, with further five-year optional periods at 15% increments every five years compounded. The current rent is € 5,427 exc. VAT per annum. These premises are presently leased to KD Travel Services Limited.

- (v) The office, having an area of about 120 square metres is situated at ground floor level (unnumbered) and accessible from the entrance of Block B from the common stairwell (on the right hand side), and consists of an entrance into a small room from where there is access, on the opposite side of the entrance, towards the back, to a room which has access to a small box room, and on one side, near the entrance, to a small toilet and kitchenette, and further in on the same side, to a large room, which leads, further in, into another large room presently divided into three smaller rooms and a corridor. These premises are presently also connected to an adjacent area consisting of a number of stores but which does not form part of this Block and hence is not included in this valuation. The general condition of these premises, including the decoration, is good. The tenants are responsible to maintain the premises, at their cost, however, extra-ordinary costs are to be paid for by the Landlord. The lease is for a fixed period until 31st November 2015, with further five-year optional periods at 15% increments every five years compounded. The current rent is € 10,063 exc. VAT

per annum. These premises are leased to Colours of Malta Travel and Incentives Limited.

- (vi) The three offices at first floor level internally numbered 13, 14, and 15 currently interconnected having a total area of about 580 square metres and leased to the German Embassy. These are accessible from the entrance of Block B and from the common stairwell and consist of an entrance from No. 14, which leads to a hall which leads, further in, to a corridor where there is access to eight rooms on the façade with open balconies onto the Piazzetta and onto Tower Road. On the other side of this corridor there are two toilets and a small room. The main corridor leads, at either end, to other corridors towards the back from where there is access, from one corridor, to six other rooms, a small box room, a store, and a toilet. The entrance No. 15 situated in this corridor is blocked. The other corridor has access to a small store, a kitchenette, and two toilets. The entrance No.13, leads to a separate office consisting of two rooms. The general condition of these premises is good. The toilets are fully tiled and have good quality sanitary accessories and are in a very good condition. The decoration is also in a good state. The tenants are responsible to maintain the premises, at their cost, however, extra-ordinary costs are to be paid for by the Landlord. The lease is for a fixed period until 31st March 2019, with the current annual rent being € 70,000 exc. VAT increasing by 3% per annum compounded, with further five-year optional periods at 15% increments every five years compounded. These premises are leased to the Federal Republic of Germany.
- (vii) The office at second floor level internally numbered 21, having an area of about 180 square metres, accessible from the entrance of Block A and from the common stairwell, consisting of an entrance into a wide corridor from where there is access, towards the front, to a large front room having two open balconies onto Tower Road, on one side, to a kitchen, to two bathrooms and to another fairly sized room, and on the other side to a box room, and at the far end to two rooms with balconies onto the back yard. The general condition of these premises is good. The floor is paved with gres tiles which are in a very good condition. The bathroom and shower-room are fully tiled and have good quality sanitary accessories which are in a good condition. The lease is currently on an extended term until the 30th June 2018 with 2.5% increments per annum. The Tenant can terminate the lease at any point with 8 months written notice. The current rent is € 18,155 exc. VAT per annum. These premises are presently leased to DF Marine Consultancy Ltd.
- (viii) The office at fourth floor level, internally numbered 41, having an area of about 180 square metres, is accessible from the entrance of Block A and from the common stairwell. It originally had a layout identical to the apartment number 21 described in paragraph (vii) above, but has been altered, such that the original large front room is now divided in three separate small rooms. The general condition of these premises is good. The floors are paved with gres tiles, which are in a good condition. The decoration is in a good state. The tenants are responsible to maintain the premises, at their cost, however, extra-ordinary costs are to be paid for by the Landlord. The lease

is currently on an extended term until the 30th June 2018 with 2.5% increments per annum. The Tenant can terminate the lease at any point with 8 months written notice. The current rent is € 18,155 exc. VAT per annum. The premises are leased to Deguara& Farrugia Advocates.

- (ix) The three offices at fifth floor level, internally numbered 51, 52, and 53, currently interconnected, have a total area of about 500 square metres. Offices numbered 51 and 52, are accessible from the entrance of Block A and from the common stairwell of the block, and Office No. 53 from the entrance of Block B and from the common stairwell of this block. Office No. 51 is identical in plan to apartment No. 21, as described in the paragraphs (vii) above, except where minor alterations have been carried out to interconnect it to the adjacent office no. 52. Office no. 52 consists of an entrance into a corridor, which leads towards the front, to two adjacent front rooms, each having an open balcony onto Tower Road, on one side, to a small room, a toilet and another room which has an irregular configuration, on the other side, to a bathroom and another room which has a small balcony onto the back yard, and at the far end, to another irregularly shaped room. Alterations have been carried out in this office, so that the bathroom together with the adjacent box-room of the other office has been converted to a short corridor linking the two corridors of the two flats. Another alteration in office no. 52 is that the small room opposite the entrance has now been converted into a hallway leading to the adjacent office No. 53. Even the irregularly shaped room at the back has been interconnected to the adjacent room forming part of the adjacent office No. 53. These three offices together now have six rooms on the façade having a total of nine balconies onto Tower Road and Il-Piazzetta. The general condition of these premises is good and the internal decoration is in a very good state. The tenants are responsible to maintain the premises, at their cost, however, extra-ordinary costs are to be paid for by the Landlord. The lease is for a fixed period until 31st December 2016 with further five-year optional periods at 15% increments every five years compounded. The current rent is € 56,500 exc. VAT per annum. These premises are leased to Raiffeisen Malta Bank p.l.c.
- (x) The office at seventh floor level, numbered 72, having an area of about 135 square metres, is accessible from the entrance to Block A and from the common stairwell; it consists of an entrance into a corridor, which leads towards the front, to a large front room having two open balconies onto Tower Road, on one side, to a small room, a toilet and another room which has an irregular configuration, on the other side, to a kitchenette and another room which has a small balcony onto the back yard, and at the far end, to another irregularly shaped room.. The general condition of these premises, including the internal decoration, is good. The tenants are responsible to maintain the premises, at their cost, however, extra-ordinary costs are to be paid for by the Landlord. The lease is currently on an extended term until the 30th April 2018 with 2.5% increments per annum. The Tenant can terminate the lease at any point with 3 months written notice. The current rent is € 16,292 exc. VAT per annum. The premises are leased to Vitruvius Consulting Ltd.

7. Rental Income

All the properties are leased to third parties. In 2013 the above properties will generate a total rental income of two hundred and fifty two thousand and four hundred and eight seven euro (€252,487). The contractual arrangements with the existing tenants contemplate increases at pre-determined intervals ranging between 2.5% per year and 20% every five years for the duration of the lease. For the purpose of this valuation it is assumed that the properties will be fully leased out in the foreseeable future.

8. Costs

There are Annual Maintenance costs for Blocks A & B: these consist of

- a) Cost of maintenance of generator
- b) Cost of maintenance of and spare parts for four lifts
- c) Cost of cleaning, replacement of bulbs, and painting of common areas
- d) Cost of water and electricity consumption in common parts

Apportionment of these total maintenance costs for the properties described above, amounts to €8000.00

Total ground rents on the properties described above €1043.88

Total annual expense **€9043.88**

9. Use of Property

The existing use of all the properties being valued is commercial, and they are consequently being valued taking into consideration their existing use. The undersigned is not aware of any foreseeable alternative future use. This notwithstanding, any alternative future use should not significantly alter its present market value.

10. Charges and Burdens etc.

The undersigned has been informed by Notary Dr. Pierre Attard LL.D., that the property, which is held on perpetual emphytuesis, is not subject to any hypothecs, privileges, or any other charges, nor are there any easements burdening the property. The company has also confirmed that no director had any interest in the acquisition or disposal of any of the properties during the last two years.

11. Source of Information

The details of the ground rent on the properties and of the rent received on each unit were given by Mr Mark Gasan, a Director of Gasan Finance Company p.l.c. and of Gasan Properties Ltd. Confirmation that the properties are not subject to any burdens or charges was given by Notary Dr. Pierre Attard LL.D.

Other information has been obtained from a review of the Company's documents and the undersigned's inspections of the properties.

12. Assumptions

An assumption can be defined as a supposition taken to be true. Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation, that by agreement need not be verified by a valuer as part of the valuation process. In undertaking this valuation the following assumptions were made:

- The Building is in a good state of repair.
- The building services and ancillary facilities are in good working order.
- The property complies with all applicable laws and regulations.

13. Valuation

After taking into consideration all matters which to my knowledge affect the value of the properties in question, including their locality, being on the outskirts of a good commercial and business centre in Sliema, apart from being a sought-after residential area on Sliema's seafront,

the layout, respective area and condition of each unit, the net annual income generated, their permitted commercial use, and the prevalent local market condition; I consider that the market value of these properties together, as subject to their share of the original ground rent, is in the region of six million four hundred thousand Euros (€6,400,000).

14. **Listing Rules**

Listing Rules 7.4.7, 7.4.8, 7.5, 7.6, 7.7 are not applicable to this valuation.

15. **Confidentiality**

It is to be noted that this report is being submitted solely for the use of Gasan Finance Company PLC for Listing purposes, and in accordance with MFSA Listing Rules, and it will form part of the Company's Prospectus. No liability for its use by third parties is accepted.



L. Montebello A. & C.E.

ANNEX II: FORECAST FINANCIAL INFORMATION AND ACCOUNTANTS' REPORT

Summary of significant assumptions and accounting policies

1. Introduction

The forecast financial position, the forecast income statement and the forecast statement of cash flows of Gasan Finance Company p.l.c. ("the Company") for the financial year ending December 31, 2013 have been prepared to provide financial information for the purposes of inclusion in the Prospectus of Gasan Finance Company p.l.c. dated October 18, 2013. These forecast financial information, set out on pages 68 to 75 and the assumptions below are the sole responsibility of the Directors of the Company.

The forecast financial information for the year ending December 31, 2013 has been based on the unaudited interim financial statements of Gasan Finance Company p.l.c. covering the period from January 1, 2013 to June 30, 2013 and the forecast financial information of the Company for the period from July 1, 2013 to December 31, 2013.

The forecast financial information is intended to show a possible outcome based on assumptions as to 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 financial information. Attention is drawn, in particular, to the risk factors set out in the 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 October 17, 2013 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 forecast financial information are set out in section 3 below.

2. Significant accounting policies

The significant accounting policies of Gasan Finance Company p.l.c. are set out in the audited financial statements of the Company for the financial year ended December 31, 2012. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the forecast financial information.

3. Basis of preparation and principal assumptions

The principal assumptions relating to the environment in which Gasan Finance Company p.l.c. 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 events originating from market and economic conditions including spending levels, exchange rate movements, employment and job growth;
- the Group's continued ability to meet its financial obligations;
- the Company will continue to enjoy the confidence of its bankers;
- interest rates will not change materially throughout the period covered by the forecast;
- the basis and rates of taxation, both direct and indirect, will not change materially throughout the period covered by the forecast; and
- the rate of inflation will not exceed that experienced in the last few years.

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

- 3.1. For the purpose of the forecast financial information it is assumed that the bond proceeds, net of commissions and expenses, will amount to €24,480,000 and that these will be applied in the following order:
 - a. €15,000,000 in the Bond Exchange Programme with respect to the Bonds 2014/16;
 - b. €5,000,000 to repay the residual outstanding amount on the 2014/16 Bonds, which the Issuer will be redeeming on May 31, 2014; and
 - c. the balance will be used for the purpose of the general funding of the Issuer and the Group.
- 3.2. Rental income is recognised as it accrues, unless collectability is in doubt and is stated net of any sales taxes. The Issuer receives rental income from Gasan Properties Ltd which in turn charges rent to the tenants of the offices, garage and warehousing space at the Gasan Centre. The rental agreement for the said property was updated on September 1, 2013.

The Issuer also receives rental income from the tenants occupying the Piazzetta Properties. Rental income from these properties is based on the existing rental agreements.
- 3.3. Administrative expenses consist primarily of the amortisation of the bond issue costs including the residual costs relating to the 2014/2016 Bonds subject to the Bond Exchange Programme and other corporate and general expenses. These expenses have been forecasted at the level experienced in the recent years.
- 3.4. Working capital requirements are based on the nature and size of future expected operations and, where applicable, on the requirements experienced in the past. 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 out of its business.
- 3.5. The carrying value of the bills of exchange is estimated to increase by an amount representing the interest expected to be earned during the year.
- 3.6. Tax is provided at 35% of the chargeable income for the year. Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.
- 3.7. For the purpose of the calculation of interest payable, it is expected that interest on the Bonds will commence with effect from November 30, 2013. The rate of interest payable on the Bonds being issued in terms of the Prospectus has been accounted for at 4.9% per annum.
- 3.8. The Company's outstanding bank loan liabilities as at December 31, 2012 amount to €6,900,000 and is repayable in full by 2021 in equal annual instalments. Interest cost is provided for at 4.2% per annum as set out in the sanction letter dated September 28, 2011.
- 3.9. The Company advances funds to Group companies at an agreed rate of interest as set out in the Group loan agreements dated March 12, 2010. The loan agreements were updated on September 23, 2013.
- 3.10. On March 26, 2013, the Directors declared a final net dividend of €3,000,000 in respect of financial year ending December 31, 2012. The dividend is reflected in the forecasted financial information in line with the unaudited interim financial statements as published by the Company.
- 3.11. The Company carried a valuation of the property as at September 16, 2013 were no changes in the fair value of property resulted.

4. 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 out of its business.

Approved by the Board of Directors on October 11, 2013 and signed on its behalf by:



Joseph Gasan
Chairman



Juan de Battista
Director

Forecast income statement

	Forecast Year ending December 31, 2013 €000
Income	3,506
Interest payable	<u>(1,512)</u>
Gross profit	1,994
Administrative expenses	<u>(380)</u>
Profit before tax	1,614
Tax expense	<u>(487)</u>
Profit for the year	<u>1,127</u>
Earnings per share (euro cents)	80.5

Forecast statement of financial position

Forecast
Year ending
December 31, 2013
€000

ASSETS

Non-current assets

Investment property	32,500
Trade and other receivables	<u>1,812</u>
Total non-current assets	<u>34,312</u>

Current assets

Trade and other receivables	<u>28,451</u>
Total current assets	<u>28,451</u>
Total assets	<u>62,763</u>

EQUITY AND LIABILITIES

Capital and reserves

Share capital	3,500
Other reserve	13,150
Retained earnings	<u>5,499</u>
Total equity	<u>22,149</u>

Non-current liabilities

Deferred tax liabilities	3,719
Borrowings	<u>34,924</u>
Total non-current liabilities	<u>38,643</u>

Current liabilities

Trade and other payables	927
Current taxation	275
Borrowings	<u>769</u>
Total current liabilities	<u>1,971</u>
Total liabilities	<u>40,614</u>
Total equity and liabilities	<u>62,763</u>

Forecast statement of cash flow

Forecast
Year ending
December 31, 2013
€000

Cash flow from operating activities

Cash used in operations	(7,063)
Interest paid	(1,491)
Tax paid	<u>(157)</u>
Net cash used in operating activities	<u>(8,711)</u>

Cash flow from financing activities

Repayment of bank borrowings	(769)
Net proceeds from issuance of Bonds	<u>9,480</u>
Net cash generated from financing activities	<u>8,711</u>

Net movement in cash and cash equivalents

Net movement in cash and cash equivalents	-
Cash and cash equivalents at beginning of year	<u>-</u>
Cash and cash equivalents at end of year	<u>-</u>



The Directors
Gasam Finance Company p.l.c.
Mriehel By-Pass
Birkirkara
Malta

11 October 2013

Dear Sirs,

Independent Accountants' Report on the profit forecast of Gasam Finance Company p.l.c.

We report on the forecast statement of financial position, income and cash flow ("the profit forecast") of Gasam Finance Company p.l.c. for the financial year ending 31 December 2013. The profit forecast, the basis of preparation and the material assumptions upon which the forecast is based, are set out on pages 68 to 73 of the Prospectus issued by Gasam Finance Company p.l.c. dated 18 October 2013.

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 profit forecast

It is the responsibility of the Directors of Gasam Finance Company p.l.c. to prepare the profit forecast and the assumptions upon which it is based, as set out on pages 68 to 73, 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 I item 13.2 of EU Regulation EC 809/2004 as to the proper compilation of the profit forecast, 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 this report or our statement, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Prospectus.

*PricewaterhouseCoopers,
78 Mill Street, Qormi, QRM3101, Malta
T: +(356) 2124 7000, F: +(356) 2124 4768, www.pwc.com/mt*

The firm is registered as a partnership of Certified Public Accountants in terms of the Accountancy Profession Act.
A list of partners and directors of the firm is available at 78 Mill Street, Qormi, Malta.



Basis of preparation of the profit forecast

The financial information has been prepared on the basis stated on pages 68 to 70 of the Prospectus and is based on the forecast for the year ending 31 December 2013. The profit forecast is required to be presented on a basis consistent with the accounting policies of Gasan Finance Company p.l.c.

Basis of opinion

We have examined the basis of compilation and the accounting policies of the accompanying profit forecast of Gasan Finance Company p.l.c. for the year ending 31 December 2013 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 profit forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of Gasan Finance Company p.l.c.

The assumptions upon which the profit forecast is based are solely the responsibility of the Directors of Gasan Finance Company p.l.c. 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 profit forecast 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 profit forecast 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 profit forecast 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 profit forecast 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 profit forecast and differences may be material.

Opinion

In our opinion, the profit forecast has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of Gasan Finance Company p.l.c.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'D. Valenzia', is written over a light blue horizontal line.

David Valenzia
Partner

ANNEX III: FINANCIAL ANALYSIS SUMMARY



18 October 2013

The Directors
Gasam Finance Company p.l.c.
Mriehel By-Pass
B'Kara, BKR 3000
Malta

Dear Sirs

Gasam Finance Company p.l.c. – Financial Analysis Summary

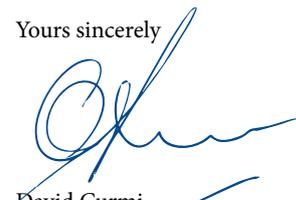
In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the Financial Analysis Summary (“the Analysis”) set out on the following pages. A copy of this report is also attached to this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Gasam Finance Company p.l.c (“the Issuer”). The data is derived from various sources, as disclosed, or is based on our own computations as follows:

1. Historical financial data for the three years ended 31 December 2010, 31 December 2011 and 31 December 2012 have been extracted from the Issuer’s audited statutory financial statements for the three years in question.
2. The forecast data for the financial year ending 31 December 2013 and the projected data for the year ending 31 December 2014 have been extracted from the Issuer’s financial projections as prepared by the directors of the Issuer.
3. Our commentary on the results of the Issuer and on its financial position is based on the explanations set out by the Issuer in the Prospectus.
4. The ratios quoted in the following pages have been computed by us applying the definitions set out in Part 7 of the Analysis.
5. The principal relevant market players listed in Part 6 of the Financial Analysis Summary have been identified by ourselves. The relevant financial data in respect of such companies has been sourced from publicly available information, mainly the companies’ financial statements.

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. As with all bond issues, potential investors are encouraged to seek professional advice before investing in the Bonds.

Yours sincerely



David Curmi
Director

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1. OVERVIEW OF THE BUSINESS

1.1 History and Development of the Issuer

Gasan Finance Company p.l.c. (“the Issuer” or “the Company”) was incorporated and registered under the laws of Malta as a private limited liability company on 30 June, 1994. In July 1994, pursuant to amendments made to the Memorandum and Articles of Association of the Issuer whereby the Issuer was given the power to issue debentures, bonds, notes and other securities to the public, the Issuer was converted into a public limited company.

