CORINTHIA FINANCE plc

A member of the Corinthia Group of Companies

REGISTRATION DOCUMENT

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

Dated 18 March 2016

In respect of an issue of €40,000,000 4.25% Unsecured Bonds 2026 of a nominal value of €100 per Bond issued at par by

CORINTHIA FINANCE P.L.C.

A public limited liability company registered in Malta with company registration number C 25104

Guaranteed* by

CORINTHIA PALACE HOTEL COMPANY LIMITED

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

ISIN: MT0000101262

**Prospective investors are to refer to the guarantee contained in Annex A of the Securities Note forming part of the Prospectus for a description of the scope, nature and term of the guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Summary Note, this Registration Document and the Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the guarantee provided by Corinthia Palace Hotel Company Limited.*

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

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

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

APPROVED BY THE DIRECTORS

Joseph Fenech | Anthony R. Curmi | Frank Xerri de Caro | Joseph J. Vella

Legal Counsel: GVTH ADVOCATES

Sponsor & Manager: CHARTS WEALTH MANAGEMENT • CORPORATE BROKING

Registrar: Malta Stock Exchange plc

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IMPORTANT INFORMATION

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

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER, THE GUARANTOR OR THEIR RESPECTIVE DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF 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 ADVISORS.

THE LISTING AUTHORITY ACCEPTS NO RESPONSIBILITY FOR THE CONTENTS OF THE PROSPECTUS, MAKES NO REPRESENTATIONS AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS 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 BONDS MAY NOT BE TAKEN AS AN INDICATION: (I) THAT THE INFORMATION CONTAINED IN THE PROSPECTUS IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER AND/OR GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE PROSPECTUS IS ACCURATE AT ANY TIME SUBSEQUENT TO THE DATE ON WHICH IT IS SUPPLIED OR, IF DIFFERENT, THE DATE INDICATED IN THE DOCUMENT CONTAINING THE SAME.

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 LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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

SAVE FOR THE PUBLIC OFFERING IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURITIES DESCRIBED IN THE SECURITIES NOTE FORMING PART OF THE PROSPECTUS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED THE DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING (THE "PROSPECTUS DIRECTIVE") OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF THE PROSPECTUS DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN THE PROSPECTUS DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF THE PROSPECTUS DIRECTIVE.

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

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

ALL THE ADVISORS TO THE ISSUER AND THE GUARANTOR NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING *"ADVISORS TO THE ISSUER AND GUARANTOR"* IN SUB-SECTION 4.3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

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, 1995 (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 Financial Intermediaries"	the licensed stockbrokers and financial intermediaries listed in Annex B of the Securities Note forming part of the Prospectus;
"Bond/s"	the €40,000,000 unsecured bonds due 2026 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 4.25% per annum, as detailed in the Securities Note. The Bonds are guaranteed by CPHCL;
"Bondholder"	a holder of Bonds;
"CHI Limited"	CHI Limited, a company registered under the laws of Malta having its registered office at 1, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 26086;
"Company" or **"Issuer"**	Corinthia Finance p.l.c., a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 25104;
"Corinthia Group" or **"Group"**	CPHCL (as defined below) and the companies in which CPHCL has a controlling interest;
"CPHCL" or **"Guarantor"**	Corinthia Palace Hotel Company Limited, a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 257. CPHCL is the parent company of the Corinthia Group and is acting as Guarantor in terms of the guarantee contained in Annex A of the Securities Note;
"Directors" or **"Board"**	the directors of the Issuer whose names are set out in sub-section 4.1 of this Registration Document;
"Euro" or **"€"**	the lawful currency of the Republic of Malta;
"Exchange" or **"Malta Stock Exchange"** or **"MSE"**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, 1990 (Chapter 345 of the laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta and bearing company registration number C 42525;

