



SUMMARY NOTE

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

Dated 2 June 2014

SUMMARY NOTE

In respect of an Issue of €12,000,000 6% Unsecured Bonds 2021
of a nominal value of €100 per Bond issued at par by



Mediterranean Investments Holding p.l.c.

A public limited liability company registered in Malta
with company registration number C 37513

ISIN: MT0000371261

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT 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 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 ADVISOR.

Legal Counsel

Sponsor, Manager
and Registrar

CAMILLERI PREZIOSI
ADVOCATES

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING



SUMMARY NOTE

IMPORTANT INFORMATION

THIS SUMMARY NOTE CONSTITUTES PART OF A PROSPECTUS AND CONTAINS INFORMATION ON MEDITERRANEAN INVESTMENTS HOLDING P.L.C., ITS SUBSIDIARIES, AFFILIATES AND BUSINESS OF THE GROUP, AND INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012, COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013) AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014); AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MSE.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE COMPANY 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 THIS 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 ADVISORS.

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.

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

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

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE 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 THE SAID DIRECTIVE.

A COPY OF THIS DOCUMENT HAS BEEN REGISTERED WITH THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MSE IN SATISFACTION OF THE MSE BYE-LAWS AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES, IN ACCORDANCE WITH THE ACT. APPLICATION HAS ALSO BEEN MADE TO THE MSE FOR THE BONDS TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE. **A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS IN INVESTING IN THE ISSUER AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER CAREFUL CONSIDERATION AND CONSULTATION WITH HIS OR HER OWN INDEPENDENT FINANCIAL ADVISOR.**

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

THE VALUE OF INVESTMENTS CAN RISE OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE YOU SHOULD CONSULT A LICENSED STOCKBROKER OR AN INVESTMENT ADVISOR 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. ALL THE ADVISORS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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



SUMMARY NOTE

This Summary Note is prepared in accordance with the requirements of the Regulation, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014. 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 securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

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

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

Act	the Companies Act (Cap. 386 of the Laws of Malta);
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar or to any of the Authorised Financial Intermediaries;
Application Form	the form of application of subscription for Bonds, a specimen of which is contained in Annex II of this Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of the Securities Note;
Bond(s)	the €12,000,000 bonds of a face value of €100 per bond bearing interest at the rate of 6% per annum and redeemable on the Redemption Date at their nominal value, as detailed in the Securities Note;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Corinthia Group	CPHCL and the companies in which CPHCL has a controlling interest;
CPHCL	Corinthia Palace Hotel Company Limited, a company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
Cut-Off Date	close of business of 2 June 2014;
Directors	the directors of the Issuer whose names are set out under the heading "Identity of Directors, Senior Management, Advisors and Auditors" of the Registration Document;
EDREICO	Economic Development and Real Estate Investment Company, a company registered under the laws of Libya and having its registered office at 49, 4th Floor, Burj Al Fatah Tower, PO BOX 93142, Tripoli, Libya;
Euro or €	the lawful currency of the Republic of Malta;
Group	the Issuer (parent company), PCL and PWL (subsidiary companies), and MIJSC (associate company);
IHI	International Hotel Investments p.l.c., a company registered under the laws of Malta with company registration number C 26136 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
Interest Payment Date	22 June of each year between and including each of the years 2015 and the year 2021, provided that if any such day does not fall on a Business Day such Interest Payment Date will be carried to the next following day that is a Business Day;
Intermediaries' Offer	the entry into conditional subscription agreements dated 20 June 2014 by the Issuer and a number of Authorised Financial Intermediaries for the subscription by such intermediaries, and allocation thereto by the Issuer, of Bonds;
Issuer or MIH	Mediterranean Investments Holding p.l.c., a public company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;



SUMMARY NOTE

Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules of the Listing Authority;
LPTACC	Libya Projects Trading And Contracting Company, a company registered under the laws of Kuwait with company registration number 119633 and having its registered office at Office 16/Mezzanine, Block 12, Al Asfour International Company, Al Manqaf, Kuwait;
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Maturing Bonds	the 7.5% bonds due to mature on 4 December 2014, amounting as at the date of the Prospectus to €14,757,659, issued by the Issuer pursuant to a prospectus dated 7 November 2007 with ISIN MT0000371212;
Medina Tower	the proposed Medina Tower project in Tripoli, Libya;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
NPHC	National Projects Holding Company (KSC), a Kuwaiti shareholding company registered under the laws of Kuwait with company registration number 111731 and having its registered office at National Market Building, 4th Floor, Office 24, Abdullah Al Salem, Al Mirqab, Kuwait;
Official List	the list prepared and published by the MSE as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Palm City Residences	the Palm City Residences, a property operated by PCL and situated in Janzour, Libya;
PCL	Palm City Limited, a company registered under the laws of Malta with company registration number C 34113 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
Prospectus	collectively, the Registration Document, the Securities Note and the Summary Note;
PWL	Palm Waterfront Ltd, a company registered under the laws of Malta with company registration number C 57155 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
Redemption Date	22 June 2021;
Redemption Value	the nominal value of each Bond (€100 per Bond);
Registration Document	the registration document issued by the Issuer dated 2 June 2014, forming part of the Prospectus;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus;
Securities Note	the securities note issued by the Issuer dated 2 June 2014, forming part of the Prospectus;
Sponsor	Charts Investment Management Service Limited, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
Subsidiaries	the subsidiary companies of the Issuer, that is PCL and PWL;
Summary Note	this summary note issued by the Issuer dated 2 June 2014, forming part of the Prospectus;
Terms and Conditions	the terms and conditions of the Bond Issue as contained in section 7 of the Securities Note.

SECTION A – INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

- 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 this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before legal proceedings are initiated; and
- iii. Civil liability attaches only to those persons who have tabled 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 Consent required for use of the Prospectus during the Issue Period – prospective investors are hereby informed that:

- i. For the purposes of any subscription for Bonds through any of the Authorised Financial Intermediaries during the Issue Period and any subsequent resale, placement or other offering of Bonds by such Authorised Financial Intermediaries in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Bonds, provided that this is limited only:
 - (a) in respect of Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex I of the Securities Note during the Issue Period;
 - (b) to any resale or placement of Bonds subscribed for as aforesaid taking place in Malta;
 - (c) to any resale or placement of Bonds subscribed for as aforesaid taking place within the period of 60 days from the date of the Prospectus.
- ii. **In the event of a resale, placement or other offering of Bonds by an Authorised Financial Intermediary, the Authorised Financial Intermediary shall be responsible to provide information to investors on the terms and conditions of the resale, placement or other offering at the time such is made.**
- iii. Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of this Prospectus will be made available through a company announcement which will also be made available on the Issuer's website: www.mihplc.com.

SECTION B – ISSUER

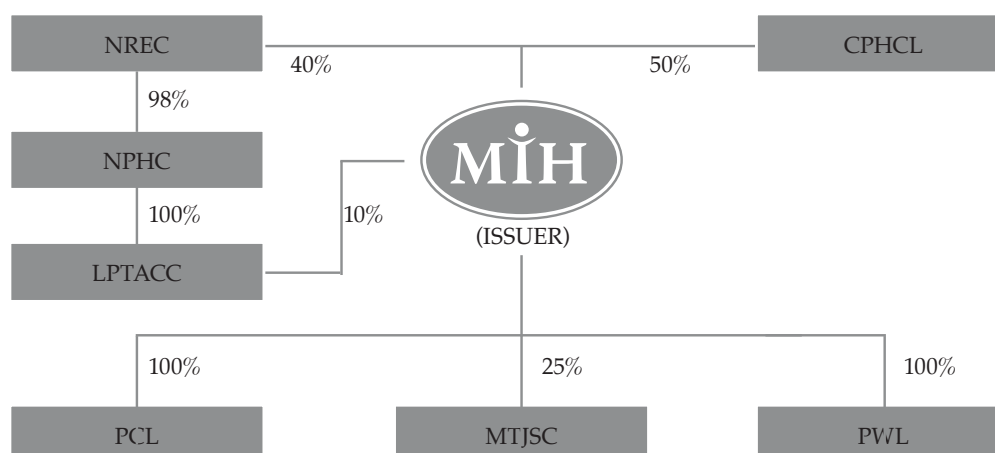
- B.1** The legal and commercial name of the Issuer is Mediterranean Investments Holding p.l.c. (registration number C 37513).
- B.2** The Issuer was registered in Malta in terms of the Act on 12 December 2005 as a private limited liability company, and was subsequently converted into a public limited liability company on 6 November 2007. The Issuer is domiciled in Malta.
- B.4b** The principal object of the Issuer, which is limited to activities outside Malta and to such other acts as are or may be necessary for its operations from Malta, is to directly and indirectly acquire and develop real estate opportunities in North Africa, including without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, residential gated compounds, housing, hotels, build-operate-transfer (BOT) and other governmental projects, and conference centres.

In 2011 the North African region was affected by substantial political change. Civil unrest started in Tunisia, followed in Egypt and ultimately spread to Libya. In these countries the existing governments either stepped down or were removed. 2012 and 2013 were also characterised by turmoil in Egypt. Whilst the unrest in Libya had largely subsided in the first quarter of 2013, the remaining months of 2013 and first quarter 2014 have seen various protests and episodes of violence, with security concerns and fragmented governance in many areas of the country. The period during the conflict and its aftermath were characterised by political and economic instability and a curtailment of business activity. Despite such security challenges, commercial activity in Libya continues to expand and consequently demand for residential premises to accommodate executives for the long term should be maintained. In line with the published audited financial statements, 2013 turned out to be a positive year for PCL as the company concluded more residential term contracts with third parties, thereby increasing average occupancy at Palm City Residences from 79% in 2012 to 92%. Barring any unforeseen circumstances, in the near to medium term, occupancy at Palm City Residences and achieved revenues thereof are expected to remain broadly stable at current levels.

After achieving practically full occupancy at the Palm City Residences, MIH has turned its focus to the Palm Waterfront, which will be developed adjacent to the Palm City Residences. Management is already active in the preparation of detailed design drawings, and aims to submit final plans to the planning authorities in Tripoli for approval during the current financial year. It is the intention of PWL to offer residential units at Palm Waterfront, when complete, either on a lease basis or outright sale and PWL will align its strategies and offerings in accordance with trends and market developments. With respect to the planned 164-room 4-star hotel at the Palm Waterfront, PWL will resort to the Corinthia Group's experience in operating hotels, particularly in the operation of the Corinthia Hotel Tripoli.

As to the Medina Tower, the project designs are complete and all development approvals have been obtained from the relevant authorities. The joint venture company responsible for the project, MTJSC, has also recently concluded a term sheet with a Libyan financial institution which, if confirmed, would secure the full funding for the said project on a debt to equity basis of 60:40. The development is expected to be completed within circa 48 months from commencement of the works. Said term sheet provides for a moratorium on capital repayments for the length of this 48 month period.

- B.5** The Issuer is the parent company of the Group. The organisational structure of the Group is illustrated in the diagram below:



- B.9** Not Applicable: the Registration Document forming part of the Prospectus does not contain any profit forecasts or estimates.
- B.10** Not Applicable: the audit reports on the audited financial statements for the years ended 31 December 2011, 2012 and 2013 do not contain any qualifications.
- B.12** The historical financial information for the Issuer and its Subsidiaries for the three financial years ended 31 December 2011, 2012 and 2013 as audited by Grant Thornton is set out in the financial statements of the Issuer. Such audited consolidated financial statements are available on the Issuer's website (www.mihplc.com) and at its registered office.

The remaining components of Element B.12 are not applicable, given that: (i) there has been no material adverse change in the prospects of the Issuer since the date of its last published audited financial statements; (ii) there were no significant changes in the financial or trading position of the Issuer since the end of the financial period to which the last consolidated financial statements relate.

Extracts of the historical financial information referred to above are set out below:

Condensed statements of total comprehensive income

For the year ended 31 December	2013	2012	2011
	€'000	€'000	€'000
Revenue	30,875	27,315	10,202
EBITDA	23,146	20,537	5,724
Profit/(loss) for the year	13,793	49,043	(2,696)

Condensed statements of financial position

As at 31 December	2013	2012	2011
	€'000	€'000	€'000
Total assets	350,907	346,310	291,054
Equity and liabilities			
Total equity	166,140	152,393	103,304
Total liabilities	184,767	193,917	187,750
Total equity and liabilities	350,907	346,310	291,054

Condensed statements of cash flows

For the year ended 31 December	2013	2012	2011
	€'000	€'000	€'000
Net cash from operating activities	22,426	22,033	4,244
Net cash used in investing activities	(9,942)	(15,888)	(6,171)
Net cash (used in)/from financing activities	(15,111)	(22,165)	2,325
Net (decrease)/increase in cash and cash equivalents	(2,627)	(16,020)	398
Cash and cash equivalents at end of year	10,289	12,815	28,844

- B.13** Not Applicable: The Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency.
- B.14** The Issuer is the parent company of the Group and was set up in 2005. Its principal activities include the direct or indirect acquisition, development and operation of real estate projects in Libya and the investment in any related trade or business venture. The business of the Group largely relates to the development and operation of the Palm City Residences, the construction and development of the Medina Tower, and the development and eventual operation of the Palm Waterfront. Since its incorporation, MIH has issued five bonds which are listed and traded on the MSE. As the holding company of the Group, MIH is ultimately dependent upon the operations and performance of its Subsidiaries and other investments.



SUMMARY NOTE

- B.15** As at the date of the Prospectus, the Issuer is a holding company having investments in its Subsidiaries which operate the business of the Group. In terms of its Memorandum and Articles of Association, the main objects for which the Issuer is constituted, which are limited to activities outside Malta and to such other acts as are or may be necessary for its operations from Malta, are to directly or indirectly acquire and develop real estate opportunities in North Africa, including, without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, residential gated villages, housing, hotels, build-operate-transfer and other governmental projects, and conference centres.
- B.16** The Issuer's current authorised share capital is €100,000,000 divided into 50,000,000 Ordinary 'A' shares of €1 each and 50,000,000 Ordinary 'B' shares of €1 each. The issued share capital of the Company is €48,002,000 divided into 24,001,000 Ordinary 'A' shares of €1 each and 24,001,000 Ordinary 'B' shares of €1 each, fully paid up. Each of CPHCL and NREC (directly or indirectly) hold 50% of the Issuer's share capital. Accordingly CPHCL and NREC are the ultimate beneficial shareholders of the Issuer. Of the 50% share owned by NREC, 10% is held by its subsidiary LPTACC, a fully owned subsidiary of NPHC which in turn is 98% owned by NREC. In terms of the Memorandum and Articles of Association of the Issuer each of CPHCL and NREC have the right to appoint three (3) Directors to the Board, with the seventh Director jointly appointed by CPHCL and NREC.
- 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 shall issue an aggregate of €12,000,000 in Bonds having a face value of €100 per bond, subject to a minimum subscription of €2,000 in Bonds. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds will have the following ISIN number MT0000371261. The Bonds shall bear interest at the rate of 6% per annum and shall be repayable in full upon maturity unless previously re-purchased and cancelled.
- C.2** The Bonds are denominated in Euro (€).
- C.5** The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- C.8** Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to:
- (i) the payment of capital;
 - (ii) the payment of interest;
 - (iii) ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows:
“The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any”;
 - (iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond; and
 - (v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.
- C.9** As at 31 December 2013 the indebtedness of the Group amounted to €117.03 million, consisting of bank loans (€40.94 million), corporate bonds (€72.88 million) and borrowings from shareholders (€3.2 million). The aforesaid bank borrowings are secured by privileges and hypothecs, and therefore the indebtedness being created by the Bonds, together with the other bonds already in issue, rank after all such bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.
- The Bonds shall bear interest from and including 23 June 2014 at the rate of 6% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 22 June 2015. 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. Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value on 22 June 2021.
- 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 six per cent (6%).
- The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.
- C.10** Not Applicable: there is no derivative component in the interest payments on the Bonds.
- C.11** The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 2 June 2014. Application has been made to the MSE for the Bonds being issued pursuant to the Prospectus to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 27 June 2014 and trading is expected to commence on 30 June 2014.

SECTION D – RISKS

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

The Prospectus contains statements that are, or may be deemed to be, “forward looking statements”, which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or its’ Directors. 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.

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

D.2 Essential information on the key risks specific to the Issuer, the Group and its business:

The Issuer was incorporated in 2005 and, through PCL, has primarily been involved in the development and operation of the Palm City Residences. Until such time when the Medina Tower project and the Palm Waterfront project are fully developed and launched on the market, the Issuer will continue to be solely dependent on the business prospects and operating results of PCL.

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

- i. All of the respective assets of the Issuer and PCL, their operations, business interests and activities, are located or conducted in Libya through a branch of PCL. Moreover, the Group’s business activities over the coming years are expected to be focused on and aimed at the development of the Medina Tower and the Palm Waterfront. Accordingly, the Group is susceptible to the political and economic trends that may from time to time influence Libya’s prospects. Specific risks that may have a material impact on the Group’s business, operating results, cash flows and financial condition include: acts of warfare and civil clashes; acts of terrorism; political, social and economic instability; government intervention in the market, including through tariffs, protectionism and subsidies; changes in regulatory, taxation and legal structures; difficulties and delays in obtaining permits and consents for operations and developments; inconsistent governmental action; and/or lack or poor condition of infrastructure. Any unexpected changes in the political, social, economic or other conditions and trends in or affecting Libya may have an adverse effect on the operations and financial results of the Group and on any investments made by the Group.
- ii. Emerging markets present economic and political conditions which differ from those of more developed markets, and could possibly present less social, political and economic stability, which could render investment in such markets more risky than investments in more developed markets. As an emerging market, the Libyan market is undergoing and may continue to undergo substantial political, economic and social reform, and the implications and consequences of reform may not be entirely clear at the outset. The consequences may be profound and accordingly prospective investors should take into account the unpredictability associated therewith.
- iii. The rental rates and occupancy levels at the Palm City Residences, and progress achieved in the development of the Medina Tower and the Palm Waterfront, could be adversely impacted by the aforementioned events, all of which could have an adverse impact on the Group’s operations and financial results. Businesses in emerging markets may not be operating in a market-oriented economy as known in more developed markets.
- iv. The Libyan legal and judicial system may be different from that which some investors may be more familiar with, and investors in Malta may consider such system as not providing the level of comfort for investment which they are used to under the Maltese legal system or other civil and common law jurisdictions, and accordingly they may consider that the Issuer may face difficulties in enforcing its legal rights relating to the properties owned in Libya.

- v. The main pillar of the Group's business consists of the acquisition, development and running of real estate projects in Libya. Property development projects are subject to a number of specific risks inherent in this field – the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of sale or rental transactions not being effected at the prices and within the timeframe envisaged; higher interest costs; and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance. Furthermore, the Group is subject to various counter-party risks, including the risk of counter-parties and prospective purchasers and/or lessors defaulting on their obligations with the Group. Such parties may fail to perform or default on their obligations to the Group due to insolvency, lack of liquidity, market or economic downturn, operational failure or other reasons which are beyond the Group's control. If such risks, many of which are common to the real estate industry, were to materialise, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

- vi. All industries, including the property development industry are subject to legal claims. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute, will not have a material adverse effect on the Issuer's future cash flow, results of operations or financial condition.

- vii. The Issuer and PCL both have a material amount of debt, and the Issuer may incur additional debt in connection with the Medina Tower and the Palm Waterfront projects, and other possible future development plans. The bank agreements regulating bank credit facilities, which PCL is party to, contain financial covenants which could limit PCL's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the ability to conduct necessary corporate activities; and which, subject to applicable grace periods, could render the Issuer liable, in its capacity as joint and several guarantor for the purposes of the facility, for defaults by the parties to the facility. Any cross-default provisions contained in such facilities could have a material adverse effect on the financial position of the Issuer. Pursuant to the terms of issue of the said bank credit facilities, the land on which the Palm City Residences has been constructed is subject to a land charge granting a right of preference and ranking to the lending banks in priority and preference to other creditors.

As to the Medina Tower and Palm Waterfront projects, MTJSC and PWL are and/or will be negotiating bank credit facilities for the construction of their respective projects. The agreements regulating the bank debt are likely to impose significant operating restrictions and financial covenants on MTJSC and PWL. These restrictions and covenants could limit the ability of each of said companies and the Group to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. Furthermore, the sites on which the Medina Tower and Palm Waterfront are to be constructed may be subject to a land charge granting a right of preference and ranking to the lending banks in priority and preference to other creditors.

- viii. Although the Group seeks to hedge against interest rate fluctuations, this may not always be economically practicable. Furthermore, the possibility of hedging may become more difficult in the future due to the unavailability or limited availability of hedging counterparties. An increase in interest rates which is not hedged by the Group may have a material adverse effect on its business, financial condition and results of operations.

- ix. In relation to present and future projects, the Issuer relies and will in future be relying heavily on the contacts and expertise of the Corinthia Group and NREC for the provision of assistance in the application for and procurement of permits, licenses or other development authorisations from the competent authorities in Libya. However no assurance can be given that the Issuer or its shareholders will be able to use such contacts and expertise as and when required.

- x. The Group's growth since inception is partially attributable to the efforts and abilities of the members of the executive management teams and other key personnel of the Issuer and PCL. If one or more of the members of these teams were unable or unwilling to continue in their present position, they may not be replaceable within the short term.

- xi. The timely payment of interest payable by the Issuer on its debt securities could be negatively conditioned by unforeseen adverse trends affecting the operations of PCL which could significantly impinge on PCL's cash flow. The payment of interest and partial capital repayment on the Issuer's debt securities will be funded principally by the dividend payouts of PCL. Any occurrence that could impede or otherwise delay the cash flow generation from the Palm City Residences will have a detrimental impact on PCL's ability to pay dividends, which in turn would have an adverse impact on the ability of the Issuer to meet the interest payments and partial capital repayments on their due date. Furthermore, in respect of the Palm City Residences, the Group could in future face competition from other residential properties in their respective areas of operation, which together with other factors could affect the said property's ability to both attract new tenants as well as retain tenants beyond the term of their lease.
- xii. The Group's activities potentially expose it to a variety of financial risks, including market risk (principally interest rate risk and fair value risk), credit risk and risks associated with the unpredictability of financial markets, all of which could have adverse effects on the financial performance of the Issuer and PCL.
- xiii. The Issuer's overseas operations are exposed, in the case of transactions not denominated in Euro, to foreign currency risk on transactions, receivables and borrowings that are denominated in a currency other than Euro.

