

SUMMARY

Dated 1 July 2020

This Summary is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of the Prospectus Regulation.

In respect of an issue of €20,000,000 5.5% Unsecured Bonds 2023
of a nominal value of €100 per Bond issued at par by



MEDITERRANEAN INVESTMENTS HOLDING PLC

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

Guaranteed* by

CORINTHIA PALACE HOTEL COMPANY LIMITED

A private limited liability company registered in Malta with company registration number C 257

** Prospective investors are to refer to the Guarantee for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

ISIN: MT0000371295

THIS SUMMARY HAS BEEN APPROVED BY THE LISTING AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

APPROVED BY THE DIRECTORS

Joseph Fenech

Joseph Fenech for and on behalf of:
Alfred Pisani, Joseph Pisani, Faisal J.S. Alessa,
Mario P Galea, Ahmed B A A Wahedi and
Ahmed Yousri A. Nouredin Helmi

LEGAL COUNSEL

SPONSOR

REGISTRAR & MANAGER



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A handwritten signature in black ink, appearing to be 'JF'.

Joseph Fenech

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1 INTRODUCTION AND WARNINGS

This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which will enable investors to understand the nature and the risks associated with the Issuer and the Bonds.

Except where the context otherwise requires or where otherwise defined herein, the capitalised words and expressions used in this Summary shall bear the meanings assigned thereto in the Registration Document and the Securities Note, respectively, as the case may be.

This Summary contains key information on the Issuer, the Guarantor and the Bonds, summarised details of which are set out below:

Issuer	Mediterranean Investments Holding plc (C 37513)
Address (Issuer)	22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta
LEI of the Issuer	213800BEHWHFJ6UYZR18
Guarantor	Corinthia Palace Hotel Company Limited (C 257)
Address (Guarantor)	22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta
LEI of the Guarantor	529900HIX50FN8L8JK88
Nature of the securities	Unsecured Bonds up to a maximum amount of €20,000,000, bearing an interest rate of 5.5% per annum, payable annually on the 31 July of each year until 31 July 2023
ISIN of the Bonds	MT0000371295
Details of the competent authority approving the Prospectus	The Board of Governors of the Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta). The Listing Authority only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Issuer
Address, telephone number and official website of the competent authority approving the Prospectus	The Listing Authority, Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta Tel: +356 2144 1155; Website: www.mfsa.mt
Prospectus approval date	1 July 2020

Prospective investors are hereby warned that:

- i. this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Bonds being offered pursuant 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;
- ii. any decision of the investor to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
- iii. an investor may lose all or part of the capital invested in subscribing for Bonds;
- iv. where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and

- v. civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, 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.

2 KEY INFORMATION ON THE ISSUER

2.1 Who is the Issuer of the Bonds?

2.1.1 Domicile and legal form, LEI and county of incorporation of the Issuer

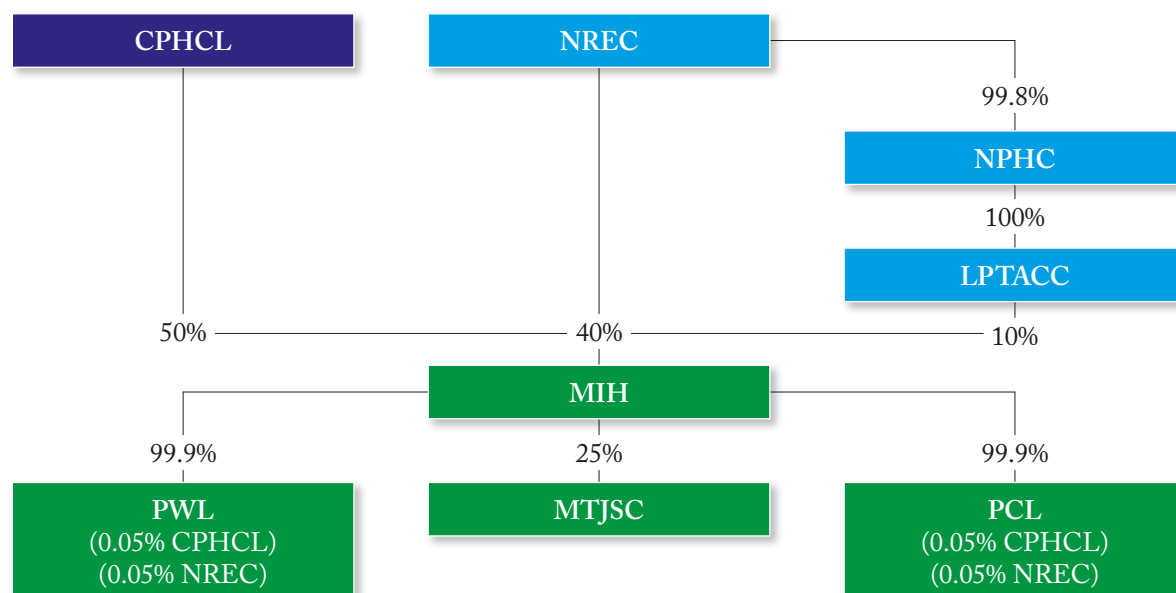
The Issuer is Mediterranean Investments Holding plc, a public company registered under the laws of Malta with company registration number C 37513 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta. The Issuer is incorporated and is domiciled in Malta. Its LEI number is 213800BEHWHFJ6UYZR18.

2.1.2 Principal activities of the Issuer

The principal objects of the Issuer, which objects are limited to activities outside Malta and to such other activities as are or may be necessary for its operations from Malta, are to directly or indirectly acquire, develop and operate 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) agreements and other governmental projects and conference centres. The issue of bonds falls within the objects of the Issuer.

2.1.3 Major Shareholders

The Issuer is the parent company of the Group and, accordingly, is ultimately dependent upon the operations and performance of its subsidiaries and other investments. The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



2.1.4 Directors of the Issuer

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following persons:

Alfred Pisani	[ID No. 126839M]	Executive Director and Chairman
Ahmed B A A A Wahedi	[Passport No. 003594145]	Non-executive Director and Deputy Chairman
Joseph Pisani	[ID No. 672637M]	Non-executive Director
Faisal J.S. Alessa	[Passport No. P05449499]	Non-executive Director
Joseph Fenech	[ID No. 656656M]	Executive Director
Mario P. Galea	[ID No. 522554M]	Independent, non-executive Director
Ahmed Yousri A. Noureldin Helmi	[Passport No. A14441068]	Independent, non-executive Director

2.1.5 Statutory Auditors

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2017, 2018 and 2019 have been audited by Grant Thornton. Grant Thornton is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

2.2 What is the key financial information regarding the Issuer?

Set out below are highlights taken from the audited consolidated financial statements of the Issuer for the years ended 31 December 2017, 2018 and 2019:

Income Statement	FY2017	FY2018	FY2019
Operating profit for the year (€'000)	3,586	11,592	19,797
Balance Sheet	FY2017	FY2018	FY2019
Net Financial Debt (€'000)	103,256	94,730	81,627
Current Ratio	0.58x	0.92x	0.43x
Interest Cover Ratio	0.94x	3.13x	4.04x
Cash Flow Statement	FY2017	FY2018	FY2019
Cash Flows from Operating Activities (€'000)	6,103	14,019	18,776

2.3 What are the key risks specific to the Issuer?

The most material risk factors specific to the Issuer which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise are set out below:

The Issuer was incorporated in 2005 and, through Palm City Limited (PCL), has been primarily involved in the development and operation of 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. These include:

2.3.1 Risks relative to the COVID-19 pandemic and possible similar future outbreaks

While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, it is clear that it will affect the lives of a large portion of the global population and cause significant effects. The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Group.

2.3.2 Risks relating to the political, economic and social environment in Libya

Whilst the Issuer and PCL are registered in Malta, the assets, operations, business interests and activities of PCL are located or conducted in Libya through a branch of PCL. The Issuer is also an investee in a joint stock company MTJSC in respect of the business interests of the Medina Tower project, another project that will be developed in Tripoli, Libya. An application for the establishment of an investment project is underway at the Libyan Ministry of Economy in respect of the future development of Palm Waterfront. The Group's business activities over the coming years are expected to be focused on and aimed at the development of the Medina Tower project in which the Group has a 25% holding and Palm Waterfront, which is to be developed by a 100% owned subsidiary of the Issuer. Accordingly, the Group is susceptible to the political and economic risks 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.

2.3.3 Emerging market

The Group's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in emerging markets. Businesses in emerging markets may not be operating in a market-oriented economy as known in more developed markets.

2.3.4 Natural disasters, contagious disease, terrorist activity and war have, in the past, adversely affected the expatriate community and similar events could adversely affect the industry in the future

Natural disasters, the spread of contagious disease (including COVID-19), industrial action, travel-related accidents, terrorist activity and war and the targeting of particular destinations have had a significant negative impact on the travel industry globally and such events could have a similarly negative impact in the future. Such events occurring in the location where the Group operates will invariably affect tenancy patterns and reduce the number of business travellers to the country, including demand for residential accommodation at Palm City Residences.

2.3.5 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 circumstances affecting the operations of PCL which could significantly impinge on PCL's cash flow. The payment of interest and/or capital repayment on the Issuer's debt securities will be funded principally by the payment of inter-company loans or dividend pay-outs of PCL. The payment of inter-company loans and/or dividends by PCL will depend on, amongst other factors, any future profits, financial position, working capital requirements, general economic conditions and other factors that its board of directors deems significant from time to time.

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

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

2.3.7 Fluctuations in property values

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

2.3.8 The Group's indebtedness could adversely affect its financial position

The Group has a material amount of debt and the amount of debt funding of the Issuer is expected to increase as and when the Issuer undertakes the Medina Tower and the Palm Waterfront projects, and other possible future development plans. A substantial portion of the Group's generated cash flows will be required to make principal and interest payments on the Group's debt. A substantial portion of the cash flow currently generated from PCL's operations is utilised to repay its debt obligations pursuant to the terms of the facilities provided.

2.3.9 Reliance on the Corinthia Group and NREC

The Issuer relies, and will in future be relying, 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 subsidiaries will be able to use such contacts and expertise as and when required.

2.3.10 The Group may be exposed to certain financial risks, including interest rate risk which the Group may be unable to effectively hedge against

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 Group's financial performance. 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. The Issuer's financial statements, which are presented in Euro, can be affected by foreign exchange fluctuations through both translation risk, which is the risk that the financial statements for a particular period or as of a certain date depend, although in part only, on the prevailing exchange rate to the Libyan Dinar against the Euro; and transaction risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the currency of its revenue and assets, which fluctuation may adversely affect its operating performance.

3 KEY INFORMATION ON THE BONDS

3.1 What are the main features of the securities?

The key features of the Bonds are set out below:

Each Bond forms part of a duly authorised issue of 5.5% unsecured bonds 2023 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €20,000,000. The Issue Date of the Bonds is expected to be 30 July 2020. The Bond Issue is guaranteed by Corinthia Palace Hotel Company Limited.

The currency of the Bonds is Euro (€).

Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0000371295.

The Bonds are open for subscription by Maturing Bondholders, Existing Corinthia Bondholders and Authorised Intermediaries pursuant to an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing Corinthia Bondholders, as the case may be.

The Bonds are redeemable on 31 July 2023. The Bonds shall bear interest from and including 31 July 2020 at the rate of 5.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date (31 July of each year between and including each of the years 2021 and 2023). The first interest payment will be affected on 31 July 2021 (covering the period 31 July 2020 up to and including 30 July 2021).

There are no special rights attached to the Bonds other than the right of the Bondholders to: (i) the payment of interest; (ii) the payment of capital; (iii) ranking with respect to other indebtedness of the Issuer and the Guarantor; (iv) seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds; (v) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and (vi) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

The minimum subscription amount of Bonds that can be subscribed for by Applicants is €1,000, and in multiples of €100 thereafter.

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €1,000 shall only apply during the Issue Period and the Intermediaries' Offer (if it takes place). As such, no minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List of the MSE and commence trading thereafter, subject to trading in multiples of €100.

3.2 Where will the securities be traded?

Application has been made to the Malta Stock Exchange for the Bonds being issued pursuant to the Prospectus to be listed and traded on its Official List. The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 30 July 2020 and trading can be expected to commence thereafter.

3.3 Is there a guarantee attached to the securities?

The Bonds are guaranteed by Corinthia Palace Hotel Company Limited. The Guarantor guarantees the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertakes to pay all amounts of principal and interest which have become due and payable by the Issuer to Bondholders under the Bonds, within sixty (60) days from the date such amount falls due and remains unpaid by the Issuer. Accordingly, until such time as Bonds remain in issue, the Guarantor undertakes to pay on an on-going basis interest which may become due and payable during the term of the Bonds and the principal amount of the Bonds on the Redemption Date should the Issuer default in paying the Bondholders under the Bonds. The Guarantor's obligations under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

3.3.1 Domicile and legal form, LEI and country of incorporation of the Guarantor

Corinthia Palace Hotel Company Limited is 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. Its LEI number is 529900HIX50FN8L8JK88.

The Guarantor is the parent company of the Corinthia Group and is principally engaged, directly or through subsidiaries and/or associated entities, in investments that are predominantly focused on the ownership, development and operation of mixed-use real estate developments that consist mainly of hotels, residences, offices, retail and commercial areas, as well as industrial and event catering, in various countries.

3.3.2 Key Financial Information of the Guarantor

Set out below are highlights taken from the audited consolidated financial statements of the Guarantor for the years ended 31 December 2017, 2018 and 2019:

Income Statement	FY2017	FY2018	FY2019
Operating loss for the year (€'000)	(3,048)	(7,440)	(8,200)
Balance Sheet	FY2017	FY2018	FY2019
Net Financial Debt (€'000)	160,992	138,163	76,101
Current Ratio	0.71x	0.54x	3.78x
Cash Flow Statement	FY2017	FY2018	FY2019
Cash Flows used in Operating Activities (€'000)	(8,176)	(6,975)	(17,024)

The FY2019 financial statements of CPHCL include i) an emphasis of matter paragraph in relation to the basis of accounting and restriction of use of the financial statements relating to the fact that such statements represent the stand-alone financial statements of the Guarantor; and ii) a statement of material uncertainty in relation to the going concern as a result of COVID-19. The full audit report is available for inspection on www.mihplc.com

3.3.3 Key risks specific to the Guarantor

CPHCL has a long trading history in mixed-use real estate developments that consist principally of hotels, residences, offices and retail areas. Many of CPHCL's current and potential competitors' operating histories, name recognition, customer bases and financial and other resources are a competitive factor for the Guarantor wherever it may have business. Severe competition in certain countries and changes in economic and market conditions could adversely affect CPHCL's business and operating results. The Guarantor's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in a mixture of mature and stabilised markets coupled with new and rapidly developing markets.

3.4 What are the key risks that are specific to the Bonds?

The most material risk factors specific to the Bonds are set out below:

- The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. There can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price, or at all.
- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds. Investors should also be aware that the price of fixed rate bonds should, theoretically, move adversely to changes in interest rates.
- The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest and the principal amount due under said Bonds by the Guarantor. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer and the Guarantor, if any.
- Even after the Bonds are admitted to trading on the Official List of the MSE, the Issuer is required to remain in compliance with certain requirements relating, *inter alia*, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. The Listing Authority has the authority to suspend trading or listing of the Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.

4 KEY INFORMATION ON THE OFFER OF THE BONDS AND ADMISSION TO TRADING

4.1 Under which conditions can I invest in these Bonds?

4.1.1 Expected timetable of principal events

1	Application Forms mailed to Maturing Bondholders and Existing Corinthia Bondholders	2 July 2020
2	Closing date for Applications to be received from Maturing Bondholders and from Existing Corinthia Bondholders	16 July 2020 (by 12:00 CET)
3	Intermediaries' Offer*	20 July 2020
4	Announcement of basis of acceptance through a company announcement	23 July 2020
5	Refunds of unallocated monies, if any	30 July 2020
6	Dispatch of allotment letters	30 July 2020
7	Expected date of admission of the Bonds to listing	30 July 2020
8	Issue date of the Bonds	30 July 2020
9	Commencement of interest	31 July 2020
10	Expected date of commencement of trading in the Bonds	31 July 2020

**In the event that the total value of Applications received from Maturing Bondholders and/or Existing Corinthia Bondholders, as the case may be, exceeds €20,000,000, the Intermediaries' Offer will not take place.*

4.1.2 Allocation Policy

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

- i. first to Maturing Bondholders applying for Bonds by way of Maturing Bond Transfer (and subject to any Cash Top-Up as and if applicable), and subject to a minimum application of €1,000;
- ii. the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer (and subject to any Cash Top-Up as and if applicable) shall be made available for subscription to: (A) Maturing Bondholders in respect of any additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-off Date and (B) Existing Corinthia Bondholders, *pari passu*, without priority or preference between them and in accordance with the allocation policy as determined by the Issuer. Accordingly, in the event that a Maturing Bondholder applies for additional Bonds other than by way of Maturing Bond Transfer as specified in (i) above, no guarantee shall be given with respect to the amount of Bonds to be allocated to the excess Bonds applied for by such Maturing Bondholder; and
- iii. in the event that following the allocations made pursuant to paragraphs (i) and (ii) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Intermediaries through an Intermediaries' Offer. Subscription agreements received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Registrar, which will be communicated by latest 12:00 hours CET on 21 July 2020.

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

4.2 Why is the Prospectus being produced?

4.2.1 Use of Proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €19,500,000, will be used by the Issuer for the redemption of the outstanding amount of the Maturing Bonds remaining in issue as at 31 July 2020, being the date of redemption of the Maturing Bonds as determined by the Issuer and duly notified to Maturing Bondholders. As at the date of the Prospectus the aggregate value of Maturing Bonds in issue stands at €18,407,800. The remaining balance of net Bond Issue proceeds shall be applied towards the general corporate funding purposes of the Group.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied for the purpose set out above. The residual amount required by the Issuer for the purpose of the use specified above which shall not have been raised through the Bond Issue shall be financed from shareholders' funding and/or the Group's own funds, including banking facilities currently being negotiated. In the event of the Issuer securing and making use of such banking facilities for the purpose contemplated herein, the Issuer shall make available to the market the necessary information in connection with such third-party financing through a supplement which will also be published and made available on the Issuer's website: www.mihplc.com

4.2.2 Underwriting

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

ISSUER	MEDITERRANEAN INVESTMENTS HOLDING P.L.C. 22, EUROPA CENTRE, JOHN LOPEZ STREET, FLORIANA FRN 1400, MALTA
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GUARANTOR	CORINTHIA PALACE HOTEL COMPANY LIMITED 22, EUROPA CENTRE, JOHN LOPEZ STREET, FLORIANA FRN 1400, MALTA
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REGISTRAR & MANAGER	BANK OF VALLETTA P.L.C. BOV CENTRE, CANNON ROAD, ZONE 4, CENTRAL BUSINESS DISTRICT, SANTA VENERA CBD 4060, MALTA
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LEGAL COUNSEL TO THE ISSUER	GVZH ADVOCATES 192, OLD BAKERY STREET, VALLETTA VLT 1455, MALTA
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SPONSOR	RIZZO, FARRUGIA & CO. (STOCKBROKERS) LTD. AIRWAYS HOUSE, FOURTH FLOOR, HIGH STREET, SLIEMA SLM 1551, MALTA
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AUDITORS	GRANT THORNTON FORT BUSINESS CENTRE, TRIQ L-INTORNJATUR, ZONE 1, CENTRAL BUSINESS DISTRICT, BIRKIRKARA CBD 1050, MALTA
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REGISTRATION DOCUMENT

Dated 1 July 2020

This Registration Document is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of the Prospectus Regulation.



MEDITERRANEAN INVESTMENTS HOLDING PLC

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

THIS REGISTRATION DOCUMENT HAS BEEN APPROVED BY THE LISTING AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER THAT IS THE SUBJECT OF THIS REGISTRATION DOCUMENT. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN ANY INSTRUMENT ISSUED BY THE COMPANY. FURTHERMORE, SUCH AUTHORISATION SHOULD NOT BE DEEMED OR BE CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

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

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

APPROVED BY THE DIRECTORS

A handwritten signature in black ink, appearing to be 'JF'.

Joseph Fenech

A handwritten signature in black ink, appearing to be 'JF'.

Joseph Fenech for and on behalf of:
Alfred Pisani, Joseph Pisani, Faisal J.S. Alessa, Mario P Galea,
Ahmed B A A Wahedi and Ahmed Yousri A. Nouredin Helmi

LEGAL COUNSEL

SPONSOR

REGISTRAR & MANAGER





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IMPORTANT INFORMATION

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THIS REGISTRATION DOCUMENT CONTAINS INFORMATION ON MEDITERRANEAN INVESTMENTS HOLDING PLC, IN ITS CAPACITY AS ISSUER, AND ON CORINTHIA PALACE HOTEL COMPANY LIMITED, IN ITS CAPACITY AS GUARANTOR, IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES ISSUED BY THE LISTING AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION.

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

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

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

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THE PROSPECTUS AND ANY PERSONS WISHING TO APPLY FOR ANY SECURITIES ISSUED BY THE ISSUER TO INFORM THEMSELVES OF, AND TO OBSERVE AND COMPLY WITH, ALL APPLICABLE LAWS AND REGULATIONS OF ANY RELEVANT JURISDICTION. PROSPECTIVE INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE ISSUER SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING FOR ANY SUCH SECURITIES AND OF ANY APPLICABLE



EXCHANGE CONTROL REQUIREMENTS AND TAXES IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

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

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM 1 JULY 2020, BEING THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE LISTING AUTHORITY. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE OFFER PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

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

ALL THE ADVISERS TO THE ISSUER AND THE GUARANTOR NAMED IN SUB-SECTION 4.4 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S 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 WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN ANY SECURITIES OF THE ISSUER.

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

1 DEFINITIONS

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

“Act” or “Companies Act”	the Companies Act (Chapter 386 of the laws of Malta);
“AHCT”	Alinmaa Holding Company for Tourism & Real Estate Investments, a company registered under the laws of Libya and having its registered office at Al-Hamamat St., Al Madina Alsiahya, Tripoli, Libya;
“AUCC”	Arab Union Contracting Company, a company registered under the laws of Libya and having its registered office at Level 21, General Department, Tripoli Tower, Tower 1, Tripoli, Libya;
“Authorised Intermediaries”	all the licensed stockbrokers and financial intermediaries listed in Annex I of the Securities Note forming part of the Prospectus;
“Bond Issue” or “Issue”	the issue of the Bonds;
“Bond Obligations”	the punctual performance by the Issuer of all of its obligations under the Bond Issue, including the repayment of principal and payment of interest thereon;
“Bondholder”	a holder of Bonds;
“Bonds”	a maximum of €20 million unsecured bonds due in 2023 of a nominal value of €100 per bond issued at par by the Issuer and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 5.5% <i>per annum</i> . The Bonds are guaranteed by the Guarantor;
“Catermax Limited”	Catermax Limited, a company registered under the laws of Malta with company registration number C 50842 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
“CDI” or “Corinthia Developments Limited”	Corinthia Developments International Limited, a company registered under the laws of Malta with company registration number C 70440 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
“CHL” or “Corinthia Hotels Limited”	Corinthia Hotels Limited, a company registered under the laws of Malta with company registration number C 26086 and having its registered office at 1, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta, formerly CHI Limited;
“CIL” or “Corinthia Investments Limited”	Corinthia Investments Limited, a company registered under the laws of England and Wales with company registration number 01962947 and having its registered office at Aissela, 46 High Street, Esher, Surrey KT10 9QY, England;
“Corinthia Brand”	any and all intellectual property associated with the Corinthia Brand for hotel and property operations, the legal and beneficial ownership of which is held by CHL;
“Corinthia Caterers Limited”	Corinthia Caterers Limited, a company registered under the laws of Malta with company registration number C 24720 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
“Corinthia Group”	CPHCL (as defined below) and the companies in which CPHCL has a controlling interest;

“Costa” or “The Coffee Company”	The Coffee Company Malta Limited, a company registered under the laws of Malta with company registration number C 55973 and having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta;
“CPHCL” or “Guarantor”	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. CPHCL is the parent company of the Corinthia Group and is acting as Guarantor in terms of the Guarantee;
“Danish Bakery Limited”	Danish Bakery Limited, a company duly registered under the laws of Malta with company registration number C 7921 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
“Directors” or “Board”	the directors of the Company whose names are set out in sub-section 4.1 of this Registration Document;
“EBITDA”	earnings before interest, tax, depreciation and amortization;
“EDREICO”	formerly the 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;
“Exchange” or “Malta Stock Exchange” or “MSE”	Malta Stock Exchange plc, as originally constituted in terms of the Financial Markets Act (Chapter 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
“Financial Analysis Summary”	the financial analysis summary dated 1 July 2020 compiled by the Sponsor in line with the applicable requirements of the Listing Authority policies, a copy of which is set out in Annex IV of the Securities Note forming part of the Prospectus;
“GHA”	GHA Holdings Limited, an exempted company incorporated under the laws of the Cayman Islands with company registration number 338838 and with registered office at the offices of Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands;
“Group”	collectively, the Issuer (parent company), PCL and PWL (subsidiary companies) and MTJSC (associate company);
“Guarantee”	the guarantee dated 15 June 2020 granted by the Guarantor as security for the punctual performance of the Issuer’s Bond Obligations under the Bond Issue. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note forming part of the Prospectus as Annex III;
“HUF”	the Hungarian Forint, being the official currency of Hungary;
“IHI”	International Hotel Investments plc, 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” or “Company”	Mediterranean Investments Holding plc, 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;
“LAFICO”	Libyan Foreign Investment Company, a company registered under the laws of Libya with company registration number 9481 and having its registered office at Ghadem Aljabel, Gharian, P.O. Box 4538 Tripoli, Libya;

“Listing Authority”	the Board of Governors of the Malta Financial Services Authority, appointed as the Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the laws of Malta);
“Listing Rules”	the listing rules issued by the Listing Authority, as may be amended from time to time;
“LPTACC”	Libya Projects General 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;
“Maturing Bonds”	the 5.5% unsecured bonds 2020 with ISIN code MT0000371279 due to mature on 31 July 2020, amounting as at the date of the Prospectus to €18,407,800, issued by the Issuer pursuant to a prospectus dated 1 July 2015;
“Medina Tower”	the proposed Medina Tower project in Tripoli, Libya;
“Memorandum and Articles of Association” or “M&As”	the memorandum and articles of association of the Issuer and/or the Guarantor (as the context so necessitates) in force at the time of publication of the Prospectus. The terms “ Memorandum ”, “ Articles ” and “ Articles of Association ” shall be construed accordingly;
“MFCC” or “Malta Fairs and Conventions Centre Limited”	Malta Fairs and Conventions Centre Limited, a company registered under the laws of Malta with company registration number C 39678 and having its registered office at Millenium Stand, Level 1, National Stadium, Ta’ Qali, Attard ATD 4000, Malta;
“MFSA”	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta);
“MSE Bye-Laws”	the MSE bye-laws issued by the authority of the board of directors of Malta Stock Exchange plc, as may be amended from time to time;
“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 L(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 company registered under the laws of Kuwait with company registration number 111731 and having its registered office at National Market Building, Fourth Floor, Office 24, Abdullah Al Salem, Al Mirqab, Kuwait;
“NREC”	National Real Estate Company KSCP, 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;
“Official List”	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the MSE Bye-Laws;
“Palm City Residences”	the Palm City Residences, a property operated by PCL (as defined below) and situated in Janzour, Libya;
“PCL” or “Palm City Ltd”	Palm City Ltd, 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 Summary, this Registration Document and the Securities Note, all dated 1 July 2020, as such documents may be amended, updated, replaced and supplemented from time to time;
“Prospectus Regulation”	Commission Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as may be amended and/or supplemented from time to time;
“QPM” or “QPM Limited”	QPM Limited, a company registered under the laws of Malta with company registration number C 26148 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
“Redemption Date”	31 July 2023;
“Registrar & Manager”	Bank of Valletta p.l.c., a public limited liability company registered under the laws of Malta having its registered office at a public limited liability company registered under the Laws of Malta with company registration number C2833 and having its registered address at 58, Zachary Street, Valletta, VLT 1130, Malta. Bank of Valletta p.l.c. is regulated by the MFSA and is licensed to carry out the business of banking and investment services in terms of the Banking Act (Chapter 371 of the laws of Malta) and the Investment Services Act (Chapter 370 of the laws of Malta);
“Registration Document”	this registration document in its entirety issued by the Issuer dated 1 July 2020, forming part of the Prospectus;
“Securities Note”	the securities note issued by the Issuer dated 1 July 2020, forming part of the Prospectus;
“Sponsor”	Rizzo, Farrugia & Co. (Stockbrokers) Ltd, a private limited liability company registered under the laws of Malta having its registered address at Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta and bearing company registration number C 13102. Rizzo, Farrugia & Co. (Stockbrokers) Ltd is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE;
“Summary”	the summary issued by the Issuer dated 1 July 2020, forming part of the Prospectus; and
“Swan Laundry and Dry Cleaning Company Limited”	Swan Laundry and Dry Cleaning Company Limited, a company duly registered under the laws of Malta with company registration number C 2708 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta.

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

Unless it appears otherwise from the context:

- words importing the singular shall include the plural and *vice-versa*;
- words importing the masculine gender shall include the feminine gender and *vice-versa*;
- the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- any reference to a person includes that person’s legal personal representatives, successors and assigns;
- any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms; and
- any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Registration Document.

2 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE COMPANY.

WHILE THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES, PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE GROUP'S BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

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

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER:

- (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR
- (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER, THE GUARANTOR, THE SPONSOR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER.

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

2.1 Forward-looking statements

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

If any of the risks described below were to materialise, they could have a serious effect on the Issuer's and/or Guarantor's financial results, trading prospects and the ability of the Issuer to fulfil its Bond Obligations under the securities to be issued in terms of the Prospectus and of the Guarantor to honour its obligations under the Guarantee.

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

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

2.2 Risks relating to the Group and its business

The Issuer was incorporated in 2005 and, through PCL, has been primarily involved in the development and operation of 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.

2.2.1 *COVID-19 pandemic and possible similar future outbreaks*

Different regions in the world have, from time to time, experienced outbreaks of various viruses. At this time, a widespread global pandemic of the infectious disease COVID-19 is taking place. As the virus is relatively new, effective cure and vaccines are yet to be developed. While COVID-19 is still spreading and the final implications of the pandemic are difficult to estimate at this stage, it is clear that it will affect the lives of a large portion of the global population and cause significant effects. At this time, the pandemic has caused state of emergencies being declared in various countries, travel restrictions being imposed, quarantines been established and various institutions and companies being closed. The ongoing COVID-19 pandemic and any possible future outbreaks of viruses may have a significant adverse effect on the Group.

Firstly, a spread of such diseases amongst the employees of the Group, as well as any quarantines affecting the employees of the Group or the Group's facilities, may reduce the possibility of the Group's personnel to carry out their work and thereby affect the Group's operations. Secondly, the current pandemic and any possible future outbreaks of viruses may have an adverse effect on the Group's suppliers and/or transportation companies, resulting in a deficit of production inputs necessary for the Group to carry out its operations.

Further to the above, the Group may be adversely affected by the wider macroeconomic effect of the ongoing COVID-19 pandemic and any possible future outbreaks. While the final effects of the COVID-19 pandemic are, at this stage, difficult to assess, it is possible that it will have substantial negative effect on the economies the Group operates in. These affects may also take place in case of any possible future outbreaks. Any negative effect on the economy may decrease incomes of the end-customers of the Group and the demand for the Group's offerings. Such effects may also result in the insolvency of the Group's business partners, which could affect the operations of the Group, as well as its financial standing.

Any of the factors set out above could have an adverse effect on the Group's profits and financial position.

2.2.2 *Risks relating to the political, economic and social environment in Libya*

Whilst the Issuer and PCL are registered in Malta, the assets, operations, business interests and activities of PCL are located or conducted in Libya through a branch of PCL. The Issuer is also an investee in a joint stock company MTJSC in respect of the business interests of the Medina Tower project, another project that will be developed in Tripoli, Libya. An application for the establishment of an investment project is underway at the Libyan Ministry of Economy in respect of the future development of Palm Waterfront. The Group's business activities over the coming years are expected to be focused on and aimed at the development of the Medina Tower project in which the Group has a 25% holding and Palm Waterfront, which is to be developed by a 100% owned subsidiary of the Issuer. Accordingly, the Group is susceptible to the political and economic risks 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.

The continued instability and state of uncertainty and unpredictability prevailing since the 2011 uprising continues to have a negative effect on travel to Libya and, accordingly, on the performance and operation of the Group as well as on the financial results of the Group. Economic uncertainty and political risk remain high in Libya with prevalent threats to investment in the country and positive development. Most foreign embassies in Libya remain at present either closed or have suspended operations and withdrawn their diplomatic staff, albeit recently a number of countries have re-opened their embassies. Those governments that have as yet not re-opened their embassy in the country have advised their respective nationals against all unnecessary travel to the country. Although an agreement was reached in 2019 between the Government of National Accord and opposition forces, sustained levels of governance, stability and economic development cannot as yet be considered to have been achieved, and notwithstanding the reported efforts of the UN Special Mission in Libya (UNSMIL) the threat of further deterioration in Libya's general political, economic and social environment prevails.