The Issuer’s share capital was increased in 1994 and 1998. In September 1994, share capital was increased from Lm5,000 to Lm500,000 divided into 500,000 ordinary shares of Lm1 each. In 1998, the authorised and issued share capital were further increased by the creation and issue of 900,000 ordinary shares of Lm1 each, which were allotted as fully paid up to Gee Five Limited by way of set-off against an equivalent amount due by the Issuer to Gee Five Limited. The issued share capital was subsequently redenominated to €2.50 per share.

The Issuer’s core business is to hold investment properties, and to raise financial resources from capital markets in order to finance the operations of the Gasan Group of companies (“the Group”) of which Gasan Group Limited (“the Parent”) is the parent company. Over the years, the Issuer has raised funds through a number of bonds that were listed on the Malta Stock Exchange. These are listed below:

- i. Lm3,000,000 (equivalent to €6,988,120) 6.50% Bonds (the “Bonds 1998/99”), prospectus dated 12 September, 1994, and redeemed in April 1999;
- ii. Lm3,500,000 (equivalent to €8,152,807) 6.15% Bonds (the “Bonds 2003/04”) and Lm3,500,000 (equivalent to €8,152,807) 6.50% Bonds (the “Bonds 2006/09”), prospectus dated 9 April, 1999, and redeemed in December 2003;
- iii. Lm5,000,000 (equivalent to €11,646,867) 6.40% Bonds (the “Bonds 2008/11”), prospectus dated 17 October, 2003, and redeemed in May 2009;
- iv. €20,000,000 6% Bonds due 2014/16 (the “Bonds 2014/16”). The Issuer intends to redeem these bonds on 31 May, 2014.

1.2 Shareholding of the Issuer

As at the date of the registration document issued by the Issuer (“the Registration Document”) dated 18 October, 2013, forming part of the Prospectus Registration Document, the following are the shareholders of the Issuer:

Names and Addresses of Shareholders	Number of Shares taken up by each Shareholder and amount paid up of such shares	Shareholding Percentage
Gasas Enterprises Limited C467 Gasas Centre Mriehel By-Pass B’Kara	One million three hundred and ninety nine thousand nine hundred and ninety nine (1,399,999) Ordinary Shares of two point five euro (€2.50) each fully paid up	100%
J.A.G. Limited C1635 Gasas Centre Mriehel By-Pass B’Kara	One (1) Ordinary Share of two point five euro (€2.50) each fully paid up	0%

As noted in the Registration Document, the Issuer is wholly owned (except for one share) by Gasas Enterprises Limited which, in turn, is wholly owned by Gasas Group Limited, and therefore forms part of the Group, with Gasas Group Limited as the ultimate parent company.

1.3 Major Assets of the Issuer

1.3.1 Loan Balances

The Issuer acts as a holder of investment properties and as the financing arm of the Group. In this capacity, it advances loans to other Group companies, from time to time, as required.

On 12 March, 2010 (effective date 4 May, 2009), the Company entered into two separate loan agreements with Gasas Enterprises Limited and Gasas Group Limited, to provide funds as necessary and assist them in their general corporate financing needs.

During the period 2010-2012, the Issuer advanced funds to Gasas Enterprises Limited and Gasas Group Limited. As stipulated in the loan agreements between (i) Gasas Enterprises Limited and Gasas Finance Company p.l.c., and (ii) Gasas Group Limited and Gasas Finance Company p.l.c. these loans are unsecured, are repayable on demand and bear interest at 8% per annum, with accrued interest capitalised on 31 March and 30 September of each year. The agreements were renewed on 23 September, 2013 to cater for an interest rate of 7% per annum, as from 1 December 2013.

The Group balances increased from €19.9 million in 2010 to €21.2 million in 2012, principally as a result of the capitalised interest.

1.3.2 Mriehel Premises

The Issuer holds by title of ownership the premises known as ‘Gasas Centre’, situated at the northern side of the Mriehel By-Pass, Birkirkara (the “Mriehel Premises” or “Mriehel” or “Gasas Centre”) consisting of two basement levels,

a lower ground floor, a ground floor, an intermediate level, three floors and roof area. The Mriehel Premises were built on land measuring approximately six thousand eight hundred square metres (6,800 m²) with an actual building area of five thousand two hundred square meters (5,200m²). The land was purchased by the Issuer from Gasan Properties Limited, a Group company, pursuant to a public deed in 1998. The construction of the Mriehel Premises was completed in March 2001. The financing of the construction of the Mriehel Premises was one of the purposes for the issue of the Bonds 2003/04 and the Bonds 2006/09. An additional floor was constructed in the latter half of 2008 at a cost of €1.8 million.

Upon construction in 2001, the Mriehel Premises were leased to Gasan Properties Limited, a Group company which manages the property division of the Group. This lease agreement was subsequently renewed from time to time under different terms and conditions.

On 12 March, 2009 the Issuer and Gasan Properties Limited entered into a lease agreement that provides for the lease of the entire Mriehel premises for a period of 8 years, between 1 January, 2009 and 31 December, 2016. The agreement was revised on 1 September, 2013 to cater for an annual increase in rental rates and extend the period to 31 December, 2021. This agreement will therefore cover the full term of the new bonds due 2019/21 (“New Bonds”). The annual rental income for the Mriehel Premises is currently €1.4 million.

In terms of the lease agreement, Gasan Properties Limited unconditionally promised and bound itself to purchase and acquire the Mriehel Premises from the Issuer upon a request in writing by the latter. Such a request can be made at any time during the duration of the agreement at the Issuer’s discretion. The purchase of the Mriehel Premises would be either at market value at the time of the request or at the total actual costs of the Mriehel Premises.

The agreement allows Gasan Properties Limited to enter into a number of separate sub-lease agreements with third parties in respect of space within the Mriehel Premises.

1.3.3 Piazzetta Properties

The Issuer also owns a total of 12 apartments consisting of offices and commercial premises situated in the block known as “Il-Piazzetta”, in Tower Road, Sliema (the “Piazzetta Properties”) which the Issuer purchased from Gasan Properties Limited, pursuant to a public deed dated the 1 December, 2003. The purchase of the Piazzetta Properties was financed from the proceeds of the issue of the Bonds 2008/11. The Piazzetta Properties are leased out to third parties. The total annual rental income for these properties is currently €251,495. Lease agreements govern the increases during the lease periods. Rent revisions are set out in the leases. On the basis of contracts currently in place, between 1 January, 2013 and 31 December, 2017, rental income from the Piazzetta Properties is expected to increase at c. 3% per annum.

1.3.4 Investment property – independent architect valuation

In 2013, the Directors commissioned independent professionally qualified valuers to value the Gasan Centre and the Piazzetta properties. Valuation was based on a free and open market valuation and consideration was given to the specific location of the property, the facilities included therein, the size of the site and the availability of similar properties in the area. The properties were accordingly revalued as at 31 December, 2012 at €32.5 million. In line with the Gasan Finance Company p.l.c. policy, this investment property is valued annually by the Directors on 31 December at fair value comprising open market value.

1.3.5 Bills of Exchange

The Issuer had previously acquired bills of exchange from another subsidiary of the Group, Gasan Enterprises Limited. These bills of exchange were drawn by Gasan Enterprises Limited on customers who purchased motor vehicles and marine engines on hire purchase terms. These bills of exchange are held as assets by the Issuer for the scope of the sinking fund required for the Bonds 2014/16. The discounted value of the bills of exchange included in the audited

accounts of the Issuer as at 31 December, 2012 is €1.7 million (face value €2.5 million).

It is noted that following the merger of the automotive operations, the bills of exchange held by Gasan Enterprises Limited are being wound down through repayments. Interest receivable from bills of exchange is not projected to continue going forward, as the Issuer does not at this time plan to acquire bills of exchange from GasanZammit Motors Limited, the current automotive business within the Group.

1.4 Key Activities and Dependencies on the Group

The Issuer's principal business is to hold immovable properties, raise financing from the capital markets and to finance the Group's operations and its capital projects. The issuer also holds investment property which it leases out to related and non-related parties.

In the course of its ordinary business, the Issuer is dependent on other entities within the Group. In fact, it is estimated that the Issuer generates c.93% of its revenue from Group companies.

The following is an overview of the principal activities of the Issuer.

1.4.1 Loans to other Group Companies

The Issuer advances funds, from time to time, as and when required, to Group companies at agreed rates of interest and on an arms length basis and will continue to do so.

On the basis of the loan agreements referred to in previous sections, the loan balances were bearing interest at 8% per annum. However, the agreement was revised on 23 September, 2013 to cater for an interest rate of 7% per annum, as from 1 December, 2013.

1.4.2 Rent

The Issuer lets the entire Mriehel Premises to, and receives its rental income for the said premises from, Gasan Properties Limited, which in turn receives rental income by subletting space within the Mriehel Premises which consists of office space, showrooms, parking, warehousing space and a cafeteria. The Mriehel Premises is currently fully occupied, and rental agreements are in place with all of the tenants.

1.4.3 Bills of Exchange

The Issuer was previously acquiring bills of exchange from Gasan Enterprises Limited, which effected sales within the automotive division of the Group. As holder of the bills of exchange, the Issuer can demand payment from the hire purchase customers who accepted the bills of exchange, as well as from the automotive division Group company which issued the bills. The consideration payable with respect to both the acquisition as well as the retransfer of the bills of exchange is the face value of each bill of exchange discounted at a rate of 8% per annum calculated on the remaining period until the date of maturity of each bill of exchange.

As noted, the relative importance of activities related to bills of exchange is decreasing following the reorganisation of the Group's automotive operations with the formation of GasanZammit Motors Limited. The Issuer does not plan at this time to acquire further bills of exchange from GasanZammit Motors Limited, and it furthermore plans to retransfer to the Group the bills of exchange in hand on the redemption of bonds in May 2014.

1.5 Material Contracts and Key Clients

On the basis of its core operations, other companies of the Group are the major counterparties or key clients the Issuer

engages with in the ordinary course of business. All the material contracts defining key relations are listed below:

1.5.1 Investment Property

Gasan Centre

The agreement with Gasan Properties Limited defines the lease of the entire Gasan Centre, situated in Mriehel, and consisting of twenty-nine thousand square metres (29,000m²). The commencement date was 1 January, 2009 and termination date 31 December, 2016. Revenue is fixed at €1.4 million per annum for the duration of the agreement.

The lease agreement was renewed on 1 September, 2013, to provide for an average annual increase in rental rates of c. 2%, with the first increase in rent occurring on 1 January, 2014. The renewed agreement covers an eight-year period, until 31 December, 2021.

Piazzetta Properties

There are contracts between the Issuer and 9 tenants for the lease of 12 apartments consisting of offices and commercial premises at Piazzetta Properties. Individual third party tenants include the German embassy, KD Travel Services Limited and Thomas Cook Financial Services Malta Limited. Total rental income is estimated at €0.3 million for 2013. Rent is paid either quarterly, semi-annually or annually in advance, depending on the contract in place. Rent revisions are set out in the leases. Based on the contracts in place, between 1 January, 2013 and 31 December, 2017, rental income from the Piazzetta Properties is expected to increase at c. 3% per annum.

Commencement dates and termination dates vary. The earliest commencement date was December 1998, and the latest was April 2013. The earliest termination date occurs in March 2016, and the latest termination date will be March 2029.

1.5.2 Trade Receivables

Intercompany Loans

There is a loan agreement concerning advances to Gasan Enterprises Limited. Such balances are payable on demand and earn interest at 8% per annum with interest capitalised on 31 March and 30 September. The agreement was renewed on 23 September, 2013 and provides for an interest rate of 7% per annum.

Another loan agreement relates to advances available to Gasan Group Limited, as Gasan Group Limited might request. Similar to the agreement with Gasan Enterprises Limited, balances are payable on demand and earn interest at 8% per annum, with interest capitalised on 31 March and 30 September. The agreement was renewed on 23 September, 2013 and provides for an interest rate of 7%.

Bills of Exchange

This agreement with Gasan Enterprises Limited, relates to the transfer at the option of the Issuer of bills of exchange. Additionally, it also concerns the acquisition, at the option of the Issuer, of any bills of exchange which had been transferred. The commencement date was 1 April, 2009, whilst the termination date is 31 May, 2016. Interest earned is at 8% per annum calculated on the remaining period until the date of maturity of each bill.

In 2011 and 2012, outstanding bills of exchange with a face value of c. €2.5 million, were transferred by the Issuer to a security trustee for the scope of the sinking fund required for the Bonds 2014/16. The discounted value of the bills of exchange as at 31 December, 2012 was €1.7 million (face value €2.5 million).

1.5.3 Borrowings

This relates to a loan originally granted by Bank of Valletta to finance the redemption of the €8.2 million Bonds 2006/09. This facility was amended by way of the latest sanction letter dated 28 September, 2011 into a ten-year term loan maturing in December 2021.

Based on the revised sanction letter, the outstanding €7.7 million loan is to be repaid over ten years, with quarterly capital repayments of €0.2 million and subject to an interest rate of 4.2% per annum, which is set at 1.75% over bank's base rate.

The bank loan is secured by the ultimate parent, Gasan Group Limited. Additionally, as per the agreement, the value of the Issuer's assets should amount to at least 105% of the aggregate amount of all bonds, debentures, bonds or other security creating or acknowledging indebtedness. These assets can be made up of hire purchase bills of exchange, cash deposits at a local bank, debt securities issued or guaranteed by any sovereign state, or land and property developments at the cost to the Issuer.

1.6 Directors and Key Employees

In accordance with Article 6 (a) of the Memorandum and Articles of Association of the Issuer, the Board of Directors of the Issuer is to consist of a minimum of four and a maximum of six Directors. At the date of this Registration Document, the Board is composed of the following Directors:

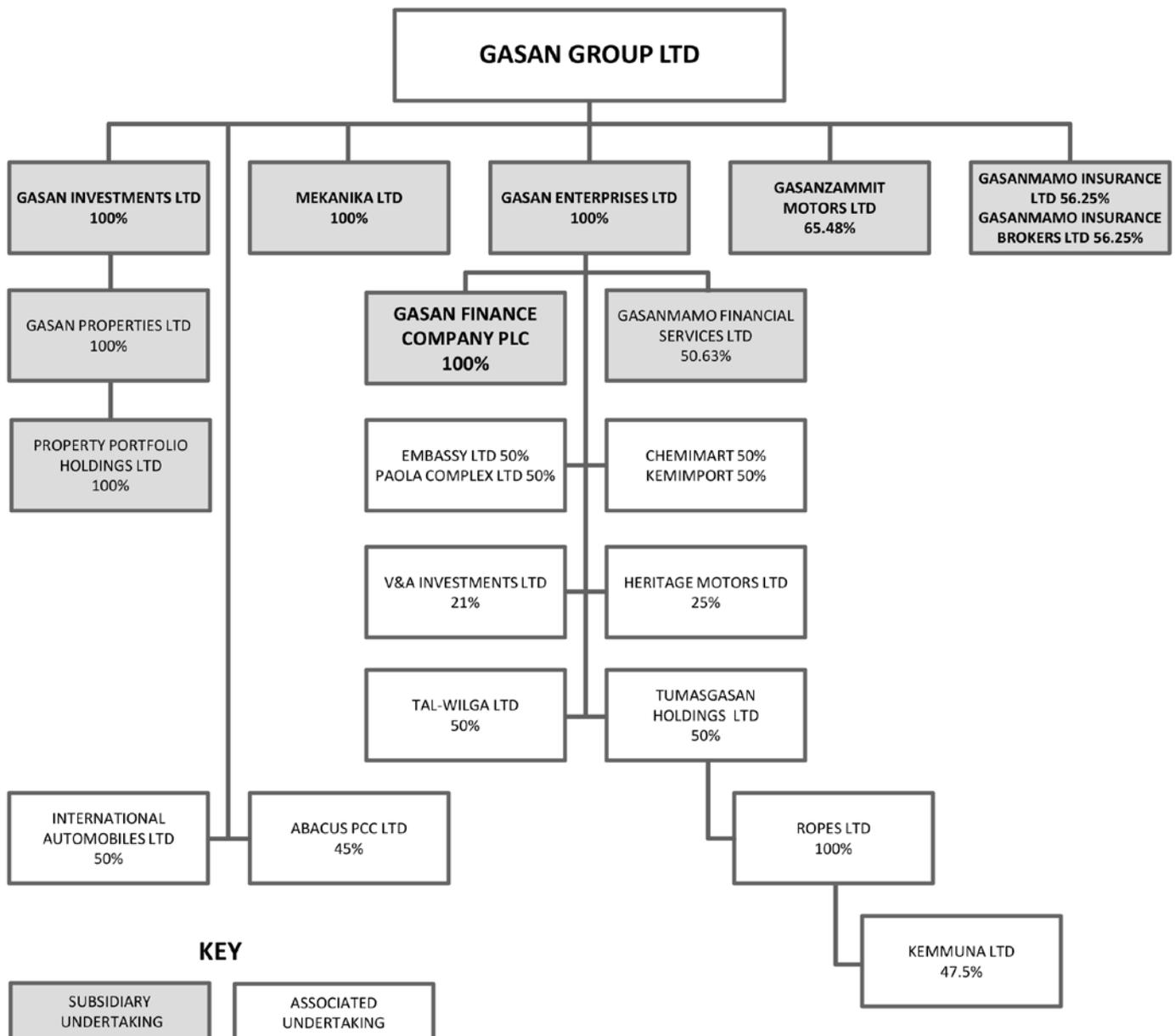
Name and ID no. of Director	Function
Mr. Joseph Gasan ID 311050 M	Chairman
Mr. Juan de Battista ID 67255 M	Managing Director
Mr. Mark Gasan ID 74781 M	Executive Director
Mr. Roderick Chalmers ID 708847 M	Non-Executive Director
Mr. Anthony R. Curmi ID 348134 M	Non-Executive Director
Mr. Michael Soler ID 48350 M	Non-Executive Director

2. OVERVIEW OF THE GROUP

2.1 Organisational Structure of the Group

On the merger of Gee Five Limited into Gasan Enterprises Limited, the Issuer became wholly owned (except for one share) by Gasan Enterprises Limited which, in turn, is wholly owned by Gasan Group Limited, and therefore forms part of the Gasan Group of Companies with Gasan Group Limited as the ultimate parent company. The immediate parent company of Gasan Group Limited is JAG Holdings Limited (54.3% holding). The parent company of JAG Holdings Limited is J.A.G. Limited (57.9% holding). The diagram below sets out the companies forming part of the Group, together with the effective percentage holding and also includes associated undertakings.

The Group is engaged in the operation of motor vehicle dealerships and related services, the provision of insurance services, the holding of property for development and renting as well as the provision of electrical and mechanical engineering contracting services, including the installation of lifts and air conditioners. In addition, the Group holds a number of investments in companies operating in various industries including telecommunications and property development. Gasan Group Limited is, directly or indirectly, the holder of all the investments in subsidiaries and associates forming part of the Gasan Group. All the subsidiaries (50%+ of the voting rights) are consolidated within Gasan Group Limited.



2.2 Major Assets of the Group

The companies forming the Group are split into a number of divisions, with the main companies listed below:

2.2.1 Automotive – GasanZammit Motors Limited

In 1928, Gasan was awarded the Ford franchise in Malta.

In 1973, the franchises for Mazda motor vehicles and Yamaha motorcycles, marine engines and power products were obtained, followed by the Volvo, Maruti and Jaguar franchises in 1985, 1988 and 1995 respectively.

In 2012, the Group extended its portfolio of franchises to include the Honda, Chevrolet and Isuzu brands through the formation of GasanZammit Motors Limited, operating from the Mriehel Premises. The Gasan Group has a 65.5% shareholding in GasanZammit Motors Limited. This year is the first period whereby all auto sales will be executed through GasanZammit and not Gasan Enterprises Limited.