D.3 Essential information on the key risks specific to the Bonds.

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

- i. the existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to, the presence of willing buyers and sellers of the Issuer's Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all;
- ii. investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds;
- iii. a Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different;
- iv. no prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time;
- v. the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect;
- vi. in the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Issue it shall call a meeting of Bondholders. The provisions relating to meetings of Bondholders permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority;
- vii. the Terms and Conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

SECTION E – OFFER

- E.2b** The proceeds from the Bond Issue, which net of Issue expenses are expected to amount to approximately €11,800,000, will be used by the Issuer for the purpose of part financing the redemption of the outstanding amount of the Maturing Bonds, which as at the date of the Prospectus stands at €14,757,659.

The redemption of the remaining balance of Maturing Bonds, equivalent to €2,957,659 in the event that the Bond Issue is fully subscribed, or a higher amount in the event that the Bond Issue is not fully subscribed, shall be financed from the Issuer's general cash flow.

- E.3** The Bonds are open for subscription by: holders of Maturing Bonds up to the nominal value of Maturing Bonds held by them as at the Cut-Off Date; and, for any Bonds not taken up by Existing Bondholders, by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer.

Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Maturing Bonds at par value, subject to a minimum holding of €2,000 in Bonds and rounded upwards to the nearest €100. Any Existing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form ("**Cash Top-Up**").

Existing Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Maturing Bonds held by them as at the Cut-Off Date ("**Maturing Bond Transfer**") shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable). In the event that the aggregate value of Applications by Existing Bondholders indicating Maturing Bond Transfer as consideration for subscription for the Bonds is in excess of €12,000,000, then the Issuer, acting through the Registrar, shall scale down each Application by Existing Bondholders in accordance with the allocation policy described below.

In the event that the aggregate value of Applications by Existing Bondholders indicating Maturing Bond Transfer as consideration for subscription for the Bonds is lower than €12,000,000, and accordingly there remain Bonds which are unallocated to Existing Bondholders, such Bonds shall form part of an Intermediaries' Offer. An Existing Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date may do so solely through an Authorised Financial Intermediary participating in the Intermediaries' Offer.

In the event that the aggregate of subscription agreements received from Authorised Financial Intermediaries in terms of the Intermediaries' Offer is in excess of the balance of the €12,000,000 of Bonds in issue which have not been allocated to Existing Bondholders receiving their full entitlement of Bonds following application by way of Maturing Bond Transfer, the Issuer (acting through the Registrar) shall scale down each subscription agreement received from Authorised Financial Intermediaries in accordance with the allocation policy to be issued as explained below.

Allocation Policy - the Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

- i. first to Existing Bondholders up to the extent of their holdings of Maturing Bonds to be utilised for the purposes of the payment of consideration of Bonds and subject to the minimum holding of €2,000;
- ii. in the event that the satisfaction of all applications under paragraph (i) above shall result in an over-subscription of the Bond, within two (2) Business Days from closing of the Bond Issue the Issuer shall announce the result of the Issue and shall determine and announce the basis of acceptance of Applications and allocation policy to be adopted through a company announcement;
- iii. in the event that following the allocations made pursuant to paragraph (i) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Financial Intermediaries through an Intermediaries' Offer.

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

1. General

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. 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 22 June 2021.



SUMMARY NOTE

2. Form, Denomination and Title

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client. 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 in the Securities Note.

3. Redemption and Purchase

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 the Redemption Date. Subject to the provisions of this paragraph, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

4. Interest and Yield

The Bonds shall bear interest at the rate of 6% per annum payable annually on the 22 June of each year. Interest shall accrue as from 23 June 2014. The first Interest Payment Date following the issuance of this Prospectus shall be 22 June 2015. 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.

A Maturing Bond Transfer shall be without prejudice to the rights of the holders of Maturing Bonds to receive interest on the Maturing Bonds up to and including 22 June 2014. The Issuer intends to settle the difference between the interest rates applicable to the Maturing Bonds and the interest rate of 6% applicable to the Bonds, from 23 June 2014 up to 4 December 2014, being the date of redemption of the Maturing Bonds, to all persons holding Maturing Bonds who would have submitted their Application Forms by not later than 18 June 2014 and, consequently, exercising their option to subscribe for Bonds and settle the consideration for Bonds by transferring their Maturing Bonds to the Issuer as mentioned above.

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 6%.

5. Status of the Notes and Negative Pledge

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any.

6. Payments

Payment of the principal amount of a Bond will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to the Redemption Date, by means of direct credit transfer into such bank account as the Bondholder may designate from time to time, provided such bank account is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Redemption Date.

Payment of interest on a Bond 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 Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven (7) days of the Interest Payment Date.

7. Events of Default

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

8. Transferability of the Bonds

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

9. 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) 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.

10. Meetings of Participation Bondholders

The provisions of the Prospectus may be amended with the approval of the Bondholders at a meeting called for that purpose by the Issuer in accordance with the terms and procedure set out under section 5.13 of the Securities Note.

11. Governing Law and Jurisdiction

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

E.4 Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which includes Charts Investment Management Service Limited), and any fees payable to Charts Investment Management Service Limited in connection with the Issue as Sponsor and Manager, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.

E.7 Professional fees and costs related to publicity, advertising, printing, listing, registration, Sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €200,000.

TIME TABLE

1.	Application Forms mailed to holders of Maturing Bonds as at the Cut-Off Date	04 June 2014
2.	Closing date for Applications to be received from holders of Maturing Bonds as at the Cut-Off Date	18 June 2014
3.	Intermediaries' Offer*	20 June 2014
4.	Commencement of interest on the Bonds	23 June 2014
5.	Announcement of basis of acceptance	23 June 2014
6.	Refunds of unallocated monies	23 June 2014
7.	Expected dispatch of allotment advices	27 June 2014
8.	Expected date of admission of the securities to listing	27 June 2014
9.	Expected date of commencement of trading in the securities	30 June 2014

* The Intermediaries' Offer shall not be undertaken in the event of over-subscription by holders of Maturing Bonds.



REGISTRATION DOCUMENT

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

Dated 2 June 2014

REGISTRATION DOCUMENT

In respect of an Issue of €12,000,000 6% Unsecured Bonds 2021
of a nominal value of €100 per Bond issued at par by



Mediterranean Investments Holding p.l.c.

A public limited liability company registered in Malta
with company registration number C 37513

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT 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 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 ADVISOR.

Legal Counsel

Sponsor, Manager
and Registrar

CAMILLERI PREZIOSI
ADVOCATES

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING



REGISTRATION DOCUMENT

TABLE OF CONTENTS

IMPORTANT INFORMATION	3
1 DEFINITIONS	5
2 RISK FACTORS	7
2.1 Forward-looking statements	7
2.2 Risks relating to the Group and its Business.....	7
3 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS	11
3.1 Directors	11
3.2 Senior Management	11
3.3 Advisors	11
3.4 Auditors	11
4 INFORMATION ABOUT THE ISSUER	12
4.1 Historical Development	12
5 TREND INFORMATION AND FINANCIAL PERFORMANCE	16
5.1 Trend Information.....	16
5.2 Key Financial Review	17
5.3 Investments	19
6 MANAGEMENT	19
6.1 The Board of Directors	19
7 MANAGEMENT STRUCTURE	21
7.1 General	21
7.2 Shareholders of the Issuer.....	22
8 AUDIT COMMITTEE PRACTICES.....	22
8.1 Audit Committee.....	22
8.2 Internal Audit	23
9 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS	23
10 HISTORICAL INFORMATION.....	24
11 LITIGATION	24
12 ADDITIONAL INFORMATION	25
12.1 Share Capital.....	25
12.2 Memorandum and Articles of Association.....	26
13 MATERIAL CONTRACTS.....	27
14 INTEREST OF EXPERTS AND ADVISORS.....	27
15 DOCUMENTS AVAILABLE FOR INSPECTION	27



REGISTRATION DOCUMENT

IMPORTANT INFORMATION

THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON MEDITERRANEAN INVESTMENTS HOLDING P.L.C. IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES OF THE LISTING AUTHORITY, THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 29 APRIL 2004 IMPLEMENTING DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AS REGARDS INFORMATION CONTAINED IN PROSPECTUSES AS WELL AS THE FORMAT, INCORPORATION BY REFERENCE AND PUBLICATION OF SUCH PROSPECTUSES AND DISSEMINATION OF ADVERTISEMENTS (AS AMENDED BY COMMISSION DELEGATED REGULATION (EU) NO. 486/2012 OF 30 MARCH 2012, COMMISSION DELEGATED REGULATION (EU) NO. 862/2012 OF 4 JUNE 2012 COMMISSION DELEGATED REGULATION (EU) NO. 759/2013 OF 30 APRIL 2013 AND COMMISSION DELEGATED REGULATION (EU) NO. 382/2014 OF 7 MARCH 2014).

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 THIS REGISTRATION DOCUMENT AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

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.

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

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

SAVE FOR THE OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE 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.



REGISTRATION DOCUMENT

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

ALL THE ADVISORS TO THE ISSUER NAMED IN THE REGISTRATION DOCUMENT UNDER THE HEADING “**ADVISORS**” IN SECTION 3.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

1 DEFINITIONS

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

Act	the Companies Act (Cap. 386 of the Laws of Malta);
Corinthia Group	CPHCL and the companies in which CPHCL has a controlling interest;
CPHCL	Corinthia Palace Hotel Company Limited, a company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
Directors or Board	the directors of the Issuer whose names are set out under the heading "Identity of Directors, Senior Management, Advisors and Auditors";
EDREICO	Economic Development and Real Estate Investment Company, a company registered under the laws of Libya and having its registered office at 49, 4th Floor, Burj Al Fatah Tower, PO BOX 93142, Tripoli, Libya;
Euro or €	the lawful currency of the Republic of Malta;
Group	the Issuer (parent company), PCL and PWL (subsidiary companies), and MTJSC (associate company);
IHI	International Hotel Investments p.l.c., a company registered under the laws of Malta with company registration number C 26136 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
Issuer or MIH	Mediterranean Investments Holding p.l.c., a company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
Listing Authority	the MFSA, appointed as Listing Authority for the purpose of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
LPTACC	Libya Projects Trading And Contracting Company, a company registered under the laws of Kuwait with company registration number 119633 and having its registered office at Office 16/Mezzanine, Block 12, Al Asfour International Company, Al Manqaf, Kuwait;
MFSA	Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Medina Tower	the proposed Medina Tower project in Tripoli, Libya;
MTJSC	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya (in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 (2010)) having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343;
NPHC	National Projects Holding Company (KSC), a Kuwaiti shareholding company registered under the laws of Kuwait with company registration number 111731 and having its registered office at National Market Building, 4th Floor, Office 24, Abdullah Al Salem, Al Mirqab, Kuwait;



REGISTRATION DOCUMENT

NREC	National Real Estate Company, a company registered under the laws of Kuwait with company registration number 19628 and having its registered office at P.O. Box 64585, Shuwaikh, B 70456, Kuwait;
Palm City Residences	the Palm City Residences, a property operated by PCL and situated in Janzour, Libya;
PCL	Palm City Limited, a company registered under the laws of Malta with company registration number C 34113 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
PWL	Palm Waterfront Ltd, a company registered under the laws of Malta with company registration number C 57155 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
Prospectus	collectively, the Registration Document, the Securities Note and the Summary Note;
Registration Document	this document in its entirety;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus;
Securities Note	the securities note issued by the Issuer dated 2 June 2014, forming part of the Prospectus;
Summary Note	the summary note issued by the Issuer dated 2 June 2014, forming part of the Prospectus.

2 RISK FACTORS

ONE SHOULD CAREFULLY CONSIDER THE FOLLOWING MATTERS, AS WELL AS THE OTHER INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. 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 THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THIS PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS, AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

2.1 Forward-looking Statements

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may involve predictions of future circumstances. Investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", or similar phrases. These forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from the expectations of the Issuer's Directors include those risks identified under the heading "Risk Factors" and elsewhere in the Prospectus. If any of the risks described were to materialise, they could have a serious effect on the Issuer's financial results, trading prospects and the ability of the Issuer to fulfill its obligations under the securities to be issued. Accordingly, the Issuer cautions the reader that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by such statements and no assurance is given that the future results or expectations will be achieved.

2.2 Risks relating to the Group and its Business

General

The Issuer was incorporated in 2005 and, through PCL, has primarily been involved in the development and operation of the Palm City Residences. Until such time when the Medina Tower project and the Palm Waterfront project are fully developed and launched on the market, the Issuer will continue to be solely dependent on the business prospects and operating results of PCL.

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

Risks relating to the political, economic and social environment of the countries in which the Issuer operates

Whilst the Issuer and PCL are registered in Malta, all of their respective assets, operations, business interests and activities are located or conducted in Libya through a branch of PCL. Moreover, the Group's business activities over the coming years are expected to be focused on and aimed at the development of the Medina Tower and the Palm Waterfront. Accordingly, the Group is susceptible to the political and economic trends that may from time to time influence Libya's prospects. Negative political or economic factors and trends in or affecting Libya could have a material impact on the business of the Issuer.

Specific risks that may have a material impact on the Group's business, operating results, cash flows and financial condition include: acts of warfare and civil clashes; acts of terrorism; political, social and economic instability; government intervention in the market, including through tariffs, protectionism and subsidies; changes in regulatory, taxation and legal structures; difficulties and delays in obtaining permits and consents for operations and developments; inconsistent governmental action and/or lack or poor condition of infrastructure.

As the political, economic and social environment in Libya remains subject to continuing change, investment in this country is characterised by a significant degree of uncertainty and unpredictability. Any unexpected changes in the political, social, economic or other conditions in Libya may have an adverse effect on the operations and financial results of the Group and on any investments made by the Group, as occurred during 2011 when PCL operations were adversely affected by the conflict and political turmoil in Libya, reporting decreases in occupancy levels and apartment rental rates for that year.

Emerging market

Further to the risk set out in the preceding section entitled *"Risks relating to the political, economic and social environment of the countries in which the Issuer operates"*, prospective investors should note that emerging markets present economic and political conditions which differ from those of more developed markets, and could possibly present less social, political and economic stability, which could render investment in such markets more risky than investments in more developed markets. As an emerging market, the Libyan market is undergoing and may continue to undergo substantial political, economic and social reform, and the implications and consequences of reform may not be entirely clear at the outset. The consequences may be profound and accordingly prospective investors should take into account the unpredictability associated thereto.

The Group's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in emerging markets. Specific country risks that may have a material impact on the Group's business, operating results, cash flows and financial condition include: acts of warfare and civil clashes; political, social and economic instability; government intervention in the market, including tariffs, protectionism and subsidies; changes in regulatory, taxation and legal structures; exchange control and rules on expropriation, nationalisation and/or confiscation of assets; difficulties and delays in obtaining permits and consents for operations and developments; inconsistent governmental action and/or lack or poor condition of infrastructure.

The rental rates and occupancy levels at the Palm City Residences, and progress achieved in the development of the Medina Tower and the Palm Waterfront, could be adversely impacted by the events set out above, all of which could have an adverse impact on the Group's operations and financial results.

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

Businesses in emerging markets may not be operating in a market-oriented economy as known in more developed markets.

Risks relating to property development

The main pillar of the Group's business consists of the acquisition, development and running of real estate projects in Libya. Property development projects are subject to a number of specific risks inherent in this field – the risk of cost overruns; the risk of insufficiency of resources to complete; the risk of sale or rental transactions not being effected at the prices and within the timeframe envisaged; higher interest costs; and the erosion of revenue generation. If these risks were to materialise, they would have an adverse impact on the Issuer's revenue generation, cash flows and financial performance.

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

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

Litigation risk

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

The Group's indebtedness could adversely affect its financial position

The Issuer and PCL both have a material amount of debt, and the Issuer may incur additional debt in connection with the Medina Tower and the Palm Waterfront projects, and other possible future development plans.

The bank agreements regulating bank credit facilities, which PCL is party to, contain financial covenants which could limit PCL's ability to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit the ability to conduct necessary corporate activities; and which, subject to applicable grace periods, could render the Issuer liable, in its capacity as joint and several guarantor for the purposes of the facility, for defaults by the parties to the facility. Any cross-default provisions contained in such facilities could have a material adverse effect on the financial position of the Issuer. Pursuant to the terms of issue of the said bank credit facilities, the land on which the Palm City Residences has been constructed is subject to a land charge granting a right of preference and ranking to the lending banks in priority and preference to other creditors.

As to the Medina Tower and Palm Waterfront projects, MTJSC and PWL are and/or will be negotiating bank credit facilities for the construction of their respective projects. The agreements regulating the bank debt are likely to impose significant operating restrictions and financial covenants on MTJSC and PWL. These restrictions and covenants could limit the ability of each of the said companies and the Group to obtain future financing, make capital expenditure, withstand a future downturn in business or economic conditions generally or otherwise inhibit the ability to conduct necessary corporate activities. Furthermore, the sites on which the Medina Tower and Palm Waterfront are to be constructed may be subject to a land charge granting a right of preference and ranking to the lending banks in priority and preference to other creditors.

The Group may be unable to effectively hedge against interest rate risk

Although the Group seeks to hedge against interest rate fluctuations, this may not always be economically practicable. Furthermore, the possibility of hedging may become more difficult in the future due to the unavailability or limited availability of hedging counterparties. An increase in interest rates which is not hedged by the Group may have a material adverse effect on its business, financial condition and results of operations.

Reliance on the Corinthia Group and NREC

The Issuer relies and will in future be relying heavily on the contacts and expertise of the Corinthia Group and NREC, its principal shareholders, in connection with providing assistance in the application for and procurement of permits, licenses or other development authorisations from the competent authorities in Libya, in relation to present and future projects. However no assurance can be given that the Issuer or its shareholders will be able to use such contacts and expertise as and when required.

The involvement of CPHCL and NREC in the Issuer is considered to be an important factor for the success of the Issuer, and for reasons such as those set out in the preceding paragraph, the dilution of their interest in the Issuer could, if it were to occur, have an adverse effect on the Issuer.

Reliance on key senior personnel and management

The Group's growth since inception is partially attributable to the efforts and abilities of the members of the executive management teams and other key personnel of the Issuer and PCL. If one or more of the members of these teams were unable or unwilling to continue in their present position, they may not be replaceable within the short term.

Issuer's reliance on PCL to service and repay Issuer's debt securities

The timely payment of interest payable by the Issuer on its debt securities could be negatively conditioned by unforeseen adverse trends affecting the operations of PCL which could significantly impinge on PCL's cash flow.

The payment of interest and partial capital repayment on the Issuer's debt securities will be funded principally by the dividend payouts of PCL. The payment of dividends by PCL will depend on, among other factors, its future profits, financial position, working capital requirements, general economic conditions and other factors that its board of directors deems significant from time to time. Accordingly any occurrence that could impede or otherwise delay the cash flow generation from the Palm City Residences will have a detrimental impact on PCL's ability to pay dividends, which in turn would have an adverse impact on the ability of the Issuer to meet the interest payments and partial capital repayments on their due date.

Furthermore, in respect of the Palm City Residences, the Group could in future face competition from other residential properties in their respective areas of operation. The principal factors which the Issuer expects could affect the said property's ability to both attract new tenants as well as retain tenants beyond the term of their lease are, amongst others:

- the availability of other residential properties;
- the quality of the amenities and facilities offered;
- the convenience and location of the residential property;
- transport infrastructure;
- the age and quality of the building in comparison to competing properties;
- the number of people who work in the Tripoli catchment area;
- the strength of tenant demand; and
- fluctuations in rental rates and asset values of the Group's properties as well as of property in and around Tripoli generally.

The Group may be exposed to certain financial risks, including interest rate risk

The Group's activities potentially expose it to a variety of financial risks, including market risk (principally interest rate risk and fair value risk), credit risk and risks associated with the unpredictability of financial markets, all of which could have adverse effects on the financial performance of the Issuer and PCL.

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 Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows if any future borrowings are made under bank credit facilities set at variable interest rates. Although in such a case the Group may seek to hedge against interest rate fluctuations, this may not always be economically viable. Furthermore, the possibility of hedging may in future be curtailed due to the unavailability or limited availability of hedging counterparties. An increase in floating interest rates which is not hedged by the Group may have a material adverse effect on its business, financial condition and results of operations.

Exchange rate risk

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

3 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS

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

3.1 Directors

Alfred Pisani	Executive Director and Chairman
Samuel D. Sidiqi	Non-Executive Director and Deputy Chairman
Yousef Abdelmaula	Non-Executive Director
Faisal J.S. Alessa	Non-Executive Director
Joseph Fenech	Executive Director
Mario P. Galea	Non-Executive Director
Khadija Oubala	Non-Executive Director

The Company Secretary of the Issuer is Stephen Bajada.

THE DIRECTORS OF THE ISSUER ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS OF THE ISSUER (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS REGISTRATION DOCUMENT IS IN ACCORDANCE WITH THE FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORT OF SUCH INFORMATION. THE DIRECTORS ACCEPT RESPONSIBILITY ACCORDINGLY.

The persons listed under the sub-heading “**Advisors**” have advised and assisted the Directors in the drafting and compilation of the Prospectus.

3.2 Senior Management

As at the date of this Prospectus the Issuer employed one person, Karl Mallia, as the Chief Financial Officer. The Issuer is therefore reliant on the resources which are made available to it by CPHCL, pursuant to the MSS Agreement detailed in section 4.1.3 of this Registration Document, including the services of Reuben Xuereb who is the Chief Executive Officer of MIH.

3.3 Advisors

Legal Counsel to the Issuer	Camilleri Preziosi Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta
Sponsor, Manager and Registrar	Charts Investment Management Service Limited Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta

3.4 Auditors

Name	Grant Thornton
Address	Tower Business Centre, Suite 3, Tower Street, Swatar BKR 4013, Malta

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2011, 2012 and 2013 have been audited by Grant Thornton. Grant Thornton is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta).