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 between 2014 and 2016 and again in 2019 to present date when PCL's operations were adversely affected by the conflict and political turmoil in Libya, reporting decreases in occupancy levels and residential rental rates for those years.

Security concerns resulting from the above, as well as social unrest and lack of clarity on the political situation, have also brought about a decline in investor confidence, investment (including foreign direct investment) and capital spending. The consequences may be profound and, accordingly, prospective investors should take into account the unpredictability associated therewith.

The above-mentioned negative political and economic factors and trends may continue to have a negative influence on the operating results of the Group and could also have a material impact on the business of the Group in the region.

2.2.3 *Emerging market*

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

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

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

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

2.2.4 *Natural disasters, contagious disease, terrorist activity and war have, in the past, adversely affected the expatriate community and similar events could adversely affect the industry in the future*

Natural disasters, the spread of contagious disease (including COVID-19), industrial action, travel-related accidents, terrorist activity and war and the targeting of particular destinations have had a significant negative impact on the travel industry globally and such events could have a similarly negative impact in the future.

Such events occurring in the location where the Group operates will invariably affect tenancy patterns and reduce the number of business travellers to the country, including demand for residential accommodation at Palm City Residences. In addition, concerns about air travel safety could substantially decrease the overall amount of air travel. Actual or threatened war, terrorist activity, political unrest, civil strife and other geopolitical uncertainty may also reduce overall demand for business travel. Furthermore, the occurrence of any of these events or increasing concerns about these events could have a material adverse impact on the business, financial condition, results of operations and prospects of the Group and/or the Guarantor.

2.2.5 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 circumstances affecting the operations of PCL which could significantly impinge on PCL's cash flow.

The payment of interest and/or capital repayment on the Issuer's debt securities will be funded principally by the payment of inter-company loans or dividend pay-outs of PCL. The payment of inter-company loans and/or dividends by PCL will depend on, among other factors, any 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 Palm City Residences could have a detrimental impact on PCL's ability to pay dividends, or repay inter-company loans, which in turn would have an adverse impact on the ability of the Issuer to meet interest payments or capital repayments on its securities on their due date.

Furthermore, in respect of Palm City Residences, the Group could in future face competition from other residential properties in its area 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 current lease are, amongst others:

- the availability of other residential properties;
- the quality of the amenities and facilities offered;
- the level of security 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;
- the quality of past and present tenants; and
- fluctuations in rental rates and asset values of the Group's properties as well as of property in and around Tripoli generally.

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

The Group's ability to implement its business strategies is dependent upon, amongst other things, its ability to generate sufficient funds internally and to access financing at acceptable costs. No assurance can be given that sufficient financing for its current and future investments will be available on commercially reasonable terms or within the timeframes required by the Group, also taking into account the need, from time to time, for the Group's properties to undergo renovation, refurbishment or other improvements. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future investments. Failure to obtain, or delays in obtaining, the capital required to complete current or future developments on commercially reasonable terms, including increases in borrowing costs or decreases in loan funding, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

2.2.7 Fluctuations in property values

As stated above, the Group is involved in the acquisition and development of properties. Property values are affected by and may fluctuate, inter alia, as a result of changing demand, changes in general economic

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

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

2.2.8 The Group's indebtedness could adversely affect its financial position

The Group has a material amount of debt and the amount of debt funding of the Issuer is expected to increase as and when the Issuer undertakes the Medina Tower and the Palm Waterfront projects, and other possible future development plans.

A substantial portion of the Group's generated cash flows will be required to make principal and interest payments on the Group's debt. A substantial portion of the cash flow currently generated from PCL's operations is utilised to repay its debt obligations pursuant to the terms of the facilities provided.

Once the Medina Tower and Palm Waterfront projects proceed to their development stage, MTJSC and PWL will be negotiating bank credit facilities for the construction of their respective projects once a decision is taken to execute these 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.

2.2.9 Reliance on the Corinthia Group and NREC

The Issuer relies, and will in future be relying, 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 subsidiaries 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, if it were to occur, could have an adverse effect on the Issuer.

2.2.10 The Group may be exposed to certain financial risks, including interest rate risk which the Group may be unable to effectively hedge against

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 Group's financial performance.

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.

Furthermore, 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 the Euro. As a result, exchange losses may arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies.

The Issuer's financial statements, which are presented in Euro, can be affected by foreign exchange fluctuations through both translation risk, which is the risk that the financial statements for a particular period or as of a certain date depend, although in part only, on the prevailing exchange rate to the Libyan Dinar against the Euro; and transaction risk, which is the risk that the currency of the costs and liabilities fluctuates in relation to the currency of its revenue and assets, which fluctuation may adversely affect its operating performance.

2.2.11 Liquidity risk

In view of the fact that the Group is, in large part, a property holding organization, coupled with the fact that property is a relatively illiquid asset, such illiquidity may affect the Group's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely manner and at satisfactory prices in response to changes in economic, real estate, market or other conditions, or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiration of the lease term. These factors could have an adverse effect on the Group's financial condition and results.

2.3 Risks relating to the business of the Guarantor

CPHCL has a long trading history in mixed-use real estate developments that consist principally of hotels, residences, offices and retail areas. Many of CPHCL's current and potential competitors' operating histories, name recognition, customer bases and financial and other resources are a competitive factor for the Guarantor wherever it may have business. Severe competition in certain countries and changes in economic and market conditions could adversely affect CPHCL's business and operating results.

The Guarantor's prospects should be considered in the light of the risks and the difficulties generally encountered by companies operating in a mixture of mature and stabilised markets coupled with new and rapidly developing markets.

3 PERSONS RESPONSIBLE & AUTHORISATION STATEMENT

3.1 Persons Responsible

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

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

3.2 Authorisation Statement

This Registration Document has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. It has been approved by the Listing Authority, as competent authority under the Prospectus Regulation. The Listing Authority only approves this Registration Document as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Registration Document.

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

4.1 Directors of the Issuer

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

Alfred Pisani	[ID No. 126839M]	Executive Director and Chairman
Ahmed B A A A Wahedi	[Passport No. 003594145]	Non-executive Director and Deputy Chairman
Joseph Pisani	[ID No. 672637M]	Non-executive Director
Faisal J.S. Alessa	[Passport No. P05449499]	Non-executive Director
Joseph Fenech	[ID No. 656656M]	Executive Director
Mario P. Galea	[ID No. 522554M]	Independent, non-executive Director
Ahmed Yousri A. Noureldin Helmi	[Passport No. A14441068]	Independent, non-executive Director

Mr Alfred Pisani and Mr Joseph Fenech occupy senior executive positions within the Corinthia Group. The other five Directors, Mr Ahmed B A A A Wahedi, Mr Joseph Pisani, Mr Faisal J.S. Alessa, Mr Mario P. Galea and Mr Ahmed Yousri A. Noureldin Helmi, serve on the Board of the Issuer in a non-executive capacity. Mr Mario P. Galea and Mr Ahmed Yousri A. Noureldin Helmi are considered as independent Directors since they are free of any business, family or other relationship with the Issuer, its controlling shareholders or the management of either, that could create a conflict of interest such as to impair their judgement. In assessing Mr Galea's and Mr Ahmed Yousri A. Noureldin Helmi's independence due notice has been taken of Listing Rule 5.119 of the Listing Rules.

The business address of Mr Alfred Pisani, Mr Joseph Pisani, Mr Joseph Fenech and Mr Mario P. Galea is 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta.

The business address of Mr Ahmed B A A A Wahedi, Mr Faisal J.S. Alessa and Mr Ahmed Yousri A. Noureldin Helmi is P.O. Box 64585, Shuwaikh, B 70456, Kuwait.

The Company Secretary of the Issuer is Mr Stephen Bajada.

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

Name: **Alfred Pisani**; Executive Director and Chairman

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 Corinthia Group's first hotel, the Corinthia Palace Hotel in Attard. He has led the Corinthia Group from a one hotel company to a diversified group having significant interests, both locally and internationally. Mr Pisani is also the Chairman of IHI and Chairman and Chief Executive Officer of the Guarantor.

Name: **Ahmed B A A A Wahedi**; Non-executive Director and Deputy Chairman

Ahmed B A A A Wahedi is the chief executive officer of NREC Capital, a division of NREC. He is responsible for NREC's asset management initiatives. Prior to joining NREC, Mr Wahedi was the Managing Director of the Real Estate Division at Boubyan Capital where he assembled a US\$100 million diversified portfolio of income generating properties in Kuwait and launched a highly successful US\$50 million Real Estate Investment Trust. Prior to Boubyan Capital, Mr Wahedi was a Corporate Development Manager at Agility where he was involved with executing several mergers & acquisitions. Mr Wahedi holds a Master of Business Administration from the Wharton School of Business and a Bachelor of Science in Civil Engineering, a Bachelor of Science in Electrical & Computer Engineering, and a Bachelor of Science in Economics from Carnegie Mellon University.

Name: **Joseph Pisani**; Non-executive Director

Joseph Pisani, besides being a founder director of CPHCL as from 1966, is also a director of IHI with effect from 22 December 2014, as well as acting as a director on a number of boards of other subsidiary companies of the Corinthia Group. Since 2000 he has served as Chairman of the Monitoring Committee of CPHCL and IHI. He was educated at St Edward's College and the University of Malta. He has ever since been intimately involved in the growth and evolution of the Corinthia Group.

Name: **Faisal J.S. Alessa**; Non-executive Director

Faisal J.S. Alessa currently holds the position of Chairman of Kuwait based NREC. Before becoming Chairman, Mr Alessa served NREC by leading its business development function and as a board member, Chairman and Managing Director of various subsidiary organisations. Prior to joining NREC, he was the chairman of United Capital Group, a company registered in Kuwait with over US\$700 million in assets under management. Mr Alessa is a graduate of Barry University in Miami, Florida, USA. Besides holding office as a non-executive Director of the Issuer, Mr Alessa also serves as a member of the board of directors of Kuwait Agricultural Company and Kuwait Agro for General Trading and Contracting.

Name: **Joseph Fenech**; Executive Director

Joseph Fenech is a Fellow of the Association of Chartered 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 Joint Chief Executive Officer of IHI.

Name: **Mario P. Galea**; Independent, non-executive Director

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 competent in accounting and auditing matters and acts as the Chairman of the Audit Committee of the Issuer. Furthermore, Mr Galea is a director of the following public limited liability companies: Corinthia Finance plc, Santumas Shareholdings plc, BNF Bank plc, Merkanti Holding plc, Exalco Finance plc, Phoenicia Finance Company plc and Best Deal Properties Holding plc.

Name: **Ahmed Yousri A. Noureldin Helmi**; Independent, non-executive Director

Ahmed Yousri A. Noureldin Helmi is an accomplished executive with an outstanding track record in spearheading transformational programs, including debt restructuring, organisational streamlining and digital implementation, delivering cost efficiencies and driving shareholders' value. He has ventured into major business acquisitions with proven abilities in business modelling and analysis. Mr Yousri Helmi is the current group CFO of NREC. Prior to joining NREC, Mr Yousri Helmi was the CEO of Invest Group and CFO at the Sultan Centre Group where he played an integral part in the continual growth and success of the group, driving operational, commercial and financial activities. Mr Yousri Helmi holds a Master of Business Administration from American University of Beirut in Lebanon and is a certified public accountant registered with the California Board of Accountancy.

4.2 Directors of the Guarantor

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

Alfred Pisani	[ID 126839M]	Executive director and Chairman
Joseph Pisani	[ID 672637M]	Executive director
Khalid S T Benrjoba	[Passport No. L68PP870]	Non-executive director
Victor Pisani	[ID 493541M]	Executive director
Karima Munir Elbeshir Elguel	[Passport No. G99NPZRF]	Non-executive director
Khaled Algonsel	[Passport No. K99Y26G2]	Non-executive director

The business address of the directors of the Guarantor is 22, Europa Centre, Floriana FRN 1400, Malta.

The Company Secretary of the Guarantor is Mr Alfred Fabri.

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

Name: **Alfred Pisani**; Executive director and Chairman

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

Name: **Joseph Pisani**; Executive director

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

Name: **Khalid Benrjoba**; Non-executive director

Mr Khalid Benrjoba joined LAFICO in 1999 where he is currently head of the financial analysis department. He has served as deputy managing director and board member of PakLibya Holding Company Ltd from 2012 to 2017. Mr Benrjoba holds an MSc degree in international business from Salford University, Manchester.

Name: **Victor Pisani**; Executive director

Victor Pisani is a founder director and member of the main board of CPHCL since 1966 and is a director on a number of its subsidiaries within the Corinthia Group. He was formerly a board member and Chairman of Pisani Flour Mills Limited (C 3949).

Name: **Karima Elguel**; Non-executive director

Ms Karima Elguel joined Arab Banking Corporation in 1989 and is now the Chief Representative of Bank ABC, Tripoli Representative Office. She is also a board member of Libyan Foreign Investment Company.

Name: **Khaled Amr Algonsel**; Non-executive director

Mr Algonsel joined LAFICO, in 1993. He was Manager of the Treasury and Financial Planning Department and was appointed Managing Director in 2012. He is Chairman of Libya Investment Company, Egypt since 2013 and Vice Chairman of Arab Petroleum Investments Corporation, Saudi Arabia since 2012. He has a bachelor's degree in financial accounting from Gharian Accounting College, a master's degree in financial accounting from The Libyan Academy in Tripoli and a master's degree in banking and finance from The European University.

4.3 Senior Management of the Issuer

As at the date of the Prospectus the Issuer does not have any employees of its own and is reliant on the resources which are made available to it by the Guarantor pursuant to the MSS Agreement detailed in sub-section 5.1.3 of this Registration Document, including, in particular, the services of Mr Reuben Xuereb, who is the Chief Executive Officer of MIH, Ms Rachel Stilon, who is the Chief Financial Officer of MIH, and Mr Stephen Bajada who acts as the Company Secretary of MIH.

The following are the respective *curriculum vitae* of the key members of the Group's Executive Team:

Name: **Reuben Xuereb**; Chief Executive Officer of MIH

Reuben Xuereb joined the Corinthia Group in January 2005 in a senior executive role and has since been heading the real estate investments and operations in Libya. Having worked in the Middle East with one of the largest finance houses and investment groups based in Bahrain, he has specialised in real estate investment structures and is responsible for corporate strategy and business development of MIH. Prior to that, Mr Xuereb was the Chief Financial Officer of FIMBank - an international trade finance bank headquartered in Malta for six years. Mr Xuereb is also the CEO of MTJSC, Chairman and CEO of PCL, and Executive Chairman and CEO of QPM Limited.

Name: **Rachel Stilon**; Chief Financial Officer of MIH

Rachel Stilon graduated with a B.A. (Hons) Accountancy from the University of Malta in 1996. She worked for PricewaterhouseCoopers before joining the internal audit department of Corinthia Group in 1998. In 2000 she moved into corporate finance as financial controller of CPHCL. Since then she has held various corporate finance related positions, including financial controller of Corinthia Finance plc. Ms Stilon is a certified public accountant and auditor, is a member of the Malta Institute of Accountants and serves as a director on the board of Federated Mills plc.

Name: **Stephen Bajada**; Company Secretary of MIH

Stephen Bajada joined the Corinthia Group in 1998 after having spent a number of years as senior manager with the National Tourism Organisation Malta, responsible for research and development. Since joining the Corinthia Group he has occupied a number of senior positions ranging from administration, overall responsibility of the insurance requirements of the Corinthia Group, as well as company secretary for a number of Corinthia Group companies ranging from hospitality management, catering, events and project management in various jurisdictions. Mr Bajada has served as Company Secretary to MIH, PCL and PWL since 2012. He is a graduate in business management from the University of Malta.

The Directors believe that the Group's present management organisational structures are adequate for the current activities of the Issuer and the Group generally. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the Group's business and to strengthen the checks and balances necessary for optimum corporate governance and maximum operational efficiency.

4.4 Advisers to the Issuer and Guarantor

Legal Counsel

Name: GVZH Advocates

Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

Sponsoring Stockbroker

Name: Rizzo, Farrugia & Co. (Stockbrokers) Ltd.

Address: Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta

Financial advisers

Name: Grant Thornton

Address: Fort Business Centre, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta

Registrar & Manager

Name: Bank of Valletta plc

Address: BOV Centre, Cannon Road, Zone 4, Central Business District, Santa Venera CBD 4060, Malta

As at the date of the Prospectus none of the advisers named above have any beneficial interest in the share capital of the Issuer or the Guarantor. Additionally, save for the terms of engagement relative to the services provided by each of the aforementioned advisers in connection with the preparation of the Prospectus and save for the deeds and ancillary documentation entered into between the Guarantor and the Registrar & Manager in connection with the bank borrowings referred to in sub-section 6.7 of the Securities Note, no material transactions have been entered into by the Issuer or the Guarantor with any of the advisers referred to above.

The organisations listed above have advised and assisted the Directors in the drafting and compilation of the Prospectus.

4.5 Issuer's auditors

Name: Grant Thornton

Address: Fort Business Centre, Triq l-Intornjatur, Zone 1, Central Business District, Birkirkara CBD 1050, Malta

The annual statutory consolidated financial statements of the Issuer for the financial years ended 31 December 2017, 2018 and 2019 have been audited by Grant Thornton. Grant Thornton is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

4.6 Guarantor's auditors

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

The Guarantor appointed PricewaterhouseCoopers of 78, Mill Street, Qormi QRM 3101, Malta as auditors with effect from 1 January 2015.

The annual statutory financial statements of the Guarantor for the financial years ended 31 December 2017, 2018 and 2019 have been audited by PricewaterhouseCoopers. PricewaterhouseCoopers is a firm registered as a partnership of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act, 1979 (Chapter 281 of the laws of Malta).

5 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

5.1 Historical development of the Issuer

5.1.1 Introduction

Full legal and commercial name of the Issuer:	Mediterranean Investments Holding plc
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
Legal Entity Identifier:	213800BEHWHFJ6UYZR18
Telephone number:	+356 21 233 141
E-mail address:	info@mihplc.com
Website:	www.mihplc.com

The principal objects of the Issuer, which objects are limited to activities outside Malta and to such other activities as are or may be necessary for its operations from Malta, are to directly or indirectly acquire, develop and operate 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) agreements and other governmental projects and conference centres. The issue of bonds falls within the objects of the Issuer.

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. Today, following a share capital increase effected in 2006, MIH has an authorised share capital of €100,000,000 divided into 50,000,000 ordinary 'A' shares of a nominal value of €1 each and 50,000,000 ordinary 'B' shares of a nominal value of €1 each. The issued share capital of MIH 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, all of which have been fully paid. Each of CPHCL and NREC (directly or indirectly) hold 50% of the Issuer's share capital. Of the 50% share owned by NREC, 10% is held by its subsidiary LPTACC, a fully owned subsidiary of NPHC which, in turn, is 99.8% owned by NREC. In terms of the Memorandum and Articles of Association of the Issuer, CPHCL, as the holder of ordinary 'A' shares, has the right to appoint three Directors to the Board and NREC and LPTACC, as the holders of ordinary 'B' shares, jointly have the right to appoint three Directors to the Board, with the seventh Director jointly appointed by CPHCL, NREC and LPTACC. Further details concerning the manner in which the shares in MIH are subscribed to are set out in sub-section 8.1 of this Registration Document.

There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.



Since incorporation MIH issued nine bonds, three of which are currently listed and traded on the Official List of the Malta Stock Exchange.

In November 2007, 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. These bonds, which matured on 4 December 2014, were repaid in full upon maturity.

In July 2008, MIH issued to the public in Malta €15,000,000 7.5% bonds due in 2015 having a nominal value of €100 each and issued at par, subject to an over-allotment option of an additional €5,000,000 bonds on the same terms. The said issue of bonds was regulated by the prospectus dated 15 July 2008 and in virtue thereof the maturity date of the bonds in question fell due on 4 August 2015. This bond was repaid with the proceeds raised from another bond issued by MIH in July 2015 (as detailed below in this sub-section).

In June 2010, MIH issued an aggregate of €40,000,000 7.15% bonds redeemable at par between 2015 and 2017 which were distributed as follows upon issue: €28,767,200 in EUR denominated bonds, £4,385,900 in GBP denominated bonds and US\$7,216,500 in USD denominated bonds. The said issue of bonds was regulated by the prospectus dated 14 June 2010. The said bonds, the aggregate value of which stood at €39,920,281 as at 29 May 2017, were redeemed by MIH on 6 July 2017 from the proceeds raised from another bond issued by the Issuer in May 2017 (as detailed below in this sub-section).

In June 2014, MIH issued a further €12,000,000 6% bonds due 2021 having a nominal value of €100 each and issued at par pursuant to a prospectus dated 2 June 2014. The maturity date of the bonds in question falls due on 22 June 2021 and interest on the bonds is payable annually in arrears on 22 June of each year between and including each of the years 2015 and 2021. The net proceeds from said June 2014 bond issue were used by MIH to part finance the redemption of the outstanding amount of €14,757,659 7.5% bonds which had been previously issued by MIH in November 2007. As at the date of this Registration Document the amount of €12,000,000 of the said June 2014 bond remains outstanding.

In July 2015, MIH issued a further €20,000,000 5.5% unsecured bonds due 2020 having a nominal value of €100 each and issued at par pursuant to a prospectus dated 1 July 2015. The maturity date of the bonds in question falls due on 31 July 2020 and interest on the bonds is payable annually in arrears on 31 July of each year between and including each of the years 2016 and 2020. The net proceeds from said July 2015 bond issue were used by MIH to finance the redemption of the outstanding amount of €19,649,600 7.5% bonds 2015 which had been previously issued by MIH in July 2008. As at the date of this Registration Document the amount of €18,407,800 of the said July 2015 bond remains outstanding and it is the Issuer's intention to repay said outstanding amount from the proceeds raised from this Bond Issue as set out in sub-section 5.1 of the Securities Note.

In September 2015, MIH issued a further €11,000,000 6% unsecured and unlisted notes due 2020 having a nominal value of €1,000 each and issued at par pursuant to a prospectus dated 18 September 2015. The maturity date of the notes in question falls due on 3 October 2020 and interest on the notes is payable annually in arrears on 3 October of each year between and including each of the years 2016 and 2020. As at the date of this Registration Document the amount of €11,000,000 of the said September 2015 issue remains outstanding, however, discussions have been initiated for the roll-over of the unlisted notes particularly with a financial institution which holds 72.8% of the value of the said maturing €11 million unlisted bonds.

In May 2017, MIH issued a further €40,000,000 5% unsecured bonds due 2022 having a nominal value of €100 each and issued at par pursuant to a prospectus dated 29 May 2017. The maturity date of the bonds in question falls due on 6 July 2022 and interest on the bonds is payable annually in arrears on 6 July of each year between and including each of the years 2018 and 2022. The net proceeds from said May 2017 bond issue were used by MIH to finance the redemption of the outstanding amount of €39,920,281 7.15% bonds 2015 – 2017 which had been previously issued by MIH in June 2010. As at the date of this Registration Document the amount of €40,000,000 of the said May 2017 bond remains outstanding.

5.1.2 Overview of the Group's business

Palm City Residences

Since incorporation, the Issuer has been primarily involved, through PCL, in the development and operation of the Palm City Residences. This oceanfront 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 and enjoying a 1.3km shorefront (including beach area). The village-type complex offers a host of amenities and leisure facilities that include a piazza, supermarket, a variety of retail shops, a laundry, a health clinic and a number of catering outlets and cafes. The development also features numerous indoor and outdoor sports facilities, including a fully equipped gym, squash court, tennis courts, an indoor pool, 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 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 has been 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. Upon such title transfer taking effect, the build-operate-transfer (BOT) agreement between PCL and CPHCL will be terminated, resulting in PCL no longer being bound to return the operation of the Palm City Residences to CPHCL upon the lapse of the said 65-year term. This registration process has been on hold since 2015 pending the resolution of the current unrest in the country.

The Palm City Residences project was completed in late 2009 and by 2010 all the residences were operational. 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 medium to long-term lease contracts with a view to achieving a stabilised occupancy rate. The occupancy rate and revenue generation varied in the initial years of operation as Libya passed through a number of political changes.

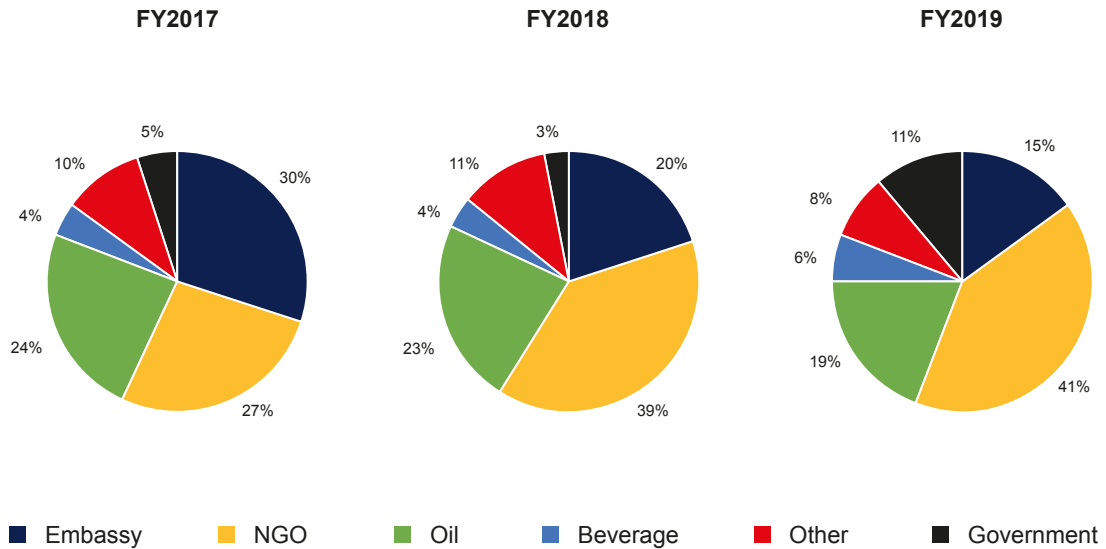
Following the instability in Libya that characterized the period between 2014 and 2016, interest in Palm City started to trickle back in towards the end of 2016 and continued throughout the following year. Several leases were signed in 2017 and a substantial improvement in occupancy figures was recorded. In fact, 2017 closed at 24.7% occupancy compared to 10.4% in 2016, whilst €8.4 million in revenue was generated, which converted into an operating profit of €4.0 million.

Revenue generated for Palm City Limited in 2018 totalled €18.9 million, an increase of €10.5 million on the previous year, with an operating profit of €12.2 million, up from €4.0 million in 2017. Further improvement in revenue figures was achieved in 2019, which generated €27.3 million in revenue, an increase of 44% over the previous year, and an operating profit of €20.2 million, up from €12.2 million registered in 2018. Importantly, the average leasing rate per unit has increased from €6,400 per month back in 2013 to over €8,800 per month in 2019. 2013 was Palm City's best year on record which generated €30.7 million in revenue on the back of a 94% occupancy.

Palm City Residences – Client Mix

The client mix consisted mainly of Oil & Gas companies, NGOs, international security providers and Embassies. A steady increase in new lease agreements throughout 2018 saw the occupancy figures grow to 45.1% by the end of 2018 and starting 2019 with January recording 51.9%. Despite the internal hostilities which started in Tripoli in April 2019, Palm City continued to lease out more units, reaching a high of 60.1% in May and closing 2019 with an average occupancy figure of circa 55%.

It will be noted that during the three-year period under review, occupancy and rates have increased considerably both in terms of occupancy levels achieved and the average monthly rate in the rent per unit occupied. Occupancy levels increased nearly three-fold from an average of 18.6% in 2017 to 55.2% in 2019 whilst the revenue per unit per month increase by 350% from €1,396 to €4,877. The combined effect of these positive improvements resulted in an increase in annual rental revenue from just under €7 million in 2017 to over €24 million in 2019.



Looking at the percentage sectorial take-up of the occupancy, one notes that over this time period government and NGO participation increased from a combined 32% of the total occupancy in 2017 to 52% by 2019. The oil and gas sector remains a good contributor to the overall occupancy and used to account for approximately 25% of the overall total occupancy. However, in view of the considerable increase in the take up by NGO's and government entities, this percentage reduced to 19% by 2019.

It is also important to note that over the three-year period there has also been a shift in the term of contracted leases with a higher incidence of long-term leases. The long-term portion of such leases was of 24% in 2017 but increased to 38% by 2019. This in itself demonstrates the long-term outlook that is being considered by the tenants at Palm City Residences.

Medina Tower

In 2010, MTJSC was set up for the purpose of owning and developing the Medina Tower. The shareholders of MTJSC are MIH, IHI, AUCC and AHCT, having a shareholding of 25% each (the latter two companies were formerly known as Economic Development and Real Estate Investment Company [EDREICO]). The parcel of land over which this project will be developed measures circa 13,000m² 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 sixth level and peaks at the fortieth 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 of the said project. The remaining 60% of funding will be derived from a Libyan financial institution in terms of a sanction letter that has been approved and signed, but now needs to be reactivated. The project is on hold until Libya stabilises and its prospects improve.

Palm Waterfront

PWL is a wholly-owned subsidiary of MIH and will be primarily engaged in the development and operation of the Palm Waterfront site which is located in Shuhada Sidi Abuljalil, Janzour, Libya, adjacent to the Palm City Residences 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. Furthermore, PWL is entitled to manage and operate the Palm Waterfront for a period of 80 years from 5 December 2013.

The site has a footprint of circa 40,000m² and the planned development shall include a 164 room 4-star hotel, 259 residential units for lease or sale, an entertainment centre comprising six cinemas and a bowling centre, retail outlets and restaurants, a car park and a marina. Apart from the studio and two-bedroom apartments,

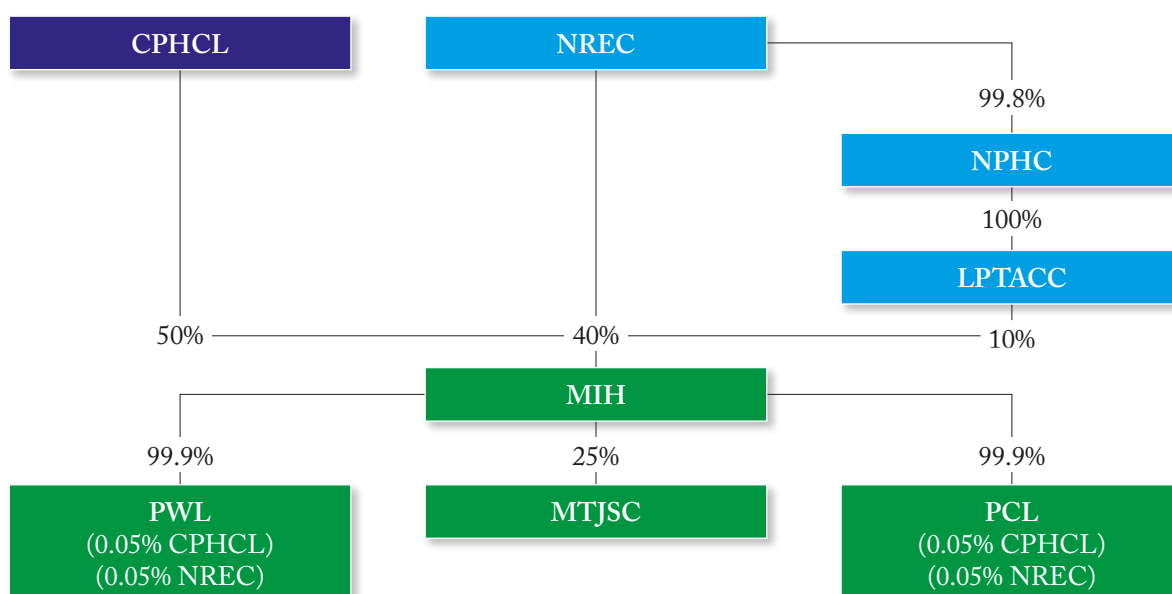
most of the residences at the Palm Waterfront will have spacious layouts. The average size of an apartment will be circa 250m² and the larger units are planned to measure approximately 450m² of indoor space together with large outdoor terraces.

This project has been temporarily placed on hold in view of the prevailing situation in Libya.

5.1.3 Organisational structure

The Issuer is the parent company of the Group and, accordingly, is ultimately dependent upon the operations and performance of its subsidiaries and other investments.

The organisational structure of the Group as at the date of the Prospectus is illustrated in the diagram below:



MIH

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 dated 1 January 2020 (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 the implementation of 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 expiring on 31 December 2021. 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 €404,412 for 2020 adjusted thereafter 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 43 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 25 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.

It is the Issuer's intention to extend the MSS Agreement beyond its expiration in 2021, with no material changes thereto being anticipated.