"Exchangeable Bonds"	(i) the 6.25% bonds 2016 - 2019 with ISIN code MT0000101239 due to mature on 23 September 2019 (unless otherwise redeemed at the Issuer's sole discretion on any day falling between and including 24 September 2016 and 22 September 2019), amounting as at the date of issue to €25,000,000, issued by the Issuer pursuant to a prospectus dated 28 August 2009; and (ii) the 6.25% bonds 2016 - 2019 (Second Issue) with ISIN code MT0000101247 due to mature on 23 September 2019 (unless otherwise redeemed at the Issuer's sole discretion on any day falling between and including 24 September 2016 and 22 September 2019), amounting as at the date of issue to €15,000,000, issued by the Issuer pursuant to a prospectus dated 12 February 2010; which bonds were, with effect from 23 September 2010, integrated with one another and deemed to be one bond with ISIN code MT0000101239, amounting as at the date of the Prospectus to €39,927,600;
"Financial Analysis Summary"	the financial analysis summary dated 18 March 2016 compiled by the Sponsor & Manager in line with the applicable requirements of the Listing Authority policies and which is intended to summarise the key financial data set out in the Prospectus appertaining to the Issuer and the Guarantor, a copy of which is reproduced in Annex D of the Securities Note;
"Guarantee"	the suretyship of the Guarantor undertaking to effect payment of interest and capital repayments of any amount due by the Issuer to any Bondholder and which remain unpaid by the Issuer after sixty (60) days of the due date for payment thereof. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex A thereof;
"IHI"	International Hotel Investments p.l.c., a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 26136, and the companies in which IHI has a controlling interest;
"IHGH"	Island Hotels Group Holdings p.l.c., a company registered under the laws of Malta having its registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians STJ 3391, Malta and bearing company registration number C 44855, and the companies in which IHGH has a controlling interest;
"Island Caterers Limited"	Island Caterers Limited, a company registered under the laws of Malta having its registered office at Radisson Blu Resort St. Julians, Louis V. Farrugia Street, St. George's Bay, St. Julians STJ 3391, Malta and bearing company registration number C 9377;
"Istithmar Hotels FZE"	Istithmar Hotels FZE, a company registered under the laws of Dubai having its registered office at PO Box 262080, Level 38, Al Shatha Tower, Media City, Dubai, United Arab Emirates and bearing company registration number 01256L;
"LFICO"	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 Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Chapter 345 of the laws of Malta) by virtue of Legal Notice 1 of 2003;
"Listing Rules"	the listing rules issued by the Listing Authority, as may be amended from time to time;
"Malta Stock Exchange Bye-Laws"	the Malta Stock Exchange p.l.c. bye-laws issued by the authority of the board of directors of Malta Stock Exchange p.l.c., as may be amended from time to time;
"Memorandum and Articles of Association" or **"M&As"**	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;

"MFSA"	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act, 1988 (Chapter 330 of the Laws of Malta);
"MIH"	Mediterranean Investments Holding p.l.c., a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 37513;
"MTJSC"	Medina Tower Joint Stock Company for Real Estate and Development, a joint stock investment company registered under the commercial laws of Libya in accordance with Law No. 5 (1997) as amended by Law No. 7 (2004) and Law No. 9 (2010), having its registered office at Tripoli Tower, Suite 107, Tower 2, Level 10, Tripoli, Libya, and bearing privatisation and investment board number 343;
"Official List"	the list prepared and published by the MSE as its official list in accordance with the Malta Stock Exchange Bye-Laws;
"Palm City" or **"PCL"**	Palm City Ltd, a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 34113;
"Prospectus"	collectively the Summary Note, this Registration Document and the Securities Note, all dated 18 March 2016, as such documents may be amended, updated, replaced and supplemented from time to time;
"Prospectus Directive"	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
"PWL"	Palm Waterfront Ltd, a company registered under the laws of Malta having its registered office at 22, Europa Centre, Floriana FRN 1400, Malta and bearing company registration number C 57155;
"Redemption Date"	12 April 2026;
"Registration Document"	this document dated 18 March 2016 in its entirety, forming part of the Prospectus;
"Regulation"	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus (Text with EEA relevance);
"Securities Note"	the securities note issued by the Issuer dated 18 March 2016, forming part of the Prospectus;
"Sponsor & Manager"	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, an authorised financial intermediary licensed by the MFSA and a member of the MSE;
"Summary Note"	the summary note issued by the Issuer dated 18 March 2016, forming part of the Prospectus;

"The Coffee Company Malta Limited"	The Coffee Company Malta Limited, a limited liability company registered under the laws of Malta with company registration number C 55973 and with registered office at The Penthouse, Papillion Court A, Birbal Street, Balzan BZN 9019, Malta;
"The Coffee Company Spain S.L."	The Coffee Company Spain S.L., a company registered under the laws of Spain with fiscal number (NIF): B66240581 and with registered office at Calle Floridablanca 98, Planta Ent, Puerta 2, 08015, Barcelona, Spain.

All references in this Registration Document 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; and

(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2 RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER AND/OR THE GUARANTOR. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR ARE IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND ON THE ABILITY OF THE ISSUER AND/OR GUARANTOR TO FULFIL THEIR RESPECTIVE OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AND 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 GUARANTOR.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION CONTAINED HEREIN OR SUPPLIED IN CONNECTION WITH SECURITIES ISSUED BY THE ISSUER: (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, OR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE GUARANTOR OR THE SPONSOR & MANAGER OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, 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 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 Guarantor's control.