GasanZammit Motors Limited operates from an automotive sales and customer care centre in Mriehel. This centre provides a one-stop shop for customers by housing all showrooms, sales and administrative offices and service centres for all marques.

2.2.2 Property Development – Gasan Properties

The Group's Property Division has been involved in some of the island's largest developments, also participating in several consortia undertaking major development projects. The property portfolio has expanded and diversified over the past four decades. It seeks to maximise investments by providing a mix of commercial and residential developments suited to the island's infrastructure and social and commercial needs.

The primary role of the Property Development Division includes sourcing of sites, concept development and the issuing of tenders and contracts, through to project management, sales and property management. The division, which is also involved in projects in which the Group has a major shareholding, is proactive in seeking new opportunities for the Group in one of the island's most dynamic sectors.

The Property Division has been a partner in developing three of the islands' commercial and retail centres, the Embassy complex in Valletta, which also combined retail, leisure and catering development, Main Street complex in Paola and the Plaza Complex, in Sliema. It is also involved in the project management of the development of Townsquare in Sliema. TumasGasan Holdings Ltd owns and developed Ta' Monita complex in Marsascala, land in Mriehel and property in Birkirkara and has an interest in the hotel, bungalows and adjacent lands in Comino.

The property division also leases out to various tenants a building numbered 333, Rue D'Argens, Gzira that comprises three thousand two hundred square metres (3,200m²) of office space.

The Property Division was responsible for the sourcing, designing and project management of the Mriehel Premises which in 2008 was further developed via the construction of an additional floor. In 2008 another commercial building was purchased by the Property Division to serve as an annex to the Mriehel Premises.

2.2.3 Insurance and Financial Services

In April 2003, GasanMamo Insurance Agency Limited, which is 56.25% owned by the Group, was awarded a licence to operate as a general business insurance principal in Malta and the company's name was changed to GasanMamo Insurance Limited. In 2007, GasanMamo Insurance Ltd launched Sana Healthcare to provide private medical insurance cover.

Gasamamo Insurance Brokers offers insurance brokerage services in all classes of insurance and reinsurance while Gasamamo Financial Services Ltd is licensed by the MFSA to conduct investment services business, which includes a trading service for licensed investment products.

Gasam Group Ltd also holds a 45% share in Abacus Risk Management Services PCC Ltd that provides for the establishment and management of captive, protected cells or other insurance operations in Malta.

2.2.4 Engineering – Mekanika Limited

Since its establishment in 1975, Mekanika has become a leading electrical and mechanical contracting company successfully completing total electrical and mechanical solutions in a number of prestigious projects in Malta. Furthermore Mekanika is the sole distributor for a number of prestigious brands such as Kone lifts and Panasonic air conditioners amongst others. It continues to win important contracts, servicing both the commercial and retail markets.

2.2.5 Investments – Gasam Enterprises Limited

Following the consolidation of the Group's automotive business into GasamZammit Motors Limited, Gasam Enterprises Limited became non-operational with assets that include debtors and immovable property. To streamline the Gasam Group structure, Gee Five Limited was merged into Gasam Enterprises Limited, with the latter company becoming the investment vehicle of the Group. It holds various investments, mainly 12% in Melita plc, 11% in Midi and 2% in GTS, the latter being a telecommunication services provider in five European countries.

Group Companies also have a number of other participating investments, including a 50% interest in the Chemimart Group and a 50% interest in the Embassy Group.

3. PROPOSED BOND ISSUE

Gasam Finance Company p.l.c. is proposing to issue an aggregate bond of €25 million, with a nominal value of €100 each, and which will be issued at par. The Issuer will retain the option to redeem the bonds at any date between 30 November, 2019 and 30 November, 2021.

The forecast and projections in this report assume that the bonds will bear interest at the rate of 5% payable annually in arrears on 30 November, for the purpose of its impact on the financial results of the Issuer.

The proposed bond issue is unsecured and not underwritten. Therefore, if the total principal amount of the bonds is not fully subscribed to, no allotment of the bonds shall be made. The application shall be deemed not to have been accepted by the Issuer and all money received from applicants shall be refunded accordingly.

The proceeds from the Bonds, which net of commissions and expenses are expected to amount to €24.5 million, will be used by the Issuer in this order:

- i. a maximum of €20 million will be available for the Bond Exchange Programme, which allows existing holders to exchange the Bonds 2014/16 with the New Bond now being issued rounded up to meet the minimum subscription amount;
- ii. an amount equivalent to the aggregate amount still outstanding of the Bonds 2014/16 (if any) after completion of the Bond Exchange Programme will eventually be utilised to repay the said aggregate outstanding amount of Bonds 2014/16, which the Issuer will be redeeming on 31 May, 2014. Until such date the said amount will be utilised as indicated in (iii) below; and

iii. the balance will be used for the general funding of the Issuer and the Group.

For the purpose of the analysis referred to in further sections of this Financial Analysis Summary, the forecast financial statements for 2013 and projected financial statements for 2014 are based on the assumption that €15 million of the New Bonds proceeds will be utilised in the bond exchange programme for the Bonds 2014/2016, whilst €5 million will be used to finance the redemption of the residual outstanding amount on these same bonds maturing on 31 May, 2014.

4. PERFORMANCE AND FINANCIAL POSITION OF THE ISSUER

This document makes reference to the financial statements of the Issuer for the financial years ended 31 December, 2010, 31 December, 2011 and 31 December, 2012. The financial statements referred to have been audited by PricewaterhouseCoopers. This section also includes references to forecast financial statements for 2013 and projected financial statements for 2014. These forecasts and projections are based on certain assumptions. Events and circumstances may differ from expectations, and therefore actual results may vary considerably from the projections.

4.1 Statement of Comprehensive Income

Gasán Finance Company p.l.c.	2010	2011	2012	2013	2014
<i>Statement of comprehensive income (€000) - 31 December</i>	Actual	Actual	Actual	Forecast	Projection
Revenue	3,266	3,337	3,435	3,506	3,872
Interest Payable	(1,492)	(1,497)	(1,497)	(1,512)	(1,624)
Gross Profit	1,774	1,840	1,938	1,994	2,248
Administrative expenses	(244)	(341)	(271)	(380)	(245)
Operating Profit	1,530	1,499	1,666	1,614	2,003
Changes in fair value of investment property	-	-	2,660	-	-
Profit before tax	1,530	1,499	4,326	1,614	2,003
Tax expense	(512)	(452)	(816)	(487)	(611)
Profit for the year - total comprehensive income	1,018	1,047	3,510	1,127	1,392

Source: Gasán Finance Company p.l.c. annual reports; Management information; Due Diligence Report

The Issuer's principal business is to hold investment properties, to raise financial resources from the capital markets and to finance the Group's operations, its capital projects, and the acquisition of bills of exchange from the Group's companies. The investment properties are leased out to both related and non-related parties. The sources of income and the Statement of Comprehensive Income for the Issuer reflect its principal operations, with rental income, interest from loans to other Group companies, and interest from bills of exchange driving performance. Administrative expenses include legal and professional fees, property insurance costs, listing fees, amortisation of bond issue costs, and repairs and maintenance.

During 2010, revenue rose by 7% to €3.3 million. The Company increased revenues through a higher level of interest income on loans to other subsidiaries and the parent company. On aggregate these income streams rose by a third to €1.4 million. This increase in the revenue from intra-group lending compensated for the drop in income from bills interest receivable. Rental income was unchanged at €1.6 million. Pre-tax profit was flat at €1.5 million.

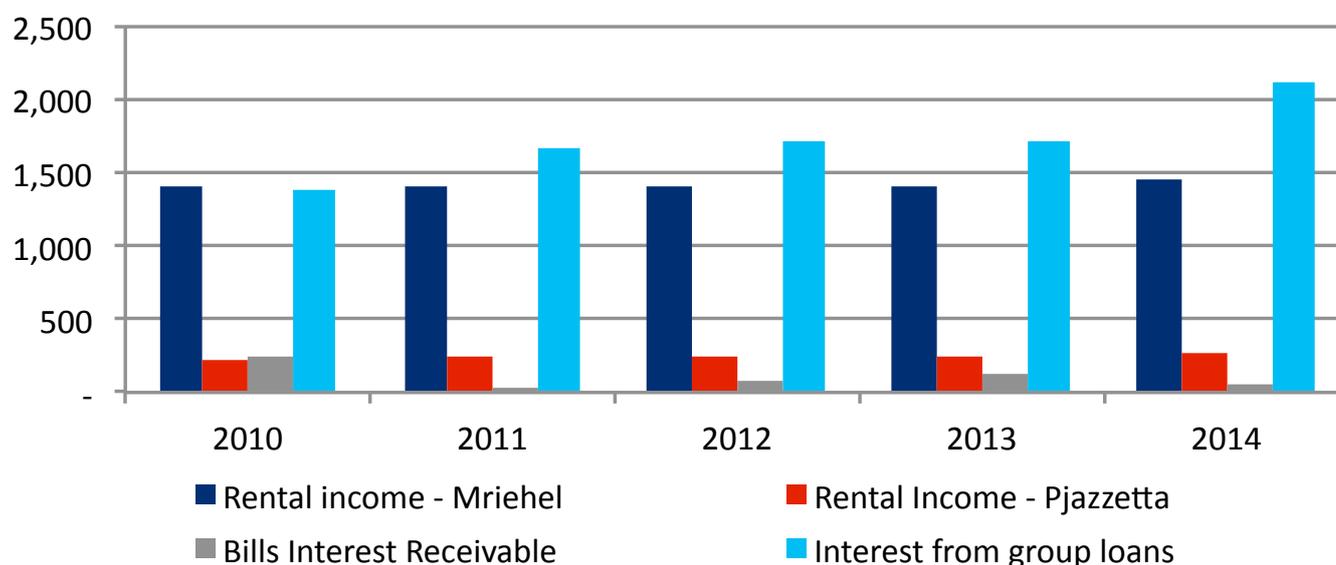
In 2011, total income increased slightly, driven by the same trends of the previous year. The contribution from interest income on loans grew, whilst that of interest on bills of exchange contracted. Notably, the interest received on bills decreased by almost 90%, whilst the interest income on amounts due from group companies increased by more than

20% to €1.7 million. Administrative expenses increased by 40% to €0.3 million, resulting in a profit before tax of €1.5 million. The rise in administrative expenses for this particular year was mostly due to repairs and maintenance costs related to the refurbishment and improvements at Gasan Centre.

For 2012, revenue increased by 3% to €3.4 million. The composition of income was basically unchanged from the previous year. The major sources of revenues - rental income and interest on loans, generated €1.6 million and €1.7 million respectively. The profit before tax of €4.3 million in 2012 includes the €2.7million resulting from the revaluation of the investment property.

Going forward, the projections assume that the bills of exchange are transferred to the Group on the redemption of the Bonds 2014/16 in May 2014. Consequently, interest is not expected to be generated on the bills of exchange from May 2014 onwards. Conversely, going forward, rental income and interest on group balances is projected to increase.

Revenue Breakdown (€000)



Source: Gasan Finance Company p.l.c annual reports; Management information; Due Diligence Report

Performance for 2013 is mainly expected to be in line with that of the previous year, excluding the impact of the property revaluation performed in 2012. Whilst revenue is expected to rise by 2% to €3.5 million, there will be an increase in interest payable and bond issue related costs.

Rental income from Gasan Centre is expected to rise by 4% in 2014, as per the revised rental agreement. The rental income from Piazzetta Properties is based on contracts currently in place. Projections assume that upon expiration of a third of these contracts in 2018, revised rents increase by 3% per annum in line with inflation. Overall, interest receivable will rise by more than 20%, due to the increase in outstanding group balances following the New Bonds issue.

The trend for profits reflects the above mentioned movements in revenues and costs, with rental and interest income increasing whilst interest payable also increasing following the New Bonds issue. Following a projected increase of almost 20% in 2014, profit growth is expected to become more stable at around 5% per annum.

4.2 Statement of Cash Flow

Gasas Finance Company p.l.c.	2010	2011	2012	2013	2014
<i>Statement of cash flows (€000) - 31 December</i>	Actual	Actual	Actual	Forecast	Projection
Net cash generated from operating activities	5,149	20	769	(8,711)	5,769
Net cash used in investing activities	(4,773)	(24)	-	-	-
Net cash used used in financing activities	(376)	(0)	(769)	8,711	(5,769)
Net movement in cash and cash equivalents	(1)	(4)	-	-	-
Cash and cash equivalents at beginning of year	5	4	-	-	-
Cash and cash equivalents at end of year	4	-	-	-	-

Source: Gasas Finance Company p.l.c. annual reports; Management information; Due Diligence Report

The cash flow statement for the Company generally reflects its nature as a financing vehicle. Cash flows mainly consist of flows into and out from the company that relate to the raising, servicing, and repayment of debt, in addition to the core income derived from the rent and interest receivable.

For 2010, net cash generated from operating activities totalled €5.1 million. With respect to investing activities, there was a net outflow of €4.8 million, mainly consisting of a loan (€5.1 million) forwarded to another subsidiary, and additions to investment property (€0.6million); with €0.9million being repaid from the parent company. Repayments due to other subsidiaries accounted for the net cash used in financing activities of €0.4 million. In 2011, on a net basis, there were no major cash movements.

During 2012, cash generated from operations rose by €0.8 million. Trade and other receivables increased by a lower amount compared to the previous year, therefore the negative cash flow effect was smaller. There were no cash flow movements relating to the investing activities. The outflow from financing activities of €0.8 million reflects the part repayment of a bank loan. In 2013, net cash used in operating activities of €8.7 million reflects the increased flows through group balances, driven by the bond proceeds.

The cash flow statement for 2014 reflects two major movements. An amount of €5 million will be used in the redemption of the outstanding Bonds 2014/16. In terms of operations, the projected inflow from trade and other receivables of €4.4 million in 2014 reflects the transfer back to the Company of funds to redeem in full the €5.0 million residual outstanding on Bonds 2014/16. Following 2014, cash flows will reflect the relatively stable operations.

4.3 Statement of Financial Position

Gasas Finance Company p.l.c.	2010	2011	2012	2013	2014
<i>Statement of financial position (€000) - 31 December</i>	Actual	Actual	Actual	Forecast	Projection
ASSETS					
Non-current assets					
Investment Property	29,820	29,840	32,500	32,500	32,500
Trade and other receivables	235	863	1,677	1,812	-
Total Non-current assets	30,055	30,704	34,177	34,312	32,500
Current Assets					
Trade and other receivables	20,595	21,404	21,361	28,451	25,827
Cash and cash equivalents	4	-	-	-	-
Total Current Assets	20,599	21,404	21,361	28,451	25,827
Total Assets	50,654	52,108	55,538	62,763	58,327
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	3,500	3,500	3,500	3,500	3,500
Other reserves	10,812	10,810	13,150	13,150	13,150
Retained earnings	5,154	6,203	7,372	5,499	6,890
Total Equity	19,466	20,513	24,023	22,149	23,540
Non-current liabilities					
Deferred tax liabilities	3,351	3,320	3,606	3,719	3,700
Borrowings	19,677	26,690	26,015	34,924	29,212
Total non-current liabilities	23,028	30,010	29,622	38,644	32,911
Current liabilities					
Trade and other payables	469	717	637	927	476
Current tax liabilities	4	99	488	274	631
Borrowings	7,687	769	769	769	769
Total current liabilities	8,160	1,585	1,894	1,970	1,875
Total liabilities	31,188	31,595	31,516	40,614	34,787
Total equity and liabilities	50,654	52,108	55,538	62,763	58,327

Source: Gasas Finance Company p.l.c. annual reports; Management information; Due Diligence Report

As at 31 December, 2010, the gross asset base of the Issuer amounted to €50.7 million. Whilst aggregate trade and other receivables were flat compared to the previous year, the relative sizes of the different components shifted considerably. The discounted value of the bills of exchange decreased by 93% from €3.2 million in 2009 to €0.2 million in 2010, whilst the loan to another subsidiary increased by €4.7 million to €14.7 million.

Total liabilities, amounted to €31.2 million, remaining basically unchanged compared to the previous year. Whilst the total amount of borrowings was little changed, there was a considerable shift in the borrowings component. Non-current borrowings decreased from €27.3 million in 2009 to €19.7 million in 2010.

In 2011, total assets increased by 3% to €52.1 million. This rise was driven by an increase in trade and other receivables, which in turn was due to a further rise in the size of the loans to group companies. On aggregate, these amounted to €22.3 million. On the funding side, there was again a shift in the composition of borrowings. Non-current borrowings increased by €6.9 million, due to an amendment of the terms of the bank loan. Short term borrowings decreased from €7.7 million in 2010 to €0.8 million in 2011-2012, representing the repayments due in the bank loan the following year.

In 2012 total assets increased to almost €56 million. This increase of €3.4 million reflects the property revaluation and the retained profit for the year. Total liabilities, amounting to €31.5 million, were basically unchanged for that year.

As at the end of 2013, total assets are expected to increase to €62.8 million. The trade and other receivables from Group companies are expected to increase by €7.0 million between 31 December, 2012 and 31 December, 2013. The increase represents €8.9 million funds forwarded to Group companies, and €1.3 million capitalised interest less the dividend of €3.0 million declared in the period 30 June 2013.

The Company's total borrowings are projected to increase by €8.9 million between 31 December, 2012 and 31 December, 2013. This increase reflects the proceeds from the New Bond Issue (net of amortised issue costs) of €9.6 million and the bank loan repayment of €0.8 million.

Shareholders' equity is projected to decrease from €24.0 million as at 31 December, 2012 to €22.1 million as at 31 December, 2013, being the net movement of the forecast annual profit of €1.1 million in 2013 and the dividend payment of €3 million in the period prior to June 2013.

In 2014, total assets are expected to decrease to €58.3 million, following the full repayment of the Bonds 2014/16. Movements in receivables will reflect the flows to and from the Group. Equity will rise with retained earnings, which will reflect movement in projected profits. Post redemption of the Bonds 2014/16, the only expected movement in borrowings will be the repayment of the bank loan.