4 INFORMATION ABOUT THE ISSUER

4.1 Historical development

4.1.1 Introduction

Full Legal and Commercial Name of the Issuer:	Mediterranean Investments Holding p.l.c.
Registered Address:	22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta
Place of Registration and Domicile:	Malta
Registration Number:	C 37513
Date of Registration:	12 December 2005
Legal Form:	The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act
Telephone Numbers:	+356 21 233 141
Fax:	+356 21 234 219
Email:	info@mihplc.com
Website:	www.mihplc.com

The principal object of the Issuer, which is limited to activities outside Malta and to such other acts as are or may be necessary for its operations from Malta, is to directly and indirectly acquire and develop real estate opportunities in North Africa, including, without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, residential gated compounds, housing, hotels, build-operate-transfer (BOT) and other governmental projects, and conference centres.

4.1.2 Overview of the Group's business

The Issuer was set up on 12 December 2005 as a private limited liability company, and was subsequently converted into a public limited liability company on 6 November 2007.

Palm City Residences

Since incorporation, the Issuer has been primarily involved, through PCL, in the development and operation of the Palm City Residences. This seaside gated complex, located in Janzour, Libya, consists of 413 residential units, ranging from one-bedroom apartments to four-bedroom fully detached villas with private pools, constructed on a plot of land measuring 171,000m² (including beach area) and enjoying a 1.3km shoreline. The village-type complex offers a host of amenities and leisure facilities that include a piazza, supermarket, a variety of retail shops, a laundry, health clinics, and a number of catering outlets and cafes. The development also features numerous indoor and outdoor sports facilities, including a fully equipped gym, tennis courts, water sports facilities and an outdoor swimming pool.

By virtue of an agreement dated 5 July 2006, CPHCL holds legal title under Libyan law to the land on which the Palm City Residences are built. Such agreement is for a term of 99 years. With effect from 6 July 2006 PCL entered into a build-operate-transfer agreement with CPHCL, whereby CPHCL engaged PCL to complete the construction of the Palm City Residences and to operate the said complex thereafter for a 65 year term. Upon the expiry of this 65 year term, PCL is bound to transfer the operation back to CPHCL. The Group is in the process of registering a joint stock company in Libya, to be owned as to 90% of its share capital by PCL (CPHCL and NREC to hold the remaining 10% in equal proportions between them). Subject to approval by the competent authority in Libya, the Libyan Investment Board, title to the land underlying the Palm City Residences will be transferred by CPHCL to such company against issuance of its shareholding in the company. Upon such title transfer taking effect, the build-operate-transfer agreed between PCL and CPHCL will be terminated, resulting in PCL no longer being bound to return the operation of the Palm City Residences up the lapse of the said 65 year term.

This project was completed in late 2009. At the time, the Issuer's principal objectives remained focused on the management and operations of Palm City Residences through its subsidiary PCL and on securing further medium to long term lease contracts with a view to achieving a stabilised occupancy rate of 95% by mid-2011. Significant progress had been registered throughout the course of 2010 and the first two months of 2011 as Palm City Residences continued to secure lease contracts. Towards the end of February 2011, however, due to the civil unrest in Benghazi and other parts of Libya, and the resulting mass evacuation of expatriate personnel from the country, the majority of lease contracts were either cancelled or suspended on a force majeure basis, and the Group's focus shifted to safeguarding and protecting its personnel, the property and the personal belongings of its remaining tenants.

Whilst the Benghazi civil unrest developed into a revolution, Palm City Residences remained open and operational, albeit with reduced personnel commensurate with the level of operational activity, allowing it to generate sufficient revenue to meet the ongoing operational expenses and overheads and ultimately resulting in generating an operating profit under exceptional circumstances.

Towards the end of the third quarter of 2011, when the country-wide civil unrest is generally considered to have come to an end, the management of Palm City Residences resumed its original mandate to raise the level of occupancies. Short term leases were given priority, in line with corporate clients' preference at the time not to commit to long term leases. Such leases ranged between one month and two year terms, at increased rents compared to the rates prevailing prior to the civil unrest.

As a consequence of the unrest and the resulting impact on operations and cash flow during most of 2011 and 2012, the shareholders of MIH were called upon to support the Group's cash flow requirements by extending a €13.2 million shareholders' loan. This was necessary principally for the Issuer to meet its bond interest costs under existing bonds and for PCL to meet its commitments with capital creditors. Furthermore, and in order to alleviate the cash flow pressures on the Group in this delicate period, the terms of existing bank loan facilities were also renegotiated and for a limited period of time capital repayments on the bank loan were also suspended. Both these measures allowed the Group to adequately safeguard its investment during the uprising with a view to ensuring that it would be well positioned to again pursue its aim of securing high levels of occupancy backed by improved rates as soon as possible following conclusion of the uprising.

By the end of 2011, PCL had increased its business activity to the level it had reached prior to the uprising. Further improvements in occupancy levels, revenue generation and operating profits were registered in 2012 (with average occupancy rising to 79%) and 2013 (92%).

For the current status of the Issuer's financial status please refer to section 5.2 "**Key Financial Review**" below.

Medina Tower

On 14 July 2009, MIH announced its intention to start its second major development project, Medina Tower, through the signing of a shareholders' agreement with EDREICO. For this purpose, on 22 May 2010 MTJSC was registered in Libya. MIH owns 25% of MTJSC, while IHI and EDREICO each own 25% and 50% respectively of the issued share capital of said company. MTJSC holds legal title to the land under Libyan law, and has full development approvals for the project. Medina Tower will be built on a parcel of land measuring *circa* 11,000m², located in the main boulevard of Tripoli, Libya. The Medina Tower mixed-use project will comprise a 200,000m² 42-storey development over said plot of land. Plans have been completed, and the architect and the main contractor for the project have been appointed, to carry out a mixed-use high-rise development comprising 254 residences for resale, 25,200m² of office space for rental, 21,200m² for retail and leisure, as well as a spa, conference and car park facilities for rental to third parties.

Whilst the equity contribution required for the first phase of this project is already fully paid up, a term sheet has been signed with a Libyan financial institution with a view to securing the remainder of the full funding needs for this project, on a debt to equity basis of 60:40. Works on the project, which are scheduled to commence shortly, are expected to be completed within 48 months from commencement. Said term sheet provides for a moratorium on capital repayments for the length of this 48 month period.



Palm Waterfront

In 2013 MIH resolved to develop a third project, Palm Waterfront, through PWL, which is a wholly owned subsidiary of MIH. On 5 December 2013, PWL entered into a build-operate-transfer agreement with CPHCL. The arrangement gives PWL the right to develop a site located in Shuhada Sidi Abuljalil, Janzour in Libya. It also gives it the right to construct, implement, manage, operate and receive all the revenue generated by the project to be developed on said site at its discretion. The term of the build-operate-transfer agreement is for a period of 80 years from date of signing of said agreement. The subject parcel of land in Shuhada Sidi Abuljalil measures 50,000m² and enjoys a 400m shoreline. By virtue of a deed dated 10 June 2009, CPHCL holds legal title under Libyan law to said parcel of land, for a 99 year term.

Once completed the Palm Waterfront is planned to comprise 257 luxury apartments, a 164-room 5-star hotel, a 60-berth yacht marina, six cinemas, restaurants and entertainment facilities, and a six-lane bowling centre. Unlike in the case of the Palm City Residences, where residential units are available on a lease basis only, it is intended for PWL to offer the apartments at the Palm Waterfront either for rent or outright sale. The mix of units for lease and acquisition will depend on the prevailing conditions at the time when the property is launched on the market.

Bond Issues

Since incorporation, MIH issued five bonds which are listed and traded on the MSE.

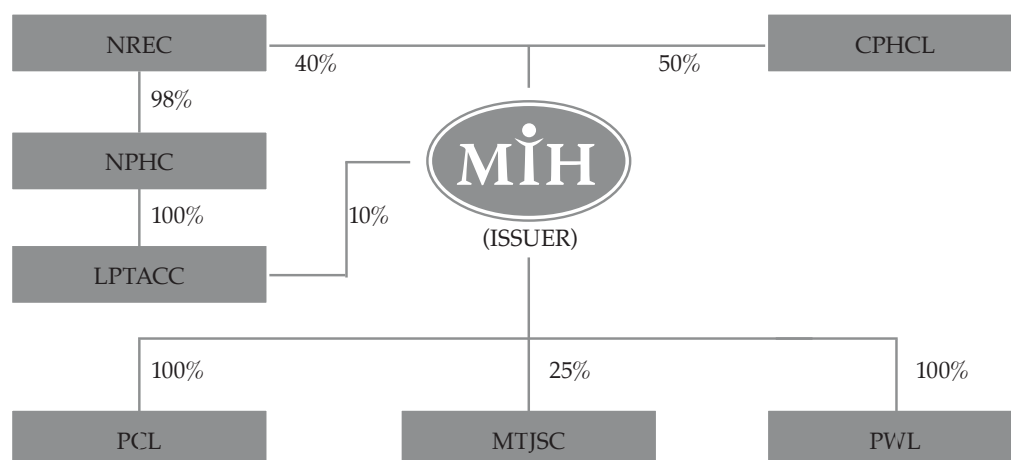
Pursuant to a prospectus dated 7 November 2007, MIH issued LM6,439,500 (equivalent to €15,000,000) 7.5% bonds redeemable at par between 2012 and 2014. As at the date of this Registration Document the amount of €14,757,659 of the said bond remains outstanding.

On 15 July 2008, MIH issued €20,000,000 7.5% bonds redeemable at par in 2015. As at the date of this Registration Document the amount of €19,649,600 of this bond is outstanding.

On 14 June 2010, MIH issued €28,767,200, £4,385,900 and \$7,216,500 (equivalent in total to an aggregate value of €40,000,000) 7.15% bonds redeemable at par between 2015 and 2017. As at the date of this Registration Document the respective amounts outstanding of the above-mentioned bonds are: €28,519,400, £4,351,100 and \$7,120,300.

4.1.3 Organisational Structure

The Issuer is the parent company of the Group and has an issued share capital of €48,002,000 divided into €48,002,000 ordinary shares of €1 each, fully paid up. As the holding company, MIH is ultimately dependent upon the operations and performance of its subsidiaries and other investments. The organisational structure of the Group is illustrated in the diagram below:



MIH

The Issuer is a public limited liability company incorporated and registered in Malta with registration number C 37513 and whose registered office is 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. It has an authorised share capital of €100,000,000 and an issued share capital of €48,002,000 divided into 48,002,000 ordinary shares of €1 each, fully paid up. The principal activity of the Issuer is to directly or indirectly acquire, develop and operate real estate projects in Libya and invest in any related trade or business venture.

The Issuer is party to a management and support services agreement (the “**MSS Agreement**”) with CPHCL in connection with the provision of management services at the strategic level of the Issuer’s business, enabling the Issuer to benefit from the experience and expertise of CPHCL in the operation of its business and to implement a highly efficient and cost-effective construction programme which is expected to be reflected in a substantial increase in the market value of the Group’s real estate properties.

The MSS Agreement also ensures that at the top executive and central administrative level, the Issuer has continued and guaranteed access to the top executive staff and support personnel of the Corinthia Group. The agreement has a term of two years and will expire on 31 December 2016. In terms of the current agreement, in consideration for the support services afforded by CPHCL, the Issuer shall pay CPHCL a fixed annual fee of €300,000 adjusted for inflation at 5% per annum. The Directors believe that this is a reasonable charge to the Issuer, particularly in light of the benefits enjoyed by the Issuer pursuant to the MSS Agreement, which include:

- the commitment of an executive team with over 35 years’ experience of successfully operating in Libya;
- an experienced, motivated, proven and loyal local and foreign senior management team of international calibre with an average of over 10 years’ service;
- a team of well-qualified and dynamic young professionals, fuelling the potential for future growth;
- an effective monitoring system assuring controls on standards and performance;
- a long experience in developing and managing properties planned and built to exacting standards with equally high standards demanded on maintenance resulting in high quality, well maintained assets; and
- corporate strength through a long-term policy of diversification into construction, project management and other service ventures.

PCL

Palm City Limited is a private limited liability company incorporated and registered in Malta with registration number C 34113 and whose registered office is 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. It has an authorised share capital of €250,000,000 and an issued share capital of €140,500,000 divided into 140,500,000 ordinary shares of €1 each, fully paid up. Pursuant to a build-operate-transfer agreement dated 6 July 2006 entered into by and between CPHCL and PCL, CPHCL engaged PCL to finalise the construction of Palm City Residences and operate the complex for a period of 65 years thereafter. Palm City Residences was completed at a cost of *circa* €160 million and commenced full operations in 2010.

MTJSC

By virtue of a Memorandum of Incorporation dated 20 May 2010 and registered under no. 343 at the investment register in Tripoli, Libya on 7 August 2010, the Issuer subscribed to a 25% equity participation in a joint venture company, Medina Tower Joint Stock Company for Real Estate Investment and Development. This joint venture was set up together with IHI and EDREICO, a Libyan investment company, which each hold 25% and 50% equity participation respectively. MTJSC was set up to construct the Medina Tower.

PWL

Palm Waterfront Ltd is a private limited liability company incorporated and registered in Malta on 3 August 2012 with registration number C 57155 and whose registered office is 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. On 5 December 2013, the company entered into a build-operate-transfer agreement with CPHCL. The arrangement gives PWL the right to develop a site adjoining Palm City Residences on the West, located in Shuhada Sidi Abuljalil, Janzour in Libya. It also gives it the right to construct, implement, manage and operate the project to be developed on said site at its discretion. The term of the build-operate-transfer agreement is for a period of 80 years from date of signing of said agreement. As at the date of this Prospectus, PWL has submitted development plans to the local authorities for their approval and has initiated discussions with financial institutions to fund the construction and development of Palm Waterfront.

5 TREND INFORMATION AND FINANCIAL PERFORMANCE

5.1 Trend Information

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

In 2011 the North African region was affected by substantial political change. Civil unrest started in Tunisia, followed in Egypt and ultimately spread to Libya. In these countries the existing governments either stepped down or were removed. 2012 and 2013 were also characterised by turmoil in Egypt. Whilst the unrest in Libya had largely subsided in the first quarter of 2013, the remaining months of 2013 and first quarter 2014 have seen various protests and episodes of violence, with security concerns and fragmented governance in many areas of the country. The period during the conflict and its aftermath were characterised by political and economic instability and a curtailment of business activity. In particular, Libya's turbulent political transition to democracy has sent oil production to an all-time low, which in turn is adversely affecting the economic situation of the country. In April 2014, the Libyan government announced that it had reached an agreement with rebel groups to re-open four ports, considered vital for the shipment of oil, in the east of the country. This agreement should improve the prospects of a gradual resumption of oil exports in the coming months.

Despite the security challenges detailed above, commercial activity in Libya continues to expand, albeit at modest levels, and consequently demand for residential premises to accommodate executives for the long term should be maintained. In line with the published audited financial statements, 2013 turned out to be a positive year for PCL as the company concluded more residential term contracts with third parties, thereby increasing occupancy at Palm City Residences from 91% in 2012 to 94%. Barring any unforeseen circumstances, in the near to medium term, occupancy at Palm City Residences and achieved revenues thereof are expected to remain broadly stable at current levels.

After achieving practically full occupancy at the Palm City Residences, MIH has turned its focus to the Palm Waterfront, which will be developed adjacent to the Palm City Residences. Management is already active in the preparation of detailed design drawings, and aims to submit final plans to the planning authorities in Tripoli for approval during the current financial year. In devising the concept behind the Palm Waterfront project, MIH has taken into consideration feedback received from tenants at the Palm City Residences, including property design layout, services offered and general ambience. Moreover, management will be utilising its experience gained in constructing the Palm City Residences to ensure that the Palm Waterfront will be a better quality development overall. It is the intention of PWL to offer residential units at Palm Waterfront, when complete, either on a lease basis or outright sale, but will react to market trends as necessary and will therefore align its strategies and offerings in accordance with such trends and market developments. With respect to the planned 164-room 4-star hotel at the Palm Waterfront, PWL will take advantage of the Corinthia Group's experience in operating hotels, particularly in the operation of the Corinthia Hotel Tripoli.

As to the Medina Tower, the project designs are complete and all development approvals have been obtained from the relevant authorities. Furthermore, the main construction contract was signed on 5 September 2012. The joint venture company responsible for the project, MTJSC, has also recently concluded a term sheet with a Libyan financial institution which, if confirmed, would secure the full funding for the said project on a debt to equity basis of 60:40. The development is expected to be completed within *circa* 48 months from commencement of the works. Said term sheet provides for a moratorium on capital repayments for the length of this 48 month period.

5.2 Key Financial Review

The financial information about the Issuer is included in the consolidated financial statements for each of the financial years ended 31 December 2011, 2012 and 2013. The said statements have been published and are available on the Issuer's website (www.mihplc.com) and at its registered office. Set out below are highlights taken from the consolidated financial statements of the Issuer for the years ended 31 December 2011, 2012 and 2013.

Condensed statements of total comprehensive income

For the year ended 31 December	2013 €'000	2012 €'000	2011 €'000
Revenue	30,875	27,315	10,202
Operating expenses	(5,468)	(4,577)	(2,964)
	25,407	22,738	7,238
Administrative expenses and other net expenses	(2,261)	(2,201)	(1,514)
EBITDA	23,146	20,537	5,724
Depreciation and amortisation	(260)	(240)	(249)
Increase in fair value of investment property	-	56,804	-
Share of profit/(loss) from equity accounted investments	47	(276)	-
Net finance costs	(6,799)	(8,235)	(7,611)
Net fair value gain/(loss) on interest rate swaps	249	(432)	(560)
Profit/(loss) before tax	16,383	68,158	(2,696)
Taxation	(2,590)	(19,115)	-
Profit/(loss) for the year	13,793	49,043	(2,696)
Other comprehensive income:			
Available-for-sale financial assets	(46)	46	-
Other comprehensive income for the year, net of tax	(46)	46	-
Total comprehensive income for the year	13,747	49,089	(2,696)

Condensed statements of financial position
As at 31 December

	2013	2012	2011
	€'000	€'000	€'000
Assets			
Non-current	332,385	325,781	253,387
Current	18,522	20,529	37,667
Total assets	350,907	346,310	291,054
Equity and liabilities			
Total equity	166,140	152,393	103,304
Liabilities			
Non-current	145,035	166,580	161,069
Current	39,732	27,337	26,681
Total liabilities	184,767	193,917	187,750
Total equity and liabilities	350,907	346,310	291,054

Condensed statements of cash flows
For the year ended 31 December

	2013	2012	2011
	€'000	€'000	€'000
Net cash from operating activities	22,426	22,033	4,244
Net cash used in investing activities	(9,942)	(15,888)	(6,171)
Net cash (used in)/from financing activities	(15,111)	(22,165)	2,325
Net (decrease)/increase in cash and cash equivalents	(2,627)	(16,020)	398
Cash and cash equivalents, beginning of year	12,815	28,844	28,195
Effect of foreign exchange rate changes	101	(9)	251
Cash and cash equivalents at end of year	10,289	12,815	28,844

The loss for the year ended 31 December 2011 amounted to €2.7 million, primarily due to the conflict in Libya which impacted negatively the operating performance of the Palm City Residences. Given the significant decline in occupancy and revenue generation, the shareholders resolved to temporarily on-lend to MIH the amount of €13.2 million mainly to meet its bond interest costs and for PCL to settle its commitments with capital creditors. By the last quarter of 2011 the unrest had subsided and the management team took immediate action to retain outstanding contracts of leased units and embarked on a marketing effort to entice prospective clients to enter into lease agreements for periods ranging from 1 month to 3 years. In the meantime, good progress was made on the design and structural aspects of the Medina Tower project.

During the year ended 31 December 2012, revenue increased considerably from €10.2 million in 2011 to €27.3 million mainly as a result of a substantial increase in signed lease agreements at the Palm City Residences which registered an occupancy rate of 91% at the year end. EBITDA for the year amounted to €20.5 million, and after accounting for an uplift in the fair value of the property and taking into account net finance costs of €8.2 million, MIH reported a profit before tax of €68.2 million. As a result of the uplift and profitability at PCL, the assets of the Group increased by €55 million to €346 million. In 2012, MIH increased its investment in MTJSC by a further €9.1 million to a total amount of €13 million.

In view of the change in timing of the funding requirements for the Medina Tower project, the Issuer sought approval from bondholders, in June 2012, to utilise an amount of €8 million from bond proceeds, originally earmarked for the Medina Tower project, to reduce the temporary shareholders' loan granted in the previous year. The resolution was successfully passed and the Issuer proceeded to reduce the loan to €5.2 million. The Issuer repaid a further €2 million through proceeds received from PCL in settlement of an outstanding loan. The shareholders' loan as at the end of 2012 amounted to €3.2 million.

For the year ended 31 December 2013 the Group generated total revenue of €30.9 million, which is 13% higher when compared to the previous year. This increase was achieved as more units at the Palm City Residences were leased to third parties, resulting in an occupancy rate of 94% by year end. PCL has converted a number of short term leases to longer term contracts, thus providing increased stability in tenancy and revenue generation. During the year under review the Group increased its gross profit by €2.7 million to €25.4 million and registered a gross profit margin of 82% (2012: 83%). Profit before tax achieved in 2013 amounted to €16.4 million which, excluding the effect of the uplift in valuation of the Palm City Residences, is €5 million (+44%) more than 2012 profit before tax.

On 5 December 2013, MIH entered into a build-operate-transfer agreement with CPHCL for an aggregate value of €7 million to construct and operate the Palm Waterfront. In addition, due to the Group's continued positive financial performance in 2013, the Issuer reduced further its outstanding bank borrowings by €8 million, from €49 million in 2012 to €40.9 million in 2013.

5.3 Investments

Pursuant to the build-operate-transfer agreement entered into on 5 December 2013 by and between CPHCL and PWL, the latter is committed, subject to the issuance of the required permits and raising of the necessary financing by way of equity investment in PWL and/or bank financing, to construct the Palm Waterfront. The cost of development to completion is estimated at €220 million.

Save for the above, the Group is not party to any principal investments, and has not entered into or committed for any principal investments subsequent to 31 December 2013, being the date of the latest audited consolidated financial statements of the Issuer.

6 MANAGEMENT

6.1 The Board of Directors

The Issuer is managed by a board of seven directors entrusted with the overall direction and management of the Issuer.