Important factors that could cause actual results to differ materially from the expectations of the Issuer's and/or Guarantor's directors include those risks identified under this Section 2 and elsewhere in the Prospectus. If any of the risks described were to materialise, they could have a material effect on the Issuer's and/or Guarantor's financial results, trading prospects and the ability of the Issuer and/or Guarantor to fulfil their respective obligations under the securities to be issued in terms of the Prospectus.

Accordingly, the Issuer and Guarantor caution prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ 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.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds will be repayable in full upon maturity, unless the Bonds are previously re-purchased and cancelled. An investment in the Bonds involves certain risks, including those described below.

2.2 GENERAL

Prospective investors in the Bonds must determine the suitability of that investment in the light of their own circumstances. In particular, each prospective investor should:

(i) have 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) have 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) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(iv) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

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

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

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

The loan repayments to be affected by CPHCL or any of its subsidiaries and/or associated companies are subject to certain risks. More specifically, the ability of CPHCL or any of its subsidiaries and/or associated companies to affect payments to the Issuer through CPHCL will depend principally on the cash flows and earnings of CPHCL or any of its subsidiaries and/or associated companies, which may be restricted by: changes in applicable laws and regulations; by the terms of agreements to which they are or may become party; or by other factors beyond the control of the Issuer and/or Guarantor. The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of interest on the Bonds and the repayment of principal when due.

This Registration Document includes information about CPHCL as guarantor to bonds issued by the Issuer during the document's lifetime, to enable a prospective investor to make an informed judgment as to the reliance on the Guarantee.

2.4 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. The hotel industry globally is characterised by strong and increasing competition. 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.

CPHCL's operations and its results are subject to a number of factors that could adversely affect the Group's business, many of which are common to the hotel and real estate industry and beyond the Group's control.

2.4.1 ***Risks relating to the political, economic and social environment of the countries in which the Group operates. Certain countries in which the Group operates may be susceptible to political, economic or social risks not normally encountered in more developed countries***

A number of the companies within the Group have operations situated in emerging markets, specifically Libya, Tunisia and the Russian Federation. Emerging markets present economic and political conditions which differ from those of the more developed markets, thereby possibly resulting in less social, political and economic stability, which could render investments in such markets riskier than investments in more developed markets. Businesses in emerging markets may not be operating in a market-oriented economy as is generally associated with developed markets. The emerging markets in which part of the Group's operations are situated are undergoing and may continue to undergo substantial political, economic and social reform, and the implications and consequences of reform may not be entirely clear at the outset. As the political, economic and social environments in certain countries in which the Group operates remain subject to continuing development, investments in these countries are characterised by a degree of uncertainty. Any unexpected changes in the political, social, economic or other conditions in these countries may have an adverse effect on any investments made. The consequences may be profound and accordingly prospective investors should take into account the unpredictability associated therewith.

Specific country risks more often associated with emerging markets that may have a material impact on the Group's business, operating results, cash flows and financial condition include: acts of warfare and civil unrest; political, social and economic instability; government intervention in the market, including tariffs, protectionism and subsidies; changes in regulatory, taxation and legal structures; difficulties and delays in obtaining permits and consents for operations and developments; inconsistent governmental action and/or lack or poor condition of infrastructure. Furthermore, the legal and judicial systems of certain countries in which the Group operates may be different from those which some investors may be more familiar with in certain civil and common law jurisdictions, and investors in Malta may consider such systems 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 Group may face difficulties in enforcing its legal rights relating to the properties owned in such countries.

The room rates and occupancy levels of hotels forming part of the Group could be adversely impacted by the events set out in this risk factor, all of which could have the effect of reducing domestic or international travel and consequently decreasing the demand for hotel rooms, which may have an adverse impact on the Group's operations and financial results. At present three jurisdictions in which the Group has substantial investments are subject to an increasingly unstable political, economic and social environment. In this regard investors' attention is drawn to the information set out in the following paragraphs of this risk factor with specific reference to Libya, Tunisia and the Russian Federation.

Libya:

The continued instability and state of uncertainty 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's hotel in Tripoli and the Palm City Residences as well as on the financial results of the Group relative to that particular hotel and the Palm City Residences. Economic uncertainty and political risk remain high in Libya with prevalent threats to positive development, including the rising incidence of violent acts resulting from conflicts in several parts of the country. At present extremist groups are gaining control in various regions of the country, with a number of attacks targeting locations visited by foreigners, including diplomatic interests and other symbolic targets. Practically all foreign embassies in Libya have suspended operations and withdrawn their diplomatic staff, and have advised their respective nationals against all unnecessary travel to the country.