4.4 Evaluation of Performance and Financial Position

Gasan Finance Company p.l.c.	2010	2011	2012	2013	2014
<i>Profitability Ratios - 31 December</i>	Actual	Actual	Actual	Forecast	Projection
Gross Profit Margin <i>(Gross Profit / Revenue)</i>	54%	55%	56%	57%	58%
Operating Profit Margin <i>(Operating Profit / Revenue)</i>	47%	45%	49%	46%	52%
Interest Coverage <i>(Operating Profit adding back interest payable / Interest Payable)</i>	2.03x	2.00x	2.11x	2.07x	2.23x
Return on Assets <i>(Operating Profit / Average Total Assets)</i>	3.0%	2.9%	3.1%	2.7%	3.3%
Return on Capital Employed <i>(Operating Profit / Average Capital Employed)</i>	3.3%	3.2%	3.2%	2.8%	3.4%
Net Profit Margin <i>(Profit for the year / Revenue)</i>	31%	31%	102%	32%	36%
Return on Equity <i>(Profit attributable to owners / Average Equity attributable to owners)</i>	5.4%	5.2%	15.8%	4.9%	6.1%

Source: Gasan Finance Company p.l.c. annual reports; Management information; Curmi & Partners

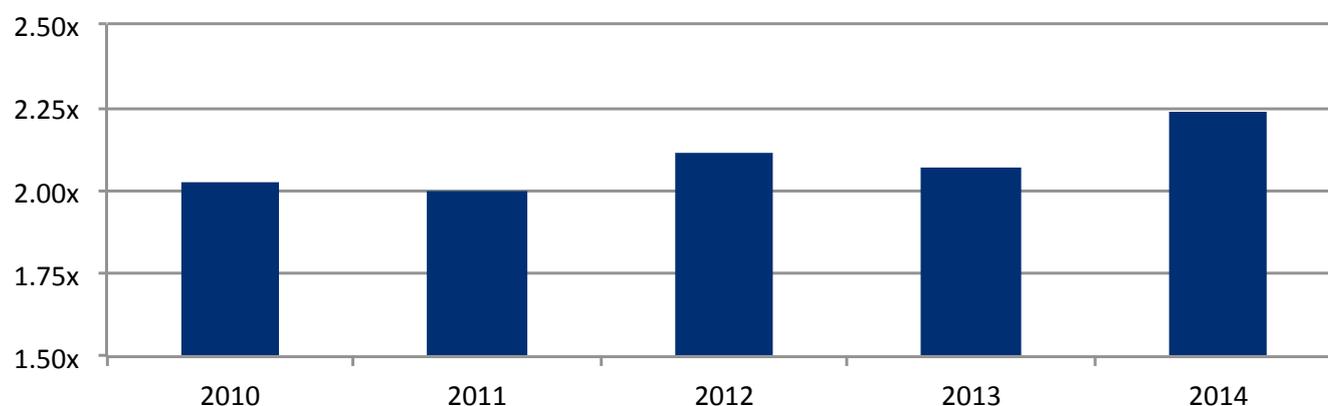
The profitability ratios for the Company generally display a considerable level of stability, reflecting its role as a holder of investment properties and the finance vehicle for the Group. Rental and fixed interest income, in addition to fixed interest payable on the borrowings, drive operations and profits. The net profit margin for 2012 diverges from this trend due to the revaluation gain on the property.

For the period 2010-2012, the gross profit margin was relatively unchanged between 54% and 56%. It could be noted that shifts in the revenue composition, mainly the increase in the relative importance of interest on the loans to other group companies as opposed to interest on bills receivable, did not have a sizeable impact on gross profit margin. The operating margin is expected to decrease in 2013 due to the rise in administrative expenses from the bond issue, with bond issue costs being expensed during this year. Margins will increase again as from 2014 as a result of higher interest receivable on advances to the group, in addition to increments in the contractual rental income. Return on Capital Employed (“ROCE”) and Return on Assets (“ROA”) were estimated on the basis of operating profit. ROCE and ROA, and are expected to improve as from 2014.

The profitability ratios that are dependent on the profit for the period are mostly flat until 2012. In 2012, profit related ratios rose considerably driven by the increase in profit after tax, which in turn reflects the property revaluation gain. Net Profit margin is unchanged for two years before surging to over 100% in 2012. Return on Equity (“ROE”) is around 5% for the period 2010-2011, rising to almost 16% in 2012. Profitability is expected to decrease slightly in 2013, reflecting the one-off expenses related to the bond issue, before improving again as from 2014.

Interest coverage would typically be calculated as the ratio of Earnings before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) or Earnings before Interest, Taxes (“EBIT”) to net finance costs. In the case of the Issuer, the core revenue of the Company does consist of rental income and interest earned on financial assets. Therefore, in order to estimate the ability to service the borrowings, interest coverage is estimated as the ratio of this financial income (after adjusting for administrative expenses) to interest payable. Historically, the Issuer has been consistent in achieving a comfortable ratio of 2x. This is expected to increase progressively to 3x, prior to the final year of redemption of the bond.

Gasan Finance Company p.l.c. - Interest Coverage Ratio



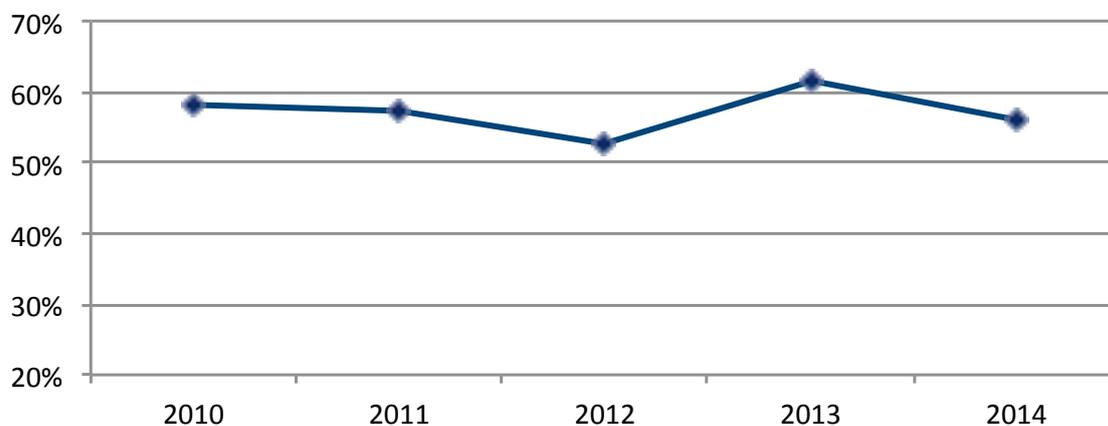
Source: Gasan Finance Company p.l.c. annual reports; Management information; Curmi & Partners

With Group balances being mostly recognised as current assets on the statement of financial position, in addition to the fact that the Issuer does not engage in trade operations and thus does not incur substantial trade-related short term liabilities, liquidity ratios are considerably higher than what would be considered typical for an operating company. However, this would not be reflective of inefficient working capital management, due to the characteristics of the Issuer as a finance vehicle.

Gasan Finance Company p.l.c.	2010	2011	2012	2013	2014
<i>Statement of Financial Position Ratios - 31 December</i>	Actual	Actual	Actual	Forecast	Projection
Current Ratio (Current Assets / Current Liabilities)	2.5x	13.5x	11.3x	14.4x	13.8x
Quick Ratio (Current Assets less Inventories / Current Liabilities)	2.5x	13.5x	11.3x	14.4x	13.8x
Gearing Ratio ^(a) (Borrowings / {Total Equity + Borrowings})	58.4%	57.2%	52.7%	61.7%	56.0%
Gearing Ratio ^(b) (Borrowings / Total Equity)	1.4x	1.3x	1.1x	1.6x	1.3x

Source: Gasan Finance Company p.l.c. annual reports; Management information; Curmi & Partners

Overall leverage or gearing has decreased during the period 2010-2012 to the current 52.7%. In fact, whilst the total amount of borrowings remained stable over this period (with debt issuance limited to re-financings), total equity has been increasing through higher retained earnings, and in 2012 also through the increase in the reserve from the gain on property revaluation. Gearing is expected to increase to 62% in 2013, with increased borrowings also reflecting the outstanding €5 million on the Bonds 2014/16. Thereafter, there will be a progressive decrease in indebtedness until redemption of the bond, driven by the amortisation of the bank loan and an increase in equity.

Gasan Finance Company p.l.c. - Gearing Ratio

Source: Gasan Finance Company p.l.c. annual reports; Management information; Curmi & Partners

5. PERFORMANCE AND FINANCIAL POSITION OF THE GROUP

The Issuer's primary role is that of raising funds from capital markets to finance the Group's operations. As illustrated in previous sections, the Company is owned by Gasan Enterprises Limited, which is in turn owned by Gasan Group Limited.

A core part of the Company's operations is centred around loan agreements with Gasan Enterprises Limited and Gasan Group Limited. The Issuer relies on interest receivable on loans to these group companies and on rent receivable from Gasan Properties Limited. On the other hand, going forward the Company will no longer be dependent on interest income from bills of exchange acquired from Gasan Enterprises Limited, since it is not at this time planning to invest in bills from GasanZammit Motors Limited.

Due to the abovementioned reliance it is relevant to provide an overview of the performance and financial position of the Group.

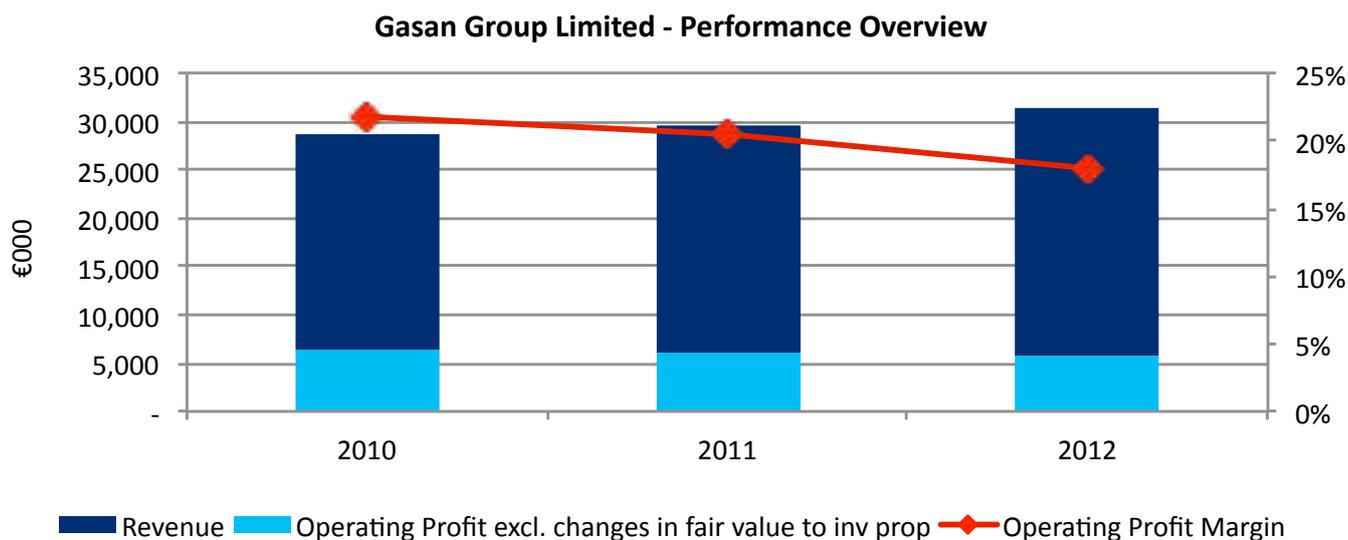
This document makes reference to the financial statements of the Group for the financial years ended 31 December, 2010, 31 December, 2011 and 31 December, 2012. The financial statements referred to have been audited by PricewaterhouseCoopers. This section also includes references to group projections prepared by management. These projections are based on certain assumptions. Events and circumstances may differ from expectations and therefore actual results may vary considerably from the projections.

5.1 Statements of Comprehensive Income

Gasan Group Limited	2010	2011	2012
<i>Statements of comprehensive income (€000) - 31 December</i>	Actual	Actual	Actual
Revenue	28,660	29,527	31,352
Cost of Sales	(25,014)	(25,102)	(28,478)
Contribution from insurance operations	4,884	4,571	5,757
Gross Profit	8,530	8,996	8,631
Distribution costs	(128)	(125)	(115)
Administrative expenses	(2,389)	(3,206)	(3,041)
Other income - net	113	387	175
Net gains/(losses) from Investments	131	(6)	2
Income from investment property	391	4,549	1,741
Operating Profit	6,649	10,594	7,392
Investment and other related income	134	167	746
Finance income	895	954	1,233
Finance costs	(2,725)	(3,174)	(3,386)
Profit before impairment and before share of results of associates	4,953	8,541	5,984
Available-for-sale investments - impairment	(4,744)	(3,008)	(268)
Amounts due from associates - impairment	(524)	-	-
Share of results of associates	203	531	1,642
(Loss) /Profit before tax	(112)	6,064	7,358
Tax expense	(204)	(1,363)	(1,651)
(Loss) /Profit for the year	(315)	4,701	5,707
Other comprehensive income, net of tax	4,356	(659)	552
Total comprehensive income for the year	4,041	4,041	6,258
Total comprehensive income attributable to:			
Owners of the Company	2,604	2,850	4,546
Non-controlling interests	1,437	1,192	1,712
Total comprehensive income	4,041	4,041	6,258

Source: Gasan Group Limited annual reports

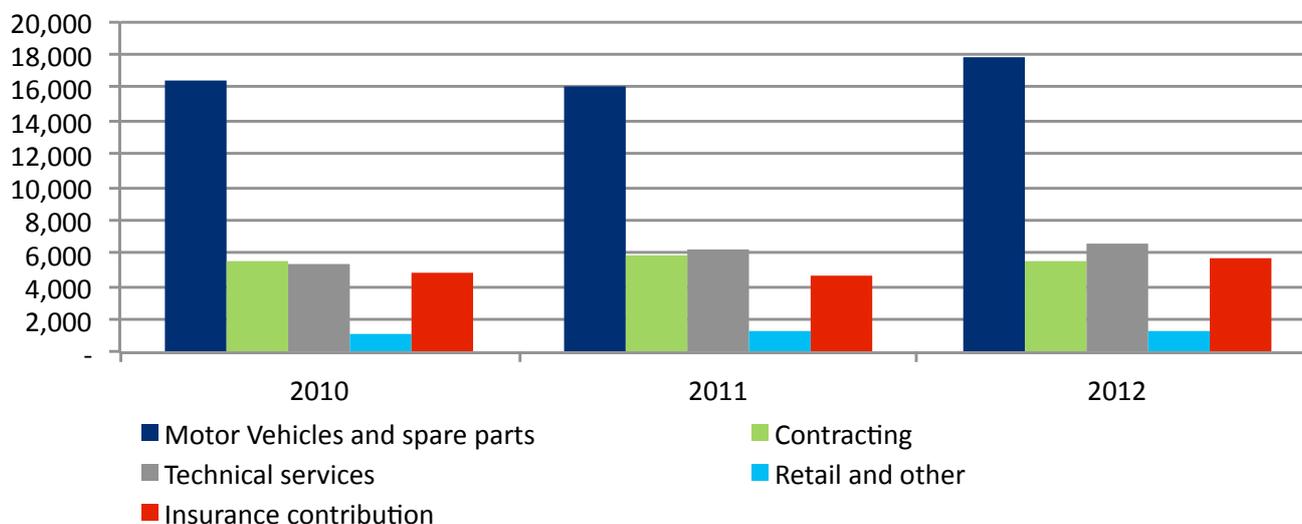
The Group operates in a number of diverse industries through subsidiaries and investments in other companies. The Group's major activities include motor vehicles and related services, insurance services, electrical and mechanical services and property development and rental. Gasan Group Limited is the holder, directly or indirectly, of all the investments in subsidiaries and associates forming the Group. Additionally, through its investments in other companies, the Group has interests in sectors that include telecommunications and other property developments. The group has grown in recent years, with revenues rising each year since 2010.



Source: Gasan Group Limited annual reports; Curmi & Partners

In 2010, the Group generated revenue (including motor vehicles and spare parts, contracting, technical services, retail and other) of €28.7 million, in addition to the contribution from insurance operations of €4.9 million. Excluding insurance, revenues from the auto business accounted for almost 60% of the total amount, with contracting and technical services each contributing around 20%. Revenues rose progressively year-on-year to €31.4 million in 2012. The proportional contribution from the different business areas remained broadly consistent, except for a contraction in motor vehicles and spare parts in 2011. The contribution from insurance was more volatile. It increased by 26% to €5.8 million in 2012, after a 6% decrease a year earlier.

Gasan Group Limited - Revenue Breakdown (€000)



Source: Gasan Group Limited annual reports

Operating profit for the period 2010-2012 was considerably impacted by income from investment property, which mainly consists of fair value gains in investment property. This was particularly evident in 2011, with an investment property income of €4.5 million resulting in an operating profit of almost €11 million. The income from investment property in 2011 represents the fair value gain on the properties held by Gasan Enterprises Limited, whilst the income from 2012 represents the equivalent item on properties in the Issuer. Operating profit during 2012 totalled €7.4 million, equivalent to a 30% decrease year-on-year. However, excluding the income from investment property, the movement in operating profit would have been a more moderate 7% decrease, demonstrating the operational resilience of the Group.

The profit for the year is considerably impacted by impairments to available-for-sale investments. These investments mostly relate to equity securities and include amounts advanced to unquoted companies. Impairments in 2010 amounted to €4.7 million, partly contributing to a loss for the year of €0.3 million. For 2011 and 2012, impairments amounted to €3 million and €0.3 million respectively, even though the Group registered sizeable profits in both years. A prudent approach is adopted each year when an assessment is made of property and financial assets. It may also be relevant to consider the total comprehensive income, along with the profit for the year, to obtain a better perspective on the consistent performance and profitability of the Group. In fact, the Group generated more than €4 million in comprehensive income each year during the period 2010-2012, with income rising to €6.3 million in 2012.

5.2 Statements of Cash Flows

Gasas Group Limited	2010	2011	2012
<i>Statement of cash flows (€000) - 31 December</i>	Actual	Actual	Actual
Net cash generated from operating activities	(765)	2,045	1,408
Net cash used in investing activities	1,162	(5,773)	1,852
Net cash used used in financing activities	654	(2,291)	(3,216)
Net movement in cash and cash equivalents	1,051	(6,019)	44
Cash and cash equivalents at beginning of year	(15,441)	(14,389)	(20,408)
Cash and cash equivalents at beginning of year	(14,389)	(20,408)	(20,364)

Source: Gasas Group Limited annual reports

During 2012, Gasas Group Limited generated an amount of €1.4 million from operating activities, whilst the disposal of financial investments from the insurance business, investment property, and property, plant and equipment, contributed to a positive cash flow from investing activities of €1.9 million.

The year-end cash and cash equivalents balance for 2012 is in line with the previous year, with €4.8 million in cash at bank and €25.1 million in bank overdraft.

Notable cash flow movements in recent years include an amount of almost €6 million absorbed by investing activities in 2011. This investment was driven by purchases of financial investments and insurance investment property. At the financing level, aggregate outflows for 2011 and 2012 totalled €5.5 million, reflecting a rise in the repayment of borrowings.

5.3 Statements of Financial Position

Gasan Group Limited	2010	2011	2012
<i>Statements of financial position (€000) - 31 December</i>	Actual	Actual	Actual
ASSETS			
Non-current assets			
Property, plant and equipment	23,290	23,716	24,473
Investment property	26,044	30,749	32,388
Intangible assets	648	648	648
Investment in associates	13,384	15,419	17,631
Other investments	28,647	26,983	23,575
	92,013	97,516	98,715
Other non-current assets			
Deferred tax	2,280	3,108	3,324
Trade and other receivables	6,756	9,120	10,368
	9,036	12,228	13,692
Insurance company			
Investments	22,573	22,651	24,254
Investment property	3,713	4,975	3,569
	26,285	27,626	27,823
Total non-current assets	127,334	137,370	140,230
Reinsurers' share of technical provisions	253	242	450
Current Assets			
Inventories	7,996	10,173	11,709
Stock held for development and resale	1,029	531	170
Trade and other receivables	20,415	19,853	24,055
Current tax assets	2,514	2,056	1,718
Available-for-sale investments	4	53	-
Financial assets through profit or loss	338	262	24
Deferred acquisition costs	2,194	2,364	2,439
Cash and cash equivalents	2,410	3,664	4,781
Total Current Assets	36,901	38,957	44,897
Total Assets	164,488	176,569	185,576

Source: Gasan Group Limited annual reports

The Group's total assets as at 31 December, 2012 amounted to €185.6 million, having grown progressively since 2010. Property, plant and equipment, and investment property accounted for €24.5 million (13% of total assets) and €36.0 million (19% of total assets) respectively. Investments of the insurance business were €24.3 million (13% of total assets). Total trade and other receivables, which mainly include trade and hire purchase debtors, increased from €27.2 million in 2010 to €34.4 million (equivalent to 19% of total assets) in 2012. Relative proportions of the major asset components may be considered broadly stable throughout the period of 2010-2012, except for the other investments item which decreased from almost €29 million in 2010 to €23.6 million in 2012.