The Board of Directors is responsible for the identification and execution of new investment opportunities and the funding of the Issuer's acquisitions. All proposed acquisitions of the Issuer are brought to the Board for approval. The Board is also responsible for ensuring the establishment of the appropriate management contracts of the Issuer's properties in the case of operational properties, and the negotiating and awarding of project contracts in the case of the development of new properties.

6.1.1 Curriculum Vitae of Directors

The following are the Directors of the Issuer and their respective curriculum vitae:

Alfred Pisani is the founder of the Corinthia Group and has been the Chairman and Chief Executive Officer since the inception of Corinthia in 1962. He was responsible for the construction of the Group's first hotel, the Corinthia Palace in Attard. He has led the Corinthia Group from a one hotel company to a diversified group having significant interests. Such interests vary from equity participations, management or both in several geographical areas and include interests in three hotels in Malta, two hotels in Turkey, two hotels in Hungary, nine hotels in the Czech Republic, two hotels in Portugal and one in each of Libya, Tunisia, the United Kingdom, the Russian Federation and Sudan. Mr Pisani is the Chairman and Chief Executive Officer of IHI, and is also the Chairman and an Executive Director of the Issuer.

Samuel D. Sidiqi is the Chief Executive Officer of NREC where he looks after a portfolio of real estate assets and developments across the Middle East. Before joining NREC he spent 7 years with Agility Logistics and before that, he worked with Bain & Company where he advised a number of Fortune 500 companies on strategy. Mr Sidiqi graduated from Massachusetts Institute of Technology and received his MBA from the Wharton School of Business of the University of Pennsylvania. He is the Deputy Chairman and a Non-Executive Director of the Issuer.

Yousef Abdelmaula is a Director of Corinthia Palace Hotel Company Limited, nominated by Libyan Foreign Investment Company (LFICO). He has been a Director of LFICO since 1981. He is also a member of the Board of Directors of Arab Banking Corporation and of Libyan Foreign Bank. Mr Abdelmaula has a Masters Degree in Management from the University of Hartford (USA). Mr Abdemaula is a Non-Executive Director of the Issuer.

Joseph Fenech is a Fellow of the Chartered Association of Certified Accountants of the United Kingdom and a Fellow of the Malta Institute of Accountants. Mr Fenech joined the Corinthia Group in 1980 after having spent a number of years as senior auditor with a local auditing firm. His first appointment was as Group Accountant responsible for all financial and accounting matters of the Corinthia Group operations. Mr Fenech is the Managing Director of IHI and an Executive Director of the Issuer.

Faisal J.S. Alessa currently holds the position of Senior Executive at the Sultan Centre, a public company registered in Kuwait, which is one of the largest retailers in the Middle East. He is also a member of the Board of Directors of Sultan Centre. In addition, he is the vice-Chairman of Fresh World International and is the incoming Chairman of United Capital Group, a company registered in Kuwait with a capital in excess of USD 700 million. Mr Alessa is a graduate of Barry University in Miami, Florida, USA. Mr Alessa is a Non-Executive Director of the Issuer.

Mario P. Galea was the founder, Managing Partner and Chairman of Ernst & Young Malta until he retired in 2012. Currently he serves on a number of boards of directors, finance committees and audit committees in various companies. Mr Galea is a certified public accountant and auditor, a Fellow of the Association of Chartered Certified Accountants and a Fellow of the Malta Institute of Accountants. He has served as President of the Malta Institute of Accountants and held various other positions in the Institute, Federation des Comptables Européens (FEE) and the Accountancy Board, which is the regulator of the accountancy profession in Malta. Mr Galea is the independent Non-Executive Director of the Issuer.

Khadija Oubala is Director of Investments and Strategy at NREC where she is responsible for managing NREC's investment portfolio, and developing and implementing strategic growth initiatives. Prior to joining NREC, Ms Oubala was a principal in the real estate team of Arcapita Bank where she was responsible for managing and monitoring a portfolio of real estate projects, maintaining joint venture relationships and reviewing investment strategies. Before joining Arcapita, she headed the real estate activity at Asiya Investments, successfully building a portfolio of strategic investments in emerging Asia. Ms Oubala also held various positions in AIGhanim Industries, AXA Group and the World Bank Group. Ms Oubala holds an MSc in real estate development from Massachusetts Institute of Technology and an MBA from New York University. Ms Oubala is a Non-Executive Director of the Issuer.

Alfred Pisani, Yousef Abdelmaula, Joseph Fenech and Mario P. Galea have their business address at 22, Europa Centre John Lopez Street, Floriana FRN 1400, Malta.

Samuel D. Sidiqi, Faisal J.S. Alessa and Khadija Oubala have their business address at P.O. Box 64585, Shuwaikh, B 70456, Kuwait.

6.1.2 Directors' service contracts and remuneration

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

In accordance with the Issuer's Articles of Association, the Directors shall be paid such amount of remuneration as may be so agreed by an extraordinary resolution of the shareholders of the Issuer. Since the date of the Issuer's formation, no extraordinary resolution has been taken for this purpose.

6.1.3 Conflict of interest

In addition to being Directors of the Issuer Alfred Pisani and Yousef Abdelmaula are also directors of CPHCL, and together with Joseph Fenech are also directors of MTJSC, whereas Mario P. Galea, Samuel D. Sidiqi and Faisal J.S. Alessa are also directors of PCL and PWL. In light of the aforesaid, such directors of the Issuer are susceptible to conflicts between the potentially diverging interests of the Issuer and any of such other companies in transactions entered into, or proposed to be entered into, between them. The audit committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by directors, are handled in the best interest of the Issuer and according to law. To the extent known or potentially known to the Issuer, as at the date of this Registration Document, there are no other potential conflicts of interest between any duties of the Directors of the Issuer and their private interests and/or their duties which require disclosure in terms of law.

6.1.4 Loans to Directors

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

6.1.5 Removal of Directors

A Director may, unless he resigns, be removed by the shareholder appointing him or by an ordinary resolution of the shareholders as provided in sections 139 and 140 of the Act.

6.1.6 Powers of Directors

By virtue of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting. The powers of the Directors of the Issuer are better described in section 12.2.4 below.

6.1.7 Employees

As at 31 March 2014 the Issuer, PCL and PWL in aggregate employed 145 members of staff, 124 of whom work in operations and the remaining 21 in administration.

7 MANAGEMENT STRUCTURE

7.1 General

As at the date of this Prospectus the Issuer employed one person, Karl Mallia, as Chief Financial Officer. The Issuer is therefore reliant on the resources which are made available to it by CPHCL, pursuant to the MSS Agreement detailed in section 4.1.3 of this Registration Document, including the services of Reuben Xuereb who is the Chief Executive Officer of MIH.

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

7.2 Shareholders of the Issuer

As further detailed in section 12 below, CPHCL currently owns 50% of the share capital of the Issuer, NREC holds 40% of the share capital whereas LPTACC holds the remaining 10%. LPTACC is a fully owned subsidiary by NPHC, which in turn is 98% owned by NREC. In terms of the Memorandum and Articles of Association of the Issuer:

- CPHCL, as the holders of ordinary 'A' shares, shall have the right to appoint three (3) Directors to the Board;
- NREC, as the holders of ordinary 'B' shares, shall have the right to appoint three (3) Directors to the Board; and
- CPHCL and NREC, as the holders of ordinary 'A' shares and ordinary 'B' shares respectively, shall have the right to jointly appoint the seventh Director to the Board.

During the first three-year term of the Issuer, the right to nominate the Chairman of the Board vested with CPHCL. Following the lapse of the said first three-year term, the right to appoint the Chairman of the Board vested jointly in NREC and LPTACC. Save for any amendments to the Memorandum and Articles of Association of the Issuer that may from time to time be made to such effect, the three-year term rotation policy will be maintained throughout the period that the Issuer is validly constituted.

The Issuer adopts measures in line with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the "Code") with a view to ensuring that the relationship with its major shareholders is retained at arm's length, including adherence to Rules on Related Party Transactions requiring the sanction of the Audit Committee. 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 composition of the Board, including the presence of an independent non-executive Director not appointed by either of the major shareholders of the Issuer, effectively minimises the possibility of any abuse of control by any major shareholder.

8 AUDIT COMMITTEE PRACTICES

8.1 Audit Committee

The terms of reference of the Audit Committee consist of *inter alia* its support to the Board of Directors of the Issuer in its responsibilities in dealing with issues of risk; control and governance; and associated assurance. The Board has set formal terms of establishment and the terms of reference of the Audit Committee that establish its composition, role and function, the parameters of its remit as well as the basis for the processes that it is required to comply with. The Audit Committee is a sub-committee of the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time.

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

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

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

All Directors of the Issuer sitting on the Audit Committee are of a non-executive capacity. Mario P. Galea acts as chairman, whilst Joseph Fenech and Samuel D. Sidiqi act as members. In compliance with the Listing Rules, Mario P. Galea is the independent Non-Executive Director who is competent in accounting and/or auditing matters.

8.2 Internal Audit

The internal audit function is conducted by CPHCL in terms of the MSS Agreement. The role of the internal audit team is to carry out systematic risk-based reviews and appraisals of the operations of the Issuer (as well as of the Subsidiaries and associates from time to time thereof) for the purpose of advising management and the Board, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. The function is expected to promote the application of best practices within the Issuer's organisational structure.

The internal audit unit reports directly to the Audit Committee.

9 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Issuer is subject to the Code and the Board has taken such measures as were considered necessary in order for the Issuer to comply with the requirements of the Code to the extent that these were deemed appropriate and complementary to the size, nature and operations of the Issuer, as follows:

- **Principle 1 & 4:** The Board is entrusted with the overall direction and management of the Issuer, including the establishment of strategies for future development, and the approval of any proposed acquisitions by the Issuer in pursuing its investment strategies. Its responsibilities also involve the oversight of the Issuer's internal control procedures and financial performance, and the review of business risks facing the Issuer, ensuring that these are adequately identified, evaluated, managed and minimised. All the Directors have access to independent professional advice at the expense of the Issuer, should they so require;
- **Principle 2:** The roles of Chairman and Chief Executive Officer are carried out respectively by Alfred Pisani and Reuben Xuereb;
- **Principle 3:** The Board is composed of two Executive Directors, Alfred Pisani and Joseph Fenech, and five Non-Executive Directors. Three directors are appointed by each of the two major shareholders, CPHCL and NREC, and are officers of these two companies. The other, Mario J. Galea, is an independent Director jointly appointed by the two major shareholders. The composition and balance on the Board is determined in accordance with the provisions set out in the Memorandum and Articles of Association of the Issuer regulating the appointment of directors, and although the majority of Non-Executive Directors are not independent as recommended by the Code, the Issuer considers the present mix of Executive Directors and Non-Executive Directors (including the independent Director) to create a healthy balance and serves to unite all shareholders' interests, whilst providing direction to the Issuer's management to help maintain a sustainable organisation.

The Non-Executive Directors constitute a majority on the Board and their main functions are to monitor the operations of the Executive Directors and their performance, as well as to analyse any investment opportunities that are proposed by the Executive Directors. In addition, the Non-Executive Directors have the role of acting as an important check on the possible conflicts of interest of the Executive Directors, which may exist as a result of their dual role as Executive Directors of the Issuer and their role as officers of CPHCL;

- **Principle 5:** The Board of Directors aims to meet regularly and all Directors are given ample opportunity to discuss the agenda and convey their opinions. During the year under review the Board of Directors met four times to discuss the operations and strategy of the Issuer;
- **Principle 6:** The Chief Executive Officer ensures that Directors are provided with relevant information to enable them to effectively contribute to Board decisions.
- **Principle 7:** The Board of Directors performs a self-evaluation of its own performance and that of its committees on an annual basis, and the Board's performance is always under the scrutiny of the shareholders. The Board considers the present evaluation procedure to suffice and therefore does not consider it necessary to formalise the evaluation process through the setting up of an evaluation committee;



REGISTRATION DOCUMENT

- **Principle 8:** The Board considers that the size and operation of the Issuer does not warrant the setting up of a nomination and remuneration committee. Given that the Issuer employs only one senior official (the remainder of the executive team providing services to the Issuer pursuant to the MSS Agreement), and any remuneration to the Board of the Issuer is determined by the shareholders of the Issuer in accordance with its Memorandum and Articles of Association, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer will not be incorporating a nomination committee. Appointments to the Board of the Issuer are determined by the shareholders of the Issuer in accordance with its Memorandum and Articles of Association;
- **Principle 9:** The Issuer is highly committed to having an open and communicative relationship with its bondholders and investors;
- **Principle 10:** The Issuer ensures that it is in constant contact with its principal institutional shareholders and bondholders;
- **Principle 11:** By virtue of the Memorandum and Articles of Association, the Directors are obliged to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with that of the Issuer. The Board member concerned shall not take part in the assessment by the Board as to whether a conflict of interest exists. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has a material interest;
- **Principle 12:** The Issuer understands that it has an obligation towards society at large to put into practice sound principles of Corporate Social Responsibility. It achieves this through the commitments of CPHCL.

Save for the instances of non-adherence to the Code which have been explained above, the Board is of the opinion that the Issuer is in compliance with the Code.

10 HISTORICAL INFORMATION

The historical financial information for the three financial years ended 31 December 2011, 2012 and 2013 as audited by Grant Thornton are set out in the consolidated financial statements of the Issuer. Such audited consolidated financial statements are available on the Issuer's website www.mihplc.com. There were no significant changes to the financial or trading position of the Issuer since the end of the financial year to which the last audited consolidated financial statements relate.

11 LITIGATION

Except as set out below, there have not been governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had, in the recent past significant effect on the financial position or profitability of the Issuer and/or the Group, taken as a whole.

The Issuer is a co-defendant in court proceedings against it for unpaid professional fees. Although the Issuer has reason to believe that it will prevail on the merits, for which it will vigorously defend itself, the proceedings are still at an early stage and the ultimate outcome cannot be predicted at this time. The Issuer believes that it has a strong defense in respect of this claim, however, in the event of an adverse determination of any and all such claims the Issuer's liability is not expected to have any material adverse effect on the financial position or profitability of the Issuer.

12 ADDITIONAL INFORMATION

12.1 Share Capital

The Issuer has an authorised share capital of €100,000,000 divided into 50,000,000 Ordinary 'A' shares of €1 each and 50,000,000 Ordinary 'B' shares of €1 each. The Issuer has an issued share capital of €48,002,000 divided into 24,001,000 Ordinary 'A' shares of €1 each, fully paid up, and 24,001,000 Ordinary 'B' shares of €1 each, fully paid up. CPHCL holds 24,001,000 Ordinary 'A' shares of €1 each, NREC holds 19,200,800 Ordinary 'B' shares of €1 each and LPTACC holds 4,800,200 Ordinary 'B' shares of €1 each.

Since incorporation, the Issuer allotted shares as detailed in the following table:

Date of allotment	No. of Shares	Shareholder	Consideration
Initial share capital, issued on 12 December 2005	1,000 Ordinary 'A' shares	CPHCL	€1,000 in cash
Initial share capital, issued on 12 December 2005	1,000 Ordinary 'B' shares	NREC	€1,000 in cash
21 February 2006	24,000,000 Ordinary 'B' shares	NREC	€24,000,000 in cash
16 March 2006	24,000,000 Ordinary 'A' shares	CPHCL	Capitalisation of shareholder's loan

On 12 September 2007, 4,800,200 Ordinary 'B' shares of €1 each were transferred by NREC to LPTACC.

In terms of the Memorandum and Articles of Association of the Issuer, the Board may be authorised, by the members by extraordinary resolution in general meeting or by a resolution in writing executed by or on behalf of each member who would have been entitled to vote on it if it had been proposed at a general meeting, to exercise the power of the Issuer to allot shares to the amount of the authorised but unissued share capital of the Issuer for the time being (or for such other amount as the authority may state), and the Board may allot, grant options over, or otherwise dispose of, such shares to such persons on such terms and in such manner as they think fit.

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

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

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

12.2 Memorandum and Articles of Association

12.2.1 *Objects*

The Memorandum and Articles of Association of the Issuer are registered with the Registry of Companies. The main objects for which the Issuer is constituted, which are limited to activities outside Malta and to such other acts as are or may be necessary for its operations from Malta, are to directly or indirectly acquire and develop real estate opportunities in North Africa, including without limitation, opportunities with respect to retail outlets, shopping malls, office and commercial buildings, resident gated compounds, housing, hotels, build-operate-transfer and other governmental projects, and conference centres. Clause 4 of the Memorandum of Association contains the full list of objects of the Issuer. A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of this Prospectus at the registered office of the Issuer and at the Registrar of Companies of the MFSA.

12.2.2 *Voting rights and restrictions*

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

12.2.3 *Appointment of Directors*

At present, in terms of the Memorandum and Articles of Association, the Board shall consist of seven Directors, who are appointed as follows:

- the holders of ordinary 'A' shares shall have the right to appoint three Directors to the Board;
- the holders of ordinary 'B' shares shall have the right to appoint three Directors to the Board;
- the holders of ordinary 'A' shares jointly with the holders of the ordinary 'B' shares shall have the right to appoint the seventh Director to the Board.

12.2.4 *Powers of Directors*

The Directors are vested with the management of the Issuer, and their powers of management and administration emanate directly from the Memorandum and Articles of Association and the law. The Directors are empowered to act on behalf of the Issuer and in this respect have the authority to enter into contracts, sue and be sued in representation of the Issuer. In terms of the Memorandum and Articles of Association they may do all such things that are not by the Memorandum and Articles of Association reserved for the shareholders in general meeting.

Directors may not vote on any proposal, issue, arrangement or contract in which they have a personal material interest.

The amount of remuneration payable to the Directors is, in terms of the Memorandum and Articles of Association, to be established by an extraordinary resolution of the shareholders.

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

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



13 MATERIAL CONTRACTS

The Group has not entered into any material contract which is not in the ordinary course of its business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

14 INTEREST OF EXPERTS AND ADVISORS

Save for the financial analysis summary set out as Annex III of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The financial analysis summary has been included in the form and context in which it appears with the authorisation of Charts Investment Management Service Limited of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, that has given and has not withdrawn its consent to its inclusion herein. Charts Investment Management Service Limited does not have any material interest in the Issuer. The Issuer confirms that the financial analysis summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

15 DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document the following documents (or copies thereof) shall be available for inspection at the registered address of the Issuer:

- (a) Memorandum and Articles of Association of the Issuer;
- (b) Audited Consolidated Financial Statements of the Issuer for the years ended 31 December 2011, 2012 and 2013;
- (c) Audited Financial Statements of PCL for the years ended 31 December 2011, 2012 and 2013;
- (d) Audited Financial Statements of PWL for the period ended 31 December 2013;
- (e) Financial Analysis Summary prepared by Charts Investment Management Service Limited dated 2 June 2014.

These documents are also available for inspection in electronic form on the Issuer's website www.mihplc.com



SECURITIES NOTE

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014. 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 Mediterranean Investments Holding p.l.c. Application has been made for the admission to listing and trading of the Bonds on the Official List. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

Dated 2 June 2014

SECURITIES NOTE

In respect of an Issue of €12,000,000 6% Unsecured Bonds 2021
of a nominal value of €100 per Bond issued at par by



Mediterranean Investments Holding p.l.c.

A public limited liability company registered in Malta
with company registration number C 37513

ISIN: MT0000371261

THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT 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 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 ADVISOR.

Legal Counsel

Sponsor, Manager
and Registrar

CAMILLERI PREZIOSI
ADVOCATES

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING



SECURITIES NOTE

TABLE OF CONTENTS

TABLE OF CONTENTS	2
IMPORTANT INFORMATION	3
1 DEFINITIONS	5
2 RISK FACTORS	7
2.1 General	7
2.2 Forward-looking Statements	7
2.3 Risks Relating to the Bonds	7
3 PERSONS RESPONSIBLE	8
3.1 Consent for Use of Prospectus	8
4 ESSENTIAL INFORMATION	9
4.1 Reasons for the Issue and Use of Proceeds	9
4.2 Expenses	9
4.3 Issue Statistics	10
4.4 Interest of Natural and Legal Persons Involved in the Issue	11
5 INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING	11
5.1 General	11
5.2 Ranking of the Bonds	12
5.3 Rights attached to the Bonds	12
5.4 Interest	12
5.5 Yield	13
5.6 Registration, Form, Denomination and Title	13
5.7 Negative Pledge	13
5.8 Payments	14
5.9 Redemption and Purchase	14
5.10 Events of Default	14
5.11 Transferability of the Bonds	15
5.12 Further Issues	15
5.13 Meetings of Bondholders	15
5.14 Authorisations and approvals	16
5.15 Notices	16
6 TAXATION	17
6.1 General	17
6.2 Malta Tax on Interest	17
6.3 European Union Savings Directive	17
6.4 Maltese Taxation on Capital Gains on Transfer of the Bonds	18
6.5 Duty on Documents and Transfers	18
7 TERMS AND CONDITIONS OF THE BOND ISSUE	18
7.1 Expected Time Table of the Bond Issue	18
7.2 Terms and Conditions of Application specific to Holders of Maturing Bonds	18
7.3 General Terms and Conditions	19
7.4 Plan of Distribution and Allotment	22
7.5 Pricing	22
7.6 Intermediaries' Offer	22
7.7 Allocation Policy	23
7.8 Admission to Trading	23
8 DOCUMENTS ON DISPLAY	23
ANNEX I – Authorised Financial Intermediaries	24
ANNEX II - Specimen Application Form	25
ANNEX III - Financial Analysis Summary	27



SECURITIES NOTE

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY MEDITERRANEAN INVESTMENTS HOLDING PLC (THE “ISSUER”) OF €12,000,000 BONDS 2021 OF A NOMINAL VALUE OF €100, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 6% PER ANNUM, PAYABLE ANNUALLY ON 22 JUNE OF EACH YEAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 22 JUNE 2021 UNLESS OTHERWISE PREVIOUSLY REPURCHASED OR CANCELLED. THE ISSUER SHALL REDEEM THE BONDS ON THE REDEMPTION DATE.

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, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

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, 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 ADVISORS.

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 COUNTRY 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 MSE IN SATISFACTION OF THE MSE 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.