Security concerns resulting from the above, as well as regional instability, 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.

Tunisia:

On 26 June 2015, an Islamist mass shooting attack occurred at the tourist resort at Port El Kantaoui (about 10 km north of the city of Sousse, Tunisia), wherein 38 people were killed. Following the attack, the Tunisian authorities increased their security measures but acknowledged the limitations in their ability to counter the terrorist threat. The attack has led a number of countries to advise their nationals against all but essential travel to Tunisia.

Following the aforementioned attack, hotel room rates and package prices were heavily discounted, and holiday companies offered customers the possibility to change their holiday to other destinations or receive a full refund. This general decline in demand and reduction in prices also adversely impacted the Group's hotel in Gammarth (located 20 km north of the city of Tunis, Tunisia), albeit not to the same degree as resort locations in the country. A prolonged security risk situation in the country will adversely affect the future performance and financial position of the Group's hotel in Tunisia.

The Russian Federation:

The intervention by the Russian Federation in Ukraine following the annexation of Crimea to the Russian Federation since 2014 had a negative effect on its international relations - particularly with the EU and the US - and on its prospects for growth. The Russian Federation's actions in Ukraine have elicited international criticism and resulted in the imposition of a series of European and international sanctions on the Russian Federation's financial, defence and energy sectors, which are expected to have an adverse effect on both the political and economic development of the country. These sanctions include, a travel ban imposed to prevent named Russian and Crimean officials, prominent members of the Russian business community and politicians travelling to Canada, the United States, and the European Union; a ban on business transactions with certain specified companies; trade restrictions relating to the Russian energy and defence industries and the freezing of funds and economic resources of certain specified natural and legal persons.

The Russian Federation has been negatively impacted by falling prices of its largest export, oil. Reliance on tax revenues from the oil industry makes the Russian Federation particularly sensitive to price movements. The Rouble has weakened significantly as a result of the foregoing.

The abovementioned negative political or economic factors and trends may continue to negatively affect the operating results of the Group and could also have a material impact on the business of the Group in these regions.

2.4.2 ***Currency fluctuations and other regional economic developments may have a material adverse effect on the Guarantor's business, financial condition and results of operations***

The Group's 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 gains or losses may arise on the realisation of amounts receivable and the settlement of amounts payable in foreign currencies.

The Group'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 at a certain date depend, although in part only, on the prevailing exchange rates of the various currencies 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.

The Group is exposed to the inherent risks of global and regional adverse economic developments that could result in the lowering of revenues and in reduced income. Since 2010, a number of European member states have been implementing austerity measures in an effort to reduce government deficits, with such measures including increases in taxes and reduction in social spending materially affecting disposable incomes.

These measures and any unexpected changes in the political, social or economic conditions of certain countries may reduce leisure and business travel to and from those affected countries, which, in turn, may adversely affect the Group's room rates and/or occupancy levels and other income-generating activities, and could potentially lead to increased costs through increased taxes in those particular countries, ultimately resulting in the deterioration of the Group's business and/or operating results in the affected countries.

2.4.3 *A significant portion of the Guarantor's operating expenses are fixed, which may impede the Guarantor from quickly reacting to changes in its revenue*

A significant portion of the Group's costs are fixed and the Group's operating results are vulnerable to short-term changes in its revenues. The Guarantor's inability to react quickly to changes in its revenue by reducing its operating expenses could have a material adverse effect on its business, financial condition and results of operations.

2.4.4 *Liquidity risk*

The lack of liquidity and alternative uses of real estate investments could significantly limit the Guarantor's ability to respond to adverse changes in the performance of its investments, thereby potentially harming its financial condition. Furthermore, the Guarantor's ability to sell, in a timely fashion, one or more of its investments in response to changing economic, financial and investment conditions, can be limited.

The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond the Guarantor's control.

2.4.5 *The Group is exposed to the risk of failure of its proprietary reservation system and increased competition in reservations infrastructure*

In 2010 the Group set up its own proprietary central reservation system to serve as a central repository for all of the Group's hotel room inventories. The system provides an electronic link between and to multiple sales channels, including Group websites, third-party internet intermediaries and travel agents, Group reservation offices and the Group's hotels. Lack of resilience or failure of the new central reservation system could lead to service disruption and may result in significant interruption in processing room bookings and reservations, which could negatively impact revenues. There can be no assurance that the continued stability of this system will not be disrupted. In addition, inadequate investment in this system or failure to maintain an effective e-commerce strategy may adversely affect the Group's competitiveness and its market share, thereby materially adversely affecting the business, financial condition, results of operations and prospects of the Group.