Gasas Group Limited	2010	2011	2012
<i>Statements of financial position (€000) - 31 December</i>	Actual	Actual	Actual
EQUITY AND LIABILITIES			
Capital and reserves attributable to owners			
Share capital	1,327	1,327	1,327
Revaluation reserve	10,864	10,870	12,009
Other reserves	13,822	17,069	17,987
Retained earnings	38,016	36,774	38,264
	64,030	66,041	69,587
Non-controlling interests	7,138	7,553	8,419
Total equity	71,168	73,595	78,006
Non-current liabilities			
Deferred tax	7,432	8,001	7,283
Borrowings	25,297	30,914	29,554
Total non-current liabilities	32,728	38,915	36,836
Insurance company			
Technical provisions	25,086	25,637	25,065
Current liabilities			
Trade and other payables	10,381	12,113	17,672
Borrowings	25,118	26,192	27,351
Current tax liabilities	7	118	647
Total current liabilities	35,506	38,423	45,669
Total liabilities	93,320	102,974	107,570
Total equity and liabilities	164,488	176,569	185,576

Source: Gasas Group Limited annual reports

Total borrowings were €56.9 million as at 31 December, 2012, basically unchanged compared to the previous year. Borrowings had increased by €7 million (a 13% increase) in 2011 to €57.1 million. This rise in borrowings relates to the increase in bank loans and overdrafts. The Group's bank overdraft is secured by general and special hypothecs over the Group's assets (excluding the assets of Gasan Finance Company p.l.c.) and by guarantees from the Company's subsidiaries. The Group's bank loans, amounting to €11.9 million as at end 2012, are secured by general and special hypothecs over the Group's assets (excluding the assets of the Issuer) and a pledge of €2.1 million on insurance investments.

Trade and other payables in 2012 amounted to €17.7 million. This reflects an increase of almost €6 million, mainly consisting of increases in amounts due to the parent and to related companies, in addition to advance payments by customers on construction contracts. Total equity was €78 million as at 31 December, 2012, consisting of €1.3 million in share capital, almost €30 million in reserves and €38.3 million of retained earnings. The increases in total equity over recent years, including a rise of €4.4 million during 2012, mainly reflect movements in the reserves, primarily changes in fair value of investment property as well as retained profits for the year.

5.4 Evaluation of Performance and Financial Position

Gasan Group Limited	2010	2011	2012
<i>Profitability Ratios - 31 December</i>	Actual	Actual	Actual
Gross Profit Margin <i>(Gross Profit / Revenue)</i>	29.8%	30.5%	27.5%
Operating Profit Margin ^(a) <i>(Operating Profit / Revenue)</i>	23.2%	35.9%	23.6%
Operating Profit Margin ^(b) <i>(Operating Profit excluding changes in fair value of investment property / Revenue)</i>	21.8%	20.4%	18.0%
EBITDA margin <i>(EBITDA / Revenue)</i>	22.5%	26.8%	18.7%
Interest Coverage <i>(EBITDA / Net Finance Costs)</i>	3.5x	3.6x	2.7x
Return on Assets ^(a) <i>(Operating Profit / Average Total Assets)</i>	4.1%	6.2%	4.1%
Return on Assets ^(b) <i>(Operating Profit excluding changes in fair value of investment property / Average Total Assets)</i>	3.9%	3.5%	3.1%
Return on Capital Employed ^(a) <i>(Operating Profit / Average Capital Employed)</i>	5.2%	7.9%	5.3%
Return on Capital Employed ^(b) <i>(Operating Profit excluding changes in fair value of investment property / Average Capital Employed)</i>	4.9%	4.5%	4.1%
Net Profit Margin <i>(Profit for the year / Revenue)</i>	-1.1%	15.9%	18.2%
Return on Equity <i>(Profit attributable to owners / Average Equity attributable to owners)</i>	-2.8%	5.4%	5.9%

Source: Gasan Group Limited annual reports; Curmi & Partners

Generally, the Group's profitability has been healthy in recent years. The exposure to the diverse range of sectors in which the Group operates has allowed it to deliver an overall consistent performance. Additionally, the Group's results are impacted by items that include valuation gains/losses on investment property and impairments to financial assets.

During the period 2010-2012, gross profit margins have been healthy and consistently above 25%. There was a slight decrease in 2012, mainly related to a relative rise in cost of sales, including cost of vehicles sold and contract costs. This was partly compensated for by a very positive performance from insurance operations.

The overall operating performance after distribution and administrative costs, in addition to income from investment properties was particularly strong in 2011. This reflects the revaluation gain registered that year. Excluding the income from the investment property, operating margins were still around 20%. The EBITDA level, with this estimate excluding depreciation and amortisation items in addition to valuation gains and impairments, also reflects this trend. Given the increase in total assets throughout these years, ROCE and ROA display a slightly decreasing trend. Again, excluding the impact from investment property revaluations, operating returns are more stable.

The interest coverage for the Group, based on EBITDA, remained at healthy levels throughout the period. There was a decrease in 2012, driven by the drop in EBITDA and increased bank interest and charges. However, the interest coverage for 2012 remained comfortable at almost 3x.

Bottom line profitability of the Group could be considerably impacted by impairments to financial assets and revaluations. Whilst there was a loss in 2010 due to impairments in available-for-sale investments and in amounts due from associates, on aggregate the group generated an amount of €10.4 million in profits between 2011 and 2012. As noted previously, it is relevant to note that a prudent approach is adopted in terms of assessing changes in values to property and financial assets. Excluding impairments and investment property income, profit for the year was more stable and profit margins are consistently healthy.

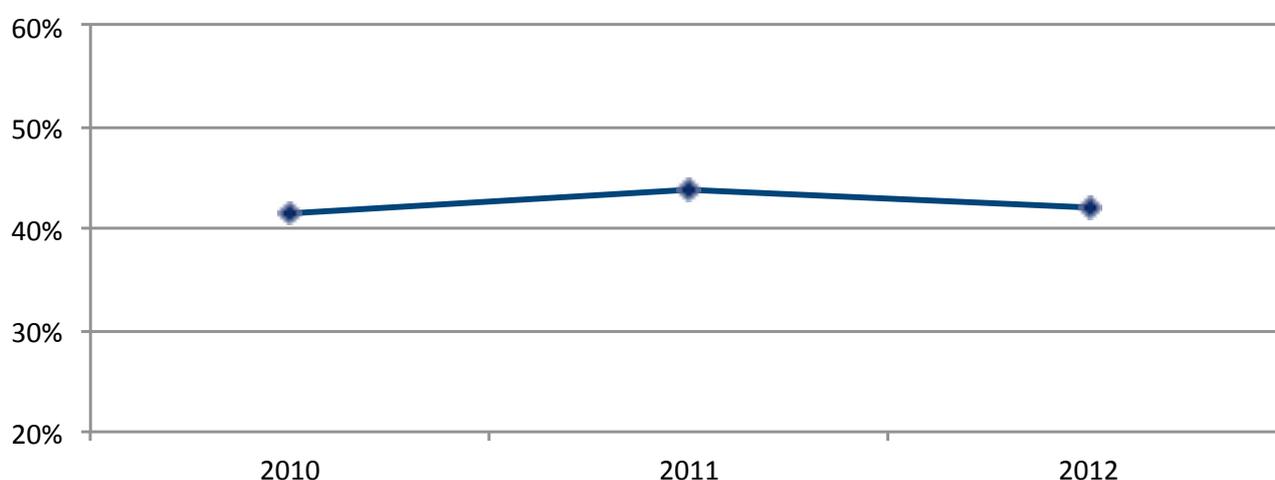
Gasam Group Limited	2010	2011	2012
<i>Statements of Financial Position Ratios - 31 December</i>	Actual	Actual	Actual
Current Ratio <i>(Current Assets / Current Liabilities)</i>	1.0x	1.0x	1.0x
Quick Ratio <i>(Current Assets less Inventories / Current Liabilities)</i>	0.8x	0.7x	0.7x
Gearing Ratio ^(a) <i>(Borrowings / {Total Equity + Borrowings})</i>	41.5%	43.7%	42.2%
Gearing Ratio ^(b) <i>(Borrowings / Total Equity)</i>	0.7x	0.8x	0.7x
Net Leverage Ratio <i>(Net Borrowings / Ebitda)</i>	7.4x	6.8x	8.9x
Free Cash Flow to Debt <i>(Free cash flow / Borrowings)</i>	18.5%	3.2%	14.3%

Source: Gasam Group Limited annual reports; Curmi & Partners

Free cash flow, hereby estimated by adjusting EBITDA for capital expenditures, changes in working capital, and taxes paid, was positive throughout the period. For the period 2011-2012 combined, free cash flow was estimated at around €10 million. With the group generating relatively stable EBITDA during these years, the variations in this estimate generally reflect increases in investments (particularly in 2011) and the movements in working capital. Net leverage in terms of the level of net borrowings to EBITDA, would be considered relatively high. However, it is also relevant to consider that the Group has generated positive EBITDA through the business cycle in recent years, and additionally going forward no major capital outlays are being projected.

The Group's level of gearing has been relatively low and broadly stable in recent years, with a gearing ratio of just above 40%. Most new borrowings in recent years have been re-financings. Total borrowings are generally divided equally between the short-term and long-term.

Gasas Group Limited - Gearing Ratio



Source: Gasas Group Limited annual reports; Curmi & Partners

5.5 Overview of Projections for the Group

An overview is hereby provided of the major developments in terms of operating, investing, and financing activities that could have a relevant impact on the overall cash flows of the Group.

Going forward, the major contributors to the Group's cash from operations will be Mekanika Limited and Gasas Properties Limited. Excluding non-recurring items, Mekanika's historic performance has been relatively stable. Its contribution is expected to increase as from 2015 due to new work contracts, following which it is expected to remain stable again. The rental income from Gasas Properties Limited is assumed to remain in line with 2012, increasing with inflation of 2% per annum. Projected capital receipts from bills of exchange, between 2013 and 2014 amounts to an aggregate amount of €6.9 million, in addition to €1.1 million in interest receivable. As noted in previous sections, these receipts will be progressively phased out in subsequent years. Operating activities in 2014 include dividends receivable from subsidiary companies that are not 100% owned by the Group, as well as €3.7 million investment income of which €3.1 million relates to the yield on investments being sold.

It is relevant to consider that the Group is not projecting any major capital expenditures going forward, beyond annual replacement and maintenance of the property and plant for an amount of €0.5 million. The Group evaluates potential investment opportunities from time to time. A number of these opportunities may be material in nature, but will only be undertaken if the Group is satisfied that suitable funding arrangements are in place.

With respect to cash inflows from investing activities, in 2013 the Group is expected to receive €0.8 million from GasanZammit Motors Limited in relation to parts and fixed assets transferred from Gasan Enterprises Limited. In 2014 the Group is expected to sell financial investments amounting to around €6.2 million in cash, of which €3.1 million represents the accumulated income on these investments as explained under this sub-section 5.5.

In terms of financing flows, the major items during 2013 and 2014 reflect the bond issue in addition to repayment of borrowings. Bond proceeds amount to €9.5 million in 2013, with an outflow of €5 million in 2014 reflecting the redemption of the outstanding balance. Repayment of other borrowings amount to €4.3 million in 2013 and €3.9 million in 2014. The dividend paid in 2014 is expected to amount to €2 million, compared to the current year's €1 million. This will be driven by projected sale of investments.

It is relevant to note that the group's gearing ratio is expected to decrease as from 2014. This is also in line with the Group's objective to maintain a low to medium gearing ratio that will allow it to comfortably service its debt obligations through the various business cycles.

6. COMPARABLES

The table below compares historical interest coverage ratios of the Issuer to those of other finance companies with debt instruments issued on the local capital markets. It is relevant to note that there are considerable variances between the industries these corporate groups operate in. Additionally, there may be other differences that could include the capital structure of the finance vehicle and characteristics of the specific debt instrument.

However, the below comparison could be considered a useful indication of the relative financial performance and debt servicing capability of the Issuer.

On this basis, the Issuer's historic cover ratio, in addition to the forecasted and projected indicators referred to in previous sections, demonstrate a healthy position.

Comparables - Finance Companies listed on MSE	2011	2012
<i>Interest Coverage Ratios</i>	Actual	Actual
Gasan Finance Company p.l.c	2.00x	2.11x
Corinthia Finance p.l.c.	1.01x	1.01x
Eden Finance p.l.c.	1.04x	1.03x
Mizzi Organisation Finance p.l.c.	1.01x	1.00x
Tumas Investments p.l.c.	1.00x	1.00x
United Finance p.l.c.	1.02x	1.01x

Source: Annual reports; Curmi & Partners

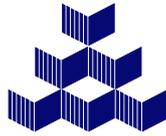
7. GLOSSARY

Non-current assets	Non-current assets are long-term investments, which full value will not be realised within the accounting year.
Current assets	Current assets are all assets that are realisable within one year from the statement of financial position date. Such amounts include trade receivables, inventory, cash and bank balances.
Current liabilities	Current liabilities are liabilities payable within a period of one year from the statement of financial position date, and include mainly trade payables and short-term borrowings.
Non-current liabilities	Long-term financial obligations or borrowings that are not due within the present accounting year. Non-current liabilities include long-term borrowings, bonds and long term lease obligations.
Total Equity	Total equity includes share capital, reserves, retained earnings and minority interests. It relates to the capital and reserves that are attributable to owners of the company.
Cash flow from operating activities	Cash flow from operating activities illustrates the cash-generating ability of a company's core activities, and includes cash inflows and outflows that are related to operating activities.
Cash flow from investing activities	Cash flows from investing activities reflect the change in cash position resulting from investments and divestments.
Cash flow from financing activities	Cash flows from financing activities shows the cash inflows and outflows related to financing transactions with providers of funding, owners and the creditors.
Free Cash Flow	A measure of the ability to generate the cash flow necessary to maintain operations. It is the balance after all cash flows for operating activities, fixed asset net investments, working-capital expenditures. The definition of free cash flow may vary; for this purpose it was based on EBITDA adjusting for net investments, working capital and tax.
EBITDA	Earnings before interest, tax, depreciation and amortisation is a measure of operating profitability. It excludes depreciation and amortisation, and is viewed as measure of a company's core profitability and cash generating ability.

Financial Ratios

Current ratio	The current ratio measures the ability to pay short term debts over the next 12 months. It compares a company's current assets to its current liabilities.
Quick ratio	Similarly to current ratio, the quick ratio measures a company's ability to meet its short-term obligations with its most liquid assets. It excludes inventories from current assets.
Gearing or leverage ratio	The gearing or leverage ratio indicates the relative proportion of borrowings and equity used to finance a company's assets. It is estimated by dividing total borrowings by total borrowings plus total equity, or as the ratio of total borrowings to total equity.
Interest Coverage ratio	Interest coverage ratio is generally calculated by dividing a company's EBITDA, or EBIT (operating profit) of one period by the company's interest expense of the same period. It measures the ability of the borrower to service the finance costs related to borrowings.
Net Debt to EBITDA	This ratio compares financial borrowings and EBITDA as a metric for estimating debt sustainability, financial health and liquidity position of an entity. It compares the financial obligations, net of the available cash balances, to the actual cash profits.

Gross Profit Margin	Gross profit margin is the ratio of gross profit to revenue. It is the percentage by which gross profits exceed cost of sales, and is a measure of profitability at the most fundamental level.
Operating Profit Margin	Operating margin is a measure of profitability that measures the proportion of revenue that is left over after paying for all costs of production incurred in ordinary operations.
EBITDA Margin	Similarly to operating margin, EBITDA margin is a measure of profitability that measures the proportion of revenue that is left over after paying for all costs of production incurred in ordinary operations.
Net Profit Margin	Net profit margin is the ratio of profit for the period to revenues, and is a measure of how much of revenues is converted into bottom line profits.
Return on Assets (ROA)	Return on assets is the ratio of profit for the period or operating profit to average total assets for the period. It measures efficiency in using its assets to generate income.
Return on Capital Employed (ROCE)	Similarly to ROA, this ratio measures efficiency in generating income but takes into consideration the sources of financing. Profit for the period or operating profit is divided by the capital employed (fixed assets plus working capital or total assets less current liabilities)
Return on Equity (ROE)	Measures the profitability in terms of how much profit is generated in relation to owners' investment.



Gasán Finance Company p.l.c.

(a public limited company incorporated under the Laws of Malta,
company registration number C 16435)

Issue of
4.9% Bonds due 2019-2021
Aggregate Principal Amount €25,000,000
Issue Price: At Par (100%)

SECURITIES NOTE DATED OCTOBER 18, 2013

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004, as amended, implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Gasán Finance Company p.l.c. Application has been made for the admission to listing and trading of the Bonds on the Malta Stock Exchange - ISIN MT0000061250. This Securities Note should be read in conjunction with the Registration Document containing information about the Issuer dated October 18, 2013.

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

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

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

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1. IMPORTANT INFORMATION

THIS SECURITIES NOTE, FORMING PART OF THE PROSPECTUS, CONTAINS INFORMATION ON AN ISSUE BY GASAN FINANCE COMPANY PLC (THE “ISSUER”) OF €25,000,000 4.9% BONDS DUE 2019-2021 HAVING A NOMINAL VALUE OF €100. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 4.9% PER ANNUM PAYABLE ANNUALLY ON 30 NOVEMBER OF EACH YEAR, UNTIL THE REDEMPTION DATE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON ANY DATE BETWEEN NOVEMBER 30, 2019 AND NOVEMBER 30, 2021.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT, AND THE REGULATION.

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR BONDS BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION.

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

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO “QUALIFIED INVESTORS” (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

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

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE IN SATISFACTION OF THE MALTA STOCK EXCHANGE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT.

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

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

ALL THE ADVISERS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING "**ADVISERS TO THE ISSUER**" OF THIS SECURITIES NOTE HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY.

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

2. DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning as the meaning given to such words, expressed and capitalised terms as indicated in the Registration Document issued by the Issuer on October 18, 2013.