SECURITIES NOTE

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 ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS, UNDER THE HEADING "ADVISORS" UNDER SECTION 3 OF THE REGISTRATION DOCUMENT, 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 ADVISORS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1 DEFINITIONS

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

Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar or to any of the Authorised Financial Intermediaries;
Application Form	the form of application of subscription for Bonds, a specimen of which is contained in Annex II of this Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note;
Bond(s)	the €12,000,000 bonds of a face value of €100 per bond bearing interest at the rate of 6% per annum and redeemable on the Redemption Date at their nominal value;
Bondholder	a holder of Bonds;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
CSD	the Central Securities Depository of the MSE authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Cut-Off Date	close of business of 2 June 2014;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
Existing Bondholder	a holder of Maturing Bonds as at the Cut-Off Date;
Interest Payment Date	22 June of each year between and including each of the years 2015 and the year 2021, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
Intermediaries' Offer	shall have the meaning set out in section 7.6 of this Securities Note;
Issue Date	27 June 2014;
Issuer or MIH	Mediterranean Investments Holding p.l.c., a public company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, John Lopez Street Floriana FRN 1400, Malta;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules of the Listing Authority;



SECURITIES NOTE

Maturing Bonds	the 7.5% bonds due to mature on 4 December 2014, amounting as at the date of the Prospectus to €14,757,659, issued by the Issuer pursuant to a prospectus dated 7 November 2007 with ISIN MT0000371212;
Official List	the list prepared and published by the MSE as its official list in accordance with the MSE Bye-Laws;
Prospectus	collectively the Registration Document, Summary Note and this Securities Note (each as defined in this Securities Note);
Redemption Date	22 June 2021;
Redemption Value	the nominal value of each Bond (€100 per Bond);
Registration Document	the registration document issued by the Issuer dated 2 June 2014, forming part of the Prospectus;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 amending Regulation (EC) No. 809/2004 as regards to regulatory technical standards for publication of supplements to the prospectus;
Securities Note	this document in its entirety;
Sponsor	Charts Investment Management Service Limited, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
Subscription Agreement	the agreement between the Issuer, the Registrar and the Authorised Financial Intermediaries to subscribe for the Bonds;
Summary Note	the summary note issued by the Issuer dated 2 June 2014, forming part of the Prospectus;
Terms and Conditions	the terms and conditions of the Bond Issue as contained in section 7 of this Securities Note.

2 RISK FACTORS

2.1 General

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

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

AN INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS INCLUDING THOSE DESCRIBED BELOW. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER, WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

NEITHER THIS SECURITIES NOTE, NOR ANY OTHER PARTS OF THE PROSPECTUS OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE BONDS: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR 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.

2.2 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.

2.3 Risks Relating to the Bonds

- The existence of an orderly and liquid market for the Bonds depends on a number of factors, including, but not limited to the presence of willing buyers and sellers of the Issuer’s Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.
- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
- A Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder’s currency of reference, if different.
- No prediction can be made about the effect which any future public offerings of the Issuer’s securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.



SECURITIES NOTE

- The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. Furthermore, subject to the negative pledge clause (section 5.7 of this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.
- In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Issue it shall call a meeting of Bondholders in accordance with the provisions of section 5.13 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.
- The Terms and Conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

3 PERSONS RESPONSIBLE

This document includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer. All of the Directors of the Issuer, whose names appear under the sub-heading “Directors” under the heading “Identity of Directors, Senior Management, Advisors and Auditors” in section 3 of the Registration Document, accept responsibility for the information contained in this Securities Note.

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

3.1 Consent for Use of Prospectus

Consent required in connection with a possible Intermediaries’ Offer in terms of section 7.6:

As explained in this Securities Note, in the event that not all of the Bonds in issue are subscribed to by Existing Bondholders, an Intermediaries’ Offer will be triggered.

For the purposes of any subscription for Bonds by Authorised Financial Intermediaries pursuant to such an Intermediaries’ Offer and any subsequent resale or placement of Bonds by Authorised Financial Intermediaries participating in the Intermediaries’ Offer in circumstances where there is no exemption from the requirement to publish a prospectus under the Prospectus Directive, the Issuer consents to the use of this Prospectus (and accepts responsibility for the information contained therein) with respect to any such subsequent resale or placement, provided this is limited only:

- (i) in respect of Bonds subscribed for in terms of the Intermediaries’ Offer by Authorised Financial Intermediaries listed in Annex I of the Securities Note participating in the Intermediaries’ Offer;
- (ii) to any resale or placement of Bonds subscribed for as aforesaid, taking place in Malta;
- (iii) to any resale or placement of Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Prospectus.

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

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



SECURITIES NOTE

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

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

In the event of a resale or placement of Bonds by an Authorised Financial Intermediary subsequent to the Intermediaries' Offer, the Authorised Financial Intermediary will provide information to investors on the terms and conditions of the resale or placement at the time such is made. Where such information is not contained in the Prospectus, it will be the responsibility of the applicable Authorised Financial Intermediary at the time of such offer to provide the investor with that information, and each of the Issuer, the Sponsor or other Authorised Financial Intermediary will not be responsible or liable for such information.

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

Any Authorised Financial Intermediary using this Prospectus in connection with a resale or placement of Bonds subsequent to the Intermediaries' Offer shall, limitedly for the period of 60 days from the date of the Prospectus, publish on its website a notice to the effect that it is using this Prospectus for such resale or placement in accordance with the consent of the Issuer and the conditions attached thereto. The consent provided herein shall no longer apply following the lapse of such period.

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

4 ESSENTIAL INFORMATION

4.1 Reasons for the Issue and Use of the Proceeds

The proceeds from the Bond Issue, which net of Issue expenses are expected to amount to approximately €11,800,000, will be used by the Issuer for the purpose of part financing the redemption of the outstanding amount of the Maturing Bonds, which as at the date of the Prospectus stands at €14,757,659.

The redemption of the remaining balance of Maturing Bonds, equivalent to €2,957,659 in the event that the Bond Issue is fully subscribed, or a higher amount in the event that the Bond Issue is not fully subscribed, shall be financed from the Issuer's general cash flow.

4.2 Expenses

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €200,000. There is no particular order of priority with respect to such expenses.



SECURITIES NOTE

4.3 Issue Statistics

Amount:	€12,000,000;
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination:	Euro (€);
ISIN:	MT0000371261;
Minimum amount per subscription:	Minimum of €2,000 and multiples of €100 thereafter;
Redemption Date:	22 June 2021;
Plan of Distribution:	The Bonds are open for subscription by: holders of Maturing Bonds up to the nominal value of Maturing Bonds held by them as at the Cut-Off Date; and, for any Bonds not taken up by Existing Bondholders, by Authorised Financial Intermediaries pursuant to the Intermediaries' Offer;
Preferred Allocation to holders of Maturing Bonds:	<p>Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds applied for by the transfer to the Issuer of Maturing Bonds at par value, subject to a minimum holding of €2,000 in Bonds and rounded upwards to the nearest €100. Any Existing Bondholders whose holding in Maturing Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form ("Cash Top-Up").</p> <p>Existing Bondholders electing to subscribe for Bonds through the transfer to the Issuer of all or part of the Maturing Bonds held by them as at the Cut-Off Date shall be allocated Bonds for the corresponding nominal value of Maturing Bonds transferred to the Issuer (including Cash Top-Up, where applicable). In the event that the aggregate value of Applications by Existing Bondholders indicating Maturing Bond Transfer (as defined in section 7.2.1 below) as consideration for subscription for the Bonds is in excess of €12,000,000, then the Issuer, acting through the Registrar, shall scale down each Application by Existing Bondholders in accordance with the allocation policy to be issued in terms of section 7.3.13. The transfer of Maturing Bonds to the Issuer in consideration for the subscription for Bonds shall cause the obligations of the Issuer with respect to such Maturing Bonds to be extinguished, and shall give rise to obligations on the part of the Issuer under the Bonds;</p>
Intermediaries' Offer:	<p>In the event that the aggregate value of Applications by Existing Bondholders indicating Maturing Bond Transfers (as defined in section 7.2.1 below) as consideration for subscription for the Bonds is lower than €12,000,000, and accordingly there remain Bonds which are unallocated to Existing Bondholders, such Bonds shall form part of an Intermediaries' Offer.</p> <p>An Existing Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date may do so solely through an Authorised Financial Intermediary participating in the Intermediaries' Offer.</p> <p>In the event that the aggregate of the subscription agreements received from Authorised Financial Intermediaries in terms of the Intermediaries' Offer is in excess of the balance of the €12,000,000 of Bonds in issue which have not been allocated to Existing Bondholders receiving their full entitlement of Bonds following application by way of Maturing Bond Transfer (as defined in section 7.2.1 below), the Issuer (acting through the Registrar) shall scale down each Subscription Agreement received from Authorised Financial Intermediaries in accordance with the allocation policy to be issued in terms of section 7.3.13;</p>



SECURITIES NOTE

Bond Issue Price:	At par (€100 per Bond);
Status of the Bonds:	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other unsecured debt, if any;
Listing:	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;
Application Forms made available to Existing Bondholders:	4 June 2014;
Closing date for Applications to be received from Existing Bondholders:	18 June 2014;
Intermediaries Offer:	20 June 2014;
Interest:	6% per annum;
Interest Payment Date(s):	Annually on 22 June as from 23 June 2014 (the first interest payment date);
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.

4.4 Interest of Natural and Legal Person Involved in the Issue

Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which includes Charts Investment Management Service Limited), and any fees payable to Charts Investment Management Service Limited in connection with the Issue as Sponsor and Manager, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.

5 INFORMATION CONCERNING THE SECURITIES TO BE ISSUED AND ADMITTED TO TRADING

5.1 General

5.1.1 Each Bond forms part of a duly authorised issue of 6% Bonds 2021 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €12,000,000 (except as otherwise provided under section 5.12 "Further Issues").

5.1.2 The currency of the Bonds is Euro (€).

5.1.3 Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0000371261.

5.1.4 All outstanding Bonds not previously redeemed or cancelled shall be redeemed by the Issuer at par on the Redemption Date.

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

5.1.6 The Issue Date of the Bonds is 27 June 2014.

5.1.7 The Bond Issue is not underwritten.



SECURITIES NOTE

5.2 Ranking of the Bonds

The Bonds shall constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt, if any. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

The following sets out a summary of Group indebtedness which as at 31 December 2013 amounted to €117.03 million (€125.27 at 31 December 2012), and includes bank loans, corporate bonds and other borrowings from related companies. The bank borrowings listed below are secured by privileges and hypothecs, and therefore the indebtedness being created by the Bonds, together with the other issued bonds, ranks after all these bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

Further details on bank borrowings, including, *inter alia*, respective term, security and repayment schedule, are found in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2013, which have been published and are available on the Issuer's website (www.mihplc.com) and at its registered office.

MIH Group Borrowings and Bonds	31 Dec'13 (€'000) Actual	31 Dec'12 (€'000) Actual	31 Dec'11 (€'000) Actual
Bank borrowings	40,944	48,961	53,622
Bonds	72,885	73,108	72,993
Shareholders' loan	3,200	3,200	13,200
Total Borrowings and Bonds	117,029	125,269	139,815

5.3 Rights attached to the Bonds

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

- (i) the payment of capital;
- (ii) the payment of interest;
- (iii) ranking with respect to other indebtedness of the Issuer in accordance with the provisions of section 5.2 hereof;
- (iv) attend, participate in and vote at meetings of Bondholders in accordance with the terms and conditions of the Bond; and
- (v) enjoy all such other rights attached to the Bonds emanating from this Prospectus.

5.4 Interest

5.4.1 The Bonds shall bear interest from and including 23 June 2014 at the rate of 6% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 22 June 2015. 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. In terms of article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.

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

5.4.3 A Maturing Bond Transfer (as defined in section 7.2.1 below) shall be without prejudice to the rights of the holders of Maturing Bonds to receive interest on the Maturing Bonds up to and including 22 June 2014. The Issuer intends to settle the difference between the interest rates applicable to the Maturing Bonds and the interest rate of 6% applicable to the Bonds, from 23 June 2014 up to 4 December 2014, being the date of redemption of the Maturing Bonds, to all persons holding Maturing Bonds who would have submitted their Application Forms by not later than 18 June 2014 and, consequently, exercising their option to subscribe for Bonds and settle the consideration for Bonds by transferring their Maturing Bonds to the Issuer as mentioned above.

5.5 Yield

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date, is 6%.

5.6 Registration, Form, Denomination and Title

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

5.6.2 The CSD will issue, upon a request by a Bondholder, a statement of holdings to such Bondholder evidencing his/her/its entitlement to Bonds held in the register kept by the CSD.

5.6.3 The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client.

5.6.4 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 "Transferability of the Bonds" in section 5.11 of this Securities Note.

5.7 Negative Pledge

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

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

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

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

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 106% of the aggregate principal amount of the Bonds still outstanding;

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

5.8 Payments

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

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

5.8.2 Payment of interest on a Bond will be made to the person in whose name such Bond is registered at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate, from time to time, which is denominated in Euro and held with any licensed bank in Malta. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any loss or delay in transmission.

5.8.3 All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

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

5.9 Redemption and Purchase

5.9.1 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 22 June 2021.

5.9.2 Subject to the provisions of this section 5.9, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

5.9.3 All Bonds so redeemed or purchased will be cancelled forthwith and may not be re-issued or re-sold.

5.10 Events of Default

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

5.10.1 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

5.10.2 the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the terms and conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; or

5.10.3 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

5.10.4 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

- 5.10.5 the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or
- 5.10.6 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 made for the payment of money in excess of five million Euro (€5,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
- 5.10.7 any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined above) of the Issuer in excess of five million Euro (€5,000,000) or its equivalent at any time.

5.11 Transferability of the Bonds

- 5.11.1 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- 5.11.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.
- 5.11.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 5.11.4 The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require for 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.
- 5.11.5 The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

5.12 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) 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.

5.13 Meetings of Bondholders

- 5.13.1 The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which, in terms of the Prospectus, require the approval of a Bondholders' meeting.
- 5.13.2 A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the



SECURITIES NOTE

Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section 5.13 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

- 5.13.3 The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- 5.13.4 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting: the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.
- 5.13.5 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 5.13.6 Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- 5.13.7 The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.
- 5.13.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least 65% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.
- 5.13.9 Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall mutatis mutandis apply to meetings of Bondholders.

5.14 Authorisations and Approvals

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on 3 April 2014.

5.15 Notices

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

6 TAXATION

6.1 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.

6.2 Malta Tax on Interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act, (Cap. 123 of the Laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek advice on the taxation of such income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. However where the Bondholder is a Maltese resident individual, he is still entitled to declare the gross interest in the tax return and the tax so deducted will be available as a credit against the individual’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 Department on an annual basis in respect of all interest paid gross and of the identity of all such recipients unless the beneficiary is a non-resident of Malta. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

6.3 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.

6.4 Maltese Taxation on Capital Gains on Transfer of the Bonds

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

6.5 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, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese duty.

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

7 TERMS AND CONDITIONS OF THE BOND ISSUE

7.1 Expected Time Table of Bond Issue

1. Application Forms mailed to holders of Maturing Bonds as at the Cut-Off Date	04 June 2014
2. Closing date for Applications to be received from holders of Maturing Bonds as at the Cut-Off Date	18 June 2014
3. Intermediaries' Offer*	20 June 2014
4. Commencement of interest on the Bonds	23 June 2014
5. Announcement of basis of acceptance	23 June 2014
6. Refunds of unallocated monies	23 June 2014
7. Expected dispatch of allotment advices	27 June 2014
8. Expected date of admission of the securities to listing	27 June 2014
9. Expected date of commencement of trading in the securities	30 June 2014

* The Intermediaries' Offer shall not be undertaken in the event of over-subscription by holders of Maturing Bonds.

7.2 Terms and Conditions of Application specific to Holders of Maturing Bonds

7.2.1 The consideration payable by an Applicant for Bonds may be settled, after submitting the appropriate pre-printed Application Form, by the transfer to the Issuer of all or part of the Maturing Bonds held by such Applicant as at the Cut-off Date (the “**Maturing Bond Transfer**”), subject to a minimum application of €2,000 and rounded upwards to the nearest €100.

7.2.2 Payment by Applicants of the Cash Top-Up referred to in the paragraph entitled “Preferred Allocation to holders of Maturing Bonds” in section 4.3 shall be made in Euro and in cleared funds at the Bond Issue Price, in either cash or by cheque payable to “**The Registrar – MIH Bond Issue 2014**”.

- 7.2.3 By submitting a signed pre-printed Application Form indicating that the Maturing Bond Transfer is being selected as consideration for the Bonds being applied for, the Applicant is thereby confirming:
- i. that all or part (as the case may be) of the Maturing Bonds held by the Applicant on the Cut-off Date are being transferred to the Issuer, together with the payment due in respect of any Cash Top-Up, if applicable;
 - ii. that the pre-printed Application Form constitutes the Applicant's irrevocable mandate to the Issuer to:
 - a. cause the transfer of the said Maturing Bonds in the Issuer's name in consideration of the issue of Bonds; and
 - b. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant;
 - iii. that in respect of the exercise of the option set out in section 7.2.2 above, the Applicant's remittance representing the Cash Top-Up will be honoured on first presentation and agrees that, if such remittance is not so honoured on its first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application, and furthermore the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders, unless the Applicant makes payment in cleared funds and such consideration is accepted by the Issuer, acting through the Registrar (which acceptance shall be made in the Issuer's absolute discretion and may be on the basis that the Applicant indemnifies the Issuer against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of the Applicant's remittance to be honoured on first presentation).
- 7.2.4 Where the Applicant is the holder of Maturing Bonds which as at the Cut-Off Date are held subject to usufruct, the signatures of both the bare owner and the usufructuary will be required in the Application Form.
- 7.2.5 All Applications for the subscription of Bonds being effected by Maturing Bond Transfer must be submitted on the appropriate pre-printed Application Form by not later than 14.00 hours on 18 June 2014. The completed pre-printed Application Form is to be lodged with any of the Authorised Financial Intermediaries.
- 7.2.6 Holders of Maturing Bonds wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date shall be entitled to do so through an Authorised Financial Intermediary participating in the Intermediaries' Offer.

7.3 General Terms and Conditions

- 7.3.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List. In the event that the Bonds are not admitted to the Official List, no Maturing Bond Transfers (see section 7.2 above) shall take effect, and any Application monies (in the case of a Cash Top-Up being required) received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.
- 7.3.2 In view of the fact that the proceeds of the Bond Issue are intended to be applied to the redemption of part of the outstanding amount of the Maturing Bonds, the Issuer has not established an aggregate minimum subscription level for the Bond Issue.

As indicated in section 4.1 above under the heading "Reasons for the Issue and Use of Proceeds", the Maturing Bonds shall be redeemed partly out of the proceeds of the Bond Issue and partly out of general cash reserves of the Issuer. In the event that the Bond Issue is not fully subscribed, the residual balance of Maturing Bonds will likewise be funded from the general cash reserves of the Issuer. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

- 7.3.3 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer.

- 7.3.4 If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form.
- 7.3.5 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. 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.
- 7.3.6 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-à-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, and shall not be entitled to the repayment of principal on the Bond (which shall be due to the bare owner).
- 7.3.7 Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- 7.3.8 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 7.3.9 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.
- 7.3.10 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 7.3.11 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject in whole or in part, or to scale down, any Application, including multiple or suspected multiple applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.
- 7.3.12 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants (including holders of Maturing Bonds applying for Bonds in terms of section 7.2 above) during the Intermediaries' Offer is €2,000.

- 7.3.13 The Bond Issue shall close on the earlier of: (i) the date on which the aggregate of Applications received from the Existing Bondholders up to the full amount of Maturing Bonds held as at the Cut-Off Date (that is by Maturing Bond Transfer as set out in section 7.2.1 above) reaches €12,000,000; or (ii) if following the allocation of all Bonds applied for as set out in para (i) the full €12,000,000 of Bonds would not have been allocated, on the lapse of the Intermediaries' Offer.

Within two (2) Business Days from closing of the Bond Issue, the Issuer shall announce the result of the Issue and shall determine, and issue a company announcement setting out, the basis of acceptance of applications and allocation policy to be adopted.

- 7.3.14 In the event that an Existing Bondholder has been allocated a number of Bonds which is less than the number applied for, Maturing Bonds equal in value to the number of Bonds allocated to such Existing Bondholder shall be transferred to the Issuer as set out in section 7.2.1. above, whereas the remaining Maturing Bonds held by the Existing Bondholder and representing the aggregate nominal value of Bonds applied for but not allocated shall be retained by the Existing Bondholder. In the event that Authorised Financial Intermediaries subscribing for Bonds have been allocated a number of Bonds which is less than the number applied for, then such Authorised Financial Intermediaries shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the subscription agreement, at the Authorised Financial Intermediary's sole risk within two (2) Business Days from the date of final allocation.

- 7.3.15 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the MSE" appended as Appendix IV to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes and within the terms of the MSE Data Protection Policy as published from time to time.

- 7.3.16 By completing and delivering an Application Form, the Applicant:
- a agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;
 - b warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
 - c authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;
 - d confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;
 - e agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance or surrender of the Maturing Bonds, as the case may be, 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;
 - f agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;

- g warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has 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 issue of the Bond or his/her Application;
- h warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- i represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- j agrees that Charts Investment Management Service Limited will not, in their capacity of Sponsor, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Charts Investment Management Service Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;
- k agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form;
- l renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

7.4 Plan of Distribution and Allotment

Applications for subscription to the Bonds may be made through any of the Authorised Financial Intermediaries. The Bonds are open for subscription to holders of Maturing Bonds and to Authorised Financial Intermediaries. It is expected that an allotment advice will be dispatched to Applicants within four (4) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance or surrender of the Maturing Bonds, as the case may be, and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

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

7.5 Pricing

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

7.6 Intermediaries' Offer

The Issuer may enter into conditional subscription agreements with a number of Authorised Financial Intermediaries for the subscription of Bonds whereby it will bind itself to allocate Bonds to such investors during the Intermediaries' Offer, if any, provided that in aggregate Applications by Existing Bondholders up to the full amount of Maturing Bonds held as at the Cut-Off Date (that is by Maturing Bond Transfer as set out in section 7.2.1 above) do not exceed €12,000,000. Holders of Maturing Bonds wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date shall be entitled to do so through an Authorised Financial Intermediary participating in the Intermediaries' Offer.