2.4.6 *The Group's reliance on non-proprietary software systems and third-party information technology providers*

To varying degrees, the Group is reliant upon technologies and operating systems (including IT systems) developed by third parties for the running of its business and accordingly, is exposed to the risk of failures in such systems. Whilst the Group has service level agreements and disaster recovery plans with third-party providers of these systems to ensure continuity and stability of these systems, there can be no assurance that the service or systems will not be disrupted. Disruption to those technologies or systems and/or lack of resilience in operational availability could adversely affect the efficiency of the Group's business, financial condition and/or operating results.

2.5 RISKS RELATING TO PROPERTY ACQUISITIONS AND DEVELOPMENT PROJECTS

The Group may not be able to realise the benefits it expects from investments made in its properties under development

CPHCL's business, either directly or through subsidiaries or associated entities, consists of the acquisition, development and operation of mixed-use real estate projects that consist principally of ownership, development and operation of hotels, residences, offices and retail spaces in its own right including the holding company and/or as a shareholder in other mixed-use hotel ownership and real estate companies, as well as the rental of these spaces to third parties. Property acquisition and development projects are subject to a number of specific risks, including the inability to source adequate funding, cost overruns, insufficiency of resources to complete the projects, sales transactions not materialising at the prices and the pace envisaged resulting in a liquidity strain, rental of commercial areas not being effected at the prices and within the times envisaged, higher interest costs and curtailment of revenue generation. If these risks were to materialise, they would have an adverse impact on CPHCL's revenue generation, cash flows and financial performance.

Furthermore, CPHCL is subject to various counter-party risks, including that of contractors engaged in the demolition, excavation, construction, fit-out and finishing of developments in which CPHCL or its subsidiaries or associated entities may be involved and prospective tenants and/or purchasers defaulting on their obligations. Such parties may fail to perform or default on their obligations due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond CPHCL's control. If such risks, many of which are common to the real estate industry, were to materialise, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

The Group's ability to realise the full benefits that it expects from investments made in properties will depend, in turn, on its ability to assess and minimise these risks in an efficient and cost-effective manner. No assurance can be given that the Group will be able to deal with these risks in an efficient and cost-effective manner.

2.6 RISKS RELATING TO ACQUISITIONS, JOINT VENTURES AND STRATEGIC ALLIANCES

The Group may not be able to realise the benefits it expects from acquisitions, joint ventures and strategic alliances

The Group has been involved in a number of acquisitions, joint ventures and strategic alliances, the most recent transaction being the acquisition of IHGH in 2015. The Group expects to continue to enter into similar transactions as part of its long-term business strategy. Such transactions involve significant challenges and risks, including the transaction failing to achieve the Group's business strategy; the Group not realising a satisfactory return on the investment; the potential occurrence of difficulties in integrating new employees, business systems, and technology; or the transaction diverting management's attention from the Group's other businesses.

The success of acquisitions, joint ventures and strategic alliances will depend in part on the Group's ability to provide efficient integration from an operational and financial point of view. It may take longer than expected to realise the full benefits from transactions, such as increased revenue, enhanced efficiencies, increased market share, and improved market capitalisation, or the benefits may ultimately be smaller than anticipated or not realised at all. In addition, making such acquisitions requires significant costs for legal and financial advice and can take management's focus away from achieving other strategic objectives.

There is no assurance that these risks or other unforeseen factors will not offset the intended benefits of any transaction, in whole or in part.

2.7 OTHER RISKS

2.7.1 *The Guarantor's indebtedness could adversely affect its financial position*

The Group has a material amount of debt and will incur significant additional debt in connection with future acquisitions and developments. Although the amount of debt funding of the Guarantor is expected to increase due to its new projects, it is the intention of the Guarantor to maintain its debt to equity ratio at prudent levels. A substantial portion of the Group's generated cash flows will be required to meet principal and interest payments on the Group's debt. Substantial borrowings under bank credit facilities are expected to be at variable interest rates, which could cause the Group to be vulnerable to increases in interest rates.

The agreements regulating the Guarantor's bank debt impose, and are likely to impose, significant restrictions and financial covenants on the Guarantor. These restrictions and covenants could limit the Guarantor's ability to obtain future financing, incur capital expenditure, withstand a future downturn in business or economic conditions generally, or otherwise inhibit its ability to conduct necessary corporate activities.

A substantial portion of the cash flow generated from the operations of the Group's subsidiary companies is utilised to repay their debt obligations pursuant to the terms of the facilities provided. This gives rise to a reduction in the amount of free cash flow available for distribution to the Guarantor, which would otherwise be available for funding of the Guarantor's working capital, capital expenditure, development costs and other general corporate costs, or for the distribution of dividends. The Guarantor may, in certain cases, also be required to provide guarantees for debts contracted by its subsidiaries or associated entities. Defaults under financing agreements could lead to the enforcement of security over property, where applicable, and/or cross-defaults under other financing agreements.