PCL

Palm City Ltd is a private limited liability company incorporated and registered in Malta on 10 June 2004. 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. PCL is a wholly-owned subsidiary of the Issuer. 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. 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 law 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 by IHI and EDREICO (the latter now AHCT and AUCC, two Libyan investment companies). MIH, IHI, AHCT and AUCC hold a 25% 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. It has an authorised share capital of €100,000,000 and an issued share capital of €2,000 divided into 2,000 ordinary shares of €1 each, fully paid up. PWL is a wholly-owned subsidiary of the Issuer. On 5 December 2013, the company entered into a build-operate-transfer agreement with CPHCL which 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 signing date of the said agreement.

5.2 Historical development of the Guarantor

5.2.1 Introduction

Full legal and commercial name of the Guarantor:	Corinthia Palace Hotel Company Limited
Registered address:	22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta
Place of registration and domicile:	Malta
Registration number:	C 257
Date of registration:	21 June 1966
Legal form	The Guarantor is lawfully existing and registered as a private limited liability company in terms of the Act 529900HIX50FN8L8JK88
Legal Entity Identifier	
Telephone number:	+356 21 233 141
E-mail address:	info@corinthia.com
Website:	www.cphcl.com

5.2.2 Overview of the Corinthia Group's business

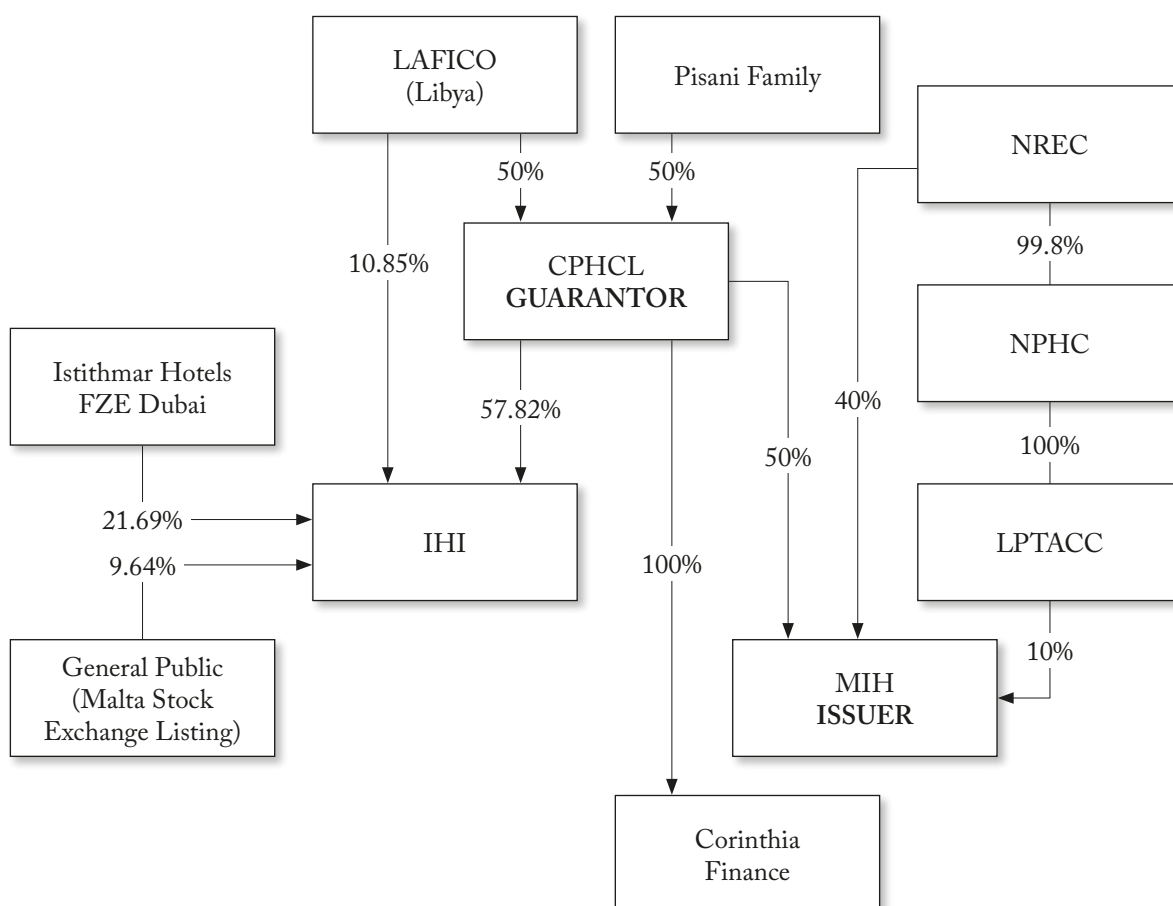
The Guarantor is the parent company of the Corinthia Group and is principally engaged, directly or through subsidiaries and/or associated entities, in investments that are predominantly focused on the ownership,

development and operation of mixed-use real estate developments that consist mainly of hotels, residences, offices, retail and commercial areas, as well as industrial and event catering, in various countries.

These business areas of CPHCL are organized as follows:

- IHI: IHI is CPHCL's largest subsidiary company and has the objective of investing, acquiring, developing and operating real estate projects, either directly through wholly-owned subsidiaries or with third parties, with a principal focus on hotel assets;
- MIH: The Issuer is 50% owned by CPHCL and is focused on investing, acquiring and developing luxury residential complexes and commercial centres in Northern Africa; and
- CPHCL holds other properties and investments either directly in its own name or through subsidiaries, including Corinthia Investments Limited, being a wholly-owned subsidiary of CPHCL registered in the United Kingdom and holding the Corinthia Group's interests in two four star hotels in Turkey, one four star hotel in Portugal, one four star hotel in Hungary and one four star hotel in Tunisia. Included in CPHCL's holdings are the Aquincum Hotel in Budapest and the Ramada Plaza Hotel in Tunisia. CPHCL also owns six small hotels in the Czech Republic. On the industrial side, CPHCL fully owns Swan Laundry and MFCC with a significant plot of land in Ta' Qali. It also holds a majority shareholding in the Danish Bakery in Bulebel and a significant plot of land in Marsa.

As the holding company of the Corinthia Group, the Guarantor is ultimately dependent upon the operations and performance of its subsidiaries and associated entities. The diagram below illustrates the principal subsidiaries and associates within the organisational structure of the Corinthia Group as at the date of this Registration Document:



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

Principal assets and operations

Name	Location	Description	% ownership
Corinthia Palace Hotel Company Limited			
Aquincum Hotel Budapest	Hungary	Property owner	100
Ramada Plaza	Tunisia	Property owner	100
Corinthia Investments Limited	United Kingdom	Investment company	100
Swan Laundry and Dry Cleaning Company Limited	Malta	Dry cleaning	100
Danish Bakery Limited	Malta	Industrial bakery	65
Malta Fairs and Conventions Centre Ltd	Malta	Events & exhibitions	100

International Hotel Investments plc

Corinthia Hotel Budapest	Hungary	Property owner	100
Corinthia Hotel St. Petersburg	Russia	Property owner	100
Commercial Property St. Petersburg	Russia	Property owner	100
Corinthia Hotel Lisbon	Portugal	Property owner	100
Corinthia Hotel Prague	Czech Republic	Property owner	100
Corinthia Hotel Tripoli	Libya	Property owner	100
Commercial Property Tripoli	Libya	Property owner	100
Corinthia Hotel St George's Bay	Malta	Property owner	100
Marina Hotel St George's	Malta	Property owner	100
Corinthia Hotel & Residences London	United Kingdom	Property owner	50*
Corinthia Hotel Brussels	Belgium	Property owner (estimated December 2022 opening)	50*
Corinthia Palace Hotel & Spa	Malta	Property owner	100
Corinthia Hotels Limited	Malta	Hotel management	100
QPM Limited	Malta	Project management	100
Corinthia Developments Limited	Malta	Project Development	100
Medina Tower	Libya	Mixed-use property (to be developed)	25
Radisson Blu Resort St Julians	Malta	Property owner	100
Radisson Blu Resort & Spa Golden Sands	Malta	Property owner	50
Azure Group	Malta	Vacation ownership operation	50
Hal Ferh Complex	Malta	Vacant site (to be developed)	100
Corinthia Caterers	Malta	Event Catering	100
Costa Coffee	Malta/Spain	Retail catering	100
Corinthia Caterers Limited	Malta	Event & retail catering	100
Catermax Limited	Malta	Event & retail catering	100

Mediterranean Investments Holdings plc

Palm City Residences	Libya	Gated residence complex	100
Medina Tower	Libya	Mixed-use property (to be developed)	25

* under control and management of IHI

IHI, a company listed on the Malta Stock Exchange, is principally engaged in the acquisition, ownership, development and operation of hotels and ancillary real estate in Europe and North Africa.

To date, IHI has acquired luxury five-star hotels in Prague (Czech Republic), Tripoli (Libya), Lisbon (Portugal), Budapest (Hungary), St. Petersburg (Russia) and St. George's Bay (Malta). It has a 50% share in a hotel and residential property in London (United Kingdom) and has development projects in Brussels (Belgium),

Bucharest (Romania), Rome (Italy), Dubai (UAE) and Qatar, the latter four being on a management agreement basis, as well as a joint venture agreement for the development of a hotel in Benghazi (Libya). IHI also fully owns Corinthia Hotels Limited, the main objective of which is to provide hotel management services to hotel properties owned by IHI, CPHCL and third-party hotel owners. It is the beneficial owner of the Corinthia® Brand. IHI acquired all the intellectual property associated with the Corinthia® brand for hotel and property operations from CPHCL in October 2010, which, in turn, was transferred to CHL in June 2019. Whilst CPHCL holds 57.82% of the share capital in IHI, Istithmar Hotels FZE of Dubai acts as a strategic investor in the company with a 21.69% holding. LAFICO is another strategic investor in IHI and owns 10.85% of its equity (half of this 10.85% is subject to a call-option in favour of CPHCL). The remaining shares are held by the general investing public. IHI also holds 100% of the share capital in Catermax Limited and Corinthia Caterers Limited, both of which entities are incorporated in Malta and provide events catering in Malta. IHI also holds 100% of the franchising business rights in the Costa Coffee outlets in Malta, the East Coast of Spain, Canary Islands and the Balearic Islands. IHI holds 100% of the share capital in QPM Limited specialising in the construction and the provision of project management services both locally and overseas. In 2016, IHI launched CDI, a fully owned development company with a remit to plan and execute acquisitions and developments in the hotel and real estate sector, whether for IHI, CPHCL or third parties.

Revenue and earnings are derived primarily from the operation of owned hotels. A secondary source of income and earnings is generated through rental income of residential and commercial premises, particularly in St. Petersburg, Tripoli and Budapest. Additional revenue streams include fees earned by CHL, a wholly-owned subsidiary of IHI, from hotels owned by IHI itself or managed pursuant to management contracts with CPHCL and other third parties. As at the date of this Registration Document, CHL manages eleven hotels on behalf of IHI (two of which are fifty per cent owned by IHI) and another two hotels on behalf of CPHCL, one hotel on behalf of third-party owners and another three hotels currently under development which will be managed on behalf of third-party owners.

5.2.3 Investments

The most recent principal investments of the Corinthia Group, through IHI, are described hereunder:

a. Corinthia Hotel St Petersburg

A renovation programme for the Corinthia Hotel St Petersburg relating to the hotel bedrooms in the main building housing the hotel was completed in 2018 in time for the holding of the FIFA World Cup football finals held in the Russian Federation in summer 2018. The project, spanning over a three-year period, was carried out without interrupting the hotel operation and consisted of a soft refurbishment of 288 bedrooms, at an estimated cost of €3.4 million. The renovation of the hotel was funded through available free cash flow generated by this property. The project was delivered on time and on budget.

b. Corinthia Hotel Lisbon

A renovation programme is underway at the Corinthia Hotel Lisbon, estimated at a cost of €15 million. The refurbishment started in November 2016 and all 518 rooms are expected to be completed by the third quarter of 2021. The complete refurbishment of all room stock will result in an upgrade to the product, including the changing of bathrooms, increasing the size and upgrading the fit-out to the rooms. The refurbishment will be carried out in phases, sealing off two to three floors at a time without causing any disturbance to the on-going operation of the hotel, which continues to operate normally. Works on 441 rooms on the first 16 floors have already been completed and the finished product has been received well by the market. As at the date hereof, the programme of works is on schedule.

c. Corinthia Hotel Budapest

A renovation program is underway at the 437-room five-star Corinthia Hotel located in Budapest, Hungary which was officially opened in April 2003. In 2006, 26 self-catering apartments were added to its stock of rooms, which are included in the above room count, and a health spa was opened. The Corinthia Hotel Budapest is currently undergoing a refurbishment of its corridors and of the 406 bathrooms forming part of the hotel. The project commenced in April 2018 and is 55% complete. €4.4 million have been allocated towards the enhancement and refurbishment of these areas, in keeping with the hotel's unique features.

d. St George's Bay Development

IHI initiated the design process to refurbish and upgrade the Corinthia Hotel located in St Julians and make way for a luxury development that will feature a luxury hotel, attracting high net leisure and corporate guests, as well as high-end residential, office, retail and commercial facilities targeting a six-star market. This project will be spread out over a number of years to minimise interruption to hotel operations.

The objective is to implement the project in phases, firstly by adding two additional floors to the Corinthia Hotel St George's Bay. The number of room keys will reduce from the current 250 to 234, due to an increase in room size to over 50m², an essential feature for the hotel to achieve what is commonly referred to in the industry as "six-star" status. In addition, the plan is to develop two serviced residential blocks on vacant land between the Corinthia Hotel St George's Bay and the Radisson Blu Resort St Julian's.

e. Hal Ferh Project

IHI, through a wholly-owned subsidiary The Heavenly Collections Limited (C 48380), enjoys a perpetual lease title to an 85,000m² plot of land at Hal Ferh, situated adjacent to the Radisson Blu Resort & Spa, Golden Sands, Malta. IHI is currently in the process of assessing the project designs and concept and funding requirements, prior to embarking on the execution of this project.

f. Corinthia Hotel London

In June 2018, the Corinthia Hotel London completed the conversion of 22 rooms into 11 suites at a cost of £3.9 million. The decision to introduce a higher number of suites, as opposed to standard bedrooms, bolstered the hotel's presence in the lucrative market for high net worth visitors to London. The newly converted suites provided an incremental revenue of £1.7 million in the first 18 months of operation as opposed to the previous 22 rooms. In addition, one of the hotel's restaurants was converted to a flagship operation at a cost of £1.5 million and is being operated by one of the UK's top restaurateurs and celebrity chef, Tom Kerridge. Kerridge's in its first full year of operation in 2019 achieved a revenue of £6 million. This converted to a contribution of £1.1 million, which was an incremental profit of £500,000 under the previous restaurant concept, Massimo.

g. Brussels Project

IHI has a 50% equity participation in the company owning a former hotel building in Brussels, the Grand Hotel Astoria. IHI will handle the redevelopment of the hotel. IHI has reorganized the ground floor flows and uses, as well as reconfigured the bedroom inventory, to ensure that all bedrooms are larger than 30m². The hotel will have around 125 bedrooms of which 29% will be junior suites or suites. The hotel has been awarded a building permit to carry out the planned redevelopment. In 2019, IHI drew up a cost estimate for the full refurbishment project, which cost was estimated at €96.5 million, inclusive of all costs, fees and contingencies. The amount of €20 million is being funded by IHI and the other 50% owner in this project by virtue of an equity injection and the additional €45 million will be funded by virtue of a bank loan facility granted by ARES Bank of Spain. Since the preparation of the cost estimate for the refurbishment of the project, IHI has estimated that the balance of additional €31.5 million required to complete the hotel to Corinthia Brand's luxury standards will be funded via a €10.0 million contribution from LAFICO (its 50% shareholder), €10.0 million via IHI through part of the bond proceeds from the issue of the 2019 €20,000,000 unsecured bond issue dated 4 March 2019 and due 2026 and the remaining €11.5 million will be funded out of the owner's cashflow. The bond proceeds and the funds received by NLI from LAFICO are being on-lent by the owner to its fully-owned subsidiary and the hotel-owning company, Hotel Astoria S.A. The owner has entered into a binding memorandum of understanding with a major Belgian contractor for the comprehensive redevelopment of the property with an anticipated opening in December 2022. Ongoing value engineering works discussions continue to ensure that the cost of this development is carried out efficiently.

h. Moscow Project

In February 2019 IHI completed a joint venture acquisition of a prime site and building situated on a prestigious and highly popular boulevard in central Moscow, in which IHI will have a minority shareholding

of 10%. Corinthia is intended to have a role in the design and development of the project, as well as being the operator of the ensuing project upon completion. Further details on the Moscow project are set out in sub-section 5.2.5 below.

Save for the above, the Corinthia Group is not party to any other principal investments and has not entered into or committed for any principal investments subsequent to 31 December 2019, being the date of the latest audited financial statements of the Guarantor.

5.2.4 Management contracts under the Corinthia Brand

Corinthia Hotels Limited is a full-service management company with in-house skills and capabilities supporting the Corinthia Brand and operations. It has a track record of driving performance improvements across the Corinthia Group's existing assets, those of CPHCL and of third parties. It ensures consistent service levels and performance across the properties and is scaled to support future growth of Corinthia. CHL currently manages 17 hotels (11 hotels on behalf of IHI (two of which are 50% owned by IHI), two hotels on behalf of CPHCL, one hotel on behalf of third-party owners and another three hotels currently under development which will be managed on behalf of third-party owners). CHL's management contracts are entered into and structured for a 20 year period, with key commercial terms including management fees, marketing and reservation fees and incentive fees. It is an efficient use of capital and resource with no capital outlay required for each new management contract and a cost-effective way to gain in-depth knowledge of various markets.

5.2.5 Business development strategy

The Corinthia Group's business strategy focuses on achieving positive and sustainable financial results, and appreciation in the value of the Corinthia Group properties. In the execution of the Corinthia Group's strategy, management aims to provide a high-quality service at each hotel and treat customers to a unique hospitality experience. Through the provision of better quality offerings, the brand value is further enhanced and leads management to achieve its objective of improving occupancy levels and average room rates. Moreover, it enables the Corinthia Group to target higher-yielding customers, in particular, from the leisure and conference & event segments.

Electronic booking portals have, in recent times, gained importance in generating room reservations. In this respect, the Corinthia Group is continuously optimising its website 'Corinthia.com', developing further its online reservation system and investing in online marketing.

From a cost perspective, better results are being achieved through the implementation of cost-control and energy-efficient measures at Corinthia Group hotels.

The Corinthia Group's strategy focuses on the operation of hotels that are principally in the five-star category. In this respect, the Corinthia Group has identified a number of assets, including four and three-star hotels, which are either earmarked for redevelopment or no longer fit its long-term strategy. Such non-core assets will be disposed of at the opportune moment in the near to medium term. As to core assets, ongoing investment in their upkeep is given due importance in order to preserve their attractiveness and incremental value.

In addition to the aforementioned strategy for internal growth, the Corinthia Group aims to grow its business externally by further expanding the portfolio of hotels and mixed-use properties and venturing into other businesses through acquisitions, joint ventures and developments.

6 TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 Trend information of the Issuer

Subsequent to the political unrest that occurred in Libya in July 2014 in consequence of the formation of two governments, occupancies and revenues at Palm City Residences, which is the only operational asset of the Issuer, started to reduce. In consequence of the medium to long term nature of the leases entered into by the tenants at Palm City these tenancies were only gradually reduced over the subsequent years, such that by the end of 2016, occupancies reduced to 11%.

Even in this unstable political situation, a certain form of normality was evident in the day to day activities in the country such that in January 2017, the re-opening of the Italian embassy in Tripoli gave a positive indication that

the international community was forward leaning in its attempts to engage with Libya both commercially and diplomatically throughout the difficulties of the post-revolutionary period. The opening of the first western European embassy also triggered further diplomatic re-engagements in the country.

In consequence, Palm City Residences witnessed a reverse situation during the three-year period 2017 to 2019 relative to that achieved in the previous three-year period 2014 to 2016. In fact, whilst between 2014 and 2016 occupancies reduced from 87% to 11%, between 2017 and 2019 occupancies increased from 11% to 55%. More importantly, however, the Average Unit Rate charged in the three year period 2017 to 2019 was significantly higher than that charged during the previous three year period, such that the total revenue generated by the Issuer in 2019, at €27.26 million was only marginally lower than that achieved in 2014, with much lower occupancies. The higher average unit rate charged has also helped significantly in the conversion of revenue to operating profit as will be reported in the financial information section of this Registration Document.

In April 2019 there were renewed hostilities as the Libyan National Army of the East started advancing towards Tripoli in an effort to overthrow the Government of National Accord (GNA), the United Nations recognised government of Libya. Notwithstanding the hostilities, the Palm Residences business model once again proved its resilience given that there was only a marginal decrease in the occupancy levels registered pre-conflict period.

The global economy has experienced a significant shock from the COVID-19 pandemic, with such repercussions being experienced also in Middle Eastern and north African countries, including Libya. In response to the pandemic, the National Centre for Disease Control (NCDC) has implemented strict measures to contain the spread of the virus into and within Libya, including closing the country's borders, banning of large public gatherings and imposing travel restrictions. The GNA also announced a package amounting to 1% of the country's GDP in emergency COVID-19 related spending. It has now been two months since the first COVID-19 infected patients were announced in Libya and the spread of the pandemic has been well controlled in the country.

Save for the matters disclosed in this Registration Document, there has been no material adverse change in the prospects of the Issuer since the date of its last published audited consolidated financial statements dated 31 December 2019.

The impact of the COVID-19 pandemic on the travelling industry is included in section 6.2 below. Information relative to the profit forecasts or estimates of the Issuer is set out in the Financial Analysis Summary.

6.2 Trend information of the Guarantor

There has been no material adverse change in the prospects of CPHCL since the date of its last published audited financial statements dated 31 December 2019.

Over the years the Guarantor, CPHCL, has evolved from an operating company to an investment company. The operating activities are being undertaken by these investment companies, which in the main are publicly listed companies either because they have equity or bonds on the MSE. CPHCL continues to maintain a very significant holding in these public companies and, specifically, in IHI and the Issuer. As no reliance is being made on dividend income from these two public companies in the review of the Guarantor's projections, the trend information of these two companies is, accordingly, not included in this trend information of the Guarantor. The trend information is limited to the two hotels and other ancillary business that are still owned directly by CPHCL.

Industry Overview: Travelling & Tourism (Issuer and Guarantor)

In the first quarter of this year, the world experienced an unprecedented situation in consequence of COVID-19 restrictions on travel all over the world, with 72% of borders completely closed to international travel¹ as at the end of April 2020 due to the pandemic that shocked world economies. The IMF predicts that the global economy is projected to contract sharply in 2020, much worse than during the 2008–09 financial crisis². Travel has been the hardest hit industry, with tourism and the hospitality industry being the sector most impacted as countries locked down and people stayed at home. The scale of the pandemic's impact is outlined in a report by the World Tourism Organization

¹<https://www.forbes.com/sites/lealane/2020/05/11/world-tourism-organization-offers-stunning-fact-100-of-global-destinations-restricting-travel/#bde6fa7287d>

²<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

(UNWTO), which predicts a decline in international arrivals of between 58% and 80% this year³. The prediction of a 58% decline is based on the gradual reopening of international borders and easing of travel restrictions in early July; the 80% figure is based on an early December move. In June 2020, a number of countries opened their borders and lifted travel restrictions, with the objective of trying to gradually revive the tourism sector under a new normal scenario. As expected, there remains substantial uncertainty on what will happen in the months ahead and a lot is likely to depend on exogenous factors such as the availability of a vaccine in the medium term, the health situation in key feeder markets and changing attitudes to travelling in the long-term across all segments including leisure, business, conferences and mass events.

6.3 Key financial review

6.3.1 Financial information of the Issuer

The historical financial information about the Issuer is included in the audited consolidated financial statements of the Issuer for each of the financial years ended 31 December 2017, 2018 and 2019. The said statements are available for inspection as set out under the heading “*Documents available for inspection*” in section 16 of this Registration Document.

The early part of 2017 demonstrated a turn around in the sentiment with tenants’ perceived risk at Palm City, the only operating asset of the Issuer. From a low occupancy rate of 11% at the end of 2016, the sign-up of new tenants contributed towards a gradual increase to 20% occupancy by June 2017 and 25% by December 2017. The increased occupancy, in turn, had a positive impact on revenues which increased from €3.63 million in 2016 to €8.36 million in the financial year 2017. This improvement was not limited to increased turnover levels but also contributed to the improved operating results of the Issuer as the loss for the year before tax amounted to just €0.13 million compared to a loss of €6.38 million in 2016.

The same positive trajectory that commenced in 2017 continued unabated in 2018. In fact, the closing occupancy of 25% at the end of 2017 increased to reach 45% by December 2018. Notwithstanding the fact that the occupancy rate increased by 80% year-on-year, the increase in revenue in 2018 over 2017, at €18.86 million was more than 126%. Strict control was also maintained on the cost base such that the marginal loss of €0.13 million reported in 2017 was turned into a profit before tax of €29.3 million. If one had to remove the fair value gain on the investment property of €21.6 million, the Group would have recorded a profit before tax of €7.7 million.

Palm City continued to perform resolutely despite shifting changes in the political dynamics in Tripoli for most of 2019. Palm City’s business model proved its resilience even though there was no significant cessation in hostilities which started at the beginning of April of that year. Occupancies and unit average rental rates continued to improve, although at a slower momentum to that experienced the year before. Total revenue continued to increase to €27.26 million relative to the €18.86 million registered in 2018. In consequence, the profit after tax registered by the Issuer in 2019 amounted to €14.53 million, which represented an 89% increase over the adjusted profit level registered the year before. This high-level conversion of revenue to profitability was achieved without compromising either the safety of the employees and tenants in a difficult environment, or the pristine condition of the asset.

6.3.2 Financial information of the Guarantor

The historical financial information about the Guarantor is included in the audited financial statements of CPHCL as a stand-alone company for each of the years ended 31 December 2017, 2018 and 2019. The said statements are available for inspection as set out under the heading “*Documents available for inspection*” in section 16 of this Registration Document.

The Guarantor’s main sources of income as a stand-alone company consists on investment income in the form of investments from its subsidiary or associate companies and profit for sale of assets. In the financial year ended 31 December 2017, the Guarantor registered a profit after tax of €3.89 million. This compares well with the performance for the financial year 2016 when the Guarantor registered a loss after tax of €2.47 million, a turnaround of €6.36 million. The main contributors to this improved performance was an increase in other

³<https://www.imtj.com/news/unwto-predicts-60-80-drop-international-arrivals/>

income of €3.00 million and an increase in investment income of €8.72 million. These improvements were partly offset by a reduction in the profit realised on the sale of investments amounting to €6.36 million.

During the financial year ended 31 December 2018, the Guarantor generated a profit after tax of €0.43 million which was €3.46 million lower than the profit registered the year before. The main reason for this reduction in profitability was a drop in other income of €2.92 million. The increase in other income registered in 2018 was a one-off gain arising in consequence of inter-company balances.

The performance for the financial year ended 31 December 2019 resulted in a profit after tax of €85.66 million. In August 2019, the Guarantor concluded a share purchase and sale agreement with a third party on the Panorama Hotel and adjoining property in Prague, Czech Republic. The Guarantor registered a profit of €71.64 million on the sale of this asset. Moreover, also in 2019, there was a one-time dividend distribution from a wholly-owned subsidiary in the Czech Republic to the Guarantor. These two particular events were the main contributors for the very significant improvement in the performance of the Guarantor for the year ended 31 December 2019.

6.4 Future 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 the necessary financing by way of equity investment in PWL and/or bank financing, to construct the Palm Waterfront.

Furthermore, pursuant to the Issuer's 25% shareholding in MTJSC and the shareholding of the other shareholders in MTJSC, MTJSC has the equity contribution required for the first phase of the Medina Tower project and a signed term sheet with a Libyan financial institution for the debt portion of this project. The said term sheet provides for a moratorium on capital repayments for the anticipated 48-month works' period required for the completion of the development.

Save for the above, the Guarantor and the Group generally is not party to any other principal investments, and has not entered into or committed for any principal investments subsequent to 31 December 2019, being the date of the latest audited consolidated financial statements of the Issuer.

7 MANAGEMENT AND ADMINISTRATION

7.1 The Issuer

7.1.1 *The Board of Directors of the Issuer*

In terms of its Memorandum and Articles of Association, the Issuer is managed by a Board of seven (7) Directors entrusted with the overall direction and management thereof.

The Issuer's Memorandum and Articles of Association further provide that:

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

As at the date of the Prospectus, the Board of the Issuer is composed of the individuals listed in sub-section 4.1 of this Registration Document. Furthermore, in line with generally accepted principles of sound corporate governance, at least one (1) of the Directors shall be a person independent of the Group.

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 Board 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.

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

7.1.2 Directors' service contracts and remuneration

None of the Directors 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.

7.1.3 Conflict of interest

In addition to being a Director of the Issuer, Alfred Pisani is also a director of CPHCL and, together with Joseph Fenech, they are both also directors of MTJSC, whereas Mario P. Galea, Ahmed Helmi and Ahmed Wahedi are also directors of PCL and PWL, and Joseph Pisani and Faisal Alessa are also directors of PCL.

In light of the foregoing, given that Joseph Fenech, Mario P. Galea, Ahmed Helmi and Ahmed Wahedi are directors of subsidiaries forming part of the Group, including the Parent, their interests are accordingly aligned with the interests of the Issuer. Further, the Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by the Directors are handled in the best interest of the Issuer and according to law. The fact that the Audit Committee is constituted in its majority by independent, non-executive Directors provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis. As regards related party transactions generally, the Audit Committee operates within the remit of the applicable terms of Chapter 5 of the Listing Rules regulating the role of the audit committee with respect to related party transactions.

No private interests or duties unrelated to the Issuer, the Guarantor or the Group, as the case may be, have been disclosed by the general management team which may or are likely to place any of them in conflict with any interests in, or duties towards, the Issuer or the Guarantor, as the case may be.

Senior management do not hold any shares in the Issuer or the Guarantor.

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

None of the Directors, members of the board committees or members of management referred to in this Registration Document have, in the last five years:

- i. been the subject of any convictions in relation to fraudulent offences or fraudulent conduct;
- ii. been associated with bankruptcies, receiverships or liquidations (other than voluntary) in respect of entities in respect of which they were members of administrative, management or supervisory bodies, partners with unlimited liability (in the case of a limited partnership with a share capital), founders or members of senior management;
- iii. been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or
- iv. been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

7.1.4 Loans to Directors

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

7.1.5 Removal of Directors

A Director may, unless he resigns, be removed by the shareholder appointing him or by an ordinary resolution of the shareholders as provided in Articles 139 and 140 of the Act. The Directors currently in office are expected to remain in office at least until the next Annual General Meeting of the Company.

7.1.6 Powers of Directors

By virtue of the provisions of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting. The powers of the Directors are better described in sub-section 13.2.3 below.

7.1.7 Employees

As at the date of the Prospectus the Issuer does not have any employees of its own and is reliant on the resources which are made available to it by CPHCL pursuant to the MSS Agreement detailed in sub-section 5.1.3 of this Registration Document, including, in particular, the services of Mr Reuben Xuereb, who is the Chief Executive Officer of MIH, Ms Rachel Stilon, who is the Chief Financial Officer of MIH, and Mr Stephen Bajada who acts as the Company Secretary of MIH.

During 2019 the Group employed 85 members of staff, 61 of whom work in operations and the remaining 24 in administration. In this regard, the Issuer's objective during the course of 2020 is to manage the operation of the Palm City Residences efficiently and to ensure that payroll and other operating costs continue to be met.

7.1.8 Working capital

At the end of 2019, the Group reported a working capital deficiency of €26.6 million; €18.4 million of which relates to the Maturing Bonds and a further €11 million relates to the unlisted bonds issued by the Company in September 2015. Without the Maturing Bonds and the unlisted bond, the Group would have reported a positive working capital of €2.8 million. The Directors believe that they will be successful in replacing the Maturing Bonds with this Bond Issue. Discussions have also been initiated for the roll-over of the unlisted bonds which mature in October of this year, particularly with a financial institution which holds 72.8% of the value of the said maturing €11 million unlisted bonds. The Directors have also obtained written assurances from the shareholders of MIH that they will continue to support the company, proportionate to their shareholding, on an on-going basis, to enable it to meet its liabilities as and when they fall due. Accordingly, the Directors are confident that the Issuer will continue to have adequate levels of cash to sustain its operations and investments.

7.2 The Guarantor

7.2.1 The Board of directors of the Guarantor

The Memorandum of Association of the Guarantor provides that the board of directors shall be composed of six (6) directors. As at the date of the Prospectus, the board of directors of the Guarantor is constituted by the individuals set out in sub-section 4.2 of this Registration Document.