Act	The Companies Act (Cap. 386 of the Laws of Malta)
Applicant	A person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form
Application/s	The application to subscribe for Bonds made by an Applicant by completing the Application Form and delivering same to the Issuer or to any of the other Authorised Financial Intermediaries
Application Form	The forms of application for the subscription for the Bonds, specimens of which are contained in Annex I of this Securities Note
Authorised Financial Intermediaries	The licensed stockbrokers and financial intermediaries listed in Annex II of this Securities Note
Bond(s)	The four point nine per cent (4.9%) Bonds due 2019-2021 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of €25,000,000
Bonds 2014/16	The six per cent (6%) Bonds issued by the Issuer pursuant to a prospectus dated April 7, 2009
Bond Conditions	The terms and conditions applicable to the Bonds set out in Section 11 under the heading “Terms and Conditions of the Bonds” of this Securities Note
Bond Exchange Programme	The bond exchange programme set out in Section 8.5 of this Securities Note
Bondholder	A holder of the Bonds
Bond Issue	The issue of the Bonds
Bond Issue Price	The price of €100 per Bond
Business Day	Any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business
CSD	The Central Securities Depository of the Malta Stock Exchange, having its address at Malta Stock Exchange, Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta
Cut-Off Date	October 21, 2013
Designated Optional Redemption Date	Any date between November 30, 2019 and November 30, 2021 (both dates inclusive), as the Issuer may determine, on giving not less than thirty (30) days’ notice when the Issuer may, at its option, redeem all or any of the Bonds then outstanding
Euro or €	The lawful currency of the Republic of Malta
Existing Holders	Existing holders of the Bonds 2014/16 as held on the Cut-Off Date who will be participating in the Bond Exchange Programme
Group	The Gasan Group of Companies composed of the Issuer’s parent company, Gasan Group Ltd (Company registration number C 29585), and the subsidiary undertakings of Gasan Group Ltd including the Issuer and the term “Group Company” shall be construed accordingly
Interest Payment Date	November 30 of each year, between 2014 and the year in which the Bonds are redeemed (both years included), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day

ISR	The Investment Services Rules for Investment Services Providers, the Standard License Conditions applicable to Investment Services License Holders (excluding UCITS Management Companies), issued by the Malta Financial Services Authority, as amended from time to time
Issuer or Company	Gasam Finance Company p.l.c., a company registered in Malta with registration number C 16435
Issue Date	Expected to be December 5, 2013
Issue Price	At Par (100%)
Listing Authority	The Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the laws of Malta)
Listing Rules	The listing rules, issued by the Listing Authority
Malta Stock Exchange or MSE	The Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta, and bearing company registration number C 42525
M&A	The memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus
MFSA	The Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta)
Offer Period	The period between October 28, 2013 and November 21, 2013 (or such earlier date as may be determined by the Issuer) during which the Bonds are on offer
Offering	The invitation to subscribe for Bonds contained in the Prospectus
Official List	The list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws
Preferred Applicants	Existing Holders, Directors of the Issuer and employees of the Gasam Group as at the Cut-Off Date excluding their spouses and dependents
Preferred Applicants Offer Period	The first part of the Offer Period during which the Bonds are on offer only to Preferred Applicants between October 28, 2013 and November 14, 2013
Public Offer Period	The second part of the Offer Period during which the Bonds are on offer to the general public between November 18, 2013 and November 21, 2013 (or such earlier date as may be determined by the Issuer)
Prospectus	Collectively the Registration Document, the Securities Note and the Summary Note, as such documents may be amended, updated, replaced and supplemented from time to time
Redemption Date	November 30, 2021, (subject to the Issuer's option to redeem all or any of the Bonds on a Designated Optional Redemption Date)
Redemption Value	The nominal value of each Bond
Registration Document	The registration document issued by the Issuer dated October 18, 2013, forming part of the Prospectus
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements
Securities Note	This document in its entirety
Summary Note	The summary note issued by the Issuer dated October 18, 2013, forming part of the Prospectus

3. RISK FACTORS

An investment in the Bonds involves certain risks including those described below. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to make an investment in the Bonds. The sequence in which the risks below are listed is not intended to be indicative of any order of priority or of the extent of their consequences.

Neither this Securities Note, nor any other parts of the Prospectus nor any other information supplied in connection with the Bonds: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by the Issuer or the Sponsor or Authorised Financial Intermediaries that any recipient of this Securities Note (or any other part of the Prospectus or any other information supplied in connection with the Prospectus or any Bonds) should purchase any Bonds. Accordingly prospective investors should make their own independent evaluation of all risk factors, and should consider all other sections in this document.

3.1 Forward Looking Statements

This Securities Note contains “forward looking statements” which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

3.2 Risks Relating to the Bonds

The value of investments can go up or down and past performance is not necessarily indicative of future performance. Unless previously repurchased and cancelled, the nominal value of the Bonds will be repayable in full upon maturity.

- **Trading and Liquidity**

Although the Issuer has had bonds freely trading on the MSE since 1994, there is currently no trading record in respect of the Bonds which are being issued pursuant to the Prospectus as there has never been a public market for the Bonds prior to the Offering. Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the MSE for the Bonds to be listed and traded on its Official List. There can be no assurance, however, that an active secondary market for the Bonds will develop or, if it develops, that it will continue, nor can there be any assurance that an investor will be able to re-sell its Bonds at or above the Issue Price or at all. A public trading market having the desired characteristics of depth, liquidity and orderliness depends on a number of factors including the presence in the market place of willing buyers and sellers of the Issuer’s Bonds at any given time, which presence is dependent upon the individual decisions of investors over which the Issuer has no control. Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Bonds. These factors include the time remaining to the maturity of the Bonds, the outstanding amount of the Bonds, the level, direction and volatility of market interest rates generally, economic conditions, the investment appetite of investors, the financial condition of the Issuer and the market for similar securities. No prediction can be made about the effect which any future public offerings of the Issuer’s securities or any takeover or merger activity involving the Issuer will have on the market price of the Bonds prevailing from time to time.

- **Interest Rate Risk**

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

- **Foreign Exchange Rate Risk**

An investor in the Bonds will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds and the investor’s currency of reference if different.

- **Early Redemption**

The Bonds are subject to redemption at the option of the Issuer between November 30, 2019 and November 30, 2021 upon giving thirty (30) days advance notice to Bondholders.

- **Changes in Laws and Regulations**

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

- **Prior Ranking Charges**

The Bonds shall constitute unsecured obligations of the Issuer and will rank pari passu without any priority or preference with all other present and future unsecured obligations of the Issuer.

Furthermore, third party interests have or will be registered, which will rank in priority to or with Bondholders against the assets of the Group for so long as such security interests remain in effect.

- **Amendments to the Bond Conditions**

The Bond Conditions contain provisions in Section 11.9 of this Securities Note for calling meetings of Bondholders in the event that the Issuer wishes to amend any of the terms and conditions applicable to the Bonds. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

- **Credit Rating**

The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds.

4. PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of giving information with regard to the Issuer and the Bonds. All of the Directors, whose names appear under the heading “The Board of Directors of the Issuer” in Section 12.1 of the Registration Document, accept responsibility for the information contained herein. The current directors of the Issuer are:

Name and ID no. of Director	Function
Mr. Joseph Gasan 311050(M)	Chairman
Mr. Juan de Battista 67255(M)	Managing Director
Mr. Mark Gasan 74781(M)	Executive Director
Mr. Roderick Chalmers 708847(M)	Non-Executive Director
Mr. Anthony R. Curmi 348134(M)	Non-Executive Director

Mr. Michael Soler
47350(M)

Non-Executive Director

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

5. ADVISERS TO THE ISSUER

Legal Advisers

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

Sponsoring Stockbrokers

Curmi & Partners Ltd
Finance House
Princess Elizabeth Street
Ta` Xbiex, MSD 11,
Malta.

Manager/Registrar

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

Statutory Auditors and Financial Advisers

PricewaterhouseCoopers
78, Mill Street,
Qormi, QRM 3101
Malta.

6. ESSENTIAL INFORMATION

6.1 Interest of Natural & Legal Persons in the Bond Issue

Mr. Joseph Gasan, Mr. Juan de Battista, Mr. Mark Gasan, Mr. Roderick Chalmers and Mr. Michael Soler in addition to sitting on the Board of Directors of the Issuer, also act as directors of other companies within the Group. Mr. Joseph Gasan, Mr. Mark Gasan and Mr. Michael Soler have a direct or indirect shareholding in Gasan Group Ltd which is the parent company of Gasan Enterprises Ltd which owns the Issuer. The audit committee of the Group has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by directors are handled in the best interests of the Issuer. To the extent known or potentially known to the Issuer as at the date of the Prospectus, there are no conflicts of interest between any duties of the Directors of the Issuer and their private interests and/or their other duties which require disclosure in terms of the Regulation.

6.2 Reasons for the Issue and Use of Proceeds

The proceeds from the Bonds, which net of commissions and expenses are expected to amount to €24,480,000 will be used by the Issuer in this order:

- i. a maximum of €20,026,900 will be available for the Bond Exchange Programme (as better described in Section 8.5 of this Securities Note), which allows Existing Holders to exchange the Bonds 2014/16 with the Bonds now being issued rounded up to meet the minimum subscription amount;
- ii. an amount equivalent to the aggregate amount still outstanding of the Bonds 2014/16 (if any) after completion of the Bond Exchange Programme will eventually be utilised to repay the said aggregate outstanding amount of Bonds 2014/16, which the Issuer will be redeeming on May 31, 2014. Until such date the said amount will be utilised as indicated in (iii) below; and
- iii. the balance will be used for the general funding of the Issuer and the Group.

6.3 Expenses

Professional fees, costs related to publicity, advertising, printing, listing and registration, a 1% selling commission, as well as sponsor, manager and registrar fees and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €520,000 and shall be borne by the Issuer. The overall amount of the commission payable to Authorised Financial Intermediaries will not exceed €250,000.

7. OFFER STATISTICS AND EXPECTED TIMETABLE

7.1 Offer Statistics

Issuer	Gasán Finance Company p.l.c., a company registered in Malta with registration number C 16435
Issue	4.9% Bonds due 2019-2021
Amount	The aggregate principal amount of the Bonds will have a value of €25,000,000
ISIN	MT0000061250
Form	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD
Status	The Bonds shall constitute unsecured obligations of the Issuer and will rank pari passu without any priority or preference with all other present and future unsecured obligations of the Issuer
Rights attached to the Bonds	There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest as provided in this Securities Note
Denomination	Euro (€)
Bond Issue Price	At par €100 per Bond
Minimum Amount per Subscription	€1,000

Transferability	The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds
Redemption Date	November 30, 2021, (subject to the Issuer's option to redeem all or any of the Bonds on a Designated Optional Redemption Date)
Designated Optional Redemption Date	Any date between November 30, 2019 and November 30, 2021 (both dates inclusive), as the Issuer may determine, on giving not less than thirty (30) days' notice when the Issuer may, at its option, redeem all or any of the Bonds then outstanding
Event of Default	Refer to Section 11.7 of this Securities Note
Listing	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List
Offer Period	The period between October 28, 2013 to November 21, 2013 (or such earlier date as may be determined by the Issuer in the event of over-subscription) during which the Bonds are on offer. The terms and conditions applicable to any Application are set out in Section 12 of this Securities Note
Underwriting	The Issue is not underwritten. In the event that the total aggregate principal amount of the Bonds amounting to €25,000,000 is not fully subscribed, no allotment of the Bonds shall be made, the Applications shall be deemed not to have been accepted by the Issuer and all money received from Applicants shall be refunded accordingly
Interest	4.9% per annum
Interest Payment Date	November 30 of each year, between 2014 and the year in which the Bonds are redeemed (both years included), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day
First Interest Payment Date	November 30, 2014
Time Limit for the Validity of Claims and Repayment of Principal	In terms of article 2156(e) of the Civil Code (Cap. 16 of the Laws of Malta), actions for the return of money given on loan not resulting from a public deed are barred by the lapse of five (5) years. Since the Bonds are instruments of indebtedness for monies loaned to the Issuer by the Bondholders, claims for repayment of the principal are barred by the expiration of 5 years in terms of this provision. Article 2156(d) of the Civil Code specifies that actions for payment of interest on sums taken on loan are also barred by the lapse of five (5) years, and therefore claims to interest are barred by the said time-period.
Yield	The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date 4.9% for the Bonds
Redemption Value	At par €100 per Bond
Manager/Registrar	Bank of Valletta p.l.c.
Sponsor	Curmi & Partners Ltd

Governing Law of Bonds	The Bonds are governed by and shall be construed in accordance with Maltese law
Jurisdiction	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds

7.2 Expected Timetable

Application Forms mailed to Preferred Applicants	October 25, 2013
Opening of Preferred Applicants Offer Period	October 28, 2013
Application Forms available	November 1, 2013
Closing of Preferred Applicants Offer Period	November 14, 2013
Opening of Public Offer Period	November 18, 2013
Closing of Public Offer Period	November 21, 2013
Announcement of basis of acceptance	November 28, 2013
Expected dispatch of allotment advices & refunds of unallocated monies	December 4, 2013
Admission to trading and Commencement of interest on the Bonds	December 5, 2013

The Issuer reserves the right to close the Bond Issue before November 21, 2013 in the event of over-subscription, in which case the remaining events set out above shall be brought forward in the same chronological order in such a way as to retain the same number of Business Days between the said events.

8. DETAILS OF THE OFFER

8.1 The Bond Issue

The Issuer is issuing 4.9% Bonds due 2019-2021 for an aggregate principal amount of €25,000,000. The Bonds, having a nominal value of €100 each, will be issued at par and shall bear interest at the rate of 4.9% per annum payable annually in arrears on November 30 of each year, the first such payment to be made on November 30, 2014. The Bonds, unless previously purchased and cancelled, will be redeemed on November 30, 2021 subject to the Issuer's option to redeem all or any of the Bonds at any date between November 30, 2019 and November 30, 2021, as the Issuer may determine on giving not less than thirty (30) days' notice.

The Issue is not underwritten. In the event that the total aggregate principal amount of the Bonds amounting to €25,000,000 is not fully subscribed, no allotment of the Bonds shall be made, the Applications shall be deemed not to have been accepted by the Issuer and all money received from Applicants shall be refunded accordingly.

8.2 Distribution

The Issuer is making an offering of Bonds to Preferred Applicants as well as to the public (as better described in Section 8.3 of this Securities Note). The Bonds will be available for subscription in two tranches:

- for Preferred Applicants during the Preferred Applicants Offer Period commencing on October 28, 2013 up to and including November 14, 2013; and
- for the public during the Public Offer Period commencing on November 18, 2013, up to and including November 21, 2013, subject to right of the Issuer to close subscription lists before such date in the case of over-subscription.

During the Offer Period, Applications for subscription to the Bonds may be made through any of the Authorised Financial Intermediaries listed in Annex II of this Securities Note.

8.3 Allocation Policy

The Issuer will be giving preference to applications for the Bonds to the following categories of applicants:

- Existing holders of the Bonds 2014/16 as held on October 21, 2013 ("the Cut-Off Date") who will be participating in

the Bond Exchange Programme (as described in Section 8.5 below) (“Existing Holders”)

- Directors of the Issuer and Employees of the Gasan Group as at the Cut-Off Date excluding their spouses and dependents (“Employees”)

(hereinafter collectively referred to as “the Preferred Applicants”).

The Issuer will be reserving an amount of €20,026,900 or 80.1% of the full amount of the Offering for allocation to the Existing Holders and will furthermore be reserving a further amount of €1,000,000 or 4% of the full amount of the Offering, for allocations to Directors of the Issuer and Employees (the two reserved amounts hereinafter collectively referred to as “the Preferred Portion”).

Applications for the Bonds made by Existing Holders will be satisfied in full up to the level of their existing holding in the Bonds 2014/16 rounded up to the minimum amount of €1,000, provided that no application for the Bonds shall be less than €1,000 and for an amount that is not an integral multiple of €100.

Applications received from Existing Holders for amounts in excess of their existing holding shall be satisfied by allocation from any unallocated part of the Preferred Portion on a pro rata basis.

In the event that the aggregate excess amounts of such Applications cannot be satisfied in full from the balance of the reserved amount of €20,026,900 and any unallocated part of the Preferred Portion on a pro rata basis, the unsatisfied excess amounts of such Applications will automatically participate in the amount of the Offering available to the general public and such allocation shall be made on a pro rata basis, if possible respecting the minimum subscription amount of €1,000.

Directors of the Issuer and Employees will also be given preference for allocation purposes, provided that the amount allocated to Directors and Employees shall not exceed €1,000,000. A person who qualifies both as a Director of the Issuer and an Employee, shall be entitled to be given a preference in both such capacities.

In the event that the aggregate amount of Applications received from Directors of the Issuer and Employees is in excess of the reserved amount of €1,000,000, the unallocated amount will automatically participate in the amount of the Offering available to the general public and such allocation shall be made on a pro rata basis, if possible respecting the minimum subscription amount of €1,000.

In the event that the aggregate amount of Applications received from Directors of the Issuer and Employees is not taken up, such unutilized portion shall immediately become available for allocation to Existing Holders for amounts in excess of their existing holding on a pro rata basis.

In the event that the Preferred Portion is not taken up by the Preferred Applicants in its entirety, such unutilized portion shall immediately become available for allocation to the general public during the Public Offer Period and such allocation shall be made on a pro rata basis. In all cases the Issuer shall, if possible, respect the minimum subscription amount of €1,000. In the event that the Bond Issue is over-subscribed the Issuer may not be in a position to allocate the minimum stipulated subscription amount of €1,000 to each Applicant for Applications received from the general public and Directors of the Issuer and Employees.

Save for the above, the Issuer will announce the allocation policy for the allotment of the Bonds within five (5) Business Days of the closing of subscriptions in, at least, one newspaper. It is expected that an allotment advice to Applicants will be dispatched within five (5) Business Days of the announcement of the allocation policy. Dealing shall commence upon admission to trading of the Bonds by the MSE and subsequent to the above-mentioned notification.

8.4 Allotment Results

It is expected that an allotment advice to Applicants will be dispatched within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Authorised Financial Intermediaries may be retained pending clearance of the remittance and any verification of identity as required by the

Prevention of Money Laundering Act, 1994 (and regulations made thereunder). Such monies will not bear interest while retained as aforesaid. Dealing shall commence upon admission to trading of the Bonds by the MSE, and subsequent to the above mentioned notification.

8.5 Bond Exchange Programme

The Issuer has reserved €20,026,900 or 80.1% of the maximum aggregate amount of the Bonds being issued for subscription by Existing Holders (as described in Section 8.3 above). The Existing Holders shall use the pre-printed Application Form to be mailed directly by the Issuer and shall be required to submit same to Authorised Financial Intermediaries together with cleared funds, if applicable (as described below), during the Preferred Applicants Offer Period.

By virtue of the submission of the duly completed Application Form, Existing Holders shall indicate their agreement to settle the consideration for the Bonds by surrendering in the Issuer's favour for cancellation all or part of the Bonds 2014/16 together with the payment of such additional amount in cash as may be required.

By submitting the signed pre-printed Application Forms (whether in whole or in part consideration for the Bonds being applied for) together with the payment of such additional amount in cash as described above, Existing Holders shall be deemed to confirm that:

- a. All or part (as the case may be) of their holding of the Bonds 2014/16 indicated in the said Application Form are being surrendered in favour of the Issuer for cancellation; and
- b. The pre-printed Application Form constitutes the Existing Holders' irrevocable mandate to the Issuer to:
 - i. Surrender the said Bonds 2014/16 in the Issuer's favour for cancellation; and
 - ii. Engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.

Any Existing Holder wishing to surrender and cancel all or part of their Bonds 2014/16 in exchange of the Bonds shall only be entitled to do so during the Preferred Applicants Offer Period.

8.6 Refunds

If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, the Application monies or the balance of the amount paid on Application will be returned by the Issuer without interest by direct credit into the Bondholder's bank account as indicated by the Bondholder on the Application Form. The Issuer shall not be responsible for any loss or delay in transmission.

8.7 Admission to Trading

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

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from December 5, 2013, and trading is expected to commence on December 6, 2013.

9. INFORMATION CONCERNING THE SECURITIES

9.1 Description and Type of Securities

Once issued, the Bonds shall constitute the debt obligations of the Issuer that bind the Issuer to pay to Bondholders interest on each Interest Payment Date and the nominal value of the Bonds on the Redemption Date or on the Designated Optional Redemption Date, as the case may be. The Bonds shall be issued at a nominal value of €100 for each Bond.

The Bonds have been created in terms of the Companies Act. The Bonds will be issued in fully registered form, without

interest coupons. If and for as long as the Bonds are admitted to listing on the MSE, certificates will not be delivered to Bondholders in respect of the Bonds as each Bondholder will be registered in dematerialised form by an appropriate entry in the electronic register maintained on behalf of the Issuer at the Central Securities Depository, or as may be stipulated by the MSE Bye-Laws from time to time.

Subject to the admission to listing of the Bonds to the Official List of the Exchange, the Bonds are expected to be assigned the following ISIN code: MT0000061250.