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

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

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 CPHCL seeks to hedge against interest rate fluctuations, this may not always be economically practicable.

Furthermore, the possibility of hedging may become more difficult in the future due to the unavailability or limited availability of hedging counter-parties. An increase in interest rates which is not hedged by the Guarantor may have a material adverse effect on its business, financial condition and results of operations.

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

The Group's growth since inception is, in part, attributable to the efforts and abilities of the members of its executive management team and other key personnel. If one or more of the members of this team were unable or unwilling to continue in their present position, they may not be replaceable within the short term, which could have a material adverse effect on the Group's business, financial condition and results of operations.

In common with many businesses, the Group will continue to rely heavily on the contacts and expertise of its senior management teams and other key personnel. Although no single person is solely instrumental in fulfilling the Group's business objectives, there is no guarantee that these objectives will be achieved to the degree expected following the possible loss of key personnel. The loss of the services of any of the key personnel could have, in the short term, a material adverse effect on the Group's business.

2.7.4 *Litigation risk*

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

2.7.5 *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 may not be able to secure sufficient financing for its current and future investments. No assurance can be given that sufficient financing 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 in the future. 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 properties. Failure to obtain, or delays in obtaining, the capital required to complete current or future developments and refurbishment projects on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

2.7.6 *The Group's insurance policies*

Historically, the Group has maintained insurance at levels determined by the Group to be appropriate in light of the cost of cover and the risk profiles of the business in which the Group operates. With respect to losses for which the Group is covered by its policies, it may be difficult and may take time to recover such losses from insurers. In addition, the Group may not be able to recover the full amount from the insurer. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.

2.7.7 *Risks relative to changes in laws*

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

3 PERSONS RESPONSIBLE

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

4 IDENTITY OF DIRECTORS, ADVISORS 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:

Joseph Fenech	Executive Director and Chairman
Anthony R. Curmi	Non-executive Director
Frank Xerri de Caro	Non-executive Director
Joseph J. Vella	Non-executive Director

Mr Joseph Fenech occupies a senior executive position within the Corinthia Group. The other three Directors, Mr Anthony R. Curmi, Mr Frank Xerri de Caro and Dr Joseph J. Vella, serve on the Board of the Issuer in a non-executive capacity. Mr Anthony R. Curmi is considered as an independent Director since he is 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 his judgement. In assessing Mr Curmi's independence due notice has been taken of sub-section 5.119 of the Listing Rules.

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

Eugenio Privitelli occupies the position of company secretary of the Issuer.

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

Name: **Joseph Fenech**; Executive Director and Chairman

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 and Chairman of the Issuer.

Name: **Anthony R. Curmi**; Non-executive Director

Anthony R. Curmi is a Fellow of the Chartered Institute of Bankers and was appointed as a non-executive director of the Issuer in August 2007. Mr Curmi was the first General Manager of Mid-Med Bank Limited and was CEO of the Malta International Business Authority. He held senior executive posts with an international bank in London (United Kingdom) and in Milan (Italy).

Name: **Frank Xerri de Caro**; Non-executive Director

Frank Xerri de Caro is an Associate of the Chartered Institute of Bankers and has previously served as General Manager of Bank of Valletta p.l.c., besides serving on the Boards of several major financial, banking and insurance institutions. Mr Xerri de Caro, in addition to being a director of IHI and a number of its subsidiaries, is also a director of the Issuer and is currently the Chairman of the Issuer's Audit Committee.

Name: **Joseph J. Vella**; Non-executive Director

Joseph J. Vella is a lawyer by profession. He was admitted to the bar in 1973 and has since then been in private practice. He is currently senior partner of the law firm GVTH Advocates. Dr Vella advises a number of leading commercial organisations both in the public and private sector and has been a legal advisor of the Corinthia Group for more than twenty years. In addition to being a director of the Issuer and a director of IHI and a number of its subsidiary companies, Dr Vella also acts as a director on several other companies.

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	Executive director and Chairman
Moftah Ali Suliaman Abdullah	Non-executive director
Abuagila Almahdi	Non-executive director
Mustafa T. Mohamed Khattabi	Non-executive director
Joseph Pisani	Executive director
Victor Pisani	Executive director

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

Alfred Fabri occupies the position of company secretary of CPHCL.

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

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.

Name: **Moftah Ali Suliaman Abdullah**; Non-executive director

Moftah Ali Suliaman Abdullah is the Director of Investments of LFICO. Mr Suliaman occupied various positions within LFICO for the past sixteen years and has served as a board member in several subsidiaries, in different sectors of the company. He is also the Chairman of Management Committee of Social Takaful of LFICO's employees.