7.2.2 Directors' service contracts

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

7.2.3 Loans to directors

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

7.2.4 Non-executive directors

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

7.2.5 Boards of CPHCL's subsidiary companies

Each property is owned through a subsidiary company registered in the jurisdiction where that property is located and such subsidiary company is required to comply with all the laws and regulations of that jurisdiction. Accordingly, a board of directors is entrusted with the responsibility of the direction and management of each subsidiary within the strategic parameters established by the Guarantor's board of directors. In some jurisdictions the Guarantor has adopted the structure of a dual board in line with the requirements of legislation prevalent under those jurisdictions. These involve the concept of a board of directors that is entrusted with setting the policies and strategies of each respective subsidiary to be implemented by management in the day-to-day operations and executive decisions, and a supervisory board that is entrusted with monitoring the policy implementation within that subsidiary by management.

The board of directors of each subsidiary is, within the strategic parameters established by the board of directors of the Guarantor, autonomous in the determination of the appropriate policies for the respective property and, in the case of hotels, is entrusted with handling the relations with the hotel operating company. Each property, in turn, has its own management structure and employees that have the function of implementing the policies and directions of the subsidiary boards.

8 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

8.1 Major shareholders of the Issuer

As further detailed in sub-section 13.1 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 99.8% owned by NREC.

Specifically, 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 and 24,001,000 ordinary 'B' shares of €1 each, which are subscribed to and allotted as fully paid up shares as follows:

Name of Shareholder	Number of shares held
Corinthia Palace Hotel Company Limited (C 257)	24,001,000 ordinary 'A' shares of €1 each
National Real Estate Company KSCP (19628)	19,200,800 ordinary 'B' shares of €1 each
Libya Projects General Trading And Contracting Company (119633)	4,800,200 ordinary 'B' shares of €1 each

As far as the Issuer is aware, no person holds an indirect shareholding in excess of 5% of the Company's total issued share capital. Furthermore, to the best of the Issuer's knowledge there are no arrangements in place as at the date of the Prospectus the operation of which may at a subsequent date result in a change in control of the Issuer.

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

8.2 Major shareholders of the Guarantor

The authorised and issued share capital of CPHCL is €20,000,000 divided into 20,000,000 ordinary shares of a nominal value of €1 each. The share capital has been fully issued, subscribed and fully paid up, as follows:

	Name of Shareholder	Number of shares held
1	A. & A. Pisani and Co. Ltd (C 6430)	1,666,667 ordinary shares of €1 each
2	J & H Pisani Company Limited (C 6817)	1,666,667 ordinary shares of €1 each
3	PAKA Limited (C 6969)	1,666,667 ordinary shares of €1 each
4	VAC Company Limited (C 6818)	1,666,667 ordinary shares of €1 each
5	Geranium Holdings Limited (C 66582)	1,666,666 ordinary shares of €1 each
6	Intakur Limited (C 7038)	1,666,666 ordinary shares of €1 each
7	Libyan Foreign Investment Company (LAFICO)	10,000,000 ordinary shares of €1 each

At present, in terms of the Memorandum and Articles of Association of the Guarantor, the Board of CPHCL consists of six (6) directors. A shareholder or a number of members who individually or between them hold 16.66% plus one share of the issued share capital of CPHCL shall be entitled to appoint one director. In practice, the Pisani family is collectively (represented through the shareholders numbered 1 to 6 above) entitled to appoint three directors and LAFICO (numbered 7 above) is entitled to appoint the other three. All issues arising at Board of directors meetings are to be decided by a majority of votes and in the case of equality of votes the Chairman shall not have a second or casting vote.

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

9 AUDIT COMMITTEE PRACTICES

9.1 The Issuer

9.1.1 Audit Committee

The Audit Committee's objective is to assist the Board in fulfilling its supervisory and monitoring responsibilities according to terms of reference that reflect the requirements of the Listing Rules, as well as current good corporate governance best practices.

The primary purpose of the Audit Committee is to assist the Directors in conducting their role effectively so that the Issuer's decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times. The main responsibilities of the Audit Committee include, but are not limited to, the following:

- informing the Board of the outcome of the statutory audit and explaining how the statutory audit contributed to the integrity of financial reporting and the Committee's role in the process;
- monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
- monitoring of the effectiveness of the Issuer's internal quality control and risk management system and, where applicable, its internal audit regarding the financial reporting of the Issuer;
- making recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor, following appointment by the shareholders during the Issuer's Annual General Meeting;
- reviewing and monitoring the external auditor's independence; and
- evaluating the arm's length nature of any proposed transactions to be entered into by the Issuer and a related party, to ensure that the execution of such transaction is at arm's length, conducted on a sound commercial basis and in the best interests of the Issuer.

The Audit Committee has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to the different roles held by the Directors are handled in the best interest of the Issuer. Additionally, the Audit Committee has a crucial role in monitoring the activities and conduct of business of the Group's subsidiaries, insofar as these may affect the ability of the Issuer to fulfil its Bond Obligations. The Audit Committee also has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer and according to law.

A majority of the Directors sitting on the Audit Committee are of an independent, non-executive capacity. The Audit Committee is presently composed of the following three non-executive Directors – Mario P. Galea who acts as chairman (independent, non-executive Director), whilst Joseph Pisani (non-executive Director) and

Ahmed Yousi A. Noureldin Helmi (independent, non-executive Director) 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. The Issuer considers that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The CVs of the said Directors may be found in sub-section 4.1 above.

9.1.2 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 its subsidiaries and associates from time to time) 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.

9.2 The Guarantor

9.2.1 Compliance with the Corporate Governance regime

Whilst it is not a requirement on the Guarantor to adopt the Code, it has out of its own accord chosen to introduce disciplines that are recommended in the Code, including the setting up of an Audit Committee as indicated below.

9.2.2 Audit Committee of CPHCL

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

The terms of reference of CPHCL's Audit Committee have been formally set out in a separate Charter. Joseph F.X. Zahra acts as Chairman and Abuagila Almahdi, Joseph J. Vella and Mario P. Galea as members, whilst Alfred Fabri performs the duties of secretary to the Audit Committee.

The Audit Committee's role includes responsibility for monitoring the performance of the entities borrowing funds from the company and also carrying out the oversight of related party transactions to ensure that these are carried out on an arm's length basis.

9.2.3 Internal audit

The role of the internal auditor is to carry out systematic risk-based reviews and appraisals of the operations of the Guarantor (as well as of the subsidiaries and associates of the Corinthia Group) for the purpose of advising management and the board of directors, through the Audit Committee, on the efficiency and effectiveness of internal management policies, practices and controls. This function is expected to promote the application of best practices within the organisation. The internal auditor reports directly to the Audit Committee.

9.2.4 Hotel operations

Day-to-day management of hotel operations are the responsibility of CHL, the Corinthia Group's hotel operating company that directs each subsidiary's management and staff in day-to-day operations. The responsibility of the operational performance of each hotel is that of the operating company, whose performance is monitored and evaluated on a regular basis by the board of each subsidiary, which in turn reports on performance and operations to IHI's or CPHCL's board of directors, or third-party owners, as the case may be.

9.2.5 Property audit

Regular property audits are carried out by QPM. These audits, which are unannounced, comprise a full review of each property twice a year when a physical inspection of the building and the assets is undertaken by experienced engineers. A detailed report is submitted to the owners, including a review of the maintenance systems and quality of the maintenance works with recommendations on the replacement of plant and equipment.

9.3 Related party transactions concerning CPHCL

CPHCL regularly enters into trading transactions with fellow subsidiaries and associates within the Corinthia Group in its normal course of business. Trading transactions between these companies include items which are normally encountered in a group context and include rental charges, management fees, recharging of expenses and financing charges. These transactions are subject to the regular scrutiny of the Audit Committees of both the Issuer and of CPHCL to ensure that they are made on an arm's length basis and that there is no abuse of power by the Issuer or CPHCL in the context of related party transactions. In this regard, the Audit Committees of both the Issuer and of CPHCL meet as and when necessary for the purpose of discussing formal reports submitted by each company's internal auditor on any transactions or circumstances which may potentially give rise to such conflict or abuse.

10 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:

- **Principles 1 & 4:** The Board of Directors 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 Mr Alfred Pisani and Mr Reuben Xuereb;
- **Principle 3:** The Board is composed of two executive Directors, Alfred Pisani and Joseph Fenech, and five non-executive Directors (two of whom are also independent of the Issuer). Three Directors are appointed by each of the two major shareholders, CPHCL and NREC. The other, Mr Mario P. 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 two independent Directors) 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 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 2019 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;
- **Principle 8:** The Board of Directors 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 does not have any employees of its own (its senior executive team providing services to the Issuer pursuant to the MSS Agreement), and any remuneration to the Board of Directors 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 Directors 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 Issuer's Memorandum and Articles of Association, the Directors are obliged to keep the Board advised, on an on-going 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.

As required by the Act and the Listing Rules, the Issuer's financial statements are subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors will have direct access to the external auditors of the Issuer who attend at Board meetings at which the Company's financial statements are approved. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

In view of the reporting structure adopted by the Code, the Issuer, on an annual basis in its annual report, details the level of the Issuer's compliance with the principles of the Code, explaining the reasons for non-compliance, if any.

11 HISTORICAL FINANCIAL INFORMATION

The Issuer's historical financial information for the three financial years ended 31 December 2017, 2018 and 2019 as audited by Grant Thornton and the auditor's report thereon are set out in the applicable audited consolidated financial statements of the Issuer. The Guarantor's historical financial information for the financial years ended 31 December 2017, 2018 and 2019 as audited by PricewaterhouseCoopers and the auditor's report thereon are set out in the applicable audited financial statements of the Guarantor. Audited consolidated financial statements of the Issuer and the audited financial statements of the Guarantor are available for inspection as set out in section 16 below and are incorporated by reference. The Issuer's consolidated financial statements and the Guarantor's financial statements may be accessed on the Issuer's website www.mihplc.com.

	Information incorporated by reference in this Registration Document	Page number in Annual Report		
		Financial year ended 31 December 2017	Financial year ended 31 December 2018	Financial year ended 31 December 2019
ISSUER	Statements of Comprehensive Income	13	13	13
	Statements of Financial Position	14	14	14
	Statements of Cash Flows	16	16	16
	Notes to the Financial Statements	17 to 52	17 to 54	17 to 54
	Independent Auditor's Report	53 to 60	55 to 60	55 to 60
GUARANTOR	Statements of Comprehensive Income	13*	14*	8 to 9
	Statements of Financial Position	17*	16*	10 to 11
	Statements of Cash Flows	21*	22*	13 to 14
	Notes to the Financial Statements	23 to 133*	24 to 156*	15 to 67
	Independent Auditor's Report	9 to 12*	8 to 11*	5 to 7

**The financial information for CPHCL on a stand-alone basis referenced above for financial years 2017 and 2018 forms part of the consolidated audited financial statements of the CPHCL group for the respective financial years.*

There were no significant adverse changes to the financial or trading position of the Issuer and/or the Guarantor since the end of the financial period to which their respective afore-mentioned last audited financial statements relate. Furthermore, the Issuer and the Guarantor hereby confirm that there has been no material change or recent development which could adversely affect potential investors' assessments in respect of the Bonds, other than the information contained and disclosed in the Prospectus.

Guarantor's Auditor's Report - FY2019

The FY2019 financial statements of CPHCL include i) an emphasis of matter paragraph in relation to the basis of accounting and restriction of use of the financial statements relating to the fact that such statements represent the stand-alone financial statements of the Guarantor; and ii) a statement of material uncertainty in relation to the going concern as a result of COVID-19. The full audit report is available for inspection on www.mihplc.com

12 LITIGATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer and/or Guarantor are 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 effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as a whole.

13 MATERIAL CONTRACTS

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

14 DISCLOSURES UNDER MARKET ABUSE REGULATION

No information has been disclosed by the Issuer over the last 12 months which is relevant as at the date of the Prospectus under Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

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

Save for the Financial Analysis Summary reproduced in Annex IV of the Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 1 July 2020 has been included in Annex IV of the Securities Note in the form and context in which it appears with the authorisation of Rizzo, Farrugia & Co. (Stockbrokers) Ltd of Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. does not have any beneficial interest in the Issuer or the Guarantor. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

16 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or certified copies thereof, where applicable, are available for inspection at the registered office of the Issuer at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta during the term of the Bond Issue during office hours:

- i. the Memorandum and Articles of Association of the Issuer;
- ii. the Memorandum and Articles of Association of the Guarantor;
- iii. the audited consolidated financial statements of the Issuer for the years ended 31 December 2017, 2018 and 2019;
- iv. the audited financial statements of the Guarantor for the years ended 31 December 2017, 2018 and 2019;
- v. the Financial Analysis Summary dated 1 July 2020 and prepared by Rizzo, Farrugia & Co. (Stockbrokers) Ltd, as reproduced in Annex IV of the Securities Note; and
- vi. the Guarantee given by the Guarantor in respect of the Bonds, as reproduced in Annex III of the Securities Note.

The documents listed in (i) and (iii) above are also available for inspection in electronic form on the Issuer's website www.mihplc.com. The documents referred to in (iv) above are also available for inspection in electronic form on the Guarantor's website www.cphcl.com.

ISSUER	MEDITERRANEAN INVESTMENTS HOLDING P.L.C. 22, EUROPA CENTRE, JOHN LOPEZ STREET, FLORIANA FRN 1400, MALTA
GUARANTOR	CORINTHIA PALACE HOTEL COMPANY LIMITED 22, EUROPA CENTRE, JOHN LOPEZ STREET, FLORIANA FRN 1400, MALTA
REGISTRAR & MANAGER	BANK OF VALLETTA P.L.C. BOV CENTRE, CANNON ROAD, ZONE 4, CENTRAL BUSINESS DISTRICT, SANTA VENERA CBD 4060, MALTA
LEGAL COUNSEL TO THE ISSUER	GVZH ADVOCATES 192, OLD BAKERY STREET, VALLETTA VLT 1455, MALTA
SPONSOR	RIZZO, FARRUGIA & CO. (STOCKBROKERS) LTD. AIRWAYS HOUSE, FOURTH FLOOR, HIGH STREET, SLIEMA SLM 1551, MALTA
AUDITORS	GRANT THORNTON FORT BUSINESS CENTRE, TRIQ L-INTORNJATUR, ZONE 1, CENTRAL BUSINESS DISTRICT, BIRKIRKARA CBD 1050, MALTA



SECURITIES NOTE

Dated 1 July 2020

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and of the Prospectus Regulation. This Securities Note is issued pursuant to the requirements of Rule 4.14 of the Listing Rules and contains information about the Bonds. Application has been made for the admission to listing of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

In respect of an issue of €20,000,000 5.5% Unsecured Bonds 2023
of a nominal value of €100 per Bond issued at par by



MEDITERRANEAN INVESTMENTS HOLDING PLC

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

Guaranteed* by

CORINTHIA PALACE HOTEL COMPANY LIMITED

A private limited liability company registered in Malta with company registration number C 257

** Prospective investors are to refer to the Guarantee contained in Annex III of this Securities Note for a description of the scope, nature and terms of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Prospectus for a discussion of certain risk factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by the Guarantor.*

ISIN: MT0000371295

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE LISTING AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE.

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

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

APPROVED BY THE DIRECTORS

Joseph Fenech

Joseph Fenech for and on behalf of:
Alfred Pisani, Joseph Pisani, Faisal J.S. Alessa, Mario P Galea,
Ahmed B A A A Wahedi and Ahmed Yousri A. Nouredin Helmi

LEGAL COUNSEL

SPONSOR

REGISTRAR & MANAGER

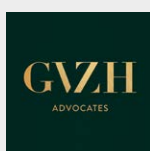




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IMPORTANT INFORMATION

THIS SECURITIES NOTE HAS BEEN APPROVED BY THE LISTING AUTHORITY AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE LISTING AUTHORITY ONLY APPROVES THE PROSPECTUS AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHALL NOT BE CONSIDERED AS AN ENDORSEMENT OF THE QUALITY OF THE SECURITIES THAT ARE THE SUBJECT OF THIS SECURITIES NOTE. INVESTORS SHOULD MAKE THEIR OWN ASSESSMENT AS TO THE SUITABILITY OF INVESTING IN THE SECURITIES.

THIS SECURITIES NOTE CONSTITUTES PART OF THE PROSPECTUS DATED 1 JULY 2020 AND CONTAINS INFORMATION ABOUT MEDITERRANEAN INVESTMENTS HOLDING PLC IN ITS CAPACITY AS ISSUER, ABOUT CORINTHIA PALACE HOTEL COMPANY LIMITED IN ITS CAPACITY AS GUARANTOR AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES ISSUED BY THE LISTING AUTHORITY, THE COMPANIES ACT AND THE PROSPECTUS REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

THIS SECURITIES NOTE SETS OUT THE CONTRACTUAL TERMS UNDER WHICH THE BONDS ARE ISSUED BY THE ISSUER AND ACQUIRED BY A BONDHOLDER, WHICH TERMS SHALL REMAIN BINDING UNTIL THE REDEMPTION DATE OF THE BONDS, UNLESS THEY ARE OTHERWISE CHANGED IN ACCORDANCE WITH SUB-SECTION 6.19 OF THIS SECURITIES NOTE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE COMPANY OF €20 MILLION UNSECURED BONDS 2023 OF A NOMINAL VALUE OF €100 EACH. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5.5% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 31 JULY OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 31 JULY 2021. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 31 JULY 2023. THE BOND ISSUE IS GUARANTEED BY THE GUARANTOR.

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

THE PROSPECTUS DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURITIES ISSUED BY THE ISSUER BY ANY PERSON IN ANY JURISDICTION: (I) IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED; OR (II) IN WHICH THE PERSON MAKING SUCH OFFER OR INVITATION IS NOT QUALIFIED TO DO SO; OR (III) TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THE PROSPECTUS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION IT IS RECEIVED ARE REQUIRED TO INFORM THEMSELVES ABOUT, AND TO OBSERVE, SUCH RESTRICTIONS.

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

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



WITH HIS OR HER OWN INDEPENDENT PROFESSIONAL ADVISERS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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

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

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

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

IN TERMS OF ARTICLE 12(1) OF THE PROSPECTUS REGULATION, THE PROSPECTUS SHALL REMAIN VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE APPROVAL OF THE PROSPECTUS BY THE LISTING AUTHORITY. THE ISSUER IS OBLIGED TO PUBLISH A SUPPLEMENT ONLY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKE OR MATERIAL INACCURACY RELATING TO THE INFORMATION SET OUT IN THE PROSPECTUS WHICH MAY AFFECT THE ASSESSMENT OF THE SECURITIES AND WHICH ARISES OR IS NOTED BETWEEN THE TIME WHEN THE PROSPECTUS IS APPROVED AND THE CLOSING OF THE ISSUE PERIOD OR THE TIME WHEN TRADING ON A REGULATED MARKET COMMENCES, WHICHEVER OCCURS LATER. THE OBLIGATION TO SUPPLEMENT THE PROSPECTUS IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES DOES NOT APPLY WHEN THE PROSPECTUS IS NO LONGER VALID.

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

UNLESS OTHERWISE STATED, THE CONTENTS OF THE ISSUER'S 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 WEBSITE AS THE BASIS FOR A DECISION TO INVEST IN THE BONDS.

THE ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY AUTHORISED INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.

ALL THE ADVISERS TO THE ISSUER AND THE GUARANTOR NAMED IN SUB-SECTION 4.4 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

THE VALUE OF INVESTMENTS CAN GO UP OR DOWN AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL UPON MATURITY. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER ALL THE INFORMATION CONTAINED IN THE PROSPECTUS AS A WHOLE AND SHOULD CONSULT THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISERS BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS.

1 DEFINITIONS

Words and expressions and capitalized 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, expressions and capitalized terms as indicated in the Registration Document forming part of the Prospectus. In this Securities Note the following words and expressions shall bear the following meanings whenever such words and expressions are used in their capitalised form, except where the context otherwise requires:

“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 submitted to any of the Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) in accordance with the terms of this Securities Note;
“Application Form/s”	the forms of application for subscription of Bonds, specimens of which are contained in Annex II of this Securities Note;
“Bond Issue Price”	the price of €100 per Bond;
“Business Day”	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
“CET”	Central European Time;
“Corinthia Finance”	Corinthia Finance plc, a public company registered under the laws of Malta with company registration number C 25104 and having its registered office at 22, Europa Centre, John Lopez Street, Floriana FRN 1400, Malta;
“CSD”	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
“Cut-off Date”	close of business on 25 June 2020 (trading session of 23 June 2020);
“Existing Corinthia Bondholders”	collectively, holders of the Existing Corinthia Finance Bonds, the Existing IHI Bonds and the Existing MIH Bonds (each as defined immediately below) appearing on the respective register as at the Cut-Off Date;
“Existing Corinthia Finance Bonds”	the 4.25% unsecured bonds 2026 with ISIN code MT0000101262, due to mature on 12 April 2026, amounting as at the date of the Prospectus to €40,000,000, issued by Corinthia Finance pursuant to a prospectus dated 18 March 2016, which are currently listed and traded on the Official List;

“Existing IHI Bonds”	collectively, (i) the 5.8% bonds 2021 with ISIN code MT0000111279, due to mature on 21 December 2021, amounting as at the date of the Prospectus to €20,000,000, issued by IHI pursuant to a prospectus dated 16 November 2012; (ii) the 5.8% bonds 2023 with ISIN code MT0000111287, due to mature on 14 November 2023, amounting as at the date of the Prospectus to €10,000,000, issued by IHI pursuant to a prospectus dated 21 October 2013; (iii) the 6% bonds 2024 with ISIN code MT0000481227, due to mature on 15 May 2024, amounting as at the date of the Prospectus to €35,000,000, issued pursuant to a prospectus dated 6 May 2014; (iv) the 5.75% unsecured bonds 2025 with ISIN code MT0000111295, due to mature on 13 May 2025, amounting as at the date of the Prospectus to €45,000,000, issued by IHI pursuant to a prospectus dated 10 April 2015; (v) the 4% secured bonds 2026 with ISIN code MT0000111303, due to mature on 29 July 2026, amounting as at the date of the Prospectus to €55,000,000, issued by IHI pursuant to a prospectus dated 28 June 2016; and (vi) the 4% unsecured bonds 2026 with ISIN code MT0000111311, due to mature on 20 December 2026, amounting as at the date of the Prospectus to €60,000,000 (€40,000,000 of the said bonds were issued by IHI pursuant to a prospectus dated 21 November 2016 and subsequently a further €20,000,000 were issued by IHI pursuant to a prospectus dated 4 March 2019 bearing ISIN code MT0000111329 which were fully merged with the €40,000,000 bond following the first interest payment date, that is, on 20 December 2019), all of which are currently listed and traded on the Official List;
“Existing MIH Bonds”	collectively, (i) the 6% bonds 2021 with ISIN code MT0000371261, due to mature on 22 June 2021, amounting as at the date of the Prospectus to €12,000,000, issued by the Issuer pursuant to a prospectus dated 2 June 2014; and (ii) the 5% unsecured bonds 2022 with ISIN code MT0000371287, due to mature on 6 July 2022, amounting as at the date of the Prospectus to €40,000,000, issued by the Issuer pursuant to a prospectus dated 29 May 2017, both of which are currently listed and traded on the Official List;
“Interest Payment Date”	31 July of each year between and including each of the years 2021 and the year 2023, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
“Intermediaries’ Offer”	shall have the meaning set out in sub-section 6.4 of this Securities Note;
“Issue Date”	expected on 30 July 2020;
“Issue Period”	the period between 08:30 hours CET on 3 July 2020 and 12:00 hours CET on 16 July 2020 during which the Bonds are available for subscription;
“Maturing Bond Transfer”	the subscription for Bonds by a Maturing Bondholder settled, after submitting the pre-printed Application Form A (received by mail directly from the Issuer), by the transfer to the Issuer of all or part of the Maturing Bonds held by such Maturing Bondholder as at the Cut-off Date;
“Maturing Bondholder”	a holder of Maturing Bonds as at the Cut-off Date;
“MiFIR”	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;
“Redemption Value”	the nominal value of each Bond (€100 per Bond); and
“Terms and Conditions”	the terms and conditions of the Bonds, set out in sections 5.3 (<i>‘Issue Statistics’</i>), 6 (<i>‘Information concerning the Bonds’</i>) and 8 (<i>‘Terms and Conditions of the Bond Issue’</i>) of this Securities Note.

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

Unless it appears otherwise from the context:

- a. words importing the singular shall include the plural and *vice-versa*;
- b. words importing the masculine gender shall include the feminine gender and *vice-versa*;
- c. the word “may” shall be construed as permissive and the word “shall” shall be construed as imperative;
- d. any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
- e. any reference to a person includes that person’s legal personal representatives, successors and assigns;
- f. any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression is illustrative only and does not limit the sense of the words preceding those terms;
- g. any reference to a law, legislative act and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of publication of this Securities Note.

2 RISK FACTORS

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

THE NOMINAL VALUE OF THE BONDS IS REPAYABLE IN FULL UPON MATURITY, UNLESS THE BONDS ARE PREVIOUSLY RE-PURCHASED AND 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 PROFESSIONAL ADVISERS, THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING.

THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS INTENDED TO BE INDICATIVE OF THE ORDER OF PRIORITY AND OF THE EXTENT OF THEIR CONSEQUENCES, AND PROSPECTIVE INVESTORS ARE HEREBY CAUTIONED THAT THE OCCURRENCE OF ANY ONE OR MORE OF THE RISKS SET OUT BELOW COULD HAVE A MATERIAL ADVERSE EFFECT ON THE GROUP'S BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND COULD, THEREBY, NEGATIVELY AFFECT THE ABILITY OF THE ISSUER TO MEET ITS OBLIGATIONS IN CONNECTION WITH THE PAYMENT OF INTEREST ON THE BONDS AND REPAYMENT OF PRINCIPAL WHEN DUE.

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

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

2.1 Forward-looking statements

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

2.2 General

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus and prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Chapter 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. In particular, such advice should be sought with a view to ascertaining that each prospective investor:

- i. has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;

- ii. has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;
- iii. understands thoroughly the terms of the Bonds and is familiar with the behaviour of any relevant indices and financial markets;
- iv. is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks; and
- v. is able to assess as to whether an investment in the Bonds shall achieve his/her/its investment objective.

2.3 Risks relating to the Bonds

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

- The impact of COVID-19, and other infectious illness outbreaks that may arise in the future, could adversely affect the economies of many nations or the entire global economy, individual issuers and capital markets in ways that cannot necessarily be foreseen. The existence of an orderly and liquid market for the Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Bonds are traded, over which the Issuer has no control. 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. Investors should also be aware that the price of fixed rate bonds should theoretically move adversely to changes in interest rates. When prevailing market interest rates are rising their prices decline and, conversely, if market interest rates are declining, the prices of fixed rate bonds rise. This is called market risk since it arises only if a Bondholder decides to sell the Bonds before maturity on the secondary market.
- 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. Any adverse fluctuations may impair the return of investment of the Bondholder in real terms after taking into account the relevant exchange rate.
- The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest and the principal amount due under said Bonds by the Guarantor. The Bonds shall at all times rank *pari passu* without any priority or preference among themselves and, save for such exceptions as may be provided by applicable law, shall rank without priority and preference to all other present and future unsecured obligations of the Issuer and the Guarantor, if any. Furthermore, subject to the negative pledge clause set out in sub-section 6.8 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, which registration may further impede the ability of the Bondholders to recover their investment upon enforcement of such security interests, whether in full or in part.
- In view of the fact that the Bonds are being guaranteed by the Guarantor, the Bondholders shall be entitled to request the Guarantor to pay both the interest and the principal amount under said Bonds if the Issuer fails to meet any amount when due in terms of the Prospectus. The Guarantee also entitles the Bondholders to take action against the Guarantor without having to first take action against the Issuer, if the Issuer fails to pay any sum payable by it to Bondholders pursuant to the terms and conditions of the said Bonds. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor.
- Even after the Bonds are admitted to trading on the Official List of the MSE, the Issuer is required to remain in compliance with certain requirements relating, inter alia, to the free transferability, clearance and settlement of the Bonds in order to remain a listed company in good standing. Moreover, the Listing Authority has the authority to suspend trading or listing of the Bonds if, inter alia, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The Listing Authority may discontinue the listing of the Bonds on the MSE. Any such trading suspensions or listing revocations / discontinuations could have a material adverse effect on the liquidity and value of the Bonds.

- In the event that the Issuer wishes to amend any of the Terms and Conditions of the Bonds it shall call a meeting of Bondholders in accordance with the provisions of sub-section 6.19 of this Securities Note. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.
- The Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Listing Rules, the Companies Act and the Prospectus Regulation in effect as at the date of the Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Prospectus.

3 PERSONS RESPONSIBLE

This Securities Note has been drawn up as part of a simplified prospectus in accordance with Article 14 of the Prospectus Regulation. It includes information given in compliance with the Listing Rules for the purpose of providing prospective investors with information with regard to the Issuer, the Guarantor and the Bonds. All of the Directors of the Issuer whose names appear in sub-section 4.1 of the Registration Document accept responsibility for all the information contained in the Prospectus.

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

4 CONSENT FOR USE OF THE PROSPECTUS & AUTHORISATION STATEMENT

4.1 Consent required in connection with use of the Prospectus by Authorised Intermediaries

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

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

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

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

None of the Issuer, the Guarantor, the Sponsor, the Registrar & Manager or any of their respective advisers accept any responsibility for any actions of any Authorised Intermediary, including their compliance with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to a resale, placement or other offering of Bonds.

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

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

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

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

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

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

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

4.2 Statement of Authorisation

This Securities Note has been approved by the Listing Authority, as competent authority under the Prospectus Regulation. The Listing Authority only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the securities.

5 KEY INFORMATION

5.1 Reasons for the Issue and use of proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €19,500,000, will be used by the Issuer for the redemption of the outstanding amount of the Maturing Bonds remaining in issue as at 31 July 2020, being the date of redemption of the Maturing Bonds as determined by the Issuer and duly notified to Maturing Bondholders. As at the date of the Prospectus the aggregate value of Maturing Bonds in issue stands at €18,407,800. The remaining balance of net Bond Issue proceeds shall be applied towards the general corporate funding purposes of the Group.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for and the proceeds from the Bond Issue shall be applied for the purpose set out above. The residual amount required by the Issuer for the purpose of the use specified above which shall not have been raised through the Bond Issue shall be financed from shareholders' funding and/or the Group's own funds, including banking facilities currently being negotiated. In the event of the Issuer securing and making use of such banking facilities for the purpose contemplated herein, the Issuer shall make available to the market the necessary information in connection with such third-party financing through a supplement which will also be published and made available on the Issuer's website: www.mihplc.com

5.2 Estimated expenses and proceeds of the Issue

The Issue will involve expenses, including professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, selling commission and other miscellaneous costs incurred in connection with the Bond Issue. Such expenses, which shall be borne by the Issuer, are estimated not to exceed approximately €500,000, with approximately €170,000 being attributed to placement fees and approximately €330,000 to professional, MSE,

regulatory and ancillary fees. The amount of the expenses will be deducted from the proceeds of the Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to approximately €19,500,000. There is no particular order of priority with respect to such expenses.

5.3 Issue statistics

Amount:	€20,000,000;
Application Forms mailed to Maturing Bondholders and to Existing Corinthia Bondholders:	2 July 2020;
Bond Issue Price:	at par (€100 per Bond);
Closing date for Applications to be received from Maturing Bondholders and Existing Corinthia Bondholders:	16 July 2020 at 12:00 hours CET;
Denomination:	Euro (€);
Events of Default:	the events listed in sub-section 6.16 of this Securities Note;
Form:	the Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Governing law and jurisdiction:	the Prospectus and the Bonds are governed by and shall be construed in accordance with Maltese law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Prospectus and/or the Bonds;
Interest:	the Bonds shall bear interest from and including 31 July 2020 at the rate of five point five per cent (5.5%) per annum payable annually in arrears on the Interest Payment Dates;
Interest Payment Date:	annually on the 31 July of each year between and including each of the years 2021 and 2023, provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day;
Intermediaries' Offer:	in the event that following the subscription of Bonds by Maturing Bondholders and/or by Existing Corinthia Bondholders, as the case may be, there are Bonds which remain unallocated, such Bonds shall form part of an Intermediaries' Offer as set out in sub-section 6.4 of this Securities Note;
ISIN:	MT0000371295;
Bond Issue:	the issue of a maximum of €20 million unsecured Bonds due in 2023 denominated in Euro having a nominal value of €100 each, which will be issued by the Issuer at par and shall bear interest at the rate of 5.5% per annum, redeemable on 31 July 2023;
Issue Period:	the period between 08:30 hours CET on 3 July 2020 and 12:00 hours CET on 16 July 2020 during which the Bonds are available for subscription;
Listing:	the Listing Authority has approved the Bonds for admissibility to listing and subsequent trading on the Official List. Application has been made to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;

Minimum amount per Application:	one thousand Euro (€1,000) and multiples of one hundred Euro (€100) thereafter per individual Bondholder;
Plan of distribution:	the Bonds are open for subscription by: Maturing Bondholders; Existing Corinthia Bondholders; and Authorised Intermediaries pursuant to the Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing Corinthia Bondholders, as the case may be, as aforesaid;
Preferred allocations:	<p>i. Maturing 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 Application of €1,000 in Bonds. Any Maturing Bondholders whose holding in Maturing Bonds is less than €1,000 shall be required to pay the difference together with the submission of their Application Form A ("Cash Top-Up").</p> <p>Maturing 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 (including any Cash Top-Up necessary as stated above) ("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). 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> <p>Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer as described above shall be allocated prior to any other allocation of Bonds.</p> <p>A Maturing Bondholder wishing to apply for a number of Bonds exceeding in value the aggregate nominal value of Maturing Bonds held by him/her/it as at the Cut-off Date (including Cash Top-Up, where applicable) may subscribe for such additional Bonds in terms of sub-section 6.2.5 below;</p> <p>ii. the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer, shall be made available for subscription: (A) to Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date (including any Cash Top-Up) and (B) to Existing Corinthia Bondholders, without any priority or preference between them;</p>
Redemption Date:	31 July 2023;
Redemption Value:	at par (€100 per Bond);
Status of the Bonds:	the Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount under said Bonds by the Guarantor. The Bonds shall at all times rank <i>pari passu</i> , without any priority or preference among themselves and with other outstanding and unsecured debt of the Issuer and the Guarantor, present and future, save for such exceptions as may be provided by applicable law;
Underwriting:	the Bond Issue is not underwritten.