9.2 Status

In terms of article 1995 of the Civil Code (Chapter 16 of the Laws of Malta), “the property of a debtor is the common guarantee of his creditors, all of whom have an equal right over such property, unless there exist between them lawful causes of preference.” Privileges and hypothecs are “lawful causes of preference”. Accordingly any debts which are secured by privileges and hypothecs, whether existing now or which may come into existence in the future, would rank prior to the indebtedness arising under the Bonds.

From searches which were carried out up to September 16, 2013 it results that the Issuer has not granted any registered privileges and hypothecs in respect of which the Issuer is the debtor except for guarantees for peaceful possession following deeds of sale.

The indebtedness created by the Bonds would rank after any future debts which may be secured by a cause of preference such as a privilege and a hypothec.

The following is a description of the Issuer’s indebtedness:

9.2.1 Bonds 2014/16

Pursuant to a prospectus dated April 7, 2009, 6 per cent Bonds due 2014/2016 (the “Bonds 2014/16”) were issued for an aggregate amount of €20,000,000. These bonds were fully taken up and admitted to the official list of the MSE on 8 May 2009. The Issuer intends to redeem the Bonds 2014/16 on May 31, 2014.

The Bonds 2014/16 constitute general, direct, unconditional, unsecured obligations of the Issuer and will rank *pari passu*, without any priority or preference, with all other present and future unsecured obligations of the Issuer.

9.2.2 Bank of Valletta Loan

The Issuer had acquired a loan facility from Bank of Valletta p.l.c. which it entered into in order to redeem the bonds due in 2006/2009, which as at 30 June 2013 was €6,534,000. In 2011 the terms of the loan facility were amended to extend the period of the loan to 2021 with equal quarterly repayments to the bank. The Issuer pays interest at the rate of 1.75% per annum over the Bank’s base rate.

Gasam Group Ltd have jointly and severally guaranteed this loan and there is also a letter of undertaking by the Issuer that for as long as any principal or interest remain outstanding on the loan, the Issuer will hold assets to the amount of at least 105% of the aggregate principal amount. The assets will be made up of:

- i. hire purchase bills of exchange at cost to the Issuer; and/or
- ii. cash and/or deposits at a local bank licensed by the MFSA; and/or
- iii. bonds or other debt instruments issued by sovereign states which are rated as AA or better, or bonds or other debt instruments which are rated as AAA by a recognised international rating agency and valued at the lower of cost and market value; and/or
- iv. land and property developments at cost to the Issuer.

9.3 Credit Rating

The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency.

9.4 Authorisations & Approvals

The board of directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on October 4, 2013.

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated October 18, 2013.

9.5 Issue Date

The Issue Date of the Bonds is expected to be December 5, 2013.

10. TAXATION

10.1 General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation which may be applicable to them in respect of the Bonds, including their acquisition, holding and disposal as well as any income/gains derived therefrom or made on their disposal. The following is a summary of the anticipated tax treatment applicable to Bondholders in so far as taxation in Malta is concerned. This information does not constitute legal or tax advice and does not purport to be exhaustive.

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time. This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

10.2 Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act, (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta). Bondholders who do not fall within the definition of a "recipient" do not qualify for the said rate. Bondholders should make their own determinations as to whether they qualify as "recipients", should communicate such determination accordingly and should seek advice on the taxation of such income as special rules may apply. This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. Nevertheless a Maltese resident individual Bondholder may alternatively declare interest that is subject to withholding tax in his tax return, in which case such income would be assessed at the standard rates of tax applicable to that person, and the withholding tax suffered would be available as a credit against the recipient's tax liability or for a refund, as the case may be.

In the case of a valid election made by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his income tax return and be subject to tax on it at the standard rates applicable to that person at that time. Additionally in this latter case, the Issuer will advise the Inland Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act. In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the

interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

10.3 European Union Savings Directive

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Malta Commissioner of Inland Revenue who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

10.4 Tax on Capital Gains on Transfer of the Bonds

On the assumption that the Bonds would not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, “shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”, no tax on capital gains is chargeable in respect of transfer of the Bonds.

10.5 Duty on Documents and Transfers

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

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

11. TERMS AND CONDITIONS OF THE BONDS

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

11.1 General

The Bonds form part of a duly authorised issue of €25,000,000 aggregate principal amount of Bonds due 2019-2021, with a 4.9% interest rate, denominated in Euro having a nominal value of €100 each (the “Bonds”).

11.2 Registration, Form, Denomination and Title

11.2.1 Certificates will not be delivered to Bondholders in respect of the Bonds given the fact that the entitlement to Bonds will be represented in an uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. There will be entered in such electronic register the names, addresses, identity card numbers (in the case of natural persons), registration numbers (in the case of companies) and Malta Stock Exchange account numbers of the Bondholders and particulars of the Bonds held by them respectively and a copy of such register will, at all reasonable times during business hours, be open to the inspection of the Bondholders at the registered office of the Issuer.

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

11.2.3 The Bonds will be issued in fully registered form, without interest coupons, in minimum subscriptions of €1,000.

11.2.4 Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments) as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "Registration, Replacement, Transfer and Exchange".

11.3 Status and Negative Pledge

11.3.1 The Bonds constitute unsecured obligations of the Issuer and rank *pari passu* without any priority or preference with all other present and future unsecured obligations of the Issuer.

11.3.2 The Issuer undertakes, for as long as any principal or interest under the Bonds or any of the Bonds remains outstanding, not to create or permit to subsist any Security Interest (as defined below), other than a Permitted Security Interest (as defined below), upon the whole or any part of its respective present or future assets or revenues to secure any Relevant Indebtedness (as defined below) of the Issuer unless the Issuer, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- a. all amounts payable by it under the Bonds are secured by a Security Interest equally and rateably with the Relevant Indebtedness in question being so secured; or
- b. such other Security Interest is approved by a resolution duly passed by the Bondholders.

11.3.3 For the purpose of this Section 11.3 and of Section 11.7 entitled "Events of Default":

"Relevant Indebtedness" means any indebtedness in respect of:

- (A) monies borrowed;
- (B) any debenture, bond, note, 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;
- (G) any guarantee, indemnity or similar assurance in respect of any such indebtedness.

"Security Interest" means any privilege, hypothec, pledge, lien, charge or other encumbrance which grants rights of preference to a creditor over the assets of the debtor.

"Permitted Security Interest" means:

- (A) any Security Interest arising by operation of law;
- (B) any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds;
- (C) any Security Interest securing any Relevant Indebtedness, including bank loans or overdrafts, in the ordinary course of business;
- (D) any other Security Interest (in addition to those referred to in (A), (B) and (C) above) securing Relevant Indebtedness of the Issuer in an aggregate outstanding amount, from time to time, not exceeding one million two hundred thousand euro (€1,200,000).

Provided that the aggregate Security Interests referred to in (C) and (D) above do not result in the amount arrived at after taking the Relevant Value and subtracting therefrom the aggregate value of the liabilities of the Issuer secured by Security Interests referred to in (A) and (B) above being less than one hundred and five per cent (105 %) of the aggregate principal amount of the Bonds still outstanding.

"Relevant Value" means the value of the assets of the Issuer calculated on the basis of their book value (as reflected in the accounts of the Issuer) and in the case of immovable property adjusted by reference to the

open market value of the said immovable property as determined by the Directors on the basis of independent professional advice/valuation procured by them.

11.4 Interest

11.4.1 The Bonds bear interest from and including the Issue Date at the rate of 4.9% per annum on the nominal value thereof, payable annually in arrears on November 30 of each year, commencing on November 30, 2014 (each such day, an "Interest Payment Date"): provided that any Interest Payment Date which falls on a day other than a Business Day, will be carried over to the next following day that is a Business Day. The period commencing on and including one Interest Payment Date (or in the case of the first such period, commencing on and including the Issue Date) and ending on but excluding the immediately following Interest Payment Date is referred to in these Bond Conditions as an "Interest Period".

11.4.2 Each Bond will cease to bear interest from and including its due date for redemption unless, payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above or at the rate of two per cent (2%) per annum above the European Central Bank's Refinancing Rate in respect of the Bonds, whichever is the greater.

11.4.3 When interest is required to be calculated for any period of less than a full Interest Period, it shall be calculated on the basis of the actual number of days elapsed from and including the most recent Interest Payment Date, or as appropriate, the Issue Date divided by the actual number of days (365 or 366 as the case may be) in the respective year.

11.5 Payments

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

11.5.2 All payments are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable fiscal or other laws and regulations. In particular, but without limitation, all payments by the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for, or on account of any present or future taxes, duties, assessments or other governmental charges of whatsoever nature imposed or levied by or on behalf of the government or authority thereof or therein having power to tax.

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

11.6 Redemption and Purchase

11.6.1 The Bonds will be redeemed at their nominal value (together with interest accrued on November 30, 2021 ("the Redemption Date"). The Issuer reserves the right to redeem earlier all or any of the Bonds on any date between November 30, 2019 and November 30, 2021 (both dates included), as the Issuer may determine, on giving not less than thirty (30) days' notice ("a Designated Optional Redemption Date"). Any notice of a Designated Optional Redemption Date shall specify the number of Bonds that the Issuer has opted to redeem on the Designated Optional Redemption Date and, if not all the Bonds are to be redeemed, the manner in which the Issuer will select the Bonds for redemption on such Designated Optional Redemption Date.

11.6.2 All Bonds so redeemed will be cancelled forthwith and may not be reissued or resold.

11.6.3 The Issuer and the Group may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased by the Issuer will be cancelled forthwith and may not be reissued or resold. All Bonds so purchased by the Group may be cancelled or held, reissued or resold at the discretion of the relevant purchaser. The Bonds so purchased, while held by or on behalf of the Group, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of these Bond Conditions including, without limitation, for the purposes of Sections 11.3 and 11.7.

11.7 Events of Default

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

11.7.1 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

11.7.2 the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in these Bond Conditions and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer by any Bondholder; or

11.7.3 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

11.7.4 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

11.7.5 the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or

11.7.6 there shall have been entered against the Issuer a final judgment by a court of competent jurisdiction from which no appeal may be or is taken for the payment of money in excess of one million two hundred fifty thousand euro (€1,250,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or

11.7.7 any default occurs and continues for ninety (90) days under any contract or document relating to any Relevant Indebtedness (as defined above) of the Issuer in excess of one million two hundred fifty thousand euro (€1,250,000) or its equivalent at any time.

11.8 Registration, Replacement, Transfer and Exchange

11.8.1 A register of the Bonds will be kept wherein there will be entered the names and addresses of the Bondholders and particulars of the Bonds held by them respectively and a copy of such register will at all reasonable times during business hours be open to the inspection of the Bondholders. If, and for as long as the Bonds are admitted to listing on the MSE, the said register will be kept at the CSD of the MSE or as may be stipulated by, and in accordance with, the MSE Bye-Laws.

11.8.2 A Bond may be transferred or transmitted only in whole in accordance with the rules and procedures applicable from time to time at the MSE. If Bonds are transferred or transmitted in part, the transferee thereof will not be registered as a Bondholder.

11.8.3 Any person becoming entitled to a Bond in consequence of the death, bankruptcy or winding up of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the MSE, elect either to be registered himself as Bondholder or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver

or send to the Issuer a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the Bond.

11.8.4 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

11.8.5 The cost and expenses of effecting any exchange or registration of transfer or transmission except for the expenses of delivery by regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

11.8.6 The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

11.9 Resolutions and Meetings of Bondholders

11.9.1 Bondholders have the following powers exercisable by a resolution voted for, at a meeting of the Bondholders convened and held in accordance with the provisions of this Section 11.9, by a majority of Bondholders holding not less than seventy five per cent (75%) of the outstanding principal amount for the time being of the Bonds:

- i. power to approve any release, modification, waiver or compromise of any of the rights of the Bondholders (however arising) against the Issuer, except that they do not have powers to affect rights in respect of payments of interest payable on the Bonds or the payment of the principal amount upon redemption;
- ii. power to authorise the Issuer to modify, alter, amend or add to the provisions contained in these Terms and Conditions of the Bonds and power to ratify and adopt any such modification, alteration, amendment or addition;
- iii. power to approve any scheme of reconstruction of the Issuer or for 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.

11.9.2 The Issuer may at any time convene a meeting of the Bondholders and if it receives a written request by Bondholders holding ten per cent (10%) of the outstanding principal amount for the time being 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. The time and place of the meeting must be specified by the Issuer.

11.9.3 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, in person or by proxy, accounting for at least fifty per cent (50%) of the outstanding principal amount for the time being of the Bonds.

11.9.4 Once a quorum is declared present by the Chairman of the meeting (who shall be 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 Bondholders to present their views to the Issuer and the other Bondholders. The meeting shall then put the resolution to a vote of the Bondholders present.

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

11.9.6 Save for the above, the rules generally applicable to the Issuer during General Meetings of shareholders shall apply.

11.9.7 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.

11.10 Further Issues

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

11.11 Bonds held Jointly

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

11.12 Bonds held Subject to Usufruct

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

11.13 Governing Law and Jurisdiction

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

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

11.14 Notices

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

11.15 Listing

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

12. TERMS AND CONDITIONS OF APPLICATION

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

- 12.1 Subject to all other Application Conditions, the Issuer reserves the right to reject, in whole or in part, or to scale down any Application, including multiple or suspected multiple Applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application, which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.
- 12.2 If any Application is not accepted, or if any Application is accepted for fewer Bonds than those applied for, then the Applicant shall receive a refund of the price of the Bonds applied for but not allocated, the Application monies or the balance of the amount paid on Application will be returned by direct credit into the Applicant’s bank account as indicated in the Application Form, within five (5) Business Days from the date of final allocation. No interest shall be due on refunds and any risk of loss or gain that may emerge on exchange of refunds from the currency of denomination of the Bonds applied for into the base currency of the Applicant, shall be at the charge or for the benefit of the Applicant.
- 12.3 In the case of joint Applications, reference to the Applicant in these Application Conditions is a reference to each Applicant, and liability therefore is joint and several. Furthermore, as joint Applicants, each Applicant warrants that he/she has only submitted one Application Form in his/her name.
- 12.4 Those Applicants who hold Bonds 2014/16 shall use the pre-printed Application Form to be mailed directly by the Issuer and shall be required to submit same to Authorised Financial Intermediaries together with cleared funds, if applicable (as described below), during the Preferred Applicants Offer Period.

Since the Issuer will be giving preference to Applications made by Existing Holders of Bonds 2014/16 up to their full amount rounded up to (a) €1,000, if the Bonds 2014/16 held are less than €1,000 or (b) to the nearest integral multiple of €100, if the Bonds 2014/16 held are more than €1,000, any such Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Bonds applied for and the nominal value of the Bonds 2014/16 being transferred.

By virtue of the submission of the duly completed Application Form, Existing Holders shall indicate their agreement to settle the consideration for the Bonds by surrendering in the Issuer’s favour for cancellation all or part of the Bonds 2014/16 together with the payment of such additional amount in cash as may be required.

By submitting the signed pre-printed Application Forms (whether in whole or in part consideration for the Bonds being applied for) together with the payment of such additional amount in cash as described above, Existing Holders shall be deemed to confirm that:

- a. All or part (as the case may be) of their holding of the Bonds 2014/16 indicated in the said Application Form are being surrendered in favour of the Issuer for cancellation; and
- b. The pre-printed Application Form constitutes the Existing Holders’ irrevocable mandate to the Issuer to:
 - i. Surrender the said Bonds 2014/16 in the Issuer’s favour for cancellation; and
 - ii. Engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.

Any Existing Holder wishing to surrender and cancel all or part of their Bonds 2014/16 in exchange of the Bonds shall only be entitled to do so during the Preferred Applicants Offer Period.

- 12.5 Any person, whether natural or legal, shall be eligible to submit an Application, and any one person, whether directly or indirectly, should not submit more than one Application Form provided that an Application Form submitted in terms of Condition 4 above shall not be counted for this purpose. In the case of corporate Applicants

or Applicants having separate legal personality, the Application Form must be signed by a person authorised to sign on behalf of, and bind, such Applicant. It shall not be incumbent on the Issuer or Registrar to verify whether the person or persons purporting to bind such an Applicant is, or are in fact, authorised.

- 12.6 Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interests shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- 12.7 All Applications must be submitted on Application Forms within the time limits established herein (refer to Expected Timetable in Section 7.2 of this Securities Note). The minimum subscription of the Bonds is €1,000 in value. Applications in excess of the said minimum thresholds must be in multiples of €100. The completed Application Forms are to be lodged with any of the Authorised Financial Intermediaries mentioned in this Securities Note. All Application Forms must be accompanied by the full price of the Bonds applied for in the currency of designation of the Bonds applied for. Payment may be made either in cash or by cheque payable, to “The Registrar – Gasan Finance Company p.l.c. Bond Issue”. In the event that a cheque accompanying an Application Form is not honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application Form.
- 12.8 By completing and delivering an Application Form you (as the Applicant(s)):
- a. irrevocably offer to purchase the number of Bonds specified in your Application Form (or any smaller number for which the Application is accepted) at the Issue Price subject to the Prospectus, the Bond Conditions and the Memorandum and Articles of Association of the Issuer;
 - b. authorise the Registrar and the Directors of the Issuer to include your name or in the case of joint Applications, the first named Applicant, in the register of Debentures of the Issuer in respect of the Bonds allocated to you;
 - c. warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a registration advice, or to be registered in the register of Debentures, or to enjoy or receive any rights in respect of such Bonds unless and until you make payment in cleared funds for such Bonds and such payment is accepted by the Issuer (which acceptance shall be made in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer of such late delivery of consideration in respect of such Bonds, the Issuer may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case you will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);
 - d. agree that the registration advice and other documents and any monies returnable to you may be retained pending clearance of your remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) (and regulations made thereunder) and that such monies will not bear interest;
 - e. agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that you submit to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
 - f. warrant that, if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have due authority to do so and such person, corporation, corporate entity, or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Application Conditions and undertake to submit your power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;
 - g. agree that all documents in connection with the issue of the Bonds and any returned monies including refund of all unapplied Application monies will be returned at your risk and will be returned by direct credit into the

- bank account as specified in the Application Form;
- h. agree that, having had the opportunity to read the Prospectus, you have, and shall be deemed to have had, notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - i. confirm that in making such Application you are not relying on any information or representation in relation to the Issuer or the issue of the Bonds other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof, will have any liability for any such other information or representation;
 - j. confirm that you have reviewed and you will comply with the restriction contained in Condition 9 below and the warning in this Section 12;
 - k. warrant that you are not under the age of eighteen (18) years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor;
 - l. agree that such Application Form is addressed to the Issuer and that in respect of those Bonds for which your Application has been accepted, you shall receive a registration advice confirming such acceptance;
 - m. confirm that in the case of a joint Application the first-named Applicant shall be deemed the holder of the Bonds;
 - n. agree to provide the Registrar and/or Issuer as the case may be, with any information which it may request in connection with your Application(s);
 - o. agree that Curmi & Partners Ltd will not, in its capacity of Sponsoring Stockbroker, treat you as its customer by virtue of your making an Application for the Bonds and that Curmi & Partners Ltd will owe you no duties or responsibilities concerning the price of the Bonds, or their suitability for you;
 - p. warrant that, in connection with your Application, you have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Bond Issue or your Application;
 - q. warrant that all applicable exchange control permits and authorisations which may be applicable have been duly and fully complied with;
 - r. represent that you are not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) and that you are not accepting the invitation comprised in the Prospectus from within the United States of America, its territories or its possessions, any State of the United States of America or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person, unless you indicate otherwise on the Application Form in accordance with the instructions of the Application Form.