Name: **Abuagila Almahdi**; Non-executive director

Abuagila Almahdi is a director of CPHCL and has been appointed as non-executive director of IHI with effect from 16 October 2014. Mr Almahdi joined LFICO in 1999 and has served as Deputy Managing Director until he was appointed Vice Chairman of CPHCL in February 2014. He is also Chairman of Medelec Switchgear Limited. Mr Almahdi holds a Bachelor of Accounting degree from Tripoli University, a postgraduate diploma in accounting from the Academy of Graduate Economic Studies Tripoli and a Master in Finance, Accounting and Management from Bradford University School of Management.

Name: **Mustafa T. Mohamed Khattabi**; Non-executive director

Mustafa T. Mohamed Khattabi has been a director of CPHCL since 15 November 2011. He holds a Master's degree in engineering and is the former Chairman of the Electricity Corporation in Tripoli. In 1982 he joined LFICO and in 1984 moved to Malta, where he chaired the Jerma Palace Hotel management committee, which post he held for ten years. He later moved back to Tripoli and held the position as general manager of the participation department of LFICO, managing and supervising all LFICO's investments. In 1997 he was appointed Chairman of the Libyan Arab African Investment Company, responsible for that company's investments in Africa. In 2004 he moved to Egypt to manage LFICO's tourism investments in the country, which include Sheraton Cairo, Hilton Hurgada, Swiss in Dahabas, as well as its participation in Conrad, Marriott and Hilton Sharm. Mr Khattabi is a former director of IHI.

Name: **Joseph Pisani**; 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 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: **Victor Pisani**; Executive director

Victor Pisani has been a director of CPHCL since 1966 and is a director of several companies within the Corinthia Group. He is also the Chairman of Pisani Flour Mills Limited (C 3949).

4.3 ADVISORS TO THE ISSUER AND GUARANTOR

Legal Counsel

Name: GVTH Advocates

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

Sponsor & Manager

Name: Charts Investment Management Service Limited

Address: Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta

Registrar

Name: Malta Stock Exchange p.l.c.

Address: Garrison Chapel, Castille Place, Valletta VLT 1063, Malta

The organisations listed above have advised and assisted the directors of the Issuer and the Guarantor in the drafting and compilation of the Prospectus.

As at the date of the Prospectus, the advisors named under this sub-heading have no beneficial interest in the share capital of the Issuer or the Guarantor.

4.4 STATUTORY AUDITORS

Name: Grant Thornton

Address: Tower Business Centre, Suite 3, Tower Street, Swatar BKR 4013, Malta

Name: PricewaterhouseCoopers

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

The annual statutory consolidated financial statements of the Issuer and CPHCL for the financial years ended 31 December 2012, 2013 and 2014 have been audited by Grant Thornton. Grant Thornton is a firm 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).

The Issuer and the Guarantor appointed PricewaterhouseCoopers of 78, Mill Street, Qormi QRM 3101, Malta as their auditors, in replacement of Grant Thornton, with effect from 1 January 2015. PricewaterhouseCoopers is a firm 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 GUARANTOR

5.1 THE ISSUER

5.1.1 Introduction

Full legal and commercial name of the Company:	**Corinthia Finance p.l.c.**
Registered address:	**22, Europa Centre, Floriana FRN 1400, Malta**
Place of registration and domicile:	**Malta**
Company registration number:	**C 25104**
Date of registration:	**9 September 1999**
Legal form:	**The Company is lawfully existing and registered as a public limited company in terms of the Act**
Telephone number:	**(+356) 21 233 141**
Fax number:	**(+356) 21 234 219**
E-mail address:	**corinthia@corinthiacorporate.com**
Website:	**www.corinthiacorporate.com**

5.1.2 Principal activities

The principal object of the Issuer is to carry on the business of a finance and investment company in connection with the ownership, development, operation and financing of hotels, resorts, leisure facilities and tourism-related activities as may, from time to time, be ancillary or complimentary to the foregoing, whether in Malta or overseas. The issue of bonds falls within the objects of the Issuer.

The Issuer itself does not have any substantial assets (other than the loans receivable that are detailed below) and is a special purpose vehicle set up to raise finance for the business of CPHCL, either directly or through its subsidiaries and/or associated companies, to enable the latter to undertake the ownership, development and operation of real estate developments. In this respect, the Issuer is mainly dependent on the business prospects of CPHCL.

Since incorporation, the Company issued six bonds, three of which are currently listed and traded on the Malta Stock Exchange.