5.4 Interest of natural and legal persons involved in the Issue

Save for the possible subscription for Bonds by Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) and any fees payable to Rizzo, Farrugia & Co. (Stockbrokers) Ltd as Sponsor and to Bank of Valletta plc as the Registrar & Manager in connection with the Bond Issue, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.

5.5 Expected timetable of principal events

1	Application Forms mailed to Maturing Bondholders and Existing Corinthia Bondholders	2 July 2020
2	Closing date for Applications to be received from Maturing Bondholders and from Existing Corinthia Bondholders	16 July 2020
3	Intermediaries' Offer*	20 July 2020
4	Announcement of basis of acceptance through a company announcement	23 July 2020
5	Refunds of unallocated monies, if any	30 July 2020
6	Dispatch of allotment letters	30 July 2020
7	Expected date of admission of the Bonds to listing	30 July 2020
8	Issue date of the Bonds	30 July 2020
9	Commencement of interest	31 July 2020
10	Expected date of commencement of trading in the Bonds	31 July 2020

**In the event that the total value of Applications received from Maturing Bondholders and/or Existing Corinthia Bondholders, as the case may be, exceeds €20,000,000, the Intermediaries' Offer will not take place.*

6 INFORMATION CONCERNING THE BONDS

Each Bond shall be issued on the terms and conditions set out in this Securities Note and, by subscribing to or otherwise acquiring the Bonds, the Bondholders are deemed to have knowledge of all the terms and conditions of the Bonds hereafter described and to accept and be bound by the said terms and conditions.

6.1 General

- 6.1.1 Each Bond forms part of a duly authorised issue of 5.5% unsecured bonds 2023 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €20,000,000 (except as otherwise provided under sub-section 6.18 "Further Issues" below). The Issue Date of the Bonds is expected to be 30 July 2020. The Bond Issue is guaranteed by CPHCL.
- 6.1.2 The currency of the Bonds is Euro (€).
- 6.1.3 The Bonds shall bear interest at the rate of 5.5% per annum payable annually in arrears on 31 July of each year, with the first interest payment falling due on 31 July 2021. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.
- 6.1.4 Subject to admission to listing of the Bonds to the Official List, the Bonds are expected to be assigned ISIN: MT0000371295.

- 6.1.5 The Bonds are expected to be listed on the Official List on 30 July 2020 and dealing can be expected to commence thereafter. Dealing may commence prior to notification of the amount allotted being issued to Applicants.
- 6.1.6 All outstanding Bonds not previously purchased and cancelled shall be redeemed by the Issuer at par (together with accrued interest up to (but excluding) the date fixed for redemption) on the Redemption Date.
- 6.1.7 In the event that Maturing Bondholders applying for additional Bonds and/or Existing Corinthia Bondholders applying for Bonds, as applicable, have not been allocated any Bonds or have been allocated a number of Bonds which is less than the number applied for, the Applicant 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 direct credit into the Applicant's bank account as indicated by the Applicant in the Application Form within five (5) Business Days from the date of announcement of basis of acceptance. Neither the Issuer nor the Registrar will be responsible for any charges, loss or delays in transmission of the refunds. In this regard, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.
- 6.1.8 There are no special rights attached to the Bonds other than the right of the Bondholders to payment of interest and capital (as detailed in sub-section 6.14 below), seeking recourse from the Guarantor pursuant to the Guarantee and in accordance with the ranking specified in sub-section 6.7 of this Securities Note.
- 6.1.9 The minimum subscription amount of Bonds that can be subscribed for by Applicants is €1,000 and in multiples of €100 thereafter.
- 6.1.10 Any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing Corinthia Bondholders, as the case may be, shall be offered for subscription by Authorised Intermediaries participating through an Intermediaries' Offer. In this eventuality, Authorised Intermediaries need to submit completed subscription agreements indicating the number of Bonds they are interested to subscribe for by latest 20 July 2020 at 12:00 hours CET. The Issuer, acting through the Registrar, will communicate the number of Bonds each Authorised Intermediary has been allocated in terms of the respective subscription agreement by latest 12:00 hours CET on 21 July 2020.
- 6.1.11 The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act and the Prospectus Regulation.
- 6.1.12 The Bond Issue is not underwritten. In the event that the Bond Issue is not fully subscribed the Issuer will proceed with the listing of the amount of Bonds subscribed for.
- 6.1.13 All Applications shall be subject to the terms and conditions of the Bond Issue as set out in section 8 hereunder, the terms of which shall form an integral part hereof.

6.2 Applications by Maturing Bondholders by surrendering their Maturing Bonds

- 6.2.1 The consideration payable by Maturing Bondholders applying for Bonds may be settled by the transfer to the Issuer of all or part of the Maturing Bonds held by such Applicant as at the Cut-off Date, subject to a minimum application of €1,000, which transfer shall be effected at the par value of the Maturing Bonds. Any Maturing Bondholders whose holding in Maturing Bonds is less than €1,000 shall be required to pay the difference (the "Cash Top-Up").

Maturing Bondholders electing to subscribe for Bonds through 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). 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.

Bonds applied for by Maturing Bondholders by way of Maturing Bond Transfer shall be allocated prior to any other allocation of Bonds.

A Maturing Bond Transfer shall be without prejudice to the rights of Maturing Bondholders to receive interest on the Maturing Bonds up to but excluding 31 July 2020. The Maturing Bonds shall be redeemed on 31 July 2020 as determined by the Issuer and duly notified to Maturing Bondholders.

All Applications for the subscription of Bonds by Maturing Bondholders by means of Maturing Bond Transfer must be submitted to any Authorised Intermediary (which include the Sponsor and the Registrar & Manager) by 12:00 hours CET of 16 July 2020.

- 6.2.2 Payment by Applicants of the Cash Top-Up referred to in sub-section 6.2.1 above, and the full price of the additional Bonds applied for referred to in sub-section 6.2.5 below, shall be made in Euro and in cleared funds at the Bond Issue Price, either through a bank transfer, or in cash or by cheque payable to the respective Authorised Intermediary.
- 6.2.3 Maturing Bondholders subscribing for Bonds by means of Maturing Bond Transfer are, in virtue of such subscription, 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, as and if applicable;
 - ii. that the Application Form A 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 payment of the Cash Top-Up in terms of sub-section 6.2.1 above and/or the exercise of the option to subscribe to additional Bonds set out in sub-section 6.2.5 below, the Applicant's remittance 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 & Manager 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 & Manager (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).
- 6.2.4 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 A.
- 6.2.5 In addition to the aforesaid, Maturing Bondholders transferring all of the Maturing Bonds held by them as at the Cut-off Date pursuant to sub-section 6.2.1 above may apply for an amount of Bonds in excess of the amount of Maturing Bonds being transferred by Maturing Bond Transfer. In such case Maturing Bondholders may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of the Application Form A.

Maturing Bondholders shall have priority in the allocation of Bonds solely with respect to that number of Bonds for which payment is being made by means of a Maturing Bond Transfer, subject to a Cash Top-Up, as and if applicable.

In the event that Maturing Bondholders apply for additional Bonds other than by Maturing Bond Transfer, no guarantee of allocation shall arise with respect to the excess Bonds applied for but such excess Bonds shall, together with Applications received from Existing Corinthia Bondholders as set out in sub-section 6.3 below, be subject to an allocation policy, without priority or preference between them, as shall be determined by the Issuer in accordance with sub-section 6.6 of this Securities Note.
- 6.2.6 Holders of Maturing Bonds as at the Cut-off Date who do not elect to avail themselves of the possibility to exchange their investment in terms of the procedure outlined in this sub-section 6.2 shall receive all capital and accrued interest (up to but excluding 31 July 2020) on 31 July 2020.

6.3 Applications by Existing Corinthia Bondholders

The balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer as contemplated in sub-section 6.2.1 above shall be made available for subscription, *pari passu* without priority or preference between them to: (A) Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-Off Date, including Cash Top-Up (where applicable), as outlined in sub-section 6.2.5 above, and (B) Existing Corinthia Bondholders.

Applications for subscription of Bonds by Existing Corinthia Bondholders shall be made by completing Application Forms B.

6.4 Intermediaries' Offer

Any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing Corinthia Bondholders, as the case may be, shall be offered for subscription by Authorised Intermediaries participating in the Intermediaries' Offer. Any subscriptions received during the Intermediaries' Offer shall be subject to the same terms and conditions as those applicable to Applications by Maturing Bondholders and/or by Existing Corinthia Bondholders, but limited to any remaining balance of Bonds after fully allocating the Bonds applied for under Application Forms A and B, respectively, as detailed in sub-sections 6.2 and 6.3 above.

In this regard, the Issuer shall enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of the resultant balance of Bonds, whereby it will bind itself to allocate Bonds thereto up to the total aggregate amount of €20,000,000 during the Intermediaries' Offer.

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

Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers. The minimum which each Authorised Intermediary may apply for in terms of the applicable subscription agreement is €1,000 and in multiples of €100 thereafter and such minimum and multiples shall also apply to each underlying Applicant.

6.5 Plan of distribution and allotment

Applications for subscription to the Bonds may be made through any of the Authorised Intermediaries (which include the Sponsor and the Registrar & Manager). The Bonds are open for subscription by:

- i. Maturing Bondholders up to the amount of Maturing Bonds held as at the Cut-off Date and subject to any Cash Top-Up as and if applicable;
- ii. Maturing Bondholders in respect of any number of additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-off Date (including Cash Top-Up, as and if applicable), as well as Existing Corinthia Bondholders, without priority or preference between them; and
- iii. Authorised Intermediaries through an Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by Maturing Bondholders and/or by Existing Corinthia Bondholders, as the case may be, as aforesaid.

Applications for subscriptions to the Bonds may be made through the Authorised Intermediaries (which include the Sponsor and the Registrar & Manager) subject to a minimum Application of €1,000 and in multiples of €100 thereafter.

It is expected that an allotment letter will be dispatched to Applicants by latest 30 July 2020. 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, 1994 (Chapter 373 of the laws of Malta) and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

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

6.6 Allocation Policy

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

- i. first to Maturing Bondholders applying for Bonds by way of Maturing Bond Transfer (and subject to any Cash Top-Up as and if applicable) in accordance with sub-section 6.2 above and subject to a minimum application of €1,000;
- ii. the balance of the Bonds not subscribed for by Maturing Bondholders limitedly by means of a Maturing Bond Transfer (and subject to any Cash Top-Up as and if applicable), shall be made available for subscription to: (A) Maturing Bondholders in respect of any additional Bonds applied for other than by Maturing Bond Transfer exceeding in value the aggregate nominal value of Maturing Bonds held by them as at the Cut-off Date and (B) Existing Corinthia Bondholders, *pari passu*, without priority or preference between them and in accordance with the allocation policy as determined by the Issuer. Accordingly, in the event that a Maturing Bondholder applies for additional Bonds other than by way of Maturing Bond Transfer as specified in (i) above, no guarantee shall be given with respect to the amount of Bonds to be allocated to the excess Bonds applied for by such Maturing Bondholder; and
- iii. in the event that following the allocations made pursuant to paragraphs (i) and (ii) above there shall still remain unallocated Bonds, the Issuer shall offer such remaining Bonds to Authorised Intermediaries through an Intermediaries' Offer as detailed in sub-section 6.4 above. Subscription agreements received from Authorised Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Registrar, which will be communicated by latest 12:00 hours CET on 21 July 2020. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 22 July 2020.

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

6.7 Status and ranking of the Bonds

The Bonds, as and when issued and allotted, shall constitute the general, direct, unsecured and unconditional obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other outstanding and unsecured debt of each of the Issuer and the Guarantor, present and future, if any, save for such exceptions as may be provided by applicable law. Furthermore, subject to the negative pledge clause (sub-section 6.8 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. As at the date of this Securities Note, the Issuer does not have any subordinated indebtedness.

The following sets out a summary of the Group's indebtedness which as at 30 April 2020 amounted in aggregate to €93.3 million and includes bank loans, corporate bonds, other borrowings and shareholders' loans. 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 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.

Mediterranean Investments Holding plc	31 Dec 2018	31 Dec 2019	30 April 2020
<i>Group borrowings and bonds</i>	€'000	€'000	€'000
Bank Borrowings	7,840	3,430	1,717
Bonds*	83,000	81,408	81,408
Other Borrowings	5,000	5,000	5,000
Shareholders' Loans	9,203	5,203	5,203
Total borrowings and bonds	105,043	95,041	93,328

* Bonds are shown gross of bond amortisation expenses

Further details on the aforesaid indebtedness, particularly the secured bank borrowings, including, *inter alia*, respective term, security and repayment schedule, are found in the audited consolidated financial statements of the Issuer for the financial year ended 31 December 2019, which have been published on the Issuer's website (www.mihplc.com) and are available for inspection at its registered office during office hours for the term of the Bonds.

6.8 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 or guarantees in the ordinary course of business; (C) any Security Interest securing any indebtedness of the Issuer created for the sole purpose of financing or raising finance for the redemption of all the Bonds; (D) any other Security Interest (in addition to (A), (B) and (C) 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), (C) and (D) above do not result in the Unencumbered Assets of the Issuer being less than the aggregate principal amount of the Bonds still outstanding together with one (1) year's interest thereon;

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

6.9 Rights attaching to the Bonds

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

- i. the payment of interest;
- ii. the payment of capital;
- iii. ranking with respect to other indebtedness of the Issuer and the Guarantor in accordance with the provisions of sub-section 6.7 above;
- iv. seek recourse from the Guarantor pursuant to the Guarantee, in case of failure by the Issuer to pay any sum payable by it to Bondholders pursuant to the Terms and Conditions of the Bonds detailed in this Securities Note;
- v. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
- vi. enjoy all such other rights attached to the Bonds emanating from the Prospectus.

6.10 Interest

6.10.1 The Bonds shall bear interest from and including 31 July 2020 at the rate of 5.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 31 July 2021 (covering the period 31 July 2020 up to and including 30 July 2021). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. Each Bond will cease to bear interest from and including its due date for redemption, unless

payment of the principal in respect of the Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese law. In terms of article 2156 of the Civil Code (Chapter 16 of the laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five (5) years.

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

6.11 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 5.5% per annum.

6.12 Registration, form, denomination and title

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

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

- 6.12.3 Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio is found on <https://eportfolio.borzamalta.com.mt/Help>.

- 6.12.4 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 may be subscribed for a minimum of €1,000 per individual Bondholder. Authorised Intermediaries subscribing for Bonds through nominee accounts for and on behalf of clients shall also apply the minimum subscription amount of €1,000 to each underlying client.

- 6.12.5 Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading "Transferability of the Bonds" in sub-section 6.17 of this Securities Note.

6.13 Pricing

The Bonds are being issued at par, that is, at €100 per Bond, with the full amount payable upon subscription.

6.14 Payments

- 6.14.1 Payment of the principal amount of the Bonds will be made in Euro by the Issuer to the person in whose name such Bonds are registered, with interest accrued up to (but excluding) 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 charges, loss or delay

in transmission. Upon payment of the Redemption Value, the Bonds shall be redeemed and the appropriate entry made in the electronic register of the Bonds at the CSD.

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

6.14.2 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 charges, loss or delay in transmission.

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

6.14.4 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this sub-section 6.14. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

6.15 Redemption and purchase

6.15.1 Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Bonds will be redeemed at their nominal value (together with accrued interest up to (but excluding) the date fixed for redemption) on 31 July 2023. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese law and which is payable by the Bondholders.

6.15.2 Subject to the provisions of this sub-section 6.15, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

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

6.16 Events of Default

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

- i. if the Issuer shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days; and/or
- ii. if the Issuer shall fail to pay the principal amount of a Bond on the date fixed for its redemption and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder, unless remedied by the Guarantor before the expiry of such 60 days; and/or
- iii. if the Issuer shall fail to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; and/or
- iv. if any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or the Guarantor is or proves to have been incorrect in any material respect; and/or
- v. if an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer and/or the Guarantor; and/or
- vi. if the Issuer stops or suspends payments (whether of principal or interest) with respect to all or any class of its debts or announces an intention to do so or ceases or threatens to cease to carry on its business or a substantial part of its business; and/or

- vii. if the Issuer is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; and/or
- viii. if in terms of section 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one (1) month; and/or
- ix. if a judicial or provisional administrator is appointed upon the whole or any material part of the property of the Issuer or Guarantor; and/or
- x. if the Issuer repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate, the Bonds; and/or
- xi. if all or a material part of the undertakings, assets, rights or revenues of or shares or other ownership interests in the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government; and/or
- xii. 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 three million Euro (€3,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; and/or
- xiii. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in sub-section 6.8 above) of the Issuer in excess of three million Euro (€3,000,000) or its equivalent at any time.

Upon any such Event of Default occurring and not being remedied within the relevant cure period, as applicable, the said principal monies and interest accrued under the Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

6.17 Transferability of the Bonds

- 6.17.1 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time. The minimum subscription amount of €1,000 shall only apply during the Issue Period and the Intermediaries' Offer (if it takes place). As such, no minimum holding requirement shall be applicable once the Bonds are admitted to listing on the Official List of the MSE and commence trading thereafter, subject to trading in multiples of €100.
- 6.17.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may, from time to time, properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person. Provided always that if a Bond is transmitted in furtherance of this paragraph 6.17.2, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.
- 6.17.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.
- 6.17.4 The costs and expenses of affecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the person to whom the transfer / transmission has been made.
- 6.17.5 The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

6.18 Further Issues

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

and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue.

6.19 Meetings of Bondholders

- 6.19.1 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 and to affect any change to the applicable Terms and Conditions of the Bonds.
- 6.19.2 A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this sub-section 6.19 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.
- 6.19.3 The amendment or waiver of any of the Terms and Conditions of the Bonds may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.
- 6.19.4 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose, at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting the number of Bondholders present at the commencement of the meeting, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at and decided upon during, the adjourned meeting.
- 6.19.5 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.
- 6.19.6 Once a quorum is declared present by the chairperson of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting the Directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.
- 6.19.7 The voting process shall be managed by the Issuer's company secretary under the supervision and scrutiny of the auditors of the Issuer.
- 6.19.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty per cent (60%) in nominal value of the Bondholders present at the meeting, or any adjourned meeting, at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

6.19.9 Save for the above, the rules generally applicable to proceedings at general meetings of shareholders of the Issuer shall *mutatis mutandis* apply to meetings of Bondholders.

6.20 Authorisations and approvals

The Directors of the Issuer authorised the Bond Issue and the publication of the Prospectus pursuant to a Board of Directors' resolution passed on 11 June 2020. The Guarantee being given by the Guarantor in respect of the Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 15 June 2020.

6.21 Admission to trading

6.21.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 1 July 2020.

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

6.21.3 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 30 July 2020 and trading can be expected to commence thereafter. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

6.22 Representations and warranties

6.22.1 The Issuer represents and warrants to Bondholders, who shall be entitled to rely on such representations and warranties, that:

- i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title; and
- ii. it has the power to execute, deliver and perform its obligations under the Prospectus and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions of the Prospectus.

6.22.2 The Prospectus contains all relevant material information with respect to the Issuer and the Guarantor and all information contained in the Prospectus is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer and/or the Guarantor, their respective businesses and financial position, the omission of which would, in the context of issue of the Bonds, make any statement in the Prospectus misleading or inaccurate in any material respect.

6.23 Bonds held jointly

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

6.24 Bonds held subject to usufruct

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

6.25 Governing law and jurisdiction

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

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

6.26 Notices

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

7 TAXATION

7.1 General

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

The information below is based on an interpretation of tax law and practice relative to the applicable legislation, as known to the Issuer at the date of the Prospectus, in respect of a subject on which no official guidelines exist. Investors are reminded that tax law and practice and their interpretation, as well as the levels of tax on the subject matter referred to in the preceding paragraph, may change from time to time.

This information is being given solely for the general information of investors. The precise implications for investors will depend, among other things, on their particular circumstances and on the classification of the Bonds from a Maltese tax perspective, and professional advice in this respect should be sought accordingly.

7.2 Malta tax on interest

Since interest is payable in respect of a Bond which is the subject of a public issue, unless the Issuer is otherwise instructed by a Bondholder to receive the interest gross from any withholding tax or if the Bondholder does not fall within the definition of “recipient” in terms of article 41(c) of the Income Tax Act (Chapter 123 of the laws of Malta), interest shall be paid to such person net of a final withholding tax, currently at the rate of 15% (10% in the case of certain types of collective investment schemes) of the gross amount of the interest, pursuant to article 33 of the Income Tax Act. Bondholders who do not fall within the definition of a “recipient” do not qualify for the said rate and should seek professional 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 is not obliged to declare the interest so received in his income tax return (to the extent that the interest is paid net of tax). No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient’s tax liability or available as a refund, as the case may be.

The Issuer will render an account to the Maltese Commissioner for Revenue of all amounts of interest paid and tax so deducted, including the identity of the recipient.

In the case of a valid election made in writing by an eligible Bondholder resident in Malta to receive the interest due without the deduction of final tax, interest will be paid gross and such person will be obliged to declare the interest so received in his Maltese income tax return and be subject to tax on such interest at the standard rates applicable to that person at that time. Additionally, the Issuer will also advise the Malta Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. Any such election made by a resident Bondholder at the time of subscription may be subsequently changed by giving notice in writing to the Issuer. Such election or revocation will be effective within the time limit set out in the Income Tax Act.

In terms of article 12(1)(c) of the Income Tax Act, Bondholders who are not resident in Malta satisfying the applicable conditions set out in the Income Tax Act, including but not limited to the condition that the Bondholder is not owned and controlled by, whether directly or indirectly, nor acts on behalf of an individual/s who are ordinarily resident and

domiciled in Malta, are not taxable in Malta on the interest received and will receive interest gross, subject to the requisite declaration/evidence being provided to the Issuer in terms of law.

7.3 Exchange of information

In terms of applicable Maltese legislation, the Issuer and/or its agent are required to collect and forward certain information (including, but not limited to, information regarding payments made to certain Bondholders) to the Maltese Commissioner for Revenue. The Maltese Commissioner for Revenue will or may, in turn, automatically or on request, forward the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and Applicants are to consult their own independent tax advisors in case of doubt.

7.4 Maltese taxation on capital gains on transfer of the Bonds

As the Bonds do not fall within the definition of “securities” in terms of article 5(1)(b) of the Income Tax Act, that is, *“shares and stocks and such like instrument that participate in any way in the profits of the company and whose return is not limited to a fixed rate of return”*, to the extent that the Bonds are held as capital assets by the Bondholder, no tax on capital gains is chargeable in respect of transfer of the Bonds.

7.5 Duty on documents and transfers

In terms of the Duty on Documents and Transfers Act (Chapter 364 of the laws of Malta), duty is chargeable *inter alia* on the transfer or transmission causa mortis of marketable securities. A marketable security is defined in the said legislation as *“a holding of share capital in any company and any document representing the same”*.

Accordingly, the Bonds do not constitute marketable securities within the meaning of the aforementioned legislation and, therefore, the transfer/transmission thereof is not chargeable to duty.

Furthermore, even if the Bonds are considered to be marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Chapter 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds should in any case be exempt from Maltese duty.

8 TERMS AND CONDITIONS OF THE BOND ISSUE

- 8.1 The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Guarantor on the one hand and the Bondholders on the other.
- 8.2 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to trading on the Official List. In the event that the Bonds are not admitted to the Official List, no Maturing Bond Transfers (see section 6.2.1 above) shall take effect and any application monies received by the Issuer from all Applicants will be returned without interest by direct credit into the Applicant’s bank account indicated by the Applicant/Authorised Intermediary on the relative Application Form/subscription agreement.
- 8.3 In view of the fact that the proceeds of the Bond Issue are intended to be applied mainly to the redemption of the outstanding amount of the Maturing Bonds, the Issuer has not established an aggregate minimum subscription level for the Bond Issue.
- 8.4 Application for the Bonds may be lodged with any Authorised Intermediary (which include the Sponsor and the Registrar & Manager) by not later than 12:00 hours (CET) on 16 July 2020. Applications must be accompanied by the full price of the Bonds applied for, in Euro. Payment may be made either in cash, credit transfer to the respective Authorised Intermediary or by cheque payable to the respective Authorised Intermediary. In any case, acceptance of payment shall be made at the Authorised Intermediary’s sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Intermediary 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, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may (without prejudice to other rights) treat the agreement to allocate such Bonds as void, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment).

- 8.5 It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying, including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.
- 8.6 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.
- 8.7 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 acting through the Registrar, but it shall not be the duty or responsibility of the Registrar or the Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant.
- 8.8 Applications in the name of a corporation or corporate entity or association of persons need to include a valid Legal Entity Identifier ("LEI") (which needs to be unexpired) in the space provided on the Application Form. Failure to include a valid LEI code will result in the Application being cancelled by the Issuer acting through the Registrar and subscription monies will be returned to the Applicant in accordance with sub-section 8.9 below.
- 8.9 In the event that an Applicant fails to submit full information and/or documentation required with respect to an Application, the Applicant shall receive a full refund, without interest, by direct credit transfer to such account indicated in the Application Form at any time before the Bonds are admitted to listing on the Official List of the MSE. Neither the Issuer nor the Registrar shall be responsible for any charges, loss or delay arising in connection with such credit transfer.
- 8.10 In the case of joint Applications, reference to the Applicant in these terms and conditions is a reference to each of the joint Applicants, and liability therefor is joint and several.
- 8.11 Applications in the name and for the benefit of minors shall be allowed provided that the Applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.
- 8.12 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and, accordingly, may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.
- 8.13 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person, nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any regulation or other legal requirements. Having considered the circumstances, the Issuer has formed the view (due to the onerous requirements involved in the registration of the Prospectus in any territory other than Malta and/or compliance with the relevant legal or regulatory requirements) not to send Application Forms to Maturing Bondholders and Existing Corinthia Bondholders having their address as included in the register of bondholders outside Malta, except where, *inter alia*, in the absolute discretion of the Issuer, it is satisfied that such action would not result in a contravention of any applicable legal or regulatory requirement in the relevant jurisdiction.
- 8.14 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 8.15 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, 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, acting through the Registrar, is not properly

completed in all respects in accordance with the instructions or is not accompanied by the required documents. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several.

- 8.16 Save where the context requires otherwise or where otherwise defined therein, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the annexes and in any other document issued pursuant to the Prospectus.
- 8.17 The Issuer has not sought assessment of the Bonds by any independent credit rating agency.
- 8.18 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to revoke the Bond Issue at any time before the closing of the Issue Period and/or the Intermediaries' Offer (if it takes place). The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.
- 8.19 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by all Applicants is €1,000.
- 8.20 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations (SL373.01), as may be amended from time to time, all appointed Authorised Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the MSE Bye-Laws, irrespective of whether the said appointed Authorised Intermediaries are Malta Stock Exchange members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Chapter 586 of the laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.
- 8.21 It shall be incumbent on the respective Authorised Intermediaries to ascertain that all other applicable regulatory requirements relating to subscription of Bonds by an Applicant are complied with, including without limitation the obligation to comply with all applicable MiFIR requirements as well as applicable MFSA Rules for investment services providers, all applicable Anti-Money Laundering and Counter Terrorist Financing rules and regulations, as well as the applicable MFSA Conduct of Business Rules.
- 8.22 By completing and delivering an Application Form, the Applicant:
 - i. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantor and the issue of the Bonds contained therein;
 - ii. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects. All Applications need to include a valid MSE account number in the name of the Applicant/s. Failure to include an MSE account number will result in the Application being cancelled by the Issuer (acting through the Registrar) and subscription monies will be returned to the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;
 - iii. authorises the Registrar and the MSE to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Bonds allocated to such Applicant and further authorises the Issuer, the Registrar, the respective Authorised Intermediary 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 General Data Protection Regulation (EU) 2016/679 (GDPR) and the Data Protection Act (Chapter 586 of the laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the CSD. The requests must further be signed by the Applicant to whom the personal data relates;
 - iv. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer, the Guarantor or the issue of the Bonds other than what is contained in the Prospectus and, accordingly, agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

- v. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its remittance 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 (Chapter 373 of the laws of Malta) and regulations made thereunder, and that such monies will not bear interest;
- vi. agrees to provide the Issuer acting through the Registrar, with any information which it/they may request in connection with the Application;
- vii. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bonds or his/her/its Application;
- viii. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;
- ix. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) and that he/she/it is not accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;
- x. agrees that unless such Application is made with Rizzo, Farrugia & Co. (Stockbrokers) Ltd as an Authorised Intermediary, Rizzo, Farrugia & Co. (Stockbrokers) Ltd will not, in its capacity of Sponsor, treat the Applicant as its customer by virtue of such Applicant making an Application for the Bonds, and that Rizzo, Farrugia & Co. (Stockbrokers) Ltd will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their appropriateness and suitability for the Applicant;
- xi. agrees that all documents in connection with the issue of the Bonds and any returned monies, including refunds of all unapplied Application monies, if any, will be sent at the Applicant's own risk and may be sent, in the case of documents, by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form and in the case of monies by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form;
- xii. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds;
- xiii. irrevocably offers to purchase the number of Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted) at the Bond Issue Price subject to the Prospectus, the Terms and Conditions thereof and the Memorandum and Articles of Association of the Issuer;
- xiv. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured on its first presentation, the Issuer acting through the Registrar reserves the right to invalidate the relative Application. Furthermore, the Applicant will not be entitled to receive a registration advice or to be registered in the register of Bondholders or to enjoy or receive any rights in respect of such Bonds, unless the Applicant makes payment in cleared funds and such consideration is accepted by the respective Authorised Intermediary (which acceptance shall be made in the Authorised Intermediary's sole and absolute discretion and may be on the basis that the Applicant indemnifies the Authorised Intermediary 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, and that, at any time prior to unconditional acceptance by the Authorised Intermediary of such late payment in respect of such Bonds, the Authorised Intermediary may (without prejudice to other rights) treat the agreement to allocate such Bonds as void and may allocate such Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Bonds (other than return of such late payment);
- xv. agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese law and that he/she/it submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
- xvi. warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;
- xvii. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent or legal guardian of the minor;

- xviii. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Bonds; and
- xix. agrees that, in all cases, any refund of unallocated Application monies, if any, will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any charges, loss or delay in transmission.

9 ADDITIONAL INFORMATION

Save for the Financial Analysis Summary reproduced in Annex IV of this Securities Note, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 1 July 2020 has been included in Annex IV of this Securities Note in the form and context in which it appears with the authorisation of Rizzo, Farrugia & Co. (Stockbrokers) Ltd of Airways House, Fourth Floor, High Street, Sliema SLM 1551, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein. Rizzo, Farrugia & Co. (Stockbrokers) Ltd. does not have any beneficial interest in the Issuer or the Guarantor. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

ANNEX I | AUTHORISED INTERMEDIARIES

Name	Address	Telephone
APS Bank p.l.c	APS Centre, Tower Street, Birkirkara BKR 4012	2560 3000
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, Zone 4, Central Business District, St Venera CBD 4060	2275 1732
Calamatta Cuschieri Investment Services Ltd	Ewropa Business Centre, Triq Dun Karm, Birkirkara BKR 9034	2568 8130
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	2134 7331
FINCO Treasury Management Ltd	The Bastions, Office No 2, Emvin Cremona Street, Floriana FRN 1281	2122 0002
Hogg Capital Investments Ltd	Nu Bis Centre, Mosta Road, Lija LJA 9012	2132 2872
Jesmond Mizzi Financial Advisors Ltd	67 Level 3, South Street, Valletta VLT 1105	2326 5696
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	2558 1806
Medirect Bank (Malta) p.l.c.	The Centre, Tigné Point, Sliema TPO 0001	2557 4400
Michael Grech Financial Investment Services Ltd	The Brokerage, Level 0 A, St Marta Street, Victoria, Gozo VCT 2551	2155 4492
MZ Investment Services Ltd	61, St Rita Street, Rabat RBT 1523	2145 3739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Fourth Floor, High Street, Sliema SLM 1551	2258 3000
Zenith Finance Ltd	220, Immaculate Conception Street, Msida, MSD 1838	2133 2200



ANNEX II | APPLICATION FORM A



Mediterranean Investments Holding p.l.c.