- 12.9 The Bonds have not been and will not be registered under the Securities Act and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 12.10 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issues, transfer or other taxes required to be paid in such territory.
- 12.11 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 (Legal Notice 180 of 2008), all Authorised Financial Intermediaries are under a duty to communicate, upon request, all information they hold about clients, pursuant to Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the Exchange" appended as Appendix IV to Chapter 3 of the Exchange Bye-Laws, irrespective of whether the Authorised Financial Intermediaries are Exchange members or not. Such information shall be held and controlled by the Exchange in terms of the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes, and within the terms of, the Exchange's Data Protection Policy as published from time to time.

- 12.12 Within five (5) Business Days from the closing of the subscription lists, the Issuer shall determine, and either directly or through the Registrar, announce by way of press release, the basis of acceptance of Applications and allocation policy to be adopted.
- 12.13 Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Application Conditions, in the Application Form and in any other document issued pursuant to the Prospectus.
- 12.14 Application has been made to the Listing Authority in its capacity as the competent authority under the FMA for the Bonds to be admitted to listing on a regulated market and to the board of directors of the Exchange for the Bonds to be admitted to the Official List. Dealing shall commence upon admission to trading of the Bonds by the Exchange, and following notification of the Applicants as aforesaid.
- 12.15 The Application lists for the Bonds will open at 8:30 hours on November 18, 2013 and will close as soon thereafter as may be determined by the Issuer but not later than close of business on November 21, 2013, subject to the right of the Issuer to close subscription lists before such date in the event that the Offering is over-subscribed and the exercise or waiver by all the Existing Holders of Bonds 2014/16 of their right of preference in the allocation of the Bonds.

ANNEX I – SPECIMEN APPLICATION FORMS



Gasan Finance Company p.l.c.

€25,000,000
4.9% BONDS 2019 - 2021
APPLICATION FORM
Existing Holders of the 6% Bonds 2014/16
 Application Number

Please read the notes overleaf before completing this Application Form.

A APPLICANT

	TEL. NO.	MOBILE NO.
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Nominal Value of Gasan Finance Company p.l.c. 6% Bonds 2014 /16 held as at October 21, 2013 ("the Cut-Off Date) in EURO

I/We wish to purchase and acquire the amount set below in Gasan Finance Company p.l.c. 4.9% Bonds 2019-2021 at the Bond Issue Price (at par) pursuant to the Prospectus dated October 18, 2013 (minimum €1,000 and in multiples of €100 thereafter).

	AMOUNT IN FIGURES Box 1 €
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B AMOUNT IN WORDS

	AMOUNT IN FIGURES Box 2 €
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Amount of Gasan Finance Company p.l.c. 4.9% Bonds 2019-2021 applied for less the nominal holding in the Bonds 2014/16, payable in full under the Terms and Conditions as set out in the Prospectus.

	AMOUNT IN FIGURES Box 3 Difference payable on Application Box 2 - Box 1 €
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C RESIDENT - WITHHOLDING TAX DECLARATION (See note 9) (to be completed ONLY if the Applicant is a Resident of Malta)

I/We elect to have Final Withholding Tax deducted from my/our interest.

I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

D NON-RESIDENT - DECLARATION FOR TAX PURPOSES (to be completed ONLY if the Applicant is a Non-Resident)

TAX COUNTRY	TOWN OF BIRTH	
T.I.N. (Tax Identification Number)	COUNTRY OF BIRTH	
PASSPORT/NATIONAL I.D. CARD	NUMBER	ISSUE DATE

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

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

E INTEREST MANDATE (see note 9) Completion of this Panel is **MANDATORY**

BANK	BRANCH	ACCOUNT NO.
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F This Application form is to be submitted in the case where the Applicant selects, as a method of payment for the Gasan Finance Company p.l.c. 4.9% Bonds 2019-2021 being applied for, to transfer to the Issuer all or part of the Bonds held by the Applicant as at the Cut-Off Date for the nominal value of which is set out in Box 1 of Panel B above. By submitting this signed Application Form, the Applicant is thereby confirming that:

- a. All or part (as the case may be) of their holding of the Bonds 2014/16 indicated in the said Application Form are being surrendered in favour of the Issuer for cancellation; and
- b. The pre-printed Application Form constitutes the Existing Holders' irrevocable mandate to the Issuer to:
 - i. Surrender the said Bonds 2014/16 in the Issuer's favour for cancellation; and
 - ii. Engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.

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

 Signature/s of Applicant/s _____
 Date

(Parent/s or legal guardian/s are/is to sign if Applicant is a minor)
 (All parties are to sign in the case of a joint Application)
 (Bare owner/s and usufructuary/ies to sign in the case of Bondholdings that are subject to usufruct)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE _____
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Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated October 18, 2013

1. This Application is governed by the Terms and Conditions of Application contained in Section 12 of the Securities Note dated October 18, 2013, forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK LETTERS.
3. This Application Form is not transferable and entitles you to a preferential treatment as a holder of the Bonds 2014/16. (see note 6 below).
4. Interest and redemption proceeds will be issued in the name of the person as shown in Panel A overleaf.
5. This Application Form is to be submitted in the case where the Applicant selects, as a method of payment for the Gasan Finance Company p.l.c. 4.9% Bonds 2019-2021 being applied for, to transfer to the Issuer all or part of the holding in the Bonds 2014/16 held by the Applicant as at the Cut-Off Date for the nominal value of which is set out in Box 1 of Panel B overleaf. By submitting this signed Application Form, the Applicant is thereby confirming that:
 - a. All or part (as the case may be) of their holding of the Bonds 2014/16 indicated in the said Application Form are being surrendered in favour of the Issuer for cancellation; and
 - b. The pre-printed Application Form constitutes the Existing Holders' irrevocable mandate to the Issuer to:
 - i. Surrender the said Bonds 2014/16 in the Issuer's favour for cancellation; and
 - ii. Engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Holder.
6. The amount set out in Box 2 of Panel B overleaf must be in multiples of €100. Applications for the Bond made by Existing Holders as at the Cut-Off Date, will be satisfied in full up to the level of their existing holding in the Bonds 2014/16 rounded up to the minimum amount of €1,000.

Where the Applicant wishes to acquire a number of Gasan Finance Company p.l.c. 4.9% Bonds 2019 - 2021 having an aggregate value which exceeds the nominal value of the number of the Bonds 2014/16 set out in Box 1 of Panel B, the Applicant may do so by including such higher amount in Box 2 in Panel B. In such case, the Applicant must ensure that the relative Application Form is accompanied by payment of the difference between the full price of the amount of Gasan Finance Company p.l.c. 4.9% Bonds 2019 - 2021 applied for and the nominal value of the Bonds 2014/16 being transferred. Payment of the amount representing such difference, which is to be inserted in Box 3 of Panel B overleaf, may be made in cash or by cheque payable to "The Registrar - Gasan Finance Company p.l.c. 4.9% Bonds 2019-2021" which is to be attached to the Application Form being submitted to any Authorised Financial Intermediary listed in Annex II of the Securities Note. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

7. Applicants who are Non-Residents in Malta for tax purposes. must complete Panel D overleaf.
8. In the case where a holder of the Bonds 2014/16 is a body corporate, Application Forms must be signed by duly authorised representative/s indicating the capacity in which they are signing.
9. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as residents in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund will have Final Withholding Tax, currently 10%, deducted from interest payments. Applicants will receive interest directly in a bank account held locally in Euro and such choice is to be indicated in Panel E overleaf.

In terms of Section 10.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act, interest shall be paid to such person net of final withholding tax, currently at the rate of 15% of the gross amount of interest, pursuant to Article 33 of the Income Tax Act.

10. European Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent address is in an EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.
11. The MSE account number has been pre-printed on Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at October 21, 2013. **APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
12. Completed Application Forms are to be delivered at any of the Authorised Financial Intermediaries listed in Annex II of the Securities Note, during normal office hours by not later than 14:00 on November 14, 2013. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus. Any Applications received by the Registrar after 14:00 on November 14, 2013, will not be accepted. If an Application is not accepted or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated will be returned by direct credit into the bank account indicated in Panel E.
13. By completing and delivering an Application Form you (as the Applicant(s)):
 - a. acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act 2001;
 - b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself, as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.



Gas Finance Company p.l.c.

APPLICATION FORM

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

APPLICANT/S (see notes 2 to 5)

A	<input type="checkbox"/> Director	<input type="checkbox"/> Employee
B	TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME / REGISTERED NAME
ADDRESS		POSTCODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG. NO.	TEL. NO.
		MOBILE NO.

C ADDITIONAL (JOINT) APPLICANTS (see note 3) *(please use additional Application Forms if space is not sufficient)*

TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.
TITLE (Mr/Mrs/Ms/)	FULL NAME & SURNAME	I.D. CARD / PASSPORT NO.

D I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 and 9):

AMOUNT IN FIGURES €	AMOUNT IN WORDS
------------------------	-----------------

Gas Finance Company p.l.c. Bonds 4.9% Bonds 2019 - 2021 (minimum €1,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated October 18, 2013, (the "Prospectus"), payable in full upon application under the Terms and Conditions as defined in the said Prospectus.

E RESIDENT - WITHHOLDING TAX DECLARATION (see note 8) *(to be completed ONLY if the Applicant is a Resident of Malta)*

I/We elect to have Final Withholding Tax deducted from my/our interest.

I/We elect to receive interest GROSS (i.e. without deduction of withholding tax).

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

TAX COUNTRY	TOWN OF BIRTH		
T I N (Tax Identification Number)	COUNTRY OF BIRTH		
PASSPORT/NATIONAL I.D. CARD	COUNTRY OF ISSUE	NUMBER	ISSUE DATE

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

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

G INTEREST, REFUND & REDEMPTION MANDATE (see note 9)

BANK	BRANCH	ACCOUNT NUMBER
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H I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to the terms and conditions as contained therein which I/we fully accept.

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

Date

AUTHORISED INTERMEDIARY'S STAMP	AUTHORISED INTERMEDIARY'S CODE <input type="text"/>	APPLICATION NUMBER
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Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated October 18, 2013.

1. This Application is governed by the Terms and Conditions of Application contained in Section 12 of the Securities Note dated October 18, 2013, forming part of the prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 5 below).**
4. Applicants who are Non-Resident in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel F; the relative box in Panel A must also be marked appropriately.
5. **APPLICANTS WHO HOLD SECURITIES ON THE MALTA STOCK EXCHANGE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
6. Applications must be for a minimum of €1,000 and thereafter in multiples of €100.
7. Payment in Euro may be made by cheque payable to 'The Registrar - Gasan Finance Company p.l.c. Bond Issue'. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
8. Only applicants who hold a valid official Maltese Identity Card or Companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her return.

In terms of Section 10.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act, interest shall be paid to such person net of final withholding tax, currently at the rate of 15% of the gross amount of interest, pursuant to Article 33 of the Income Tax Act.
9. If any Application is not accepted, or is accepted for fewer Bonds after the closure of the subscriptions lists, than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
10. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in a EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.
11. Completed Application Forms are to be delivered at any of the Authorised Financial Intermediaries listed in Annex II of the Securities Notes, during normal office hours by not later than 14:00 on November 14, 2013. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus. Any Applications received by the Registrar after 14:00 on November 14, 2013, will not be accepted. If an Application is not accepted or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated will be returned by direct credit into the bank account indicated in Panel G.
12. By completing and delivering an Application Form you (as the Applicant(s)):
 - a) acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act 2001;
 - b) acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c) acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself, as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.



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

APPLICANT/S (see notes 2 to 7)

A Non-Resident Minor (under 18) Body Corporate/
Body of Persons CIS-Prescribed Fund

B TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME / REGISTERED NAME

ADDRESS

POSTCODE

MSE A/C NO. (if applicable) I.D. CARD / PASSPORT / COMPANY REG. NO. TEL. NO. MOBILE NO.

C ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use additional Application Forms if space is not sufficient)

TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

D MINOR'S PARENTS / LEGAL GUARDIANS (see note 4) (to be completed ONLY if the Applicant is a minor)

I TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

II TITLE (Mr/Mrs/Ms/) FULL NAME & SURNAME I.D. CARD / PASSPORT NO.

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

AMOUNT IN FIGURES AMOUNT IN WORDS
€

Gas Finance Company p.l.c. Bonds 4.9% Bonds 2019 - 2021 (minimum €1,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated October 18, 2013, (the "Prospectus"), payable in full upon application under the Terms and Conditions as defined in the said Prospectus.

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

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

G NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 12) (to be completed ONLY if the Applicant is a Non-Resident)

TAX COUNTRY TOWN OF BIRTH

T I N (Tax Identification Number) COUNTRY OF BIRTH

PASSPORT/NATIONAL I.D. CARD COUNTRY OF ISSUE NUMBER ISSUE DATE

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

H INTEREST, REFUND & REDEMPTION MANDATE (see note 11)

BANK BRANCH ACCOUNT NUMBER

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

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

AUTHORISED INTERMEDIARY'S STAMP

AUTHORISED INTERMEDIARY'S CODE

APPLICATION NUMBER

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated October 18, 2013.

1. This Application is governed by the Terms and Conditions of Application contained in Section 12 of the Securities Note dated October 18 2013, forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS.
3. Applicants are to insert full personal details in Panel B. In the case of an application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 7 below).**
4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
5. Applicants who are Non-Resident in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G; the relative box in Panel A must also be marked appropriately.
6. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. **APPLICANTS WHO HOLD SECURITIES ON THE MALTA STOCK EXCHANGE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
8. Applications must be for a minimum of €1,000 and thereafter in multiples of €100.
9. Payment in Euro may be made by cheque payable to 'The Registrar - Gasan Finance Company p.l.c. Bond Issue'. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.
10. Only applicants who hold a valid official Maltese Identity Card or Companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have Final Withholding Tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of Final Withholding Tax), but he/she will be obliged to declare interest so received on his/her return. Authorised entities applying in the name of a Prescribed Fund (having indicated their status in the appropriate box in Panel A) will have Final Withholding Tax, currently 10%, deducted from interest payments.

In terms of Section 10.2 of the Securities Note, unless the Issuer is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of Article 41(c) of the Income Tax Act, interest shall be paid to such person net of final withholding tax, currently at the rate of 15% of the gross amount of interest, pursuant to Article 33 of the Income Tax Act.
11. If any Application is not accepted, or is accepted for fewer Bonds after the closure of the subscriptions lists, than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.
12. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the Applicant's permanent residential address is in a EU Member State or in another country to which the Directive applies (called a "specified territory") then the interest paid will be reported.
13. Subscription lists will open at 08:30 hours on November 18, 2013 and will close as soon thereafter as may be determined by the Issuer, but not later than close of business, November 21, 2013. The Issuer reserves the right, however, to close the Bond Issue before November 21, 2013, in the event of over-subscription. The Issuer reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Bond as contained in the Prospectus. Any Applications received by the Registrar after the subscription lists close will be rejected. Completed Application Forms are to be delivered to any of the Authorised Intermediaries listed in Annex II of the Securities Note, during the normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not received by the closing of the subscription lists.
14. By completing and delivering an Application Form you (as the Applicant(s)):
 - a) acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection Act 2001;
 - b) acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c) acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The request must be signed by yourself, as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

ANNEX II – LIST OF AUTHORISED FINANCIAL INTERMEDIARIES

Members of the Malta Stock Exchange

Bank of Valletta p.l.c. BOV Centre, Cannon Road Santa Venera SVR 9030	Tel: 2275 1732 Fax: 2275 1733 www.bov.com
Calamatta Cuschieri & Co. Ltd 5th Floor, Valletta Buildings, South Street Valletta VLT 1103	Tel: 2568 8688 Fax: 2568 8256 www.cc.com.mt
Charts Investment Management Service Ltd Valletta Waterfront, Vault 17, Pinto Wharf Floriana FRN 1913	Tel: 2122 4106 Fax: 2124 1101 www.charts.com.mt
Curmi & Partners Ltd Finance House, Princess Elizabeth Street Ta' Xbiex XBX 1102	Tel: 2342 6000 Fax: 2134 7333 www.curmiandpartners.com
Financial Planning Services Ltd 4, Marina Court, 1 G Cali Street Ta' Xbiex XBX 1421	Tel: 2134 4244 Fax: 2134 1202 www.bonellofinancial.com
FINCO Treasury Management Ltd Level 5, The Mall Complex, The Mall Floriana FRN1470	Tel: 2122 0002 Fax: 2124 3280
Global Capital Financial Management Ltd Testaferrata Street Ta' Xbiex XBX 1403	Tel: 2134 2342 Fax: 2133 3100 www.globalcapital.com.mt
Hogg Capital Investments Ltd Regent House, Level 3, Suite 33, Bisazza Street Sliema SLM 1641	Tel: 2132 2872 Fax: 2134 2760 www.hoggcapital.com
Jesmond Mizzi Financial Advisors Ltd 67, Level 3, South Street Valletta VLT 1105	Tel: 2122 4410 Fax: 2122 3810 www.jesmondmizzi.com
Lombard Bank Malta p.l.c. 67, Republic Street Valletta VLT 1117	Tel: 2558 1114 Fax: 2558 1815 www.lombardmalta.com
Rizzo Farrugia & Co. (Stockbrokers) Ltd Airways House, Third Floor, High Street Sliema SLM 1549	Tel: 2258 3000 Fax: 2258 3001 www.rizzofarrugia.com

Investment Services Providers

APS Bank Ltd
Investment Services Unit, APS Centre
Level 2, Tower Street, B'Kara BKR 4012

Tel: 2560 3192
Fax: 2560 3001
www.apsbank.com.mt

Crystal Finance Investments Ltd
10, First Floor, City Gate
Valletta VLT1010

Tel: 2122 6190
Fax: 2122 6188
www.crystal.com.mt

Fexserv Investment Services Ltd
Alpine House, Naxxar Road
San Gwann SGN 9032

Tel: 2576 2001
Fax: 2137 8869

Growth Investments Ltd
Customer Service Centre, Pjazza Giovanni XXIII
Floriana FRN 1420

Tel: 2590 9356
Fax: 2122 6429
www.growthinvestmentsonline.com

HSBC Bank Malta p.l.c.
Wealth Sales, Brokerage & Trading, High Street
Sliema SLM 1549

Tel: 2380 2381
Fax: 2380 6046
www.hsbc.com.mt

Joseph Scicluna Investment Services Ltd
Bella Vista Court, Level 3, Gorg Borg Olivier Street
Victoria Gozo VCT 2517

Tel: 2156 5707
Fax: 2156 5706

Maltese Cross Financial Services Ltd
242, Fleur-de-lys Road
B'Kara BKR 906

Tel: 2144 7600
www.maltesecrossfinancial.eu

Mercieca Financial Investment Services Ltd
'Mercieca', John F. Kennedy Square
Victoria Gozo VCT 2580

Tel: 2155 3892

Michael Grech Financial Investment Services Ltd
The Brokerage, Level OA, St Marta Street
Victoria Gozo VCT 2550

Tel: 2155 4492
Fax: 2155 9199
www.michaelgrechfinancial.com

MZ Investment Services Ltd
55, MZ House, St Rita Street
Rabat RBT 1523

Tel: 2145 3739
Fax: 2145 3407
www.mzinvestments.com

W & J Coppini Investment Services Ltd
144, Tower Road, Sliema SLM 1604

Tel: 2134 5412
Fax: 2134 4972



Gasas Finance Company p.l.c.

Issuer

Gasas Finance Company p.l.c.
Gasas Centre,
Mriehel By-Pass,
Mriehel, BKR 3000
Malta.

Advisers to the Issuer:

Legal Advisers

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

Statutory Auditors & Financial Advisers

PricewaterhouseCoopers
167, Merchants Street,
Valletta, VLT 1174
Malta.

Sponsor

Curmi & Partners Limited
Finance House,
Princess Elizabeth Street,
Ta' Xbiex, XBX 1102
Malta.

Manager & Registrar

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