In September 1999, pursuant to a prospectus dated 14 September 1999, the Company issued Lm10,000,000 (equivalent to €23,293,734) 6.7% bonds redeemable at par. These bonds, which matured on 30 October 2009, were repaid in full upon maturity.

In March 2002, pursuant to a prospectus dated 11 March 2002, the Company issued €14,273,700 6.5% bonds redeemable in April 2010 and Lm6,289,900 (equivalent to €14,644,885) 6.75% bonds redeemable in April 2012. The proceeds of these bond issues were advanced to CPHCL pursuant to and under the terms of two loan agreements both dated 7 March 2002, both of which loans were repaid in full by their respective pre-established deadlines of 15 March 2010 and 15 March 2012. The March 2002 bonds, which matured on 8 April 2010 and 8 April 2012 respectively, were both repaid in full upon maturity.

On 20 August 2009 the Issuer entered into a loan agreement with CPHCL ('Loan I') pursuant to which the Issuer advanced to CPHCL the proceeds from the €25,000,000 6.25% unsubordinated bonds redeemable 2016 – 2019 issued in terms of a prospectus dated 28 August 2009, in virtue of which the maturity date of the bonds in question falls due on 23 September 2019 (unless otherwise redeemed at the Issuer's sole discretion on any day falling between and including 24 September 2016 and 22 September 2019). Interest under Loan I was set at the rate of 6.4% per annum, with interest payable annually in arrears on 7 September of each year, until 7 September 2014. Thereafter, Loan I bears interest at the rate of 6.6% per annum. In terms of the said Loan I, CPHCL bound itself to repay the loan in accordance with a pre-set repayment schedule and to effect the final repayment by not later than 7 September 2019.

Subsequently, on 20 January 2010 the Issuer entered into a loan agreement with CPHCL ('Loan II') pursuant to which the Issuer advanced to CPHCL the proceeds from the €15,000,000 6.25% unsubordinated bonds redeemable between 2016 and 2019 issued in terms of a prospectus dated 12 February 2010, in virtue of which the maturity date of the bonds in question falls due on 23 September 2019 (unless otherwise redeemed at the Issuer's sole discretion on any day falling between and including 24 September 2016 and 22 September 2019). On 23 September 2010 the €15,000,000 6.25% unsubordinated bonds were integrated with the afore-mentioned €25,000,000 6.25% unsubordinated bonds issued in August 2009, both of which are redeemable between 2016 and 2019, and the two bonds were, thereafter, both deemed to be one bond with ISIN code MT0000101239. Interest under Loan II was set at the rate of 6.4% per annum until 7 September 2014. Thereafter, Loan II bears interest at a rate of 6.6% per annum, payable annually in arrears on 7 September of each year. In terms of said Loan II, CPHCL bound itself to repay the loan in accordance with a pre-agreed repayment schedule and to effect the final repayment by not later than 7 September 2019. As at the date of this Registration Document the amount of €39,927,600 of this integrated bond is outstanding and it is the Group's intention to repay this outstanding amount with the proceeds raised from this Bond Issue.

As at the date of this Registration Document the amount outstanding on Loan I and Loan II stands at €23,610,000 and €14,165,000, respectively.

The Issuer has also entered into a loan agreement dated 15 July 2014 with the Guarantor ('Loan III') pursuant to which the Issuer advanced to CPHCL the proceeds from the €7,500,000 6% unsubordinated bonds redeemable between 2019 and 2022 issued in terms of a prospectus dated 27 February 2012, in virtue of which the maturity date of the bonds in question falls due on 29 March 2022 (unless otherwise redeemed at the Issuer's sole discretion on any day falling between and including 30 March 2019 and 28 March 2022). Interest on the bonds in question is payable annually in arrears on 29 March of each year between and including each of the years 2013 and 2022. Interest under Loan III was set at the rate of 6.2% per annum up to 31 December 2013, with effect from 1 January 2014 Loan III bears interest at the rate of 6.4% per annum and with effect from

1 January 2018 it will bear interest at the rate of 7.2% per annum, in each case with interest payable annually in arrears on 14 March of each year. In terms of said Loan III, the Guarantor bound itself to repay the loan in accordance with a pre-agreed repayment schedule which enables the Company to set up a sinking fund in accordance with the terms and conditions set out in the aforementioned prospectus dated 27 February 2012. The Guarantor is also bound to effect the final repayment by not later than 14 March 2022. As at the date of this Registration Document the amount of €7,500,000 of the said February 2012 bond remains outstanding, while the amount of €7,395,000 remains outstanding under Loan III.

5.1.3 Principal markets

The Issuer operates exclusively in and from Malta.

5.2 THE GUARANTOR