MEDITERRANEAN INVESTMENTS HOLDING P.L.C.
€20,000,000 5.5% UNSECURED BONDS 2023
APPLICATION FORM 'A'
MATURING BONDHOLDERS

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

A APPLICANT (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES (see notes 4, 7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9):			
BOX 1 - Nominal Value of Maturing Bonds		AMOUNT IN FIGURES Box 1	
BOX 2 - I/We wish to purchase and acquire the amount set out in Box 2 in Bonds at the Bond Issue Price (at par) pursuant to the Prospectus dated 1 July 2020 (the "Prospectus") (minimum €1,000 and in multiples of €100 thereafter).		€	
AMOUNT IN WORDS		AMOUNT IN FIGURES Box 2	
		€	
BOX 3 - Amount of Bonds applied for less the nominal holding in the Maturing Bonds payable in full upon application under the Terms and Conditions of the Bonds set out in the Prospectus.		AMOUNT IN FIGURES Box 3	
		Difference payable on Application Box 2 - Box 1	
		€	
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY)			
BANK		IBAN	
<p>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 of the Bonds as contained therein which I/we fully accept.</p> <p>I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.</p>			
Signature/s of Applicant/s		Date	
(Parent/s or legal guardian/s are/s 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 Bonds that are subject to usufruct)			
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER	

ANNEX II | APPLICATION FORM A

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 1 July 2020 regulating the Bond Issue

This Application Form is not transferable and entitles you to a preferential treatment as holder of the 5.5% Mediterranean Investments Holding p.l.c. 2020 (the "Maturing Bonds") and is to be submitted as a method of payment where the Applicant selects to apply for the 5.5% Mediterranean Investments Holding p.l.c. Unsecured Bonds 2023 (the "Bond/s") so as to transfer to the Issuer all or part of the holding in the Maturing Bond held by the Applicant as at the Cut-Off Date, the nominal value of which is set out in Box 1 of Panel D. By submitting this signed Application Form, Maturing Bondholders shall be deemed to:

- i. cause the transfer of the said Maturing Bonds in the Issuer's name in consideration of the issue of Bonds; 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 said Maturing Bonds in the Issuer and fully and effectively vest title in the appropriate number of Bonds in the Applicant.

1. This Application is governed by the Terms and Conditions of the Bonds contained in Section 8 of the Securities Note dated 1 July 2020 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
3. The MSE account number pertaining to the Maturing Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of the Maturing Bonds held at the CSD as at 25 June 2020 (trading session of the 23 June 2020). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.

Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.

4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **MATURING BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of €1,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.

In terms of Section 7.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).

11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.

The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.

12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
13. The Issue Period will open at 08:30 hours on 3 July 2020 and will close at 12:00 hours on 16 July 2020. Application for Bonds may be lodged with any Authorised Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

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



ANNEX II | APPLICATION FORM B



Mediterranean Investments Holding p.l.c.

MEDITERRANEAN INVESTMENTS HOLDING P.L.C.
€20,000,000 5.5% UNSECURED BONDS 2023
APPLICATION FORM 'B'
EXISTING CORINTHIA BONDHOLDERS

This Application Form is not transferable and entitles you to subscribe for Mediterranean Investments Holding p.l.c. 5.5% Unsecured Bonds 2023 as an Existing Corinthia Bondholder (in terms of the Prospectus dated 1 July 2020) appearing on the respective bond register as at 25 June 2020. Please read the notes overleaf before completing this Application Form. Mark 'X' where applicable.

A APPLICANT (see notes 2 to 8)			
		I.D. CARD / PASSPORT	MSE A/C NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
LEI (Legal Entity Identifier) (If applicant is NOT an Individual)		PLEASE REGISTER ME FOR E-PORTFOLIO <input type="checkbox"/>	MOBILE NO. (mandatory for e-portfolio)
B ADDITIONAL (JOINT) APPLICANTS (see note 3) (please use Addendum to Application Form if space is not sufficient)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
C DECISION MAKER/MINOR'S PARENTS / LEGAL GUARDIAN(S) / USUFRUCTUARY/IES (see notes 4, 7 & 8) (to be completed ONLY if applicable)			
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
TITLE (Mr/Mrs/Ms/...)	FULL NAME AND SURNAME		I.D. CARD/PASSPORT NO.
DOCUMENT TYPE	COUNTRY OF ISSUE	DATE OF BIRTH	NATIONALITY
D I/WE APPLY TO PURCHASE AND ACQUIRE (see note 9):			
AMOUNT IN FIGURES €		AMOUNT IN WORDS	
Mediterranean Investments Holdings p.l.c. 5.5% Unsecured Bonds 2023 (the "Bonds") (minimum subscription of €1,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 1 July 2020 (the "Prospectus"), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Prospectus.			
E RESIDENT - FINAL WITHHOLDING TAX ("FWT") DECLARATION (see notes 10 & 11) (to be completed ONLY if the Applicant is a resident of Malta)			
<input type="checkbox"/> I/We elect to receive interest NET of FWT		<input type="checkbox"/> I/We elect to receive interest GROSS (i.e. without FWT)	
F NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see notes 2 & 11) (to be completed ONLY if the Applicant is a non-resident)			
TAX COUNTRY		CITY OF BIRTH	
T.I.N. (Tax Identification Number)		COUNTRY OF BIRTH	
<input type="checkbox"/> NOT resident in Malta but resident in the European Union		<input type="checkbox"/> NOT resident in Malta and NOT resident in the European Union	
G INTEREST, REFUND AND REDEMPTION MANDATE (see notes 12 & 13) (completion of this panel is MANDATORY)			
BANK		IBAN	
I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus, and subject to its Terms and Conditions of the Bonds as contained therein which I/we fully accept.			
I/We hereby authorise the Company to forward the details to the Malta Stock Exchange for the purposes of registering the Bonds in my/our MSE account, to register for the e-portfolio (where applicable) and to enable the reporting of all necessary transaction and personal information provided in this Application Form in compliance with Article 26 of MiFIR (Markets in Financial Instruments Regulation) to the Malta Financial Services Authority as competent authority ("Transaction Reporting"). Furthermore, I/we understand and acknowledge that the Company may require additional information for Transaction Reporting purposes and agree that such information will be provided.			
Signature/s of Applicant/s (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 Bonds that are subject to usufruct)		Date	
AUTHORISED FINANCIAL INTERMEDIARY'S STAMP		AUTHORISED FINANCIAL INTERMEDIARY'S CODE	
APPLICATION NUMBER			

ANNEX II | APPLICATION FORM B

Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus dated 1 July 2020 regulating the Bond Issue

1. This Application is governed by the Terms and Conditions of the Bonds contained in Section 8 of the Securities Note dated 1 July 2020 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. The Application Form is to be completed in BLOCK LETTERS. For applicants who are non-residents in Malta for tax purposes, the relative box in Panel F must be completed.
3. The MSE account number pertaining to the Existing Corinthia Bondholders, has been preprinted in Panel A and reflects the MSE account number on the bond register of any of the Existing Corinthia Finance Bonds, Existing IHI Bonds or Existing MIH Bonds held at the CSD as at 25 June 2020 (trading session of the 23 June 2020). If an MSE account pertains to more than one person (including husband and wife), the full details of all individuals must be given in Panels A and B but the first named bondholder shall, for all intents and purposes, be deemed to be the registered holder of the Bonds (vide note 6 below). Applications by more than two persons are to use the Addendum to the Application Form.
Upon submission of an Application Form, Bondholders who opt to have an online e-portfolio facility (by marking the relative box in Panel A), will receive by mail at their registered address a handle code to activate the new e-portfolio login. Registration for the e-Portfolio facility requires a mobile number to be provided on the Application Form. The Bondholder's statement of holdings evidencing entitlement to Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on <https://eportfolio.borzamalta.com.mt/>. Further detail on the e-portfolio may be found on <https://eportfolio.borzamalta.com.mt/Help>.
4. Applications in the name and for the benefit of minors shall be allowed provided that the applicant already holds an account with the MSE. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Company has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years. Panel C must be inserted with full details of the parents/legal guardians.
5. In the case of a body corporate, a valid Legal Entity Identifier ("LEI") needs to be inserted in Panel A. **Failure to include a valid LEI code, will result in the Application being cancelled by the Registrar.** Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
6. **EXISTING CORINTHIA BONDHOLDERS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT QUOTED ON THIS APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE CSD OF THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE, WILL HAVE TO BE EFFECTED.**
7. Where a decision to invest is taken by a third party authorised to transact on behalf of the Applicant (a "decision maker") such as an individual that holds a power of attorney to trade on the Applicant's account or applications under a discretionary account, details of the decision maker need to be included in Panel C.
8. Where an MSE account number is held subject to usufruct, Panel C needs to be completed and both the bare owner/s and the usufructuary/ies are to sign this Application Form.
9. Applications must be for a minimum subscription of €1,000 and thereafter in multiples of €100 and must be accompanied by the relevant subscription amount in Euro.
10. Only Applicants who hold a valid official Maltese Identity Card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15%, deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but will be obliged to declare interest so received in the tax return. The Company will render an account to the Maltese Commissioner for Revenue of all interest paid, all amounts of tax deducted by the payor in respect of the interest paid and of the identity of all such recipients. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund will have final withholding tax (currently 10%), deducted from interest payments.
In terms of Section 7.2 of the Securities Note, unless the Company is otherwise instructed by a Bondholder, or if the Bondholder does not fall within the definition of "recipient" in terms of article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such person net of final withholding tax, (currently 15%) of the gross amount of interest, pursuant to article 33 of the Income Tax Act (Cap. 123 of the laws of Malta).
11. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the Council Directive 2014/107/EU, of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation.
The contents of Notes 10 and 11 above do not constitute tax advice by the Company and Applicants are to consult their own independent tax advisors in case of doubt.
12. Interest, refund and redemption proceeds will be credited to the account indicated in Panel G or as otherwise amended by the Bondholder/s during the term of the Bond.
13. The Issue Period will open at 08:30 hours on 3 July 2020 and will close at 12:00 hours on 16 July 2020. Application for Bonds may be lodged with Authorised Intermediary listed in Annex I of the Securities Note during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies equivalent to the number of Bonds not being accepted will be returned by direct credit into the IBAN specified in panel G.
14. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
 - a. the Company or its duly appointed agents including the CSD and the Registrar, may process the personal data that you provide in the Application Form in accordance with the Data Protection Act (Cap. 586 of the laws of Malta) and the General Data Protection Regulation (GDPR) (EU) 2016/679 as amended from time to time;
 - b. the Company may process such personal data for all purposes necessary for and related to the Bonds applied for; and
 - c. you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company.

Any such requests must be made in writing and addressed to the Company. The request must be signed by yourself as the Applicant to whom the personal data relates.

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

ANNEX III | GUARANTEE

CORINTHIA PALACE HOTEL COMPANY LIMITED – C 257 (THE “GUARANTOR”)



To All Bondholders:

Reference is made to the issue of up to €20 million 5.5% Unsecured Bonds 2023 by Mediterranean Investments Holding plc, a company registered in Malta bearing company registration number C 37513, pursuant to and subject to the terms and conditions contained in the Securities Note forming part of the Prospectus to be dated on or about 1 July 2020.

Now, therefore, by virtue hereof, Corinthia Palace Hotel Company Limited hereby stands surety with the Issuer and irrevocably and unconditionally guarantees the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertakes to pay all amounts of principal and interest which have become due and payable by the Issuer to Bondholders under the Bonds, within sixty (60) days from the date such amount falls due and remains unpaid by the Issuer.

This guarantee shall be governed by the laws of Malta.

Signed and executed on this the 15 June 2020, after approval of the board of directors of Corinthia Palace Hotel Company Limited.

INTERPRETATION

In this Guarantee, unless the context otherwise requires:

- a. terms and expressions defined in or construed for the purposes of the Prospectus shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;
- b. “**Indebtedness**” means any and all monies, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Bonds to the Bondholders (whether alone and/or with others) in terms of the Prospectus and in any and all cases whether for principal, interest, capitalised interest, charges, disbursements or otherwise and whether for actual or contingent liability; and
- c. “**writing**” or “**in writing**” shall mean any method of visual representation and shall include e-mails and other such electronic methods.

NATURE, SCOPE AND TERMS OF THE GUARANTEE

1. Nature of the Guarantee

The offering of Bonds that will be made by the Issuer pursuant to the Prospectus will be made with the benefit of the joint and several corporate Guarantee of the Guarantor, the full terms of which are set out in clause 3 below.

2. Information about the Guarantor

The information about the Guarantor required pursuant to the Listing Rules and the Prospectus Regulation may be found in the Registration Document forming part of the Prospectus.

Corinthia Palace Hotel Company Limited

22 Europa Centre, Floriana FRN 1400, Malta ~ T: +356 2123 3141 ~ F: +356 2123 4219 ~ E: group@corinthia.com ~ W: corinthiagroup.com

Company registration number C 257

ANNEX III | GUARANTEE

CORINTHIA PALACE HOTEL COMPANY LIMITED – C 257 (THE “GUARANTOR”)



3. Terms of the Guarantee

3.1 *Covenant to pay*

For the purposes of the Guarantee, the Guarantor, as primary obligor, hereby jointly and severally with the Issuer irrevocably and unconditionally guarantees to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds detailed in the Securities Note as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Bondholder on written demand the amount payable by the Issuer to such Bondholder. All demands shall be sent to the address stated below in clause 3.11 as the same may be changed by company announcement issued by the Issuer from time to time.

Such payment shall be made in the currency in force in Malta at the time the payment falls due.

All payments shall be made to Bondholders without any withholding for taxes (and in so far as this obligation exists under any law, the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer.

This Guarantee shall apply to all Bonds issued on or after 30 July 2020 in accordance with the terms of the Securities Note.

3.2 *Guarantor as joint and several surety*

The Guarantor will be liable under this Guarantee as joint and several surety with the Issuer.

3.3 *Maximum liability*

This is a continuing Guarantee for the whole amount due or owing under the Bonds or which may hereafter at any time become due or owing under the Bonds by the Issuer, but the amount due by the Guarantor to the Bondholders under this Guarantee shall be up to and shall not be in excess of €20,000,000 (twenty million Euro), apart from interest due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Bondholders' rights against the Issuer and/or the Guarantor, which shall be additional to the maximum sum herein stated.

3.4 *Continuing and unconditional liability*

The liability of the Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or affected, nor shall it in any way be discharged or reduced, by reason of:

- a. the bankruptcy, insolvency or winding up of the Issuer; or
- b. the incapacity or disability of the Issuer; or
- c. any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer or the Guarantor; or
- d. a Bondholder conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or extract payment from the Issuer; or
- e. any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the relevant Bondholder.

3.5 *Indemnity*

As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any Indebtedness to be payable by the Issuer but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantor or any Bondholder) not recoverable from the Guarantor,

ANNEX III | GUARANTEE

CORINTHIA PALACE HOTEL COMPANY LIMITED – C 257 (THE “GUARANTOR”)



will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent obligation from the other obligations in this Guarantee, and gives rise to a separate and independent cause of action.

3.6 *Representations and warranties*

3.6.1 The Guarantor represents and warrants:

- i. that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;
- ii. that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by said Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;
- iii. that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;
- iv. that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgement, decree or permit to which said Guarantor is or may be subject, or any agreement or other instrument to which said Guarantor is a party or is subject or by which it or any of its property is bound;
- v. that this Guarantee shall not result in or cause the creation or imposition of, or oblige the Guarantor to create, any encumbrance on the Guarantor's undertakings, assets, rights or revenues;
- vi. that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature and nor is it threatened with any such procedures;
- vii. that the obligations of the Guarantor under this Guarantee constitute general, direct and unsecured obligations of the Guarantor and rank equally with all its other existing and future unsecured obligations, except for any debts for the time being preferred by law;
- viii. that it is not in material breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound, nor has any default occurred in its regard; and
- ix. that all the information, verbal or otherwise, tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts.

3.6.2 As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Bondholders, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause.

3.7 *Deposit and production of the Guarantee*

The original instrument creating this Guarantee shall be deposited with and be held by the Issuer at its registered address for the benefit of the Bondholders until all obligations of the Guarantor have been discharged in full, and until such time the Guarantor acknowledges the right of every Bondholder to obtain a copy of the instrument creating the Guarantee.

ANNEX III | GUARANTEE

CORINTHIA PALACE HOTEL COMPANY LIMITED – C 257 (THE “GUARANTOR”)



3.8 *Subrogation*

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

3.9 *Benefit of the Guarantee and no assignment*

This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Bondholders. The Guarantor shall not be entitled to assign or transfer any of its obligations under this same Guarantee.

3.10 *Amendments*

The Guarantor has the power to veto any changes to the Terms and Conditions of the Bonds which are issued with the benefit of this Guarantee.

3.11 *Notices*

For notification purposes in connection with this Guarantee, the proper address and telephone number of the Guarantor is:

Corinthia Palace Hotel Company Limited

Address:

22, Europa Centre, John Lopez Street,
Floriana FRN 1400, Malta

Telephone number:

+356 21 233 141

Contact person:

The Company Secretary

3.12 *Governing law and jurisdiction*

This Guarantee is governed by and shall be construed in accordance with Maltese law.

Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be brought exclusively before the Maltese courts.



Alfred Pisani
Director
Corinthia Palace Hotel
Company Limited (C 257)



Joseph M. Pisani
Director
Corinthia Palace Hotel
Company Limited (C 257)



The following is a summary of the YTM's of each of the outstanding MIH bonds and how they compared to the average YTM's of each of the corporate bonds and MGS with a similar maturity:

	YTM	Premium over Corporate Bond Average	Premium over Average MGS
MIH 6% 2021	6.00%	50bps	593bps
MIH 5% 2022	5.53%	149bps	544bps
MIH 5.5% 2023	5.50%	53 bps	533 bps

GLOSSARY

Income Statement Explanatory Definitions

Revenue	Total revenue generated by the company from its business activity during the financial year.
EBITDA	Earnings before interest, tax, depreciation and amortization, reflecting the company's earnings purely from operations.
Normalisation	Normalisation is the process of removing non-recurring expenses or revenue from a financial metric like EBITDA, EBIT or earnings. Once earnings have been normalised, the resulting number represents the future earnings capacity that a buyer would expect from the business.
EBIT	Earnings before interest and tax.
Depreciation and Amortization	An accounting charge to compensate for the reduction in the value of assets and the eventual cost to replace the asset when fully depreciated.
Finance Income	Interest earned on cash bank balances and from the intra-group companies on loans advanced.
Finance Costs	Interest accrued on debt obligations.
Net Profit	The profit generated in one financial year.

Cash Flow Statement Explanatory Definitions

Cash Flow from Operating Activities	The cash used or generated from the company's business activities.
Cash Flow from Investing Activities	The cash used or generated from the company's investments in new entities and acquisitions, or from the disposal of fixed assets.
Cash Flow from Financing Activities	The cash used or generated from financing activities including new borrowings, interest payments, repayment of borrowings and dividend payments.

Statement of Financial Position Explanatory Definitions

Assets	What the company owns which can be further classified in Current and Non-Current Assets.
Non-Current Assets	Assets, full value of which will not be realised within the forthcoming accounting year.
Current Assets	Assets which are realisable within one year from the statement of financial position date.
Liabilities	What the company owes, which can be further classified in Current and Non-Current Liabilities.
Current Liabilities	Obligations which are due within one financial year.
Non-Current Liabilities	Obligations which are due after more than one financial year.
Equity	Equity is calculated as assets less liabilities, representing the capital owned by the shareholders, retained earnings, and any reserves.



Profitability Ratios

EBITDA Margin	EBITDA as a percentage of total revenue.
Operating Profit Margin	Operating profit margin is operating profit achieved during the financial year expressed 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.
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	This is computed by dividing profit after tax by total assets.

Liquidity Ratios

Current Ratio	The current ratio is a financial ratio that measures whether 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.
Cash Ratio	Cash ratio is the ratio of cash and cash equivalents of a company to its current liabilities. It measures the ability of a business to repay its current liabilities by only using its cash and cash equivalents and nothing else.

Solvency Ratios

Interest Coverage Ratio	This is calculated by dividing a company's EBITDA of one period by the company's net finance costs of the same period.
Gearing Ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity.
Net Debt to EBITDA	This is the measurement of leverage calculated by dividing a company's interest-bearing borrowings net of any cash or cash equivalents by its EBITDA.

Other Definitions

Yield to Maturity	YTM is the rate of return expected on a bond which is held till maturity. It is essentially the internal rate of return on a bond and it equates the present value of bond future cash flows to its current market price.
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ISSUER	MEDITERRANEAN INVESTMENTS HOLDING P.L.C. 22, EUROPA CENTRE, JOHN LOPEZ STREET, FLORIANA FRN 1400, MALTA
GUARANTOR	CORINTHIA PALACE HOTEL COMPANY LIMITED 22, EUROPA CENTRE, JOHN LOPEZ STREET, FLORIANA FRN 1400, MALTA
REGISTRAR & MANAGER	BANK OF VALLETTA P.L.C. BOV CENTRE, CANNON ROAD, ZONE 4, CENTRAL BUSINESS DISTRICT, SANTA VENERA CBD 4060, MALTA
LEGAL COUNSEL TO THE ISSUER	GVZH ADVOCATES 192, OLD BAKERY STREET, VALLETTA VLT 1455, MALTA
SPONSOR	RIZZO, FARRUGIA & CO. (STOCKBROKERS) LTD. AIRWAYS HOUSE, FOURTH FLOOR, HIGH STREET, SLIEMA SLM 1551, MALTA
AUDITORS	GRANT THORNTON FORT BUSINESS CENTRE, TRIQ L-INTORNJATUR, ZONE 1, CENTRAL BUSINESS DISTRICT, BIRKIRKARA CBD 1050, MALTA



ANNEX IV | FINANCIAL ANALYSIS SUMMARY

The Board of Directors
Mediterranean Investments Holding plc
22, Europa Centre,
John Lopez Street,
Floriana FRN 1400

1 July 2020

Dear Sirs

Mediterranean Investments Holding plc – Financial Analysis Summary (the “FAS”)

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 Analysis is that of summarising key financial data appertaining to Mediterranean Investments Holding plc (the “**Company**”) and that of the guarantor – Corinthia Palace Hotel Company Limited (“**CPHCL**” or “**Guarantor**”, hereinafter). The data is derived from various sources of information available or is based on our own computations as follows:

- a. Historical financial data for the three years ended 31 December 2017, 31 December 2018 and 31 December 2019 has been extracted from the audited consolidated financial statements of the Company;
- b. Historical financial data for the financial years ended 31 December 2017, 31 December 2018 and 31 December 2019 has been extracted from the audited financial statements of the Guarantor;
- c. The forecasts for the financial year ending 31 December 2020 have been provided by management and approved by the respective Directors of the Company and of the Guarantor;
- d. Our commentary on the results and on the respective financial position is based on explanations provided by the management of the Company and CPHCL, respectively;
- e. The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions as set out and defined within the report; and
- f. Relevant financial data in respect of the comparative set as analysed in Part D of this report has been extracted from public sources such as the web sites of the companies concerned, or financial statements filed at the Registry of Companies.

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

Yours sincerely



Vincent E. Rizzo
Director

ANNEX IV | FINANCIAL ANALYSIS SUMMARY



MEDITERRANEAN INVESTMENTS HOLDING P.L.C.

FINANCIAL ANALYSIS SUMMARY

*Prepared by Rizzo, Farrugia & Co (Stockbrokers) Ltd, in compliance
with the Listing Policies issued by the Malta Financial Services Authority,
dated 5 March 2013.*

1 July 2020

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List of Abbreviations

AHC	Alinmaa Holding Company
AUCC	Arab Union Contracting Company (Libya)
BOT	Build, Operate and Transfer agreement
CF	Corinthia Finance plc
CPHCL	Corinthia Palace Hotel Company Limited
EBITDA	Earnings before interest, tax, depreciation and amortisation
F&B	Food and beverages
GDP	Gross Domestic Product
IHI	International Hotel Investments plc
LPTACC	Libya Projects and General Trading and Contracting Co.
MFSA	Malta Financial Services Authority
MGS	Malta Government Stocks
MIH	Mediterranean Investments Holding plc
MSS Agreement	Management and Support Services Agreement
MTJSC	Medina Tower Joint Stock Company
NGO	Non-Government Organisation
NREC	National Real Estate Company
PCL	Palm City Limited
PPE	Property, plant and equipment
PWL	Palm Waterfront Limited
RevPAU	Revenue per available unit
UN	United Nations
UNSMIL	United Nations Support Mission in Libya
YTM	Yield to maturity

IMPORTANT INFORMATION

This report is drawn in line with the Listing Policies dated 5 March 2013 of the Listing Authority of Malta. It is appended to the prospectus issued by Mediterranean Investments Holding p.l.c. (the “**Company**” or “**MIH**”) pursuant to a €20 million 5.5% unsecured bond issue maturing in 2023 (“**Bond 2020**”).

The information that is presented on MIH has been collated from several sources, including the Company’s website (www.mihplc.com), MIH’s management, the Company’s audited consolidated financial statements for the years ended 31 December 2017, 2018 and 2019. Similarly, the information on Corinthia Palace Hotel Company Limited (“**CPHCL**” or “**Guarantor**”) has been extracted from the company’s website (www.cphcl.com), discussions with management, the company’s audited financial statements for the years ended 31 December 2017, 2018 and 2019.

Forecasts that are included in this document have been prepared by management and approved for publication by the directors of the Company and those of the Guarantor, who undertake full responsibility for the assumptions on which these forecasts are based.

Wherever used, FYXXXX refers to financial year covering the period 1st January to 31st December. The financial information is being presented in thousands of Euro, unless otherwise stated, and has been rounded to the nearest thousand.

PART A BUSINESS & MARKET OVERVIEW

1 INTRODUCTION

MIH was incorporated in December 2005 and converted into a public limited company in 2007. It is owned, directly or indirectly, equally by National Real Estate Company (“NREC”) and CPHCL, as illustrated overleaf.

The principal activities of MIH relate to the acquisition, development and operation of real estate projects outside Malta, particularly in North Africa. The types of properties of interest to the Company include, without limitation, residential gated villages, build-operate-transfer projects, office and commercial buildings, retail outlets, shopping malls, housing, conference centres and other governmental projects.

Currently, MIH, through its wholly owned subsidiary Palm City Limited (“PCL”), operates the Palm City Residences in Jazour, Libya through a build-operate-transfer agreement entered into between PCL and Corinthia Palace Hotel Company Limited (“CPHCL”). It also owns 25% of the share capital of Medina Tower Joint Stock Company (“MTJSC”), a company incorporated with the objective to construct the Medina Tower, a proposed 199,000 square metre mixed-used development in the heart of Tripoli. Palm Waterfront Limited (“PWL”) is a wholly owned subsidiary of MIH (99.9%) and is responsible for the development of the Palm Waterfront project. The Palm Waterfront project is located adjacent to Palm City Residences. The Palm Waterfront project will become a natural extension to the Residences and will create synergy between the two developments by providing added facilities such as a hotel, yacht marina, restaurants and leisure outlets that will greatly enhance the living experience at both Palm City Residences and Palm Waterfront. The Medina Tower and the Palm Waterfront projects are also both situated in Libya and their execution is currently on hold.

PCL

Palm City Limited is a private limited liability company incorporated and registered in Malta on 10 June 2004. 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. PCL is a wholly owned subsidiary of the Company.

PWL

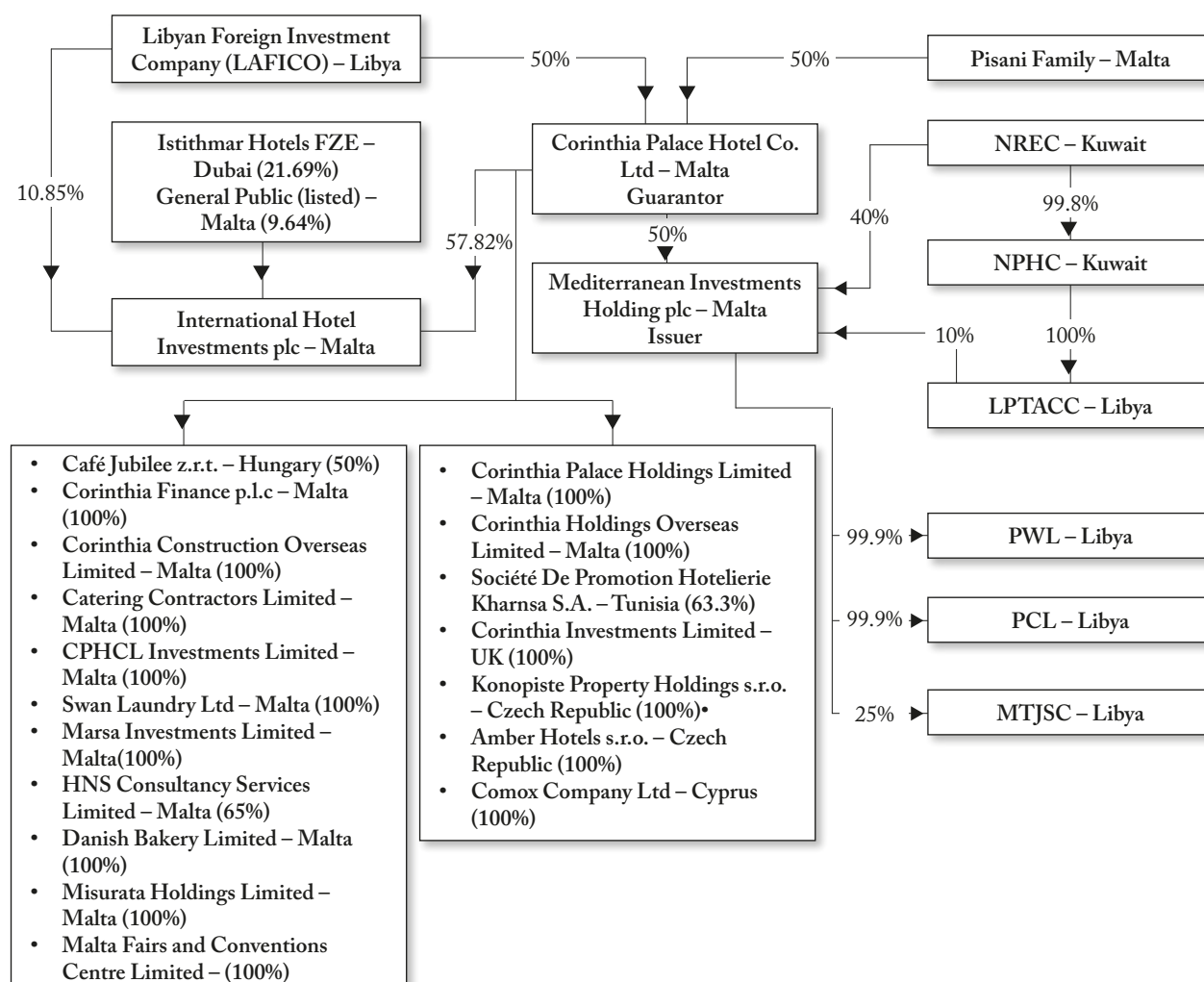
Palm Waterfront Limited is a private limited liability company incorporated and registered in Malta on 3 August 2012. It has an authorised share capital of €100,000,000 and an issued share capital of €2,000 divided into 2,000 ordinary shares of €1 each, fully paid up. PWL is a wholly owned subsidiary of the Company.

MTJSC

The Company holds a 25% equity participation in Medina Tower Joint Stock Company for Real Estate Investment and Development (“MTJSC”), a joint stock company incorporated and registered in Libya on 20 May 2010. The remaining 75% is held equally by IHI and two Libyan investment companies – Arab Union Contracting Company (“AUCC”) and Alinmaa Holding Company (“AHC”).

Further information on operations and updates on each of PCL, PWL and MTJSC is found in section 5 of this report.

Organisation and Shareholding Chart of the MIH and CPHCL Entities



Source: Management Information

The Parent Companies

NREC

NREC holds a 40% direct shareholding in MIH and another 10% is held indirectly through its wholly-owned subsidiary – Libya Projects and General Trading and Contracting Co. (“LPTACC”). NREC is a Kuwaiti-listed company with an international focus on real estate. It has to date developed a strong portfolio of retail, commercial and residential real estate mainly in new and established markets across the Middle East and North Africa (MENA) region.

CPHCL – The Guarantor

CPHCL is an investment company registered in Malta which owns 50% of MIH and acts as the guarantor in terms of the 2020 Bond being issued by the Company. Apart from its investment in MIH, CPHCL has over the years expanded into an international group in the hospitality and leisure industry, principally through IHI plc, a company in which CPHCL holds 58% of its equity. It is the parent company of the Corinthia Group and is principally engaged in the ownership, development and operation of hotels and other activities related to the hospitality industry in various countries either directly or through subsidiaries (refer to the organisation structure in the previous page for a list of subsidiaries).