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



SECURITIES NOTE

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

7.7 Allocation Policy

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

- i. first to Existing Bondholders up to the extent of their holdings of Maturing Bonds to be utilised for the purposes of the payment of consideration of Bonds and subject to the minimum holding of €2,000;
- ii. in the event that the satisfaction of all applications under paragraph (i) above shall result in an over-subscription of the Bond, within two (2) Business Days from closing of the Bond Issue the Issuer shall announce the result of the Issue and shall determine and announce the basis of acceptance of Applications and allocation policy to be adopted through a company announcement;
- iii. in the event that following the allocations made pursuant to paragraph (i) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Financial Intermediaries through an Intermediaries' Offer as detailed in section 7.6 above.

7.8 Admission to Trading

7.8.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 2 June 2014.

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

7.8.3 The Bonds are expected to be admitted to the MSE with effect from 27 June 2014 and trading is expected to commence on 30 June 2014.

8 DOCUMENTS ON DISPLAY

For the duration period of this Securities Note the following documents (or copies thereof) shall be available for inspection at the registered office of the Issuer:

- (a) Memorandum and Articles of Association of the Issuer;
- (b) Audited Consolidated Financial Statements of the Issuer for the years ended 31 December 2011, 2012 and 2013;
- (c) Audited Financial Statements of PCL for the years ended 31 December 2011, 2012 and 2013;
- (d) Audited Financial Statements of PWL for the period ended 31 December 2013;
- (e) Financial Analysis Summary prepared by Charts Investment Management Service Limited dated 2 June 2014.

These documents are also available for inspection in electronic form on the Issuer's website at www.mihplc.com



SECURITIES NOTE – ANNEX I

AUTHORISED FINANCIAL INTERMEDIARIES

NAME	ADDRESS	TELEPHONE
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Calamatta Cuschieri & Co Ltd	Valletta Buildings, Fifth Floor, South Street, Valletta VLT 1103	25688688
Charts Investment Management Service Ltd	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	21224106
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
Financial Planning Services Ltd	4, Marina Court No. 1, G Cali Street, Ta' Xbiex XBX 1421	21344244
FINCO Treasury Management Ltd	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	21220002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta' Xbiex XBX 1403	21342342
Hogg Capital Investments Ltd	Ferris Building, Level 4, 1, St Luke's Road, Gwardamangia, Pieta PTA 1020	21322872
Jesmond Mizzi Financial Advisors Ltd	67, Level 3, South Street, Valletta VLT 1105	23265681
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	25581114
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	22583000



SECURITIES NOTE – ANNEX II

SPECIMEN APPLICATION FORM



Mediterranean Investments Holding p.l.c.

€12,000,000
6% UNSECURED BONDS 2021
APPLICATION FORMApplication
Number

Please read the notes overleaf before completing this Application Form.

A APPLICANT

MSE ACCOUNT NO.	I.D. CARD/ PASSPORT/ COMPANY REG. NO.	TEL. NO.	MOBILE NO.
-----------------	---------------------------------------	----------	------------

Nominal Value of Mediterranean Investments Holding p.l.c. 7.5% Bonds 2012-2014 (the "Maturing Bonds"):

AMOUNT IN FIGURES **Box 1**
€

I/We wish to purchase and acquire the amount set out below in Mediterranean Investments Holding p.l.c. 6% Bonds 2021 at the Bond Issue Price (at par) pursuant to the Prospectus dated 2 June 2014 (minimum €2,000 and in multiples of €100 thereafter).

B AMOUNT IN WORDSAMOUNT IN FIGURES **Box 2**
€The amount to be included in
Box 2 shall not exceed:

€

Amount of Mediterranean Investments
Holding p.l.c. 6% Bonds 2021 applied
for less the nominal holding in Maturing
Bonds, payable in full upon application
under the Terms and Conditions as set
out in the Prospectus.AMOUNT IN FIGURES **Box 3**
Difference payable on
Application **Box 2 - Box 1**
€**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

IBAN

F This Application form is to be submitted in the case where the Applicant selects, as a method of payment for the Mediterranean Investments Holding p.l.c. 6% Bonds 2021 being applied for, to transfer to the Issuer all or part of the Maturing Bonds held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel B above. By submitting this signed Application Form, the Applicant is thereby confirming that:

- all or part (as applicable) of the Maturing Bonds held by the Applicant at the Cut-Off Date are being transferred to the Issuer at their nominal value; and
- this Application Form constitutes the Applicant's irrevocable mandate to the Issuer to:
 - cause the transfer of the said holding in Maturing Bonds in the Issuer's name in consideration of the issue of Mediterranean Investments Holding p.l.c. 6% Bonds 2021; and
 - engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Mediterranean Investments Holding p.l.c. 6% Bonds 2021 in the Applicant.

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 (as defined herein) 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 holdings of Maturing Bonds that are subject to usufruct)

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP

AUTHORISED FINANCIAL INTERMEDIARY'S CODE



SECURITIES NOTE – ANNEX II
SPECIMEN APPLICATION FORM

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus regulating the Bond Issue

1. The terms used in this Application Form have the same meaning as that assigned 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 Maturing Bonds (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 Mediterranean Investments Holding p.l.c. 6% Bonds 2021 being applied for, to transfer to the Issuer all or part of the holding in the Maturing Bonds held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel B overleaf. By submitting this signed Application Form, the Applicant is thereby confirming that:
 - a. all or part (as applicable) of the Maturing Bonds held by the Applicant as at the Cut-Off Date are being transferred to the Issuer at their nominal value, thereby releasing the Issuer from all and any obligations with respect to such Maturing Bonds; and
 - b. this Application Form constitutes the Applicant's irrevocable mandate to the Issuer to:
 - i. cause the transfer of the Maturing Bonds in the Issuer's name in consideration of the issue of Mediterranean Investments Holding p.l.c. 6% Bonds 2021; and
 - ii. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the appropriate number of Mediterranean Investments Holding p.l.c. 6% Bonds 2021 in the Applicant's name.
6. The amount set out in Box 2 of Panel B overleaf must be in multiples of €100. The Issuer will be giving preference to Applications made by holders of Maturing Bonds up to their full amount held as at the Cut-Off Date, rounded to the nearest €100 and subject to a minimum application of €2,000, provided that the aggregate nominal value of Maturing Bonds transferred to the Issuer as consideration for Mediterranean Investments Holding p.l.c. 6% Bonds 2021 is, following rounding up to the nearest €100, not in excess of €12 million.

Payment of the Cash Top-Up, which is to be inserted in Box 3 of Panel B overleaf, may be made in cash or by cheque payable to "Charts Ltd - The Registrar" which is to be attached to the Application Form being submitted to any Authorised Financial Intermediary listed in Annex I 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 Maturing Bonds is a body corporate, Application Forms must be signed by duly authorised representative/s indicating the capacity in which they are signing.
9. Applicants who are resident in Malta in terms of the Income Tax Act, Cap. 123 of the Laws of Malta, may elect to have final withholding tax (currently 15%) deducted from interest payments. This withholding tax is considered as a final tax and where the Applicant is a Maltese resident individual, he/she need not declare the interest so received in his/her income tax return. However, the individual is still entitled to declare the gross interest in the tax return and the tax so deducted will be available as a credit against the individual's tax liability or for a refund, as the case may be. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will then be obliged to declare interest so received in their tax return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a Prescribed Fund will have final withholding tax (currently 10%) deducted from interest payments. 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 6.1.2 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 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.

The contents of 9 and 10 above do not constitute tax advice by the Issuer and Applicants are to consult their own independent tax advisors in case of doubt.

11. The MSE account number pertaining to the Applicant has been pre-printed in Panel A and reflects the MSE account number on the Issuer's Register at the CSD as at 2 June 2014. **APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MSE IN THE MSE ACCOUNT QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT, AS HELD BY THE CSD OF THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
12. Completed Application Forms are to be delivered to any of the Authorised Financial Intermediaries listed in Annex I of the Prospectus during normal office hours by not later than 14:00 hours on 18 June 2014. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the closing date indicated above. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Bond as contained in the Prospectus. Any Applications received by the Registrar after 14:00 hours on 18 June 2014 will not be accepted. If an Application is not accepted or is accepted for fewer Bonds than those applied for, 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) acknowledge/s that:
 - a. the Issuer may process the personal data that you provide on the Application Form in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta);
 - b. the pre-printed Application Form constitutes the Applicant's irrevocable mandate to the Issuer to:
 - iii. cause the transfer of the said holding in Maturing Bonds in the Issuer's name in consideration of the Issue of Mediterranean Investments Holding p.l.c. 6% Bonds 2021; and
 - iv. engage, at the Issuer's cost, the services of such brokers or intermediaries as may be necessary to fully and effectively vest title in the said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Mediterranean Investments Holding p.l.c. 6% Bonds 2021 in the Applicant.
 - e. 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 request must be made in writing and addressed to the Issuer. The request must further 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.



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The Directors
Mediterranean Investments Holding p.l.c.
22, Europa Centre
Floriana FRN 1400
Malta

2 June 2014

Dear Sirs

Mediterranean Investments Holding 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 set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Mediterranean Investments Holding p.l.c. (the “**Group**”, the “**Company**” or “**MIH**”). The data is derived from various sources or is based on our own computations as follows:

- (a) Historical financial data for the four years ended 31 December 2010, 31 December 2011, 31 December 2012 and 31 December 2013 has been extracted from audited consolidated financial statements of the Company for the four years in question.
- (b) The forecast data for the two years ending 31 December 2014 and 31 December 2015 has been provided by management of the Company.
- (c) Our commentary on the results of the Group and on its financial position is based on the explanations provided by MIH.
- (d) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
- (e) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

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MALTA FINANCIAL SERVICES AUTHORITY



SECURITIES NOTE – ANNEX III

FINANCIAL ANALYSIS SUMMARY



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

Yours faithfully,

Wilfred Mallia
Director

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MALTA FINANCIAL SERVICES AUTHORITY

TABLE OF CONTENTS

PART 1

ABBREVIATIONS	30
1. COMPANY'S KEY ACTIVITIES	31
2. DIRECTORS AND KEY EMPLOYEES	31
3. ORGANISATIONAL STRUCTURE & OPERATIONAL DEVELOPMENT	32
3.1 MIH	32
3.2 PCL	33
3.3 PWL	34
3.4 MTJSC	35
4. MAJOR ASSETS OWNED BY THE GROUP	36
5. PALM CITY RESIDENCES	37
6. COUNTRY AND MARKET OVERVIEW	42
6.1 Economic Environment	42
6.2 Residential Accommodation in Libya	43

PART 2

7. GROUP PERFORMANCE REVIEW	44
7.1 Income Statement	44
7.2 Cash Flow Statement	47
7.3 Balance Sheet	48
7.4 Sinking Fund	51

PART 3

8. COMPARABLES	52
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PART 4

9. EXPLANATORY DEFINITIONS	54
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ABBREVIATIONS

CPHCL	Corinthia Palace Hotel Company Limited, a company registered under the laws of Malta with company registration number C 257 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta.
EDREICO	Economic Development and Real Estate Investment Company, a company registered under the laws of Libya and having its registered office at 49, 4th Floor, Burj Al Fatah Tower, PO BOX 93142, Tripoli, Libya.
IHI	International Hotel Investments p.l.c., a company registered under the laws of Malta with company registration number C 26136 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta.
LPTACC	Libya Projects Trading And Contracting Company, a company registered under the laws of Kuwait with company registration number 119633 and having its registered office at Office 16/Mezzanine, Block 12, Al Asfour International Company, Al Manqaf, Kuwait.
MIH	Mediterranean Investments Holding p.l.c., a company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta.
MTJSC	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya (in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 (2010)) having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343.
NPHC	National Projects Holding Company (KSC), a Kuwaiti shareholding company registered under the laws of Kuwait with company registration number 111731 and having its registered office at National Market Building, 4th Floor, Office 24, Abdullah Al Salem, Al Mirqab, Kuwait.
NREC	National Real Estate Company, a company registered under the laws of Kuwait with company registration number 19628 and having its registered office at P.O. Box 64585, Shuwaikh, B 70456, Kuwait.
PCL	Palm City Limited, a company registered under the laws of Malta with company registration number C 34113 and having its registered office at 22, Europa Centre, John Lopez Street Floriana FRN 1400, Malta.
PWL	Palm Waterfront Ltd, a company registered under the laws of Malta with company registration number C 57155 and having its registered office at 22, Europa Centre, John Lopez Street Floriana FRN 1400, Malta.

PART 1

1. COMPANY'S KEY ACTIVITIES

Mediterranean Investments Holding p.l.c. ("**MIH**", "**Issuer**", "**Company**" or the "**Group**") is principally engaged in the acquisition and development of immovable property in North Africa, including without limitation, residential gated villages, build-operate-transfer and governmental projects, office and commercial buildings, retail outlets, shopping malls, housing, hotels, and conference centres.

As at the date of this report, MIH operates the Palm City Residences in Janzour, Libya through a build-operate-transfer agreement entered into with CPHCL for a period of 65 years as from commencement of operations; owns 25% of the share capital of MTJSC, the company incorporated to construct the Medina Tower; and is responsible to develop the Palm Waterfront pursuant to an 80-year build-operate-transfer agreement concluded with CPHCL, which period commenced as from the date of said agreement.

2. DIRECTORS AND KEY EMPLOYEES

MIH is managed by a Board consisting of seven directors entrusted with its overall direction and management, and is mandated to identify and execute new investment opportunities and obtain funding thereof.

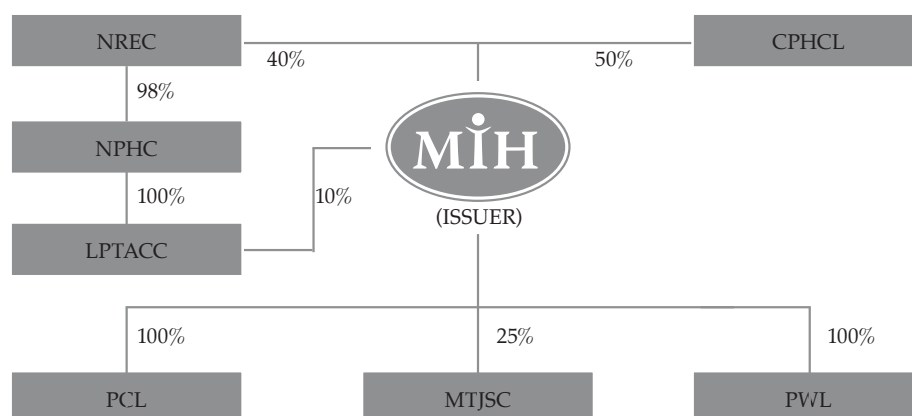
Board of Directors

Alfred Pisani	Executive Director and Chairman
Samuel D. Sidiqi	Non-Executive Director and Deputy Chairman
Joseph Fenech	Executive Director
Yousef Abdelmaula	Non-Executive Director
Faisal J.S. Alessa	Non-Executive Director
Mario P. Galea	Non-Executive Director
Khadija Oubala	Non-Executive Director

The weekly average number of employees engaged by the Group during FY2013 was 143, of which, 122 staff members were employed in the operating category while 21 persons were administrative staff (FY2012: 113).

3. ORGANISATIONAL STRUCTURE & OPERATIONAL DEVELOPMENT

The Company was incorporated on 12 December 2005 and is the parent company of the MIH Group as set out in the organisational structure hereunder:



3.1 MIH

CPHCL and NREC each own, directly or indirectly, 50% of the share capital of the Issuer. In terms of the Memorandum and Articles of Association of MIH, the two shareholders are entitled to appoint three Directors each, and jointly have the right to appoint the seventh Director who shall be an independent non-executive director. The Chairman is appointed by each of CPHCL and NREC based on a three-year term rotation policy.

Key historical events

- 2005 - Issuer is incorporated
- 2006 - Commenced construction of the Palm City Residences
 - PCL concludes a 65-year build-operate-transfer agreement with CPHCL
- 2007 - MIH issues €15 million bond to increase units at Palm City and for new projects
- 2008 - MIH issues €20 million bond to fund the Group's acquisition strategy
- 2010 - MTJSC is set up to construct Medina Tower
 - 276 out of 413 units have been leased at Palm City and 109 units are subject to negotiations
 - Palm City Residences is fully complete and operational
 - MIH issues €40 million bonds for Medina Tower and corporate requirements
- 2011 - Operations are disrupted due to the uprising in Libya (between Feb – Oct 2011)
- 2012 - Occupancy at Palm City Residences is re-established at 91% but Medina Tower is delayed
- 2013 - PWL concludes an 80-year build-operate-transfer agreement with CPHCL
 - Occupancy reaches 94% - revenues at €30.9 million and operating profit of €25.4 million

3.2 PCL

Palm City Limited is a wholly owned subsidiary of the Issuer and was set up to develop and operate the Palm City Residences, which is a 413-unit village that includes residences ranging from one-bedroom apartments to four-bedroom semi-detached villas. The site, which is located in Janzour Libya, has a footprint measuring 171,000m² and a shoreline of *circa* 1.3 km. The development occupies a built-up area measuring 133,824m² and is structured in a village-type environment as depicted below, offering a host of amenities and leisure facilities that include a supermarket, a variety of retail shops, a laundry, health clinics, a clubhouse, swimming pools, tennis courts and a number of catering outlets and cafes.

CPHCL holds legal title to the land on which the Palm City Residences is constructed by virtue of a 99 year lease agreement dated 5 July 2006. Pursuant to a Build-Operate-Transfer Agreement entered into by and between CPHCL and PCL, with effect from 6 July 2006 PCL was engaged by CPHCL to undertake the construction of the property in accordance with the specifications agreed upon between CPHCL and PCL. All costs and expenses related to the construction and development of the Palm City Residences were borne by PCL.

In consideration of the costs incurred by PCL for the development of the complex, it was agreed that PCL will operate the Palm City Residences for a specified period of 65 years as from completion of development (till 2075). Throughout the said term, PCL is authorised to operate the residences at its own risk and for its own benefit. Accordingly any losses incurred, any expenses (including maintenance of the site and buildings), or any profits made out of the operation of the gated village, are for the account of PCL. All revenues generated by the leasing out of accommodation facilities are retained by PCL, enabling it to obtain compensation for the expenses incurred by it for the construction and development of the Palm City Residences and to make a reasonable return on investment.

Upon expiry of this 65 year term, PCL is under the obligation to transfer the operation of the complex to CPHCL, and from that point in time the benefit of revenue generated and the risks associated with the running of the said complex shall be transferred to CPHCL.

PCL and CPHCL have applied to the competent authority in Libya, the Libyan Investment Board, for approval of the assignment of the 99 year lease, which expires on 4 July 2105, from CPHCL to PCL. Both parties have agreed that upon such approval being granted, the Build-Operate-Transfer Agreement will be terminated.

Palm City Residences



3.3 PWL

Palm Waterfront Ltd is a wholly owned subsidiary of MIH and will be primarily engaged in the development and operation of the Palm Waterfront pursuant to a Build-Operate-Transfer Agreement entered into with CPHCL in December 2013. The arrangement gives PWL the right to develop the Palm Waterfront site which is located in Shuhada Sidi Abuljalil, Janzour, Libya adjacent to the Palm City Residences. Furthermore, PWL is entitled to manage and operate the Palm Waterfront, once completed, for a period of 80 years.

The site has a footprint of *circa* 50,000m² and the planned development shall include a 164 room 5-star hotel, 257 residential units, an entertainment centre comprising six cinemas and a bowling centre, retail outlets and restaurants, car park and a marina. Apart from the studio and two bedroom apartments, most of the residences at the Palm Waterfront will have spacious layouts. The average size of an apartment will be *circa* 250m² and the larger units are planned to measure approximately 450m² of indoor space together with large outdoor terraces. All of the apartments will overlook the proposed marina as suggested below.

In developing the Palm Waterfront, MIH will be utilising its experience obtained in the construction of the Palm City Residences. The management team has also taken into consideration feedback received from tenants residing at Palm City Residences to optimise the design layout, services available and general ambience of the proposed project. Furthermore, the same architectural firm that was responsible for the Palm City Residences has been appointed. Detailed design drawings have been finalised and submitted to the planning authority in Tripoli for approval. It is the intention of PWL to offer the residential units, when complete, either on a lease basis or outright sale, but will react to market trends as necessary, and will therefore align its strategies and offerings in accordance with such trends and market developments. With respect to the planned 164 room 5-star hotel, PWL will utilise CPHCL's experience in operating hotels in Libya. The project will be initiated once PWL has raised the required funding, as to 40% equity and 60% debt, to complete the development phase, and has obtained the necessary planning approvals from the local authorities.

Palm Waterfront



3.4 MTJSC

In 2010, Medina Tower Joint Stock Company for Real Estate Investment and Development was set up for the purpose of owning and developing the Medina Tower. The shareholders of MTJSC are MIH and IHI, having a shareholding of 25% each, and EDREICO that owns the remaining 50% of the share capital. The parcel of land measures *circa* 11,000m² and is situated in Tripoli's main high street. The architectural concept stems from a 4-storey podium that will include a mix of residential, retail, commercial and conference space. A curved tower rises from the 6th level and peaks at the 40th level, where a double height restaurant will complete the property. The development will comprise a total gross floor area of *circa* 199,000m².

The project designs of the Medina Tower are complete and all development approvals have been obtained from the relevant authorities. As to the financing of the project, the equity contribution for the first phase of this project is already fully paid up and will comprise 40% of the capital requirements for the said project. The remaining 60% of funding is expected to be raised through a bank loan, which the company is in the final stages of negotiating with a Libyan financial institution. A sanction letter has already been approved and signed, and once MTJSC has registered in favour of the financing bank a first hypothec over the property, it will be able to start making drawdowns under the loan facility. It is expected that construction works on the Medina Tower will commence shortly thereafter.

Medina Tower



4. MAJOR ASSETS OWNED BY THE GROUP

Mediterranean Investments Holding p.l.c. was incorporated as a private limited liability company on 12 December 2005 and was, on 6 November 2007, converted into a public limited liability company. The principal activity of the Group is to directly or indirectly acquire, develop and operate real estate projects in Libya and invest in any related trade or business venture. The MIH Group comprises the Issuer, its two subsidiaries, Palm City Limited and Palm Waterfront Ltd, and its associate Medina Tower Joint Stock Company for Real Estate Investment and Development. The table below highlights the major assets of MIH.

	FY2013	FY2012	FY2011	FY2010
	€'000	€'000	€'000	€'000
Palm City Residences, Janzour, Libya ¹ (Build-Operate-Transfer Agreement: 60 years remaining)	310,676	310,406	248,478	246,057
Palm Waterfront, Janzour, Libya (Build-Operate-Transfer Agreement: 80 years operating term as from date of agreement)	8,115 ²			
Medina Tower (25% shareholding in MTJSC)	12,696	12,649 ⁴	3,958	4,035 ³
	<u>331,487</u>	<u>323,055</u>	<u>252,436</u>	<u>250,092</u>

¹ Includes gain in fair value amounting to €90.2 million and €56.8 million, accounted for in FY2009 and FY2012 respectively.

² MIH entered into a BOT agreement with CPHCL for a cash consideration of €7 million. The remaining balance relates to preliminary expenses incurred by MIH on the project.

³ MIH acquired a 25% shareholding in Medina Tower JSC for an aggregate amount of €3.9 million.

⁴ A further investment of €9.1 million was injected in Medina Tower JSC (total investment to date amounted to €13 million). The net difference between the cash injection and balance sheet amount relates to the share of losses of Medina JSC attributable to MIH.

Source: Consolidated audited financial statements of MIH for the years ended 31 December 2010, 2011, 2012 and 2013.

5. PALM CITY RESIDENCES

Palm City Limited operates a 413-unit gated residential complex in Janzour, Libya and is currently the sole operating activity of the MIH Group. The property is subject to a 65-year Build-Operate-Transfer Agreement which commenced in 2006. The following table sets out a summary of the operating performance of the Palm City Residences for the years indicated therein:

(€'000)	FY2015 Projection	FY2014 Forecast	FY2013 Actual	FY2012 Actual	FY2011 Actual	FY2010 Actual
Turnover						
Rental income – residential	33,171	31,591	29,194	25,717	10,035	8,781
Rental income – commercial	586	558	422	288	36	22
Food & beverage	692	659	449	390	91	195
Other income	128	122	810	920	40	122
Total turnover	34,577	32,930	30,875	27,315	10,202	9,120
Operating expenses	(7,866)	(7,886)	(5,469)	(4,577)	(2,964)	(2,700)
Operating profit	26,711	25,044	25,407	22,738	7,238	6,420
Number of units	413	413	413	413	413	413
Occupied units (average)	392	392	382	326	198	240
Occupancy level (yearly average) (%)	96	96	92	79	48	42
Average monthly rate per month (€)	6,920	6,591	6,372	6,541	4,192	4,187

Source: Management information

Construction of the Palm City Residences was completed in 2010 which also was its first full year of operations. Management's primary objective in the initial period was to achieve a high occupancy rate at the complex and generate positive cash flows to cover interest payable and to settle capital creditor balances and repayment of borrowings. During 2010, the complex registered an initial occupancy rate of 42% and an average monthly rate of €4,187. At year end, management was involved in negotiations relating to the rental of an additional 109 units.

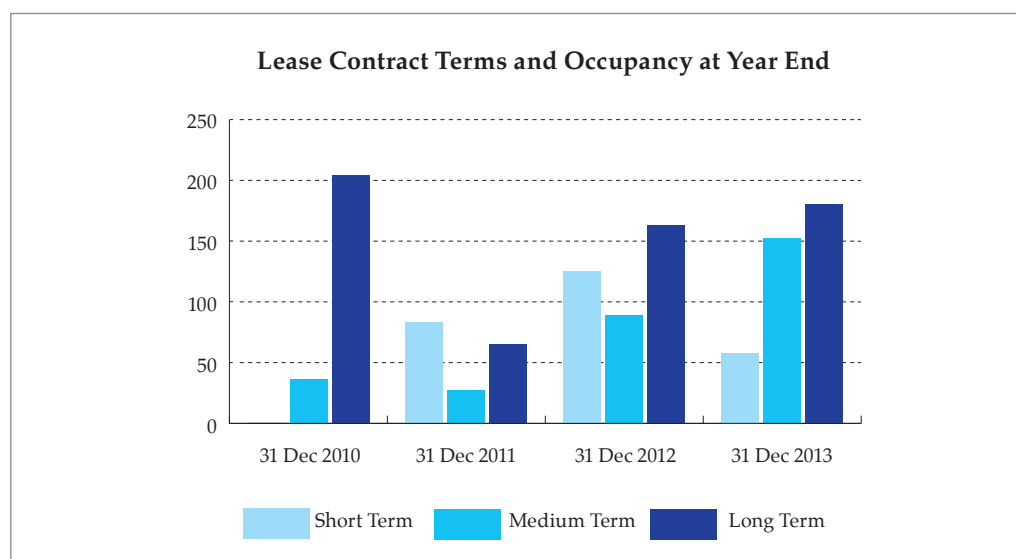
In FY2011, the momentum achieved in concluding lease contracts at the Palm City Residences was abruptly hampered by the civil unrest in Libya that brought the country to a standstill in the 9-month period February to October 2011. The uprising caused a mass evacuation of international contractors and expats, and operations at the village were severely disrupted. Notwithstanding this, Palm City Residences remained open and operational, albeit with reduced personnel commensurate with the level of operational activity, allowing it to generate sufficient revenue to meet the ongoing operational expenses and overheads. Management's main concern at the time was to protect the village from material damage. Following the end of the conflict and in anticipation of an influx of foreign workers returning to Libya, the MIH Group embarked on a recruitment programme to reinstate staff members at the complex and the marketing team re-focused on securing new tenancies. Despite the difficult year, Palm City Residences generated revenues of €10.2 million (FY2010: €9.1 million) and registered an average occupancy level of 48% (FY2010: 42%). Operating profit for the year amounted to €7.2 million (FY2010: €6.4 million).

FY2012 proved to be a successful year for the Group as the Palm City Residences reported an average occupancy level of 79% (FY2011: 48%), coupled with a significant shift from short-term rentals to medium to long term leases (that provide more stability to the generation of income). Revenue for the year almost trebled when compared to the prior year, from €10.2 million in FY2011 to €27.3 million in FY2012. As expected, tenants emanating from the oil & gas sector occupied the largest portion of the village at 46%, followed by non-governmental organisations (NGOs) which took up 27%.

The financial year ended 31 December 2013 was another positive year and results surpassed those achieved in the prior year. Average occupied units in FY2013 amounted to 382 (FY2012: 326) but average monthly rate declined marginally by 2.6% to €6,372. Overall, Palm City Residences increased revenue by 13% to €30.9 million and achieved an operating profit of €25.4 million (FY2012: €22.7 million). Although political instability and security uncertainty prevailed in the country, expats primarily involved in the oil & gas sector continued to trickle into Libya to re-establish oil production at pre-war levels. During the year under review, Palm City Residences reported an occupancy level of 92% as 382 out of 413 units were leased out. Part of this achievement was due to the fact that a number of gated residences in the area were closed for business. As a result, management was able to conclude longer term rentals at higher monthly rates.

As to the forecasted years (FY2014 and FY2015), management expects to maintain a high occupancy level of 96% and therefore 392 out of 413 units are projected to be leased to third parties. Average monthly rate is forecasted to increase by 3.4% and 5% in FY2014 and FY2015 respectively. As a result, management expects revenue to increase to €33.2 million by FY2015 and operating profit is projected to grow by 5% from €25.4 million in FY2013 to €26.7 million in FY2015.

Duration of lease contracts





As illustrated in the above charts, the civil unrest in FY2011 negatively impacted both the number of units leased and the term of such leases. During this period, occupants preferred to enter into short-term lease contracts and as a result, agreements for up to one year increased from 15% in FY2010 to 62% in FY2011. In the subsequent two financial years, long term lease contracts gradually increased and as at 31 December 2013 the said long term contracts made up 46% of aggregate signed agreements (short term contracts: 54%). During the period under review, management has maintained its preference towards longer term leases as it serves to stabilise yearly income and enables management to better plan for the longer term.

Revenue by term of lease contracts

A segmental analysis of revenue by lease contract term for the four financial years ended 31 December 2010 to 31 December 2013 is provided below:

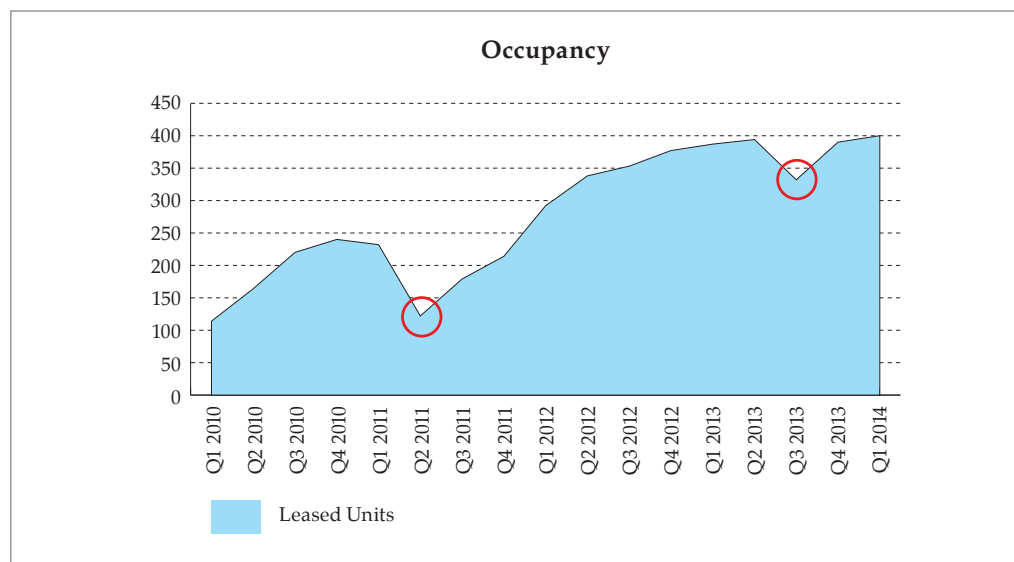
Lease contract term €'000	FY2013		FY2012		FY2011		FY2010	
	Revenue	%	Revenue	%	Revenue	%	Revenue	%
< 6 months	769	3%	6,195	24%	2,283	22%	-	-
> 6 months	28,425	97%	19,522	76%	7,752	78%	8,781	100%
	29,194	100%	25,717	100%	10,035	100%	8,781	100%

Source: Management information

Revenue from lease contracts shorter than 6 months decreased from 22% in FY2011 to 3% in FY2013, as further evidence that expats are more confident on the situation in Libya and are therefore increasingly more willing to enter into longer term lease contracts.

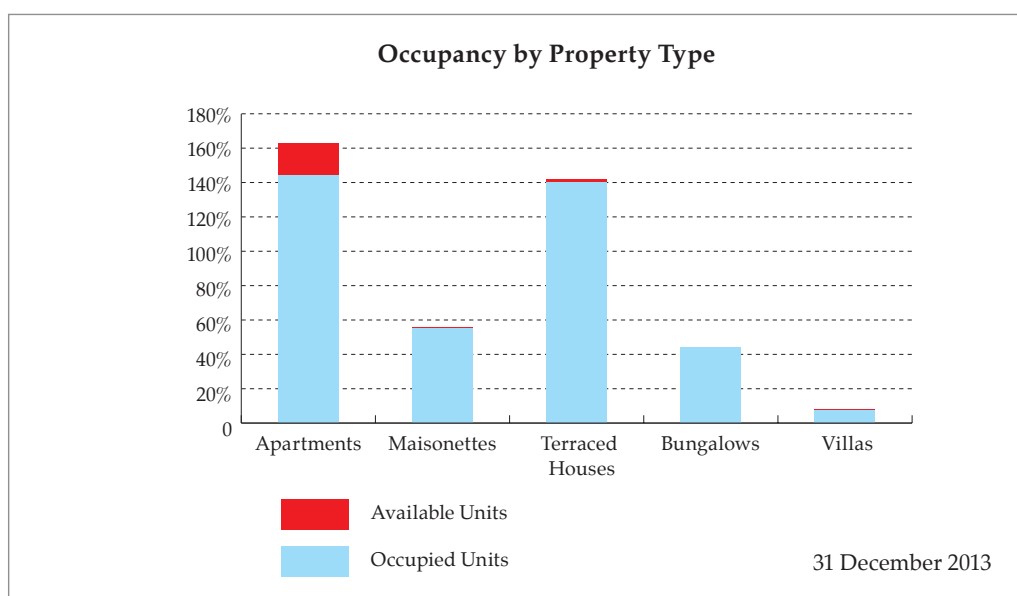
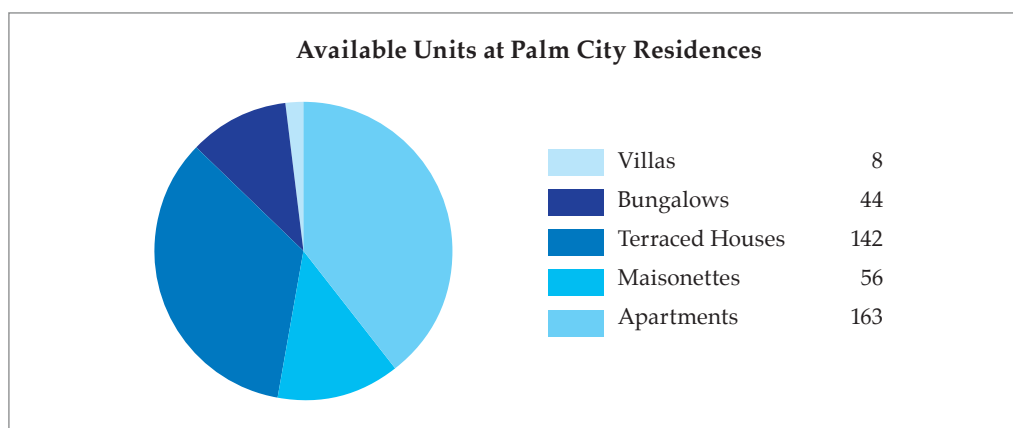
Occupancy in units (quarterly)

The chart below illustrates occupancy in units at the Palm City Residences on a quarterly basis. Leased units have always been on the increase, except for two instances, since the complex initiated operations in FY2010. In the first semester of 2011, there was the outbreak of civil unrest in the country and the majority of expats left Libya which resulted in a significant decline in occupancy at the complex. As to the decrease in Q3 2013, this was due to the expiration of the lease contract held by the UN that occupied 76 units at the Residences up to end of September 2013. Thereafter, as depicted in the chart below, occupancy recovered to 92% by November 2013 and 95% in December 2013. As at end of Q1 2014, occupancy level at the complex reached an all-time peak of 97%.



Property mix

The pie charts below highlight the type of units available at the Palm City Residences and the occupancy per type of property as at 31 December 2013. The Residences principally offers a mix of apartments, maisonettes and terraced houses (361 units or 87%) and in FY2013, the average rate per month of the aforesaid units was between €4,500 and €7,100. The Palm City Residences also includes a number of premium units in the form of bungalows (44 units) and villas (8 units). Such units are leased at an average unit rate per month ranging between €9,500 and €11,500. The chart below illustrates the occupancy per property type as at 31 December 2013. Unoccupied units as at the said date include 19 apartments, 1 maisonette, 2 terraced houses and 1 villa).



6. COUNTRY AND MARKET OVERVIEW

Libya is still recovering from a violent civil uprising which began in February 2011. Despite the end of the conflict in October 2011, the security situation in Libya remains uncertain and protests and violent clashes between opposition groups continue to occur sporadically across the country.

6.1 Economic environment

Libya possibly has North Africa's largest oil reserves and therefore has massive potential for commercial development. Moreover, its people are generally eager to open up to the outside world and break out of 40 years of isolation. Against this backdrop, when Libya was liberated from the previous regime in 2011, there was a sudden surge of interest in the country on the part of foreigners wanting to invest. Libya's economic activity began to recover in 2012 mainly due to the nearly full resumption of oil production, an increase in construction and infrastructure activity, and the prospects of reduced political instability. By September 2012, Libya's oil production had nearly reached its pre-revolution levels of 1.6 million barrels per day.

However, by the end of 2012 the incidents became more frequent and have since been a hindrance to increasing economic activity. Some foreign companies and expats who left Libya at the height of the conflict have slowly trickled back, but the situation on the ground remains uncertain and unstable. The new administration is struggling to assert its authority against heavily-armed tribesmen and militias and parts of the country remain outside its control. Moreover, the interim Government is not in a position to sign long-term contracts for infrastructure investment needs, as Libyan cabinet ministers do not want to commit their successors or enter into contracts that might not be honoured by future administrations. As a result of the unstable environment in Libya, oil production has spiralled downwards and oil extraction is currently at a little over 200,000 barrels per day. Oil production from the eastern region, Libya's main oil producing area, has been at a standstill since August 2013 due to the armed embargo of the oil terminals by alleged federalists.

The long-term prospects inherent in the Libyan market are undoubtedly immense. The capital expenditure plans for infrastructure under the prior regime were approximately \$240 billion for the years 2008-2013, and the current need for infrastructure is probably even greater, with spending particularly required to get oil fields functioning. In spite of such potential, Libya still has a very difficult business environment, where the country needs a drastic modernisation of its economy, its banking system and its administrative structures to be flexible to welcome new foreign direct investment. In addition, the country's education system is limited and any foreign investment is largely dependent on a foreign workforce. Accordingly, Libya's medium-term economic outlook remains uncertain due to the highly volatile political situation. The ability of the interim Government to establish the rule of law in Libya and instituting reforms in the public sector are expected to be key to attracting foreign direct investment to Libya in future.

6.2 Residential accommodation in Libya

Due to the on-going conflicts in the country, most expats in Libya are concentrated in Tripoli, nearby Janzour, or in Benghazi, and are mainly residing in hotels and gated residential villages. Such expats include diplomats and employees (primarily working in the hydrocarbon and construction industries). The villages within proximity of the Palm City Residences are the Regatta residential complex and Janzour Village, both of which are currently occupied by rebels and therefore unavailable to foreigners. As a result, a number of companies that usually place employees at Regatta and Janzour Village have contracted units at Palm City Residences.

In the near to medium term, the Palm City Residences will remain one of a few high quality residential complexes available in the country and competition from other developments is expected to be relatively weak. However, as Libya's political situation stabilises, it is likely that foreign direct investment will increase and a number of residential complexes will be developed to cater for the increased demand.

PART 2

7. GROUP PERFORMANCE REVIEW

7.1 Income statement

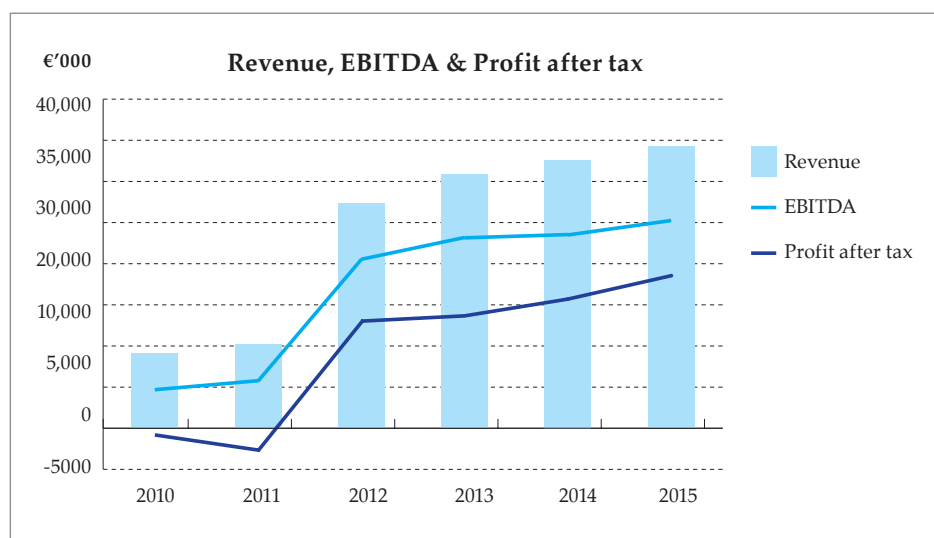
The following financial information is extracted from the audited consolidated financial statements of MIH for the four years ended 31 December 2010, 31 December 2011, 31 December 2012 and 31 December 2013. The financial information for the years ending 31 December 2014 and 31 December 2015 has been provided by management of the Company.

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

MIH Group Income Statement (€'000)	FY2015 Projection	FY2014 Forecast	FY2013 Actual	FY2012 Actual	FY2011 Actual	FY2010 Actual
Revenue	34,719	33,032	30,875	27,315	10,202	9,120
Operating expenses	(8,541)	(8,497)	(7,730)	(6,778)	(4,479)	(4,397)
EBITDA¹	26,178	24,535	23,145	20,537	5,723	4,723
Depreciation and amortisation	(667)	(579)	(260)	(240)	(248)	(197)
Increase in fair value of investment property	-	-	-	56,804	-	-
Results from operating activities	25,511	23,956	22,885	77,101	5,475	4,526
Share of profit/(loss) from equity accounted investments	-	-	47	(276)	-	(151)
Net finance costs	(6,701)	(7,858)	(6,798)	(8,236)	(7,610)	(5,162)
Net fair value gain/(loss) on interest rate swaps	61	61	249	(431)	(561)	-
Profit/(loss) before tax	18,871	16,159	16,383	68,158	(2,696)	(787)
Taxation	(238)	(1,805)	(2,590)	(19,115)	-	(1)
Profit/(loss) after tax	18,633	14,354	13,793	49,043	(2,696)	(788)

¹ EBITDA – Earnings before interest, tax, depreciation and amortisation

Revenue, EBITDA & Profit after tax



For the purpose of comparing normalised earnings in the above chart, an uplift in fair value of Palm City Residences of €36.1 million (after accounting for deferred taxation on the said revaluation) has been excluded from profit after tax for FY2012.