As at 31 December 2019, CPHCL owned assets worth €471 million, supported by an equity base of €310 million.

2 GOVERNANCE AND MANAGEMENT

The current Board of MIH consists of seven directors who are entrusted with the overall direction and management of the Company. The Board's mandate is to identify and execute new investment opportunities and obtain related funding. The Board is composed as follows:

Alfred Pisani	Executive Director and Chairman
Joseph Fenech	Executive Director
Joseph M. Pisani	Non-Executive Director
Faisal J. S. Alessa	Non-Executive Director
Ahmed Wahedi	Non-Executive Director
Ahmed Yousri A. Nouredin Helmi	Non-Executive Director
Mario P. Galea	Non-Executive Director

The company secretary is Stephen Bajada.

The Company does not have any employees of its own. MIH is reliant on resources made available by CPHCL pursuant to a management and support services agreement ("MSS Agreement"). Through the MSS Agreement, Reuben Xuereb provides his services as the CEO of the Company, Rachel Stilon as the CFO and Stephen Bajada as the Company Secretary. Other than these executives, there are several executives in the accounting, auditing, legal, secretarial and other departments who provide services to MIH on an ad-hoc basis.

The average number of employees engaged by the MIH group within the various subsidiaries during FY2019 was 85, of which 24 are administrative employees and the remaining are employed in operations.

The Guarantor's Board is composed of the following directors:

Alfred Pisani	Executive Director and Chairman
Joseph M. Pisani	Executive Director
Victor Pisani	Executive Director
Khalid S T Benrjoba	Non-Executive Director
Karima Munir Elbeshir Elguel	Non-Executive Director

3 MATERIAL DEVELOPMENTS

Issuer

Over the past three years, the financial performance of MIH improved, despite the persisting socio-political turmoil in Libya. Occupancy levels at Palm City Residences have been rising gradually. In fact, average occupancy in FY2017 was 18.6%, going up to 39.2% in FY2018 and 55.2% in FY2019.

Interest in Palm City Residences continued to show encouraging signs as occupancy levels rose coupled with a further rise in the average monthly rate per unit to €8,850 during FY2019 from €8,500 in FY2018. Moreover, there has also been a notable shift in demand from short/medium term leases to medium/long term leases which according to management are an indication of an improvement in lessees' outlook to the socio-political situation in Libya.

Notwithstanding the difficult operating environment, during the past three years, Palm City Residences was operational at all times, even increasing its workforce and creating new roles in recent years which were necessary to keep up with the increase in demand. Moreover, PCL continued to invest in additional and enhanced security features in an effort to better secure the gated village. During FY2019, the company incurred capital expenditure amounting to €0.6 million which related to the perimeter wall surrounding the Residences and constructed a security gate room for additional security. This was important as several tenants, particularly those who are heavily invested in Libya, kept their leases running with a view to physically return to the country at the first possible opportunity.

Guarantor

Over the years, CPHCL divested of its direct shareholding in operational assets. These divestments are in line with the Group's strategy wherein CPHCL has been focusing on setting the strategic direction for the Group and allowing the respective boards of the Group's subsidiaries to focus on achieving operational objectives.

In 2018, CPHCL sold the Corinthia Palace Hotel in Attard to IHI, while its operations remained the responsibility of Corinthia Hotels Limited (CHL). Furthermore, in 2019, CPHCL sold its direct shareholding in Corinthia Caterers Limited and Catermax Limited to IHI, which the latter integrated into IHI's other catering companies and rebranded these as Corinthia Caterers. Moreover in 2019, CPHCL concluded a share purchase and sale agreement with a third party in relation to the disposal of its 100% shareholding in Pankrac Property Holdings sro (the company owning the Panorama Hotel and adjacent garage). The net cash consideration for this disposal amounted to circa €68 million. *Further information about these disposals is included in the financial analysis part pertaining in this report to the Guarantor.*

4 ISSUER'S MATERIAL CONTRACTS

4.1 MSS Agreement

MIH is party to an MSS Agreement with CPHCL entered into in January 2020. Under this agreement, MIH is provided with management support services at the strategic level of its business that benefits MIH from the experience and expertise of CPHCL in the conduct of its business and the implementation of a highly efficient and cost-effective business model. The MSS Agreement also makes available to MIH top executive and central administrative level staff and support personnel from the Corinthia Group. MIH is provided the below services at an annual fee of €404,400 (which is adjusted annually by a 5% inflation):

- the commitment of an executive team with over 43 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 25 years' service;
- a team of well-qualified and dynamic young professionals, increasing the potential for future growth;
- an effective monitoring system assuring controls on standards and performance;
- a long experience in developing, managing and maintaining properties planned and built to high quality 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.

4.2 Build-Operate-Transfer Agreement

Through its subsidiaries – PCL and PWL – MIH has in place two build-operate-transfer (“BOT”) agreements with the Guarantor – CPHCL – as detailed further in sections 5.1.1 and 5.2.1 below.

5 MAJOR ASSETS OF THE ISSUER

The values attributable to the major asset of each of the underlying investments are summarised below:

	Valuation Basis	FY2017 €'000	FY2018 €'000	FY2019 €'000
Palm City Residences (65-year BOT agreement expiring 2071)	Discounted Cash Flows	250,268	271,977	272,542
Palm Waterfront (80-year BOT agreement expiring in 2093)	Cost + Capitalised expenses	8,583	8,682	8,784
Medina Tower* (25% shareholding in MTJSC)	Equity contribution	12,603	12,761	12,790

Source: MIH plc financial statements for the years 2017, 2018 and 2019

**The equity contribution that MIH has in Medina Tower is denominated in Libyan Dinars (LYD). MIH's investment in Medina Tower did not change between FY2017 and FY2019, and the differences in the value of such investment as reported above relate to foreign exchange differences (unrealised) relating to the EUR/LYD rates prevailing as at the year-end date.*

5.1 Palm City Residences

The following is an overview of the only operating asset of the Company – Palm City Residences.

PCL is a wholly owned subsidiary of MIH (99.9%), set up to develop and operate the Palm City Residences in Janzour, Libya. The site hosting the development of a 413-unit village has a footprint of 171,000 square metres and a shorefront of approximately 1.7 kilometres.

CPHCL holds title to the land where Palm City Residences is built, pursuant to a 99-year lease agreement dated 5 July 2006. PCL entered into a BOT agreement for 65 years with CPHCL (effective 6 July 2006) whereby PCL was engaged to undertake the construction and operations of the complex. Under the BOT agreement, PCL will operate the residences at its own risk and for its own benefit. Upon expiry of this agreement, PCL will be required to transfer the operations back to CPHCL for the remaining useful life of the lease until 2105¹.

5.1.1 Performance of Palm City Residences

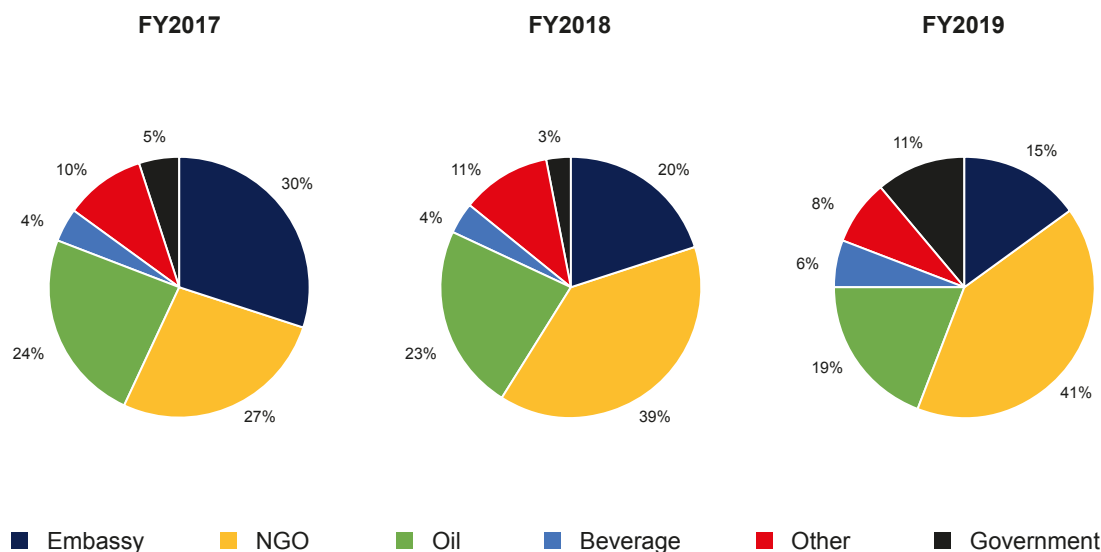
In each of the past three financial years (FY2017 to FY2019), PCL generated 100% of the Group's annual revenues as per below table:

	Actual FY2017 €'000	Actual FY2018 €'000	Actual FY2019 €'000
Residential leases	6,917	15,905	24,173
Commercial leases	478	1,118	1,210
F&B	415	1,024	814
Other income	549	813	1,064
Total PCL revenue	8,359	18,860	27,261
MIH plc - Group Revenue	8,359	18,860	27,261
PCL revenue contribution	100%	100%	100%
Average Occupancy	18.6%	39.2%	55.2%
RevPAU (revenue in € per unit per month)	1,396	3,209	4,877

Source: Management Information

PCL is the only revenue-generating asset of MIH in FY2019, as the other two projects remain on hold in view of the continued level of instability in Libya. Nevertheless, with Palm City Residences being the only gated residential venue of international repute, it is sought after by a number of blue-chip companies, organisations and embassies. Other than the improved occupancy levels noted over the years, the revenue that was being generated per available unit has increased notably – from €1,396 in FY2017 to €4,877 in FY2019.

¹The 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. Upon such title transfer taking effect, the BOT agreement between PCL and CPHCL will be terminated, resulting in PCL no longer being bound to return the operation of the Palm City Residences to CPHCL upon the lapse of the said 65-year term.



The occupancy mix has historically been predominantly composed of leases concluded with Embassies, NGOs and Oil & Gas companies, which took up more than 75% of the leased units between FY2017 to FY2019. In FY2019, there was a notable shift in units occupied by government entities which increased to 11% (3% in FY2018 and 5% in FY2017).

Lease Contract Term

	FY2017	FY2018	FY2019
Short Term (< 1 year)	20%	16%	20%
Medium Term (1 year)	56%	51%	42%
Long Term (2 to 5 years)	24%	33%	38%

Over the years, the contracted leases for units at the Palm City Residences continued to shift towards the longer term. In the hope for an improving situation within the region and PCL's tenants' commitment to move back to the country and remain there for the long-term, the majority of tenants had been opting to enter into longer-term leases.

The competitive edge that Palm City Residences has over other similar residential compounds has always been its location and security features, given its location to an area close to Tripoli but secluded in terms of security features. According to management, one of the only other competing complexes located in the vicinity of Palm City Residences, Oea Village, have all 150 of its units taken up by the United Nations. On the other hand, the other competing compound, namely Peacock Hotel, has had its business disrupted since May 2019, due to its close proximity to the centre of hostilities. This may lead to an increase in leasing of units for PCL as demand from other compounds shifts to their more securely located complex. In fact, management emphasised that while there are alternative accommodation options in Tripoli, none of the other options offer the same level of lifestyle, top-quality service, security and the extent of facilities, both leisure and commercial, that Palm City offers. As a result, management believes that the Group enjoys a dominant market position and although Palm City Residences suffered from a significant decline in occupancy levels in the years prior to the reporting period, it remained operational at all times, maintained in pristine condition and is closely monitored by management.

5.1.4 Outlook for PCL

In view of the impact of COVID-19, management forecast occupancy levels at Palm City Residences to be marginally lower (down to average occupancy of 46.1%), affecting mainly the short-term leases. Although travel restrictions are in place, these will affect non-essential travelling which will result in fewer people relocating to Libya until the situation stabilises (which is expected to happen after FY2020²).

Furthermore, for FY2020, the Company does not anticipate any major capital expenditure requirement.

²<https://www.worldbank.org/en/country/libya/publication/economic-update-april-2020>

5.2 Other Non-Operational Assets

MIH has two other projects that are on hold in view of the prevailing instability in Libya. These are the Palm Waterfront development (through the 99.9% – owned PWL) and the Medina Towers (through its 25% investment in MTJSC). There has been no development to any of these assets during FY2019.

6 MATERIAL ASSETS OF THE GUARANTOR

The Guarantor's investments consist of:

	FY2017 €'000	FY2018 €'000	FY2019 €'000
Investment in Subsidiaries			
Equity Investments	373,741	372,532	367,756
Loans Receivable	18,519	13,958	10,171
	392,260	386,490	377,927
Investment in Associates			
Equity Investments	24,181	24,002	24,002
Loans Receivable	5,161	4,602	2,602
	29,342	28,604	26,604
Total Investment	421,602	415,094	404,531

Further information about CPHCL's main assets is included in section 9.2 of this report

7 MARKET OVERVIEW

Industry Overview: Travelling & Tourism

In the first quarter of this year, the world experienced an unprecedented situation in consequence of COVID-19 restrictions on travel all over the world, with 72% of borders completely closed to international travel³ as at the end of April 2020 due to the pandemic which brought the world economy to a sudden halt. The IMF predicts that the global economy is projected to contract sharply in 2020, much worse than during the 2008 – 09 financial crisis⁴. Travel has been the hardest hit industry, with tourism and the hospitality industry being the sector most impacted as countries introduced strict lock down measures and people stayed at home. The scale of the pandemic's impact is outlined in a report by the World Tourism Organization (UNWTO), which predicts a decline in international arrivals of between 58% and 80% this year⁵. The prediction of a 58% decline is based on the gradual reopening of international borders and easing of travel restrictions in early July; the 80% figure is based on an early December move. In June 2020, a number of countries opened their borders and lifted travel restrictions, with the objective of trying to gradually revive the tourism sector under a new normal scenario. As expected, there remains substantial uncertainty on what will happen in the months ahead and a lot is likely to depend on exogenous factors such as the emergence of a second wave of the pandemic, the availability of a vaccine in the medium term, the health situation in key feeder markets and changing attitudes to travelling in the long-term across all segments including leisure, business, conferences and mass events.

Country overview

Libya

Following the revolution in early 2011, Libya has yet to create a political infrastructure that is required for the country to become truly democratic and instil functional power transition mechanisms.

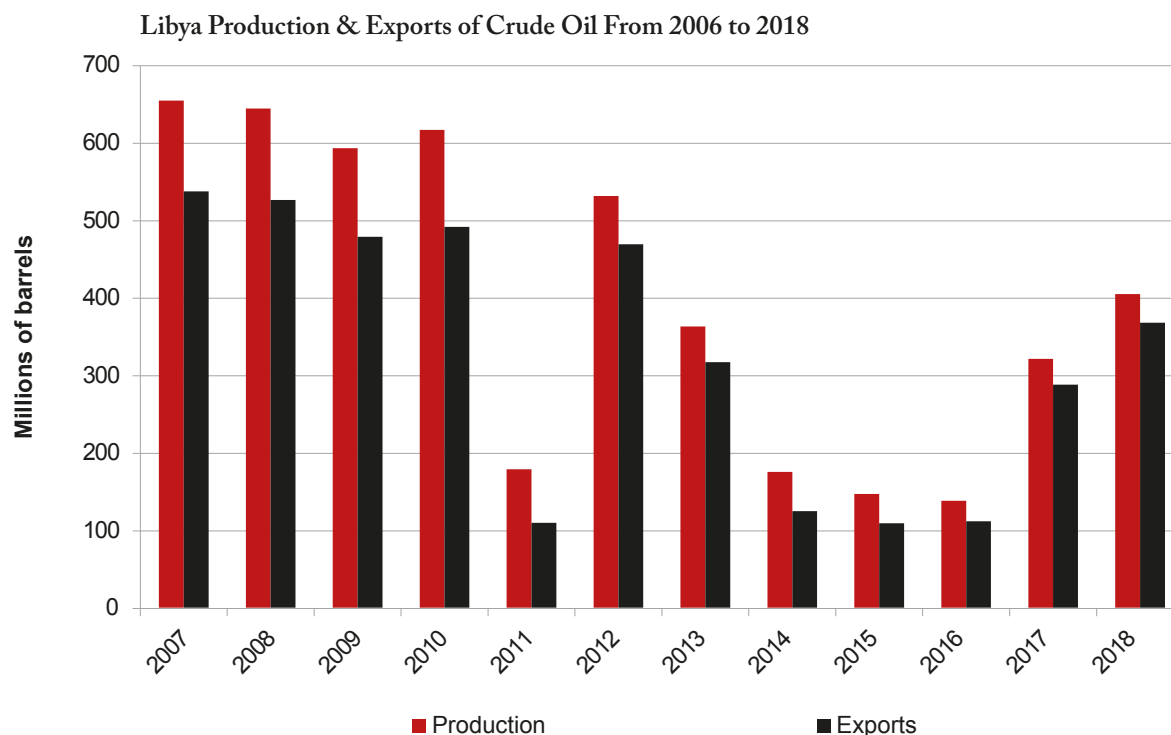
³<https://www.forbes.com/sites/lealane/2020/05/11/world-tourism-organization-offers-stunning-fact-100-of-global-destinations-restricting-travel/#bde6fa7287d>

⁴<https://www.imf.org/en/Publications/WEO/Issues/2020/04/14/weo-april-2020>

⁵<https://www.imtj.com/news/unwto-predicts-60-80-drop-international-arrivals/>

The socio-political unrest in Libya in recent years continued to leave a significant dent on the performance of the economy which is virtually wholly dependent on the production and exportation of crude oil. In fact, data provided by the Central Bank of Libya⁶ and countryeconomy.com⁷ (reproduced in the charts below) clearly shows the substantial drop in oil production and exportation in 2011 (during the first Libyan civil war) from previous years, the strong rebound in 2012 following the restoration of some political order and the establishment of the National Transitional Council, and the reduced activity in the aftermath of the civil unrest that broke out in 2014.

Economic diversification is a key priority. Over 2014 – 2018, the oil, gas, and related extractive sectors accounted for more than 65% of GDP, more than 95% of export earnings, and 96% of the budget. In consequence, the Libyan economy remains extremely vulnerable to oil production shocks and oil price fluctuations. Rapid diversification from hydrocarbon resources is essential for a stronger, resilient, and more inclusive economic growth.

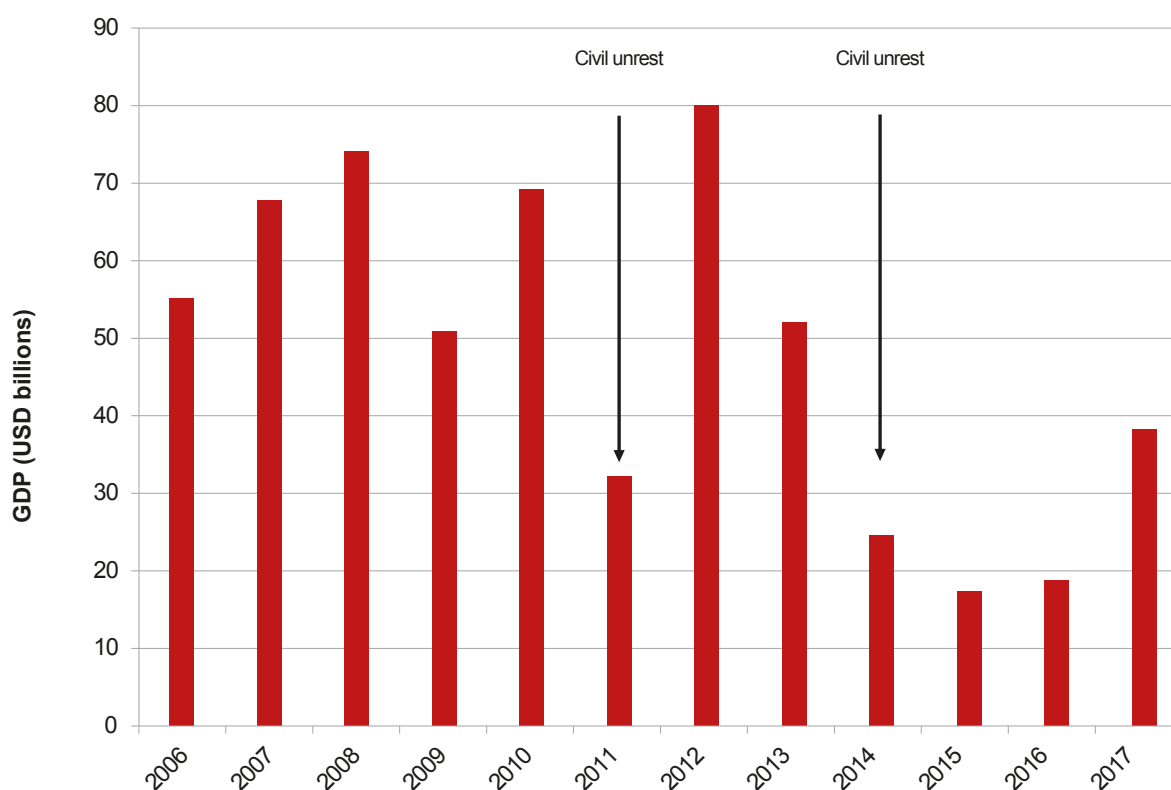


Source: <https://cbl.gov.ly/en/>

⁶<https://cbl.gov.ly/en/>

⁷<https://countryeconomy.com/gdp/libya>

Libya Gross Domestic Product from 2006 to 2017



Source: <https://countryeconomy.com/gdp/libya>

This trend continued up until 2017 whereby crude oil production and exports began to rebound strongly following growing chances of a possible organisation of fresh elections in 2018. Efforts by the United Nations Support Mission in Libya (“UNSMIL”) aimed at restoring a lasting political solution in the country in 2017 immediately left a positive effect on the country’s oil sector. Oil prices dipped again as demand plunged following the outbreak of COVID. Early June, prices started recovering following the resumption of economic activity across the globe, supported by the OPEC+ decision to extend the 10 million barrels per day curb for another month until 31 July. This was well received by markets and the price of oil was back up to over the \$40 a barrel.

Overall, the political situation in the country seems to be worsening again following postponement of elections in December 2018 and the fact that clashes between the Libyan National Army and the Government of National Accord have continued to be focused on central Tripoli. Going forward, Libya remains largely mired in conflict whilst the economic outlook continues to be highly uncertain and entirely dependent on the much wider dynamics of the global oil industry.

In response to the pandemic, the National Centre for Disease Control (NCDC) has implemented strict measures to contain the spread of the virus into and within Libya, including closing the country’s borders, banning of large public gatherings and imposing travel restrictions.

PART B – FINANCIAL REVIEW

8 MIH'S HISTORIC & FORECASTED FINANCIAL PERFORMANCE

Following discussions with management, it transpired that while the situation in Libya remains volatile, PCL continued to experience a steady increase in enquiries and lease signing from embassies, NGO's, international security service providers, the oil and gas sector and other entities to relocate to Palm City Residences which signifies that there continues to be interest by institutions to return to Libya, albeit gradually. As discussed earlier, average occupancy levels continued to improve in the period FY2017 to FY2019 from 18.6% in FY2017 to 39.2% in FY2018 and 55.2% in FY2019.

Management also noted that currently there is no other complex that can readily accommodate tenants in a secure environment that mirrors the facilities available at Palm City Residences. Moreover, Libya will need to undergo a massive infrastructural development, which will involve some level of input from foreign investors and these would seek to contract tenancy in Libya in the short to medium term.

Notwithstanding, average occupancy at Palm City Residences for FY2020 is forecasted to dip marginally to 46.1%, reflecting the impact of the coronavirus pandemic and the significant drop in crude oil prices experienced during the second quarter of FY2020.

8.1 Income Statement

	Actual FY2017 €'000	Actual FY2018 €'000	Actual FY2019 €'000	Forecast FY2020 €'000
Revenue	8,359	18,860	27,261	21,836
Operating expenses	(3,030)	(4,808)	(5,257)	(4,558)
Gross Profit	5,329	14,052	22,004	17,278
Administrative & Marketing expenses	(1,793)	(2,395)	(2,502)	(2,128)
EBITDA	3,536	11,657	19,502	15,150
Other income	144	-	472	309
Depreciation	(93)	(65)	(177)	(190)
Results from operating activities	3,586	11,592	19,797	15,269
Increase in FV of investment property	-	21,594	-	-
Share of loss from equity accounted investments	(80)	(180)	(149)	-
Net finance costs	(3,781)	(3,729)	(4,833)	(5,135)
Net fair value gain on interest rate swaps	145	30	-	-
Gain in Foreign Exchange	-	-	-	127
Profit / (Loss) before tax	(130)	29,307	14,815	10,261
Tax (expense) income	356	(23)	(283)	(308)
Deferred tax on FV adjustment	-	(7,558)	-	-
Net Profit for the year	226	21,726	14,532	9,953

FY2017 – FY2019 Review

Over the past three years, MIH experienced rather contrasting results, yet with significant year-on-year improvements, due to the political unrest in Libya and the fluctuations in the price of oil, which has in turn caused wild swings of volatility in terms of business. Nevertheless, the current trend seems to be a positive one as occupancy levels within Palm City continued to rise. In fact, several foreign companies have begun to gradually return to Libya and increase their presence and operations albeit with caution and at different levels.

On the back of an increase in occupancy of the units within Palm City Residences, revenue increased from €8.4 million in FY2017 to €27.3 million for FY2019. The average rate commanded for the leased out units increased over the years, from €8,500 in FY2017 to €8,850 in FY2019. *More detail on the revenue generation of Palm City Residences is included in section 5.2 of this report.*

In consequence of the increased business, operating expenses increased by 58.6% to €4.8 million in FY2018 from €3.0 million in FY2017, and a further 9.3% increase in FY2019 to €5.3 million. The significant rise in FY2018 was mainly due to expenses made by the Company to cater for the increase in client intake as well as other necessary operational costs which were non-recurring. Nonetheless, this increase in operating expenses was far lower than the increase in revenues during the period under review, reflecting management's efforts at keeping costs under strict control but without sacrificing the necessary investments in security which remains a top priority for MIH at Palm City.

Administrative expenses and marketing costs were generally contained in FY2019 at the same levels of FY2018, following the increase in expenses incurred in FY2018 relative to the increase in administrative salaries and wages and general overhead costs that had to be incurred in cognisance of the increased level of business.

As a result of the improved occupancy levels and the generally contained expenses, EBITDA margin improved from 42.3% in FY2017 to 61.8% in FY2018 and further to 71.5% in FY2019. After accounting for depreciation charges and other income, the operating profit stood at €19.8 million in FY2019, up from €11.6 million in FY2018 and €3.6 million in FY2017.

The improved level of occupancy in FY2018 led to a fair value adjustment to MIH's investment property (Palm City Residences) which amounted to €21.6 million (before accounting for deferred tax), following a very significant impairment of €61.2 million back in FY2014. No fair value adjustments were made in either of FY2017 and FY2019.

Net finance costs include the interest costs payable by MIH on the outstanding bonds in issue, bank borrowings and shareholders' loans, netted against income generated from interest on deposits and exchange differences. In view of the decrease in bank loans during FY2019 due to capital repayments, interest costs on such loans was also lower.

Meanwhile, however, the exchange differences netted off against finance costs were lower for FY2019 when compared to each of FY2017 and FY2019, resulting in an increase in the net finance costs for the Company for FY2019.

MIH recorded a pre-tax profit in the last two years – in FY2019 this was of €14.8 million, while in FY2018 this was of €29.3 million, of which €21.6 million reflected the revaluation uplift of Palm City Residences.

Forecast FY2020

As explained earlier on in this section, management expect average occupancy levels to be marginally lower in FY2020, at 46.1% (FY2019: 55.2%) in view of the immediate impact of COVID-19, particularly on the short-term leases which are those more susceptible to travel restrictions and limitations related to essential services. As a result, the Company is expected to record a net profit for the year of €10 million, with marginal containment of direct costs envisaged for the year.

8.2 Statement of Financial Position

	Actual FY2017 €'000	Actual FY2018 €'000	Actual FY2019 €'000	Forecast FY2020 €'000
Non-current assets				
Intangible assets	2	2	2	2
Investment property	250,268	271,977	272,542	273,312
Property, plant and equipment	8,789	8,864	9,511	9,459
Investments accounted for using the equity method	12,603	12,761	12,790	12,790
Lease prepayment	400	392	-	-
Total non-current assets	272,062	293,996	294,845	295,563
Current assets				
Inventories	653	948	1,005	1,027
Trade and other receivables	2,863	4,107	5,874	7,420
Cash and cash equivalents	4,904	9,879	13,158	19,792
Taxation recoverable	-	-	309	619
Total current assets	8,420	14,934	20,347	28,858
Total assets	280,483	308,930	315,192	324,421
Equity				
Share capital	48,002	48,002	48,002	48,002
Retained earnings	82,525	104,708	119,479	129,432
Total equity	130,527	152,710	167,481	177,434
Non-current liabilities				
Bank & other borrowings	12,898	9,242	5,000	5,000
Bonds	82,424	82,540	51,663	82,349
Shareholders' loan	10,203	9,203	5,203	5,203
Other non-current liabilities	825	2,693	2,715	3,225
Deferred tax liability	29,127	36,358	36,177	36,177
Total non-current liabilities	135,478	140,037	100,759	131,955
Total non-current liabilities				
Bank borrowings	2,635	3,624	3,511	849
Bonds	-	-	29,408	-
Derivative financial instruments	30	-	-	-
Trade and other payables	10,513	11,556	13,399	13,846
Lease liability	-	-	117	-
Current taxation	1,300	1,003	517	337
Total current liabilities	14,478	16,183	46,951	15,032
Total liabilities	149,956	156,220	147,710	146,987
Total equity and liabilities	280,483	308,930	315,192	324,421

FY2017 – FY2019 Review

The Company's asset base improved by 10% between FY2017 and FY2018, reflecting mainly the revaluation of the Palm City Residences during the year. The increase in FY2019 reflects the additional cash buffers available at the end of the financial year and the increase in trade receivables reflective of the improved occupancy levels, as well as the improvements made by PCL on the residences as continued maintenance and update of the security features were incurred surrounding the premises.

Equity continued to improve in all three years under review – the increase in both FY2018 and FY2019 reflect the improved profitability retained by the MIH group, with FY2018 increase including also the effect of the revaluation of the Palm City Residences.

On the liabilities side, the main components are two – trade and other payables and debt instruments. Trade and other payables consist of accrued interest and expenses, dues to related parties, deferred income related to lease renewals and security deposits owed to tenants. Most of these components are directly related to revenue generation, and as such, the increase in occupancy over the years is evident also in the increase in trade and other payables.

On the debt side, MIH's obligations can be split as follows:

	Actual FY2017	Actual FY2018	Actual FY2019
	€'000	€'000	€'000
Bank Borrowings	15,533	12,865	8,511
Bonds	82,424	82,540	81,071
Shareholders' Loans	10,203	9,203	5,203
	108,160	104,609	94,786
Cash & cash equivalents	(4,904)	(9,879)	(13,158)
Net Debt	103,256	94,730	81,627

Source: MIH's Statement of Financial Position

As indicated earlier, the Company reduced its level of borrowings over the years and reliance on shareholder support reduced in line with the Company's ability to service its obligations from cash generated from operations, resulting in the partial repayment of shareholders' loans. Furthermore, MIH has been accumulating a significant amount of cash balances and as at the end of the three-year period, had a net debt of €81.6 million (as opposed to the €103.3 million at the end of FY2017).

Forecasts FY2020

MIH's statement of financial position leading to 31 December 2020 is expected to be marginally different to that of FY2019. The notable changes are in the cash and equivalents, as the Company is expected to service its interest costs and repay part of its bank borrowings. Total assets as at the end of FY2020 are expected to amount to €324.4 million (FY2019: €315.2 million). The assumptions provided by management also envisage a re-issue of a bond on the capital market in Malta to replace the maturing one, to the tune of €20 million. The Company also has a bond of €11 million which is unlisted and placed privately. This is also due to mature in FY2020, however, management advised that negotiations are ongoing for the unlisted bond to be extended by a further three years under the same existing terms. As such, borrowings will decline by €2.6 million – all related to a reduction in bank borrowings. Equity is expected to reflect the profits made and retained for FY2020, increasing to €177.4 million (FY2019: €167.5 million), which is in the main supported by an increase in cash balances of €6.7 million.

8.3 Cash Flow Statement

	Actual FY2017 €'000	Actual FY2018 €'000	Actual FY2019 €'000	Forecast FY2020 €'000
Net cash from operating activities	6,103	14,019	18,776	14,186
Net cash used in investing activities	(313)	(253)	(753)	(908)
Net cash used in financing activities	(2,327)	(9,217)	(15,450)	(6,565)
Net increase in cash and cash equivalents	3,463	4,549	2,574	6,713
Cash and cash equivalents b/fwd	1,497	4,902	9,854	13,077
Cash and cash equivalents c/fwd before the effect of foreign exchange rate changes	4,960	9,451	12,427	19,790
Effect of foreign exchange rate changes	(58)	403	650	-
Cash and cash equivalents c/fwd	4,902	9,854	13,077	19,790

FY2017 – FY2019 Review

MIH's cash position continued to improve over the years under review, in line with the increase in business activity and profitability that PCL has been experiencing over the years. By the end of FY2019, MIH had €13.1 million in cash and cash equivalents. This improvement in cash flows from operations came as a result of the combined effect of increases in average rates being charged by PCL for each unit leased out and an increased level of occupancy which is also evident in the Company's stronger EBITDA figure.