The key accounting ratios are set out below:

	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
Operating profit margin (EBITDA/revenue)	75%	74%	75%	75%	56%	52%
Interest cover (times) (EBITDA/net finance cost)	3.9	3.1	3.4	2.5	0.8	0.9
Net profit margin (Profit after tax/revenue)	53.7%	44.5%	44.7%	47.5% ²	-26.4%	-8.6%
Earnings per share (€) ¹ (Profit after tax/number of shares)	0.39	0.30	0.29	1.02	-0.06	-0.02
Return on equity (Profit after tax/shareholders' equity)	9%	8%	8%	8% ²	-3%	-1%
Return on capital employed (Operating profit/total assets less current liabilities)	8%	8%	7%	6%	2%	2%
Return on assets (Profit after tax/total assets)	5%	4%	4%	4% ²	-1%	-

¹ Earnings per share calculation set out above has been based on the current number of shares in issue of the Company of 48,002,000 shares of €1 each.

² An uplift in fair value of Palm City Residences of €36.1 million has been excluded from the computation.

Source: Charts Investment Management Service Limited

FY2010 was the first full year of operations in which the management team at Palm City Residences was primarily active in concluding tenancy agreements. In addition to the increased marketing activities, PCL embarked on growing its staff complement in anticipation of the increase in occupancy in the months ahead. As at the end of FY2010, 276 out of a total of 413 units had been leased and 109 units were subject to final client confirmations. However, the revenue amount for FY2010 of €9.1 million reflects lease contracts for 240 units since the remaining signed contracts commenced in FY2011. The loss for the year amounted to €0.8 million after accounting for net finance costs of €5.2 million.

The initial two months of FY2011 were a progression from prior year in that management of PCL remained focused on increasing tenancy at the Palm City Residences. During the same period MIH was involved in the planning phase of the Medina Tower project. However, towards the end of February 2011, all commercial activity was abruptly halted by the civil uprising in Libya, and the main priority at that moment was to safeguard and protect personnel and the property. Unlike other third party residential villages, Palm City Residences remained open even though operations were curtailed to a bare minimum.

The civil unrest in Libya came to an end by August 2011, which led PCL to resume operations at the Palm City Residences. As a result of the optimism that prevailed thereafter, the company engaged on a marketing effort to sign on new clients that agreed to lease units for periods ranging between 1 month and 3 years, whilst ensuring that the majority of contracts entered into prior to the conflict remained valid and active. In view of the above, Group revenue for FY2011 amounted to a modest €10.2 million and EBITDA totalled €5.7 million. Net finance costs increased from €5.2 million in FY2010 to €7.6 million, which resulted in the Group incurring a loss for the year of €2.7 million.

Turnover for the year ended 31 December 2012 more than doubled to €27.3 million. Furthermore, EBITDA increased by €14.8 million to €20.5 million in FY2012. During the year under review, Palm City Residences reported a substantial increase in signed lease agreements and achieved an occupancy rate of 91% by year end. Profit for FY2012 amounted to €49.0 million (FY2011: -€2.7 million) after accounting for a pre-tax fair value uplift on Palm City Residences of €56.8 million. Excluding the fair value adjustment, MIH registered a profit after tax in FY2012 of €12.9 million.

In FY2013 Palm City Residences registered an increase in turnover of €3.6 million, when compared to FY2012, to €30.9 million. Occupancy levels were sustained at *circa* 92% as more entities returned to Libya during the year. More importantly, PCL was able to shift a substantial number of short-term rentals (76 units) to medium and long term leases. Another positive aspect is that approximately 54% of available units are occupied by tenants operating in the hydrocarbon sector. As long as economic and political stability prevail in Libya, it is the intention of oil corporations to operate in the country for the long term.

The Group is projecting that during the financial years ending 31 December 2014 and 31 December 2015 revenue should increase by 7% and 5% respectively from €30.9 million in FY2013 to €34.7 million by FY2015 as a result of a combination of higher achieved occupancy and better contracted rates.

Group EBITDA is expected to increase by 6% in FY2014, which is lower than the increase in revenue, due to higher incremental operating costs. In FY2015 EBITDA is forecasted to amount to €26.2 million, an increase of 6.7% over FY2014. The Directors believe that the Group should continue to achieve healthy profits in the near term as the complex maintains full occupancy and progressively reduces borrowing costs. Net profit for FY2015 is projected to amount to €18.6 million, a 35% increase over FY2013 profits of €13.8 million.

7.2 Cash flow statement

MIH Group Cash Flow Statement (€'000)	FY2015 Projection	FY2014 Forecast	FY2013 Actual	FY2012 Actual	FY2011 Actual	FY2010 Actual
Net cash from operating activities	23,342	23,650	22,426	22,033	4,245	4,882
Net cash from investing activities	(3,629)	(2,035)	(9,942)	(15,888)	(6,171)	(23,724)
Net cash from financing activities	(15,539)	(18,446)	(15,111)	(22,165)	2,324	34,671
Net movement in cash and cash equivalents	4,174	3,169	(2,627)	(16,020)	398	15,829
Cash and cash equivalents at beginning of year	13,458	10,289	12,815	28,844	28,195	13,025
Effect of foreign exchange rate changes	-	-	101	(9)	251	(659)
Cash and cash equivalents at end of year	17,632	13,458	10,289	12,815	28,844	28,195

Net cash flows from operating activities have recovered substantially following the civil unrest in FY2011, from €4.2 million to €22.0 million and €22.4 million achieved in FY 2012 and FY2013 respectively. The stable cash inflows generated in the last two financial years are expected to continue in both FY2014 and FY2015, as management believes it can maintain occupancy at the Residences at 96% and at the same time improve the average rate by unit.

Cash used in investing activities of €23.7 million in FY2010 principally related to the completion of the Palm City Residences (€20.1 million) and €3.9 million was utilised to acquire a 25% shareholding in the Medina Tower project. Between FY2011 to FY2013 the Group acquired tangible fixed assets amounting to €3.0 million and paid capital creditors an aggregate amount of €12.8 million. During FY2012 the Group made a further contribution of €9.1 million towards the Medina Tower project and in FY2013, an amount of €7 million was paid to CPHCL for the BOT agreement on the PWL project. A further €1.1 million was settled to cover related and other expenses. In FY2012, the Group invested €1.8 million in Malta Government Stocks which were subsequently sold in FY2013 for €1.9 million. Cash used in investing activities for FY2014 and FY2015 mainly relates to payments for tangible fixed assets and investment property which is expected to total €3.2 million. In addition, during FY2015 MIH is forecasting that it will effect a further payment to MTJSC of €3.0 million.

As to financing activities, the Group raised an aggregate amount of €39.2 million through issuance of bonds in FY2010 and obtained a new €5 million corporate loan also in that year. In FY2011, the shareholders on-lent €13.2 million to the Group, of which €10 million was repaid in FY2012. Furthermore, in FY2011, MIH re-purchased bonds from the market totalling €0.86 million. During the four years FY2010 to FY2013 the Group repaid €21.1 million of outstanding bank loans, and paid in the same period €27.3 million in interest. In FY2014 and FY2015, the Group expects to repay €18.1 million of outstanding loans and to settle €13.1 million in interest due on pending bank loans and bonds. It is forecasted that MIH will repay the remaining amount estimated at €2.8 million of €15 million 7.5% Bonds 2012-2014, not transferred to the €12 million 6% Bonds 2021, on redemption date in December 2014. No new bank borrowings are envisaged for the projected period under review.

7.3 Balance sheet

MIH Group Balance Sheet (€'000)	31 Dec'15 Projection	31 Dec'14 Forecast	31 Dec'13 Actual	31 Dec'12 Actual	31 Dec'11 Actual	31 Dec'10 Actual
Assets						
<i>Non-current</i>						
Intangible assets	2	2	2	2	2	2
Property, plant and equipment	9,805	9,435	8,581	415	503	702
Investment property	311,436	311,436	310,676	310,406	248,479	246,057
Investments accounted for using the equity method	15,696	12,696	12,696	12,649	3,958	4,050
Financial assets	-	-	-	1,871	-	-
Sinking fund – 7.15% Bonds 2015-2017	8,000	2,000	-	-	-	-
Lease prepayment	415	422	430	438	445	453
	<u>345,354</u>	<u>335,991</u>	<u>332,385</u>	<u>325,781</u>	<u>253,387</u>	<u>251,264</u>
<i>Current</i>						
Inventories	308	308	395	273	132	213
Trade and other receivables	8,126	7,740	7,529	7,170	8,070	8,412
Taxation	-	-	299	-	-	-
Sinking fund – 7.5% Bonds 2015	-	10,000	-	-	-	-
Cash and cash equivalents	9,642	1,468	10,299	13,086	29,465	28,256
	<u>18,076</u>	<u>19,516</u>	<u>18,522</u>	<u>20,529</u>	<u>37,667</u>	<u>36,881</u>
Total assets	<u>363,430</u>	<u>355,507</u>	<u>350,907</u>	<u>346,310</u>	<u>291,054</u>	<u>288,145</u>

Intangible assets comprise a trademark of Palm City Ltd that was registered in December 2009.

Property, plant and equipment principally consist of computer equipment, office furniture and machinery that is being utilised at the Palm City Residences having a carrying value as at 31 December 2013 of €0.47 million. Also included in property, plant and equipment is a site

in Janzour Libya valued at €8.11 million which is earmarked for the construction of the Palm Waterfront. The asset was acquired by means of a BOT agreement with CPHCL in December 2013. The agreement gives the Group, through PWL, the right to develop the site and operate the project for a period of 80 years.

Investment property includes the Palm City Residences in Janzour, Libya. In FY2012, the property was revalued by €56.8 million to €310.4 million.

Investments accounted for using the equity method include a 25% shareholding in Medina Tower J.S.C. This equity stake was acquired in FY2010 for a total consideration of €3.9 million. In FY2012, the investment in Medina Tower J.S.C. was increased to €13 million subsequent to a cash injection of €9.1 million. A further injection of €3 million is projected for FY2015.

During the historical years under review, financial assets consisted of investments in Malta Government Stocks which were disposed of in FY2013. It is envisaged that in FY2014, the Group will transfer €10 million to a sinking fund created for the redemption of the 7.5% Bonds 2015, and an additional €10 million is projected to be transferred in FY2014 and FY2015 to a sinking fund set up for the redemption of the 7.15% Bonds 2015-2017.

Current assets are principally made up of working capital assets including: (i) inventories of food and beverage, consumables, room supplies and maintenance stocks; and (ii) amounts receivable from tenants at the Palm City Residences.

MIH Group Balance Sheet (cont.) (€'000)	31 Dec'15 Projection	31 Dec'14 Forecast	31 Dec'13 Actual	31 Dec'12 Actual	31 Dec'11 Actual	31 Dec'10 Actual
Equity and liabilities						
EQUITY						
Called up share capital	48,002	48,002	48,002	48,002	48,002	48,002
Other equity components	-	-	-	46	-	-
Retained earnings	154,720	136,087	118,138	104,345	55,302	57,998
	202,722	184,089	166,140	152,393	103,304	106,000
LIABILITIES						
<i>Non-current</i>						
Borrowings and bonds	87,232	76,809	93,536	116,549	130,585	120,139
Other non-current liabilities	51,376	51,438	51,499	50,031	30,484	29,924
	138,608	128,247	145,035	166,580	161,069	150,063
<i>Current</i>						
Borrowings and bonds	9,280	28,930	23,494	8,720	9,229	9,229
Other current liabilities	12,820	14,241	16,239	18,617	17,452	22,853
	22,100	43,171	39,733	27,337	26,681	32,082
	160,708	171,418	184,768	193,917	187,750	182,145
Total equity and liabilities	363,430	355,507	350,908	346,310	291,054	288,145

The key accounting ratios are set out below:

	FY2015	FY2014	FY2013	FY2012	FY2011	FY2010
Net assets per share (€) ¹ (Net asset value/number of shares)	4.22	3.84	3.46	3.17	2.15	2.21
Liquidity ratio (times) (Current assets/current liabilities)	0.82	0.45	0.47	0.75	1.41	1.15
Gearing ratio (Net debt/net debt and shareholders' equity)	30%	34%	39%	42%	52%	49%

¹ Net assets per share calculation set out above has been based on the current number of shares in issue of the Company of 48,002,000 shares of €1 each.

Source: Charts Investment Management Service Limited

Other than equity, the Group is financed through bank loans, corporate bonds and other borrowings from shareholders, analysed as follows:

MIH Group Borrowings & Bonds (€'000)	31 Dec'15 Projection	31 Dec'14 Forecast	31 Dec'13 Actual	31 Dec'12 Actual	31 Dec'11 Actual	31 Dec'10 Actual
Bank borrowings	22,894	32,241	40,945	48,961	53,621	55,749
Bonds						
7.5% Bonds 2012-2014			14,758	14,757	14,757	15,000
7.5% Bonds 2015		19,650	19,650	19,650	19,650	20,000
7.15% EUR Bonds 2015-2017	28,057	27,937	28,093	27,990	27,894	28,043
7.15% GBP Bonds 2015-2017	5,193	5,193	5,212	5,323	5,193	5,120
7.15% USD Bonds 2015-2017	5,518	5,518	5,172	5,388	5,499	5,456
6% Bonds 2021	12,000	12,000				
Issuance of new bonds	19,650					
	70,418	70,298	72,885	73,108	72,993	73,619
Other interest bearing borrowings						
Shareholders' loan	3,200	3,200	3,200	3,200	13,200	-
Total borrowings and bonds	96,512	105,739	117,030	125,269	139,814	129,368

The bank borrowings are secured by: (i) a general hypothec over PCL's assets; (ii) a corporate guarantee of the Company; (iii) a corporate guarantee from the ultimate shareholders; (iv) a pledge over its shareholding in PCL; and (v) pledges over part of Palm City Ltd's bank deposits.

7.4 Sinking Fund

In terms of the prospectuses of each of the bonds in issue, the Company is required to build a sinking fund from its annual surpluses to be utilised for the redemption of the bonds upon maturity. In view of the civil unrest that occurred in Libya in 2011, the Group's operational activities were significantly hampered and as a result it was only able to meet debt service obligations and bank loan repayments, and settle capital creditor balances. Since 2012, operations at PCL have improved to the extent that Palm City Residences is to date practically fully occupied (31 March 2014: 96% occupancy). The Company is therefore projecting that in FY2014 it will transfer €10 million to a sinking fund created for the redemption of the 7.5% Bonds 2015, and in FY2014 and FY2015 it will transfer €2 million and €8 million respectively to a sinking fund created for the redemption of the 7.15% Bonds 2015-2017. The Issuer will not be required to create a sinking fund for the upcoming €12 million 6% Bonds 2021.

PART 3

8. COMPARABLES

The table below compares the Company and its proposed bond issue to other debt issuers listed on the Malta Stock Exchange and their respective debt securities. The list includes all issuers (excluding financial institutions) that have listed bonds maturing within six to eight years, broadly similar to the duration of the Company's bonds. Although there are significant variances between the activities of the Company and other issuers (including different industries, principal markets, competition, capital requirements etc), and material differences between the risks associated with the Company's business and that of other issuers, the comparative analysis provides an indication of the financial performance and strength of the Company.

Comparative Analysis	Nominal Value (€'000)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'million)	Net Asset Value (€'million)	Gearing Ratio (%)
7.0% GH Marina plc 2017/20	11,664	5.76	0.72	56.79	23.39	50
6.8% Premier Cap. plc 2017/20	24,656	5.52	3.38	69.58	16.17	67
6.0% S. Farsons Cisk plc 2017/20	15,000	5.02	8.59	151.53	91.93	24
6.6% Eden Finance plc 2017/20	14,133	5.99	3.01	100.23	43.69	46
6.2% Tumas Investments plc 2017/20	25,000	5.10	3.74	286.00	93.60	55
4.9% Gasan Finance plc 2019/21	25,000	4.66	3.88	185.58	78.01	40
6.0% Corinthia Fin. plc 2019/22	7,500	5.36	2.09	1,299.87	677.82	39
6.0% Medserv plc 2020/23	20,000	5.56	3.38	22.46	8.16	49
5.8% IHI plc 2021	20,000	5.26	2.54	1,092.67	626.49	33
5.5% Pendergardens Dev plc 2020	15,000	5.50	n/a	18.74	3.27	53
6% Pendergardens Dev plc 2022	27,000	6.00	n/a	18.74	3.27	53
6% MIH plc 2021	12,000	6.00	3.40	350.91	166.14	39

14 May 2014

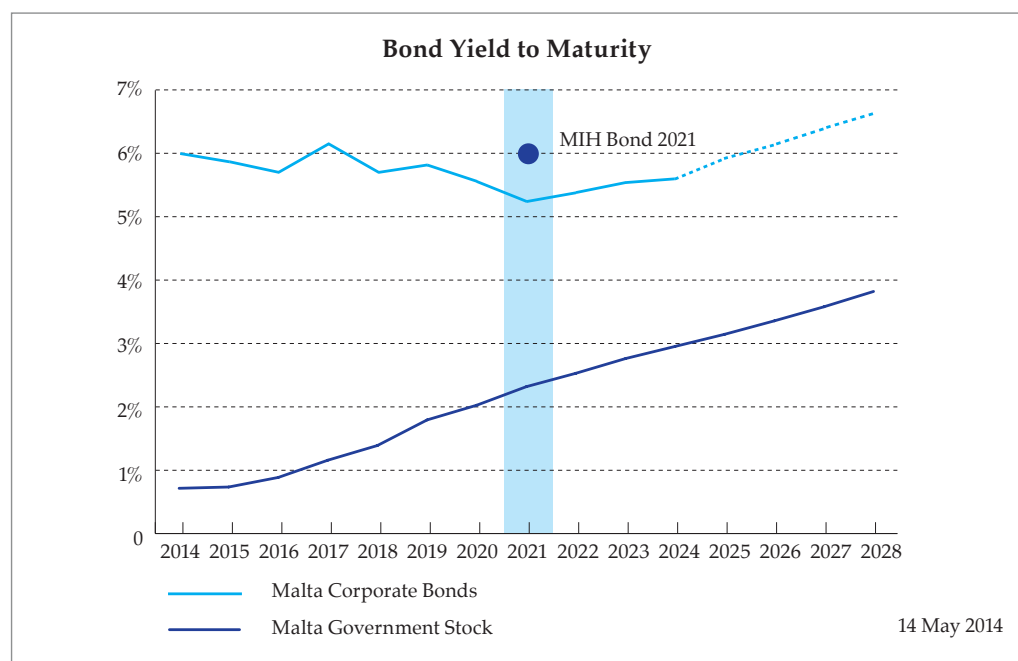
Source: Malta Stock Exchange, Charts Investment Management Service Limited

Annual Accounts: For the year ended 31 December 2013, except for Simonds Farsons Cisk plc (YE 31/01/13), Grand Harbour Marina plc (YE 31/12/12), Tumas Investments plc (YE 31/12/2012) and Gasan Finance plc (YE 31/12/2012).

The interest cover ratio determines the ability of a company to pay interest on its outstanding borrowings. For the financial year ended 31 December 2013, the Group's earnings before depreciation, interest and taxes was 3.40 times more than interest expenses for the year. This indicates that the Group is generating significantly higher earnings to service its outstanding debt.

The debt to equity ratio or gearing ratio demonstrates the degree to which the capital employed in a business is funded by external borrowings as compared to shareholders' funds. A company with high leverage tends to be more vulnerable when its business goes through a slowdown. At a gearing ratio of 39%, the Group's shareholders' equity is almost double its external net debt. This ratio is amongst the lowest in the above table, which means that the Group has a proportionately lower level of borrowings when compared to the debt levels of the other companies.

The chart below shows the yield to maturity of the proposed bond as compared to other corporate bonds listed on the Malta Stock Exchange. The Malta Government Stock yield curve has also been included as the benchmark risk-free rate for Malta.



To date, there are no corporate bonds which have a redemption date beyond 2024 and therefore a trend line has been plotted (denoted in the above chart by the dashed line). The premium over Malta Government Stock has been assumed at 280 basis points, which is the average premium for medium term corporate bonds listed on the Malta Stock Exchange. The MIH 6% Bonds 2021 has been priced at 368 basis points above Malta Government Stock and 74 basis points above listed corporate bonds.

PART 4

9. EXPLANATORY DEFINITIONS

Income Statement

Revenue	Total revenue generated by the Group from its business activities during the financial year, including residential & commercial leases, food & beverage, and other services.
Operating expenses	Operating expenses include all direct and other operating costs, selling & marketing and general & administration expenses.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Fair value of investment property	Fair value of investment property is an accounting adjustment to change the book value of the Group's investment property to its estimated market value.
Share of profit from equity accounted investments	MIH owns minority stakes in Medina Tower (25%). The results of this company are not consolidated with the subsidiaries of the Group, but MIH's share of profit is shown in the profit and loss account under the heading 'share of profit from equity accounted investments'.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.

Key Performance Indicators

Occupancy level	Occupancy level is the percentage of available rooms that were sold during a given period of time. It is calculated by dividing the number of rooms sold by total number of rooms available.
Average unit rate (AUR)	Average unit rate is calculated by dividing unit revenue by units leased. Palm City Residences uses this measure to calculate the average price at which they are units on a monthly basis.

Profitability Ratios

Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.

Efficiency Ratios

Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets.

Equity Ratios

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

Cash flow from operating activities	Cash generated from the principal revenue-producing activities (leases, food & beverage, other services, etc) of the Group.
Cash flow from investing activities	Cash generated from activities dealing with the acquisition and disposal of long-term assets and other investments of the Group.
Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Group.

Balance Sheet

Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Non-current assets are capitalised rather than expensed, meaning that the Group allocates the cost of the asset over the number of years for which the asset will be in use, instead of allocating the entire cost to the accounting year in which the asset was purchased. Such assets include property, plant & equipment, investment properties (Palm City Residences), and investments accounted for using the equity method (investment in Medina Tower).
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include accounts receivable, inventory (food, beverages, consumables, etc), cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include long-term borrowings, bonds and taxation.
Total equity	Total equity includes share capital, reserves & other equity components, retained earnings and minority interest.

Financial Strength Ratios

Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's operating profit of one period by the company's interest expense of the same period.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt and shareholders' equity.