Cash used by the Company in its investing activities was rather minimal, as PCL sought to maintain the upkeep the gated residences up to standard. No other investments took place by the MIH group other than at PCL.

Apart from servicing its loans and bond interest costs (which were €5.8 million in FY2017, €5.5 million in FY2018 and €5.3 million in FY2019), MIH paid back circa €13.3 million of its debts during the three years under review, through a mix of bank loan repayments, partial repayment of shareholders' loans and bonds buy-back on the Malta Stock Exchange.

Forecast FY2020

As indicated earlier, the Company's operations in FY2020 are expected to be reflective of the pandemic effect. As such, cash flows from operations are forecasted to be lower than FY2019, at €14.2 million. In terms of capex, management does not expect any major expenditure, with the €1 million spend in maintenance costs is expected to be incurred for the upkeeping of the Palm City Residences⁸. Furthermore, in terms of financing activities, MIH remains committed to servicing its finance costs and reduce its bank borrowings and it is forecasted that the Company will make €6.6 million in net payments related to its debt obligations (net of €1.1 million of bond proceeds). As such, the cash position of MIH at the end of FY2020 is expected improve further and reach €19.8 million.

8.4 Financial Ratios and Key Metrics

The below are a set of key financial ratios and metrics applicable to the Company.

Profitability Ratios

NB: where the returns are negative, the ratio cannot be commented upon and as such is marked as 'n/a'.

Key profitability ratios of MIH improved materially in FY2018 and FY2019 when compared to FY2017. The improved level of average occupancy achieved during the years contributed healthy margins even when FY2018 profitability figures are adjusted for the revaluation of the Palm City Residences. The interest cover for both FY2018 and FY2019 continue to indicate the Company's ability to generate enough EBITDA to well cover its debt service obligations, as the key metric rose to 3.13 times in FY2018 and 4.04 times in FY2019, well above the FY2017 figure of 0.94 times.

⁸Palm City Residences is classified as an investment property. As such, the property is not depreciated but subject to a revaluation. And any replacements of capex nature are expensed through income statement. The Company only capitalises improvements to the premises or additions in terms of new items

While profitability metrics are expected to be marginally subdued in view of the expected impact of COVID on occupancies for FY2020, the debt servicing coverage remains healthy and thereby MIH is not expected to have to rely on shareholders' support over the coming period.

	Actual FY2017	Actual FY2018	Actual FY2019	Forecast FY2020
Gross Profit margin <i>(Gross Profit / Revenue)</i>	63.75%	74.51%	80.72%	79.13%
EBITDA margin <i>(EBITDA / Revenue)</i>	42.30%	61.81%	71.54%	69.38%
Operating Profit margin <i>(Operating Profit / Revenue)</i>	42.90%	61.46%	72.62%	69.93%
Net Profit margin (NPM) <i>(Net Profit for the period / Revenue)</i>	2.71%	115.20%*	53.30%	45.58%
Return on Equity (ROE) <i>(Net Profit / Average Equity of the Company)</i>	0.17%	15.43%*	9.08%	5.77%
Return on Capital Employed <i>(Net Profit / Average Capital Employed)</i>	0.10%	8.76%*	5.59%	3.73%
Return on Assets (ROA) <i>(Net Profit / Average Assets)</i>	0.08%	7.37%*	4.66%	3.11%
Interest Coverage Ratio <i>(EBITDA / Net Finance Costs)</i>	0.94x	3.13x	4.04x	2.95x

Adjusted figures

**The FY2018 ratios marked with an asterix were computed using figures as published in the Company's annual statements, which also include a property uplift. The workings below aim to re-compute ROA, ROE and NPM using normalised profits, by eliminating the effect of the revaluation of the property and the related deferred tax element.*

Changes to Income Statement (Net Profit)

	FY2018
Profit / (Loss) after tax (as per Income Statement)	21,726
Revaluation of IP	(21,594)
Deferred Tax re revaluation of IP	7,558
Net Profit / (Loss) for the year	7,690

Changes to Balance Sheet (vis-à-vis normalised profit)

	FY2018
Total Equity as per FS	152,710
Net Profit as per FS	(21,726)
Adjusted Net Profit	7,690
Adjusted Total Equity	138,674
Total Assets as per FS	308,930
Equity as per FS	(152,710)
Adjusted Equity	138,674
Adjusted Total Assets	294,894

Using the above figures, the adjusted ROA, ROE and NPM would be: 2.67%, 5.7% and 40.8%, respectively

Liquidity Ratios

	Actual FY2017	Actual FY2018	Actual FY2019	Forecast FY2020
Current Ratio <i>(Current Assets / Current Liabilities)</i>	0.58x	0.92x	0.43x	1.92x
Cash Ratio <i>(Cash & cash equivalents / Current Liabilities)</i>	0.34x	0.61x	0.28x	1.32x

The Group's current ratio, representing the amount of current assets available to settle short-term liabilities, has been below one for the past 3 years. The FY2019 is further burdened by the reclassification to current liabilities of two bonds which are up for maturity during FY2020 – for a total of €29.4 million. The Company is seeking to issue a new bond to re-finance the €20 million bond (outstanding: €18.4 million) while it is in negotiations with the bondholders of the privately placed €11 million bond to extend the maturity of this debt by a further three years (the negotiations indicate that there is acceptance of the bondholders to extend for a further three years). Excluding the effect of these upcoming bonds, the Company's current and cash ratios would have improved in FY2019 over those of FY2018, also in view of the cash that the Company managed to generate from its improved operations. This is also expected to be the case in FY2020.

Solvency Ratios

The Company's net debt continued to improve further. Such decline was supported by the fact that the Company generated additional cash that allowed it to build a significant buffer, part of which was used for the partial repayment of bank and shareholders' loans.

Furthermore, the mix of funding sources has enabled MIH to keep its level of gearing at very acceptable levels. This is also expected to be the case for FY2020.

	Actual FY2017	Actual FY2018	Actual FY2019	Forecast FY2020
Gearing Ratio (1) <i>(Net debt / Total Equity)</i>	0.79x	0.62x	0.49x	0.41x
Gearing Ratio (2) <i>[Total debt / (Total Debt plus Total Equity)]</i>	45.31%	40.65%	36.14%	34.49%
Net Debt to EBITDA <i>(Net Debt / EBITDA)</i>	29.21x	8.13x	4.19x	4.86x

9 GUARANTOR'S FINANCIAL INFORMATION

The following is an analysis of the performance, financial position and cash flows of CPHCL. The financial information presented is not the consolidated position of CPHCL but is on a company-basis only. The historic financial information has been sourced from the audited financial statements of CPHCL for the years ended 31 December 2017, 2018 and 2019. The forecasts have been prepared and provided by the company's management.

Business Overview of CPHCL

CPHCL is the holding company of the companies that form part of the Corinthia group – with the main ones being International Hotel Investments plc (“IHI”) and a 50% holding in MIH. It also has a few direct investments in hotel operations and other operations which are linked to hospitality and F&B operations.

IHI is the largest subsidiary company of CPHCL, whose objective is to invest, acquire and develop real estate projects with a principal focus on hospitality assets. Hotel properties owned by IHI are located in Malta, Prague, Lisbon, Libya, Budapest, St Petersburg, and 50% equity stakes in a luxury hotel and an upscale London residential property and in a hotel in Malta and Brussels, the latter going through a development program. IHI operates also the franchise for the Costa brand in Malta and part of Spain and owns Corinthia Caterers – the catering arm. It also owns a plot of land in the north of Malta known as Hal Ferh, to which it has obtained full development permit to develop in a luxury tourist resort.

IHI is also the owner of the Corinthia brand and Corinthia Hotels Limited (CHL) – the latter is a hotel management company that apart from managing IHI's hotels, it also has agreements in place with third-parties to manage four other hotels located in Prague, Budapest, Tunisia and Khartoum. Furthermore, CHL has an arrangement in place with Reuben Brothers to develop and operate a hotel in Rome, with conversion works expected to commence in 2020.

In terms of other subsidiary companies owned directly by CPHCL, the following are determined by management to be the main operating assets:

Aquincum Hotel	Hungary	Hotel	100%
Ramada Plaza	Tunisia	Hotel	100%
Corinthia Investments Limited	United Kingdom	Investment company	100%
Swan Laundry and Dry Cleaning Company Limited	Malta	Dry cleaning	100%
Danish Bakery Limited	Malta	Industrial bakery	65%
Malta Fairs and Conventions Centre Limited	Malta	Events & exhibitions	100%

Since CPHC, as a stand-alone, owns shares in these companies and ventures, the revenue generated from such investments is recognised as investment income. CPHCL also extends loans to a number of its subsidiaries, acting as a treasury operation for the group. Over the years, CPHCL has disposed of some of its assets, as shall be discussed in subsequent parts of this report.

9.1 Income Statement

	Actual FY2017 €'000	Actual FY2018 €'000	Actual FY2019 €'000	Forecast FY2020 €'000
<u>Continuing Operations</u>				
Revenue	-	-	-	-
Net operating expenses	(5,708)	(6,363)	(6,564)	(3,349)
Other income	4,079	1,159	1,443	1,252
Exchange differences	(1,580)	224	(303)	1,008
EBITDA	(3,209)	(4,980)	(5,424)	(1,089)
Depreciation & amortisation	(49)	(39)	(221)	(214)
Credit losses on investments & loans receivable	-	(2,716)	(2,765)	-
Net changes in fair value of contingent consideration	-	85	-	-
Net changes in fair value of indemnification liabilities	210	210	210	(428)
Investment income	11,770	11,269	24,036	15,890
Finance income	229	314	214	183
Finance costs	(5,061)	(5,019)	(4,807)	(4,192)
Gain on disposal of investments	-	-	69,650	-
Gain on sale of fixed assets	-	-	2,400	-
Profit / (loss) before tax	3,890	(876)	83,295	10,150
Tax income (expense)	98	(225)	2,369	-
Profit / (loss) from continuing operations	3,988	(1,101)	85,664	10,150
<u>Discontinued Operations</u>				
Profit / (loss) from discontinued operations	(98)	1,535	-	-
Profit for the year	3,890	434	85,664	10,150

FY2017 – FY2019 Review

As explained earlier, CPHCL does not operate any of its assets directly, but is invested in a number of ventures. As a result, there is no reported revenue for any of the years FY2017 to FY2019. Since it is a holding company of the Corinthia group and acts as a treasury function for the group, CPHCL's operating expenses constitute head office-related costs, primarily staff costs (and related expenses) and management fee payable to International Hotel Investments plc. Other income refers to income generated from management fees charged, which has been stable for the past two years. The decline between FY2017 and FY2018 relate to a one-off gain made in FY2017 on intercompany balances. Given the exposure of CPHCL towards subsidiaries which are not located within the Eurozone, the company recognises the impact that unhedged foreign currency exposures have on the company's performance. The company notes these exposures to be in Sterling (GBP), Tunisian Dinar, Hungarian Forint and Czech Koruna.

In view of the characteristics of the company's business model, EBITDA was negative across the historic period under review. Notwithstanding, CPHCL reported investment income received from its investment in a number of subsidiaries which is in the form of dividend. In FY2017, the majority of the investment income came from dividends attributable to the Cypriot subsidiary Comox Enterprises Limited (property company), which distributed approximately €10 million of dividends, offsetting a loan that CPHCL had towards this company. In FY2018, the majority of the investment income came from IHI - €8.4 million – and a further €0.6 million from Pankrac Property Holdings, €0.4 million from Danish Bakery Limited, €0.4 million from Swan Laundry and €1.5 million from CPHCL Investments Limited. In FY2019, investment income increased further to €24 million, comprising €14.9 million of dividends received from Top Spirit (a Czech company acquired in 1998), offset against a balance due by CPHCL to Top Spirit. A further €8.3 million was paid as dividends by IHI, while other distributions amounted to €0.8 million.

In FY2019, the company made a number of disposals. The gain on disposal of fixed assets refer to the sale of fixed assets related to the disposal of Catermax and Corinthia Caterers to IHI.

In terms of disposal of investments, in FY2019, CPHCL also concluded the following disposals:

Gain on Disposal of Investments – FY2019 (A)

	€'000
Disposal of investment in Pankrac Property Holding*	71,635
Loss on sale of Corinthia Caterers	(1,364)
Loss on sale of Catermax	(58)
Loss re QPM conditional consideration w/o	(563)
	<u>69,650</u>

**The sale of Pankrac Property Holding (PPH) generated a gain on disposal of €71.6 million, which reflects the proceeds of €76.9 million net of investment costs of €3.5million and transaction costs of €1.7million. For cashflow purposes, out of the proceeds of €76.9 million, transaction costs of €1.7million are deducted and the loan repayment by the Guarantor to PPH amounting to €8.8 million is also netted off from the cash consideration.*

In FY2018, CPHCL recognised impairments and write-offs on credit balances receivable from its subsidiaries amounting to €2.7 million, while the figure for FY2019 was of €2.8 million, representing the full impairment of the loan receivable from Corinthia Palace Holdings Limited. No such impairments were necessary in FY2017. Finance costs hovered around the €5 million mark in each of the years under review.

FY2019 was a record year for CPHCL, recognising a profit from continued operations of €85.7 million (FY2017: €3.9 million and FY2018: Loss of €1.1 million).

Meanwhile, a decision was made in FY2017 to sell the Corinthia Palace Hotel in Attard, which as a result was classified as an Asset Held for Sale in the company's balance sheet. This sale was finalised in FY2018, when the company sold the hotel to IHI. The profit / losses realised from this operation were recognised under Discontinued Operations in the Income Statement. From such sale, the company recognised a profit on disposal of €1.8 million, netted off against a loss of €0.3 million the hotel made in the year, resulting in a profit after tax from discontinued operations in FY2018 of €1.5 million.

Forecast FY2020

Revenue for FY2020 is expected to be characterised by dividends receivable from Panorama a.s. and Acquincum Hotel which will account for €15.5 million out of the total €15.9 million receivable during the year – the dividend will not be received in cash but will be net off against existing loan balances that the respective companies have with CPHCL. This revenue is expected to well cover the company's expenses for the year, primarily finance costs and administrative expenses, resulting in a net profit of €10.2 million (taxation is expected to be nil in FY2020). No sale of assets is forecasted to happen during FY2020.

9.2 Statement of Financial Position

	Actual FY2017 €'000	Actual FY2018 €'000	Actual FY2019 €'000	Forecast FY2020 €'000
Assets				
Non-Current				
Investment Property	820	820	820	820
Property, Plant & Equipment (PPE)	182	148	387	176
Investment in Subsidiaries, Associates & JVs	421,602	415,095	404,531	414,674
Deferred Tax Assets	-	2,751	3,555	3,555
Trade & Other Receivables	484	1,030	-	-
	423,088	419,844	409,293	419,225
Current				
Inventories	590	-	-	-
Trade & Other Receivables	15,140	8,273	9,108	9,339
Current Tax Assets	-	1,095	2,570	1,185
Financial Assets - Investments	-	-	1,186	4,035
Cash & Equivalents	61	2,809	46,590	26,684
	15,791	12,177	59,428	41,244
Assets classified as held for sale	25,971	-	-	-
	41,762	12,177	59,428	41,244
Total Assets	464,850	432,021	468,721	460,468
Equity & Liabilities				
Equity				
Issued Capital	20,000	20,000	20,000	20,000
Other Reserves	19,220	21,617	21,617	21,617
Retained Earnings	215,317	205,951	268,615	278,737
	254,537	247,568	310,232	320,354
Liabilities				
Non-Current				
Bank Borrowings	1,691	4,032	3,306	3,038
Other Borrowings	125,705	134,195	116,517	98,487
Deferred Tax Liabilities	33	-	-	-
Indemnification Liabilities	23,816	23,606	23,395	23,395
	151,245	161,833	143,219	124,920
Current				
Bank Borrowings	10,970	10,970	1,290	1,286
Other Borrowings	22,687	947	1,155	947
Current Tax Liabilities	995	-	-	-
Trade & Other Payables	24,416	19,875	12,402	12,959
	59,068	22,620	14,847	15,192
Total Liabilities	210,313	184,453	158,489	140,113
Total Equity & Liabilities	464,850	432,021	468,721	460,468

FY2017 – FY2020 Review

Total assets by the end of the period under review stood at €468.7 million, of which €312.6 million was attributable to the value of IHI (over 66% of total assets). A split between what constitutes equity value of the investment in subsidiaries and associates / joint ventures and loans receivable from them is included hereunder:

	FY2017 (A) €'000	FY2018 (A) €'000	FY2019 (A) €'000
Equity			
Subsidiary Companies			
Corinthia Investments Limited	13,867	13,867	13,867
International Hotel Investments plc	312,593	312,593	312,593
Amber Hotels s.r.o.	3,261	3,261	2,537
Corinthia Construction (Overseas) Limited	3,382	2,173	2,173
Corinthia Finance plc	250	250	250
CPHCL Investments Limited	663	663	663
Danish Bakery Limited	879	879	879
Flight Catering Company Limited	521	521	-
Konopiste Property Holding s.r.o.	1,561	1,561	1,561
Marsa Investments Limited	3,888	3,888	3,888
Pankrac Property Holdings s.r.o.	3,532	3,532	-
Swan Laundry & Dry Cleaning Limited	521	521	521
Top Spirit a.s.	15,564	15,564	15,564
Other Subsidiaries	24	24	24
	373,739	372,530	367,753
Associates & JVs			
Café Jubilee ZRT	179	-	-
Mediterranean Investments Holding plc	24,002	24,002	24,002
	24,181	24,002	24,002
	397,920	396,532	391,755
Loans Receivables			
Subsidiaries			
Amber Hotels s.r.o.	246	248	-
Corinthia Construction (Overseas) Limited	5,392	-	-
Corinthia Holding Overseas Limited	1,993	5,965	5,965
Corinthia Palace Holdings Limited	5,591	2,700	-
Flight Catering Company Limited	1,000	1,000	-
HNS Consultancy Limited	-	320	420
Konopiste Property Holding s.r.o.	2,617	2,843	2,903
Societe de Promotion Hoteliere Khamsa S.A.	1,680	883	883
	18,519	13,959	10,171
Associates & JVs			
BCW	2	-	-
Café Jubilee SRT	58	-	-
Mediterranean Investments Holding plc	5,102	4,602	2,602
	5,162	4,602	2,602
	23,681	18,561	12,773
Total Investment*	421,601	415,093	404,528

*subject to rounding differences to SFP figures.

Main developments in the investment portfolio:

- FY2019 – full disposal of Pankrac Property Holdings s.r.o. [€3.5 million]
- FY2019 – full disposal of Flight Catering Company Limited [€0.5 million]
- FY2019 – impairment of Amber Hotels s.r.o. due to a capital reduction exercise [€0.7 million]
- FY2018 – impairment of Corinthia Construction (Overseas) Limited [€1.2 million]
- FY2018 – impairment of full investment in Café Jubilee [€0.2 million]

In FY2018, CPHCL adopted IFRS 9 – Financial Instruments. This accounting standard requires companies to assess their loans receivables on a forward-looking basis vis-à-vis the expected credit losses associated with the said debt instrument. A retrospective one-off adjustment was recognised in retained earnings for a total of €6.8 million on FY2017 balances. Furthermore, following IFRS 9 assessments in FY2018 and FY2019, the following were the main changes:

- FY2018 – exposure to Corinthia Palace Holdings Limited increased from €5.6 million to €7.2 million but the end of year assessment resulted in an impairment of €4.5 million
- FY2018 – impairment of €0.8 million of the loan receivable from Societe de Promotion Hoteliere Khamsa
- FY2018 – impairment of €1.4 million of the loan receivable from Corinthia Holding Overseas Limited
- FY2018 – full impairment of the receivables of Café Jubilee [€58,000] and BCW [€2,000]
- FY2018 – intercompany set off of €5.4 million between Corinthia Holding (Overseas) Limited and Corinthia Construction (Overseas) Limited
- FY2019 – full impairment of €2.8 million of the loan receivable from Corinthia Palace Holdings Limited

The investment property on the company's balance sheet comprises two sites owned by CPHCL in Libya, while PPE includes the building occupied by CPHCL net of annual depreciation charges. Deferred tax assets relate to the unutilised tax losses and unabsorbed capital allowances for FY2018. In FY2019, this increased further relating to the tax on future dividends receivable from IHI.

In FY2017, the company reclassified three properties as held for sale – two hotels in Turkey and the Corinthia Palace Hotel in Attard, Malta. The two Turkish hotels are owned but not operated by Corinthia group and the decision to dispose these assets was taken in view of the fact that these did not meet the luxury standard operated by the group. The hotel in Attard was reclassified as held for sale as the company had plans to sell this to its subsidiary – IHI. In terms of trade and other receivables, the majority of these are owed from subsidiary companies.

The company's equity base is made up as follows:

	FY2017 (A)	FY2018 (A)	FY2019 (A)
	€'000	€'000	€'000
Issued Share Capital	20,000	20,000	20,000
Translation Reserves	2,950	2,950	2,950
Revaluation Reserves	16,270	18,667	18,667
Retained Earnings	215,317	205,951	268,615
	254,537	247,568	310,232

The changes over the year for the equity components related to:

- FY2018 – €2.4 million were reclassified to the revaluation reserve from deferred tax liability following the sale of the Corinthia Palace Hotel in Attard
- FY2017 to FY2019 – retained earnings increased by €53.3 million, reflecting the profitability of the company during the course of these years

CPHCL's indebtedness is made up of borrowings from banks and other interest-bearing borrowings from group companies and related parties. Bank borrowings have inherently constituted less than 10% of the company's borrowings, while the remainder were balances dues to related parties and group companies. The level of borrowings that the company had at the end of the three years under review was €38.9 million lower than that as at the end of FY2017, reflecting a series of repayments made over the years as well as set offs of dues with other inter-company receivables.

The company also has a substantial level of trade & other payables, which in the main is attributable to payables to related parties, particularly subsidiaries. The level of trade & other payables has declined over the years, from €24.4 million as at the end of FY2017 to €12.4 million by the end of FY2019.

On its balance sheet, CPHCL has a balance referred to as 'indemnification liabilities'. These relate to tax liabilities that would have arisen on the gain registered by CPHCL if a transfer of certain property assets / investments would have been made outside the Corinthia group rather than to IHI as a related group company. To this effect, the sale of two investments in 2007 – IHI Towers s.r.o. and Corinthia Towers Tripoli Limited – from CPHCL to IHI were indemnified from any future tax the latter may incur if IHI had to transfer the investments to a third party. If that happens, CPHCL will be liable to pay for the tax due on the original transfer price instead of IHI.

Forecast FY2020

As stated earlier, FY2020 is not expected to feature any divestment of assets. As such, the composition of the statement of financial position is not expected to be materially different, albeit there will be additional loans advanced by CPHCL to IHI of €9 million and a further €1.4 million to other subsidiaries, bringing the total investment in subsidiaries and associates to €414.4 million. The company intends to make use of any funds in the sinking fund (pertaining to Corinthia Finance plc) to purchase marketable investments, expected to be in the region of €1.2 million.

The €460.5 million total assets are expected to be supported by total equity of €320.4 million (FY2019: €310.2 million) the increase reflecting the profits expected to be made and retained in FY2020. Borrowings are expected to continue to decline further, reflecting the cash position of the company that allows it to gradually continue to reduce its bank borrowings over the coming years.

9.3 Cash Flow Statements

	Actual FY2017 €'000	Actual FY 2018 €'000	Actual FY 2019 €'000	Forecast FY 2020 €'000
Net cash used in operating activities	(8,176)	(6,975)	(17,024)	(1,121)
Net cash (used in) / generated from investing activities	(3,056)	29,977	77,899	390
Net cash generated from / (used in) financing activities	7,547	(11,011)	(17,051)	(19,175)
Net change in cash & equivalents	(3,685)	11,991	43,824	(19,906)
Cash & equivalents at beginning of year	(5,540)	(9,225)	2,766	46,590
Cash & equivalents at end of year	(3,685)	2,766	46,590	26,684
Overdraft	9286	43	4	-
Cash & Equivalents (tallying to SFP)	61	2,809	46,590	26,684

FY2017 – FY2019 Review

After adjusting for non-cash charges to the company's profit figures for the years under review and working capital movements, the cash flows used in operations moved from an outflow of €8.2 million in FY2017 to €7.0 million in FY2018 and increased again to €23.6 million in FY2019 as the company settled €9.7 million payable to IHI.

In terms of investing activities, the company had a net cash outflow position of €3.1 million as at the end of FY2017 as it extended a loan to a subsidiary for €3.6 million and paid a further €1.5 million for refurbishment works carried out at the Corinthia Palace Hotel and netted off by a dividend received of €1.7 million. In FY2018, investing activities were characterised by dividends received of €6.6 million, a net increase in loans to subsidiaries of approximately €3 million, and €26 million net proceeds from the sale of the Corinthia Palace Hotel in Attard. In FY2019, the company recognised a net inflow from investing activities. Again, the proceeds from the disposal of the company's investment in Pankrac Property Holdings relating to the sale of the Panorama Hotel were received, resulting in an injection of €66.4 million. These were augmented by dividends received for the year to the tune of €8 million, receipt of €2.4 million relating to the sale of intangible assets and net receipt of loan repayments from associates amounting to €2 million.

In FY2017, the company's financing activities were in the main the result of a repayment of a loan by related parties amounting to €7.9 million, netted off by a net outflow in relation to bank borrowings. In FY2018, there was another loan received from related parties of €7.3 million, although the company made a payment of €20.7 million in relation to loans from related party, resulting in a net cash used in financing activities of €13.3 million, after accounting for a further net cash inflow from bank borrowings of €2.4 million. FY2019 cash outflows used in financing activities was characterised by a €12.1 million loan repayable to shareholders, a payment of €5.9 million to Corinthia Finance plc as guarantor to the 6% bond the latter redeemed in 2019, receipts of €2.2 million from related parties and €1.8 million payable to the banks, netted off by €0.6 million drawdown of further bank borrowings.

The final cash position of the company at the end of FY2019 was €46.6 million.

Forecast FY2020

CPHCL is expected to have a closing cash balance of €26.7 million after extending additional loans to its subsidiaries and the gradual repayment of bank facilities. Cash flows will be supported by the dividend receivable from the subsidiaries although this does not include any reliance on any dividends from IHI or MIH.

9.4 Ratios – Guarantor

Since CPHCL, as a stand-alone, owns shares in Corinthia group companies and ventures, the revenue generated from such investments is recognised as investment income, which is not revenue and nor does it sit above the EBITDA line given the one-off nature of such income (dividends and sale proceeds from disposal of assets are not classifiable as ‘operations’ and as such in view of their one-off nature, would not form part of operating income). As a result, a number of ratios typically produced to calculate performance metrics and margins cannot be computed. In consequence, the below ratios are those which apply to this company.

The company’s profitability ratios are characterised by the volatility of the income generated in any given year, which is not dependent on the company but on the performance of the underlying investments and any disposals made during the year. FY2020 is expected to be a year which will not feature any disposal.

	FY2017 (A)	FY2018 (A)	FY2019 (A)	FY2020 (F)
Return on Equity <i>(Net Profit / Average Equity of the Company)</i>	1.54%	0.17%	30.71%	3.22%
Return on Capital Employed <i>(Net Profit / Average Capital Employed)</i>	1.17%	0.11%	20.86%	2.37%
Return on Assets <i>(Net Profit / Average Assets)</i>	0.84%	0.10%	19.02%	2.18%

The disposal of assets during FY2019 boosted the company’s cash balances, which resulted in an improvement in the company’s solvency ratios. These ratios are also expected to remain substantially healthy in FY2020.

	FY2017 (A)	FY2018 (A)	FY2019 (A)	FY2020 (F)
Current Ratio <i>(Current Assets / Current Liabilities)</i>	0.71x	0.54x	4.00x	2.71x
Cash Ratio <i>(Cash & cash equivalents / Current Liabilities)</i>	0.00x	0.12x	3.14x	1.76x

The company’s gearing levels have been improving year on year, in cognisance of the profits made and retained within the company as well as the gradual repayment of debts from the improved cash balances following the disposals made. The company’s gearing ratios are expected to improve further in FY2020, despite the fact that there will not be any further disposals during the current financial year.

	FY2017 (A)	FY2018 (A)	FY2019 (A)	FY2020 (F)
Gearing Ratio (1) <i>(Net debt / Total Equity)</i>	0.63x	0.56x	0.25x	0.24x
Gearing Ratio (2) <i>[Total debt / (Total Debt plus Total Equity)]</i>	38.75%	36.28%	28.34%	24.46%

PART C LISTED SECURITIES

MIH is 50% owned by CPHCL which in turn is also the parent company of IHI plc and Corinthia Finance plc. Below is a list of all outstanding debt listed on the local capital market of each of MIH, IHI and Corinthia Finance.

Mediterranean Investments Holding plc

The issued bonds of MIH as at the date of this Analysis are listed hereunder.

ISIN	Bond Amount	Coupon	Prospectus Date	Maturity Date
MT0000371279	€20 million*	5.50%	1 July 2015	31 July 2020
Unlisted Bond	€11 million	6.00%	18 September 2015	3 October 2020
MT0000371261	€12 million	6.00%	2 June 2014	22 June 2021
MT0000371287	€40 million	5.00%	29 May 2017	6 July 2022

**Amount outstanding as at the date of this report: €18.4 million*

Other Related Party Bond Issues

Corinthia Finance plc

MT0000101262	€40,000,000	4.25% Corinthia Finance plc 2026
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International Hotel Investments plc

MT0000111279	€20,000,000	5.80% International Hotel Investments plc 2021
MT0000111287	€10,000,000	5.80% International Hotel Investments plc 2023
MT0000481227	€35,000,000	6.00% International Hotel Investments plc 2024
MT0000111295	€45,000,000	5.75% International Hotel Investments plc 2025
MT0000111303	€55,000,000	4.00% International Hotel Investments plc 2026 (Secured)
MT0000111311	€60,000,000	4.00% International Hotel Investments plc 2026
	€225,000,000	

Total outstanding debt listed on the local capital market of MIH, IHI and Corinthia Finance amounts to €306.8 million, net of sinking fund provisions.

IHI plc has its 615,684,920 ordinary shares with a nominal value of €1 each listed on the Malta Stock Exchange.

PART D COMPARATIVES

The table below compares the Company's bonds with other local corporate bonds having broadly similar maturities. The list excludes issues by financial institutions. The comparative set includes local groups whose assets, strategy and level of operations vary significantly from those of the Company and are therefore not directly comparable. Nevertheless, the table below provides a sample of some comparatives:

Bond Details	Outstanding Amount (€)	Total Assets	Total Equity	Gearing **	Net Debt to EBITDA	Interest Cover	YTM (as at 15.06.2020)
6.00% Med. Inv Holding plc 2021	12,000,000	315,191,762	167,481,413	32.77%	4.01	4.21	6.00%
5.80% Int. Hotel Investments plc 2021*	20,000,000	1,617,853,000	877,620,000	36.98%	7.75	3.22	4.72%
5.75% Central Business Centre plc 2021	3,000,000	29,538,961	16,552,695	41.40%	13.16	4.25	4.05%
6.00% Pendergardens Developments plc 2022	26,921,000	81,524,000	28,343,000	54.25%	5.29	3.75	3.51%
5.00% Med. Inv Holding plc 2022	40,000,000	315,191,762	167,481,413	32.77%	4.01	4.21	5.53%
5.80% Int. Hotel Investments plc 2023*	10,000,000	1,617,853,000	877,620,000	36.98%	7.75	3.22	5.78%
6.00% Medserv plc 30.09.2020/23	20,000,000	154,685,386	14,768,232	78.62%	4.27	2.25	6.10%
4.25% GAP Group plc 2023*	19,433,000	55,237,000	9,869,000	79.79%	5.57	4.44	3.85%
5.50% Med. Inv Holding plc 2023	20,000,000	315,191,762	167,481,413	32.77%	4.01	4.21	5.50%

Source: Yield to Maturity from rizzofarrugia.com, based on bond prices of 15 June 2020. Ratio workings and financial information quoted have been based on the respective issuers' published financial data (or their guarantors, where and as applicable) - * The financial data of these companies relate to FY2018 (no FY2019 financial statements were available as at 15 June 2020).

** Gearing: (Net Debt/ Net Debt + Total Equity)

The chart below shows the average yield to maturity of the MIH bonds compared to other corporate bonds listed on the Malta Stock Exchange and benchmarked against the Malta Government Stock yield curve. All the yields presented hereunder are as at 15 June 2020.

Corporate Bond vs Corporate & MGS YTM – as at 15.06.2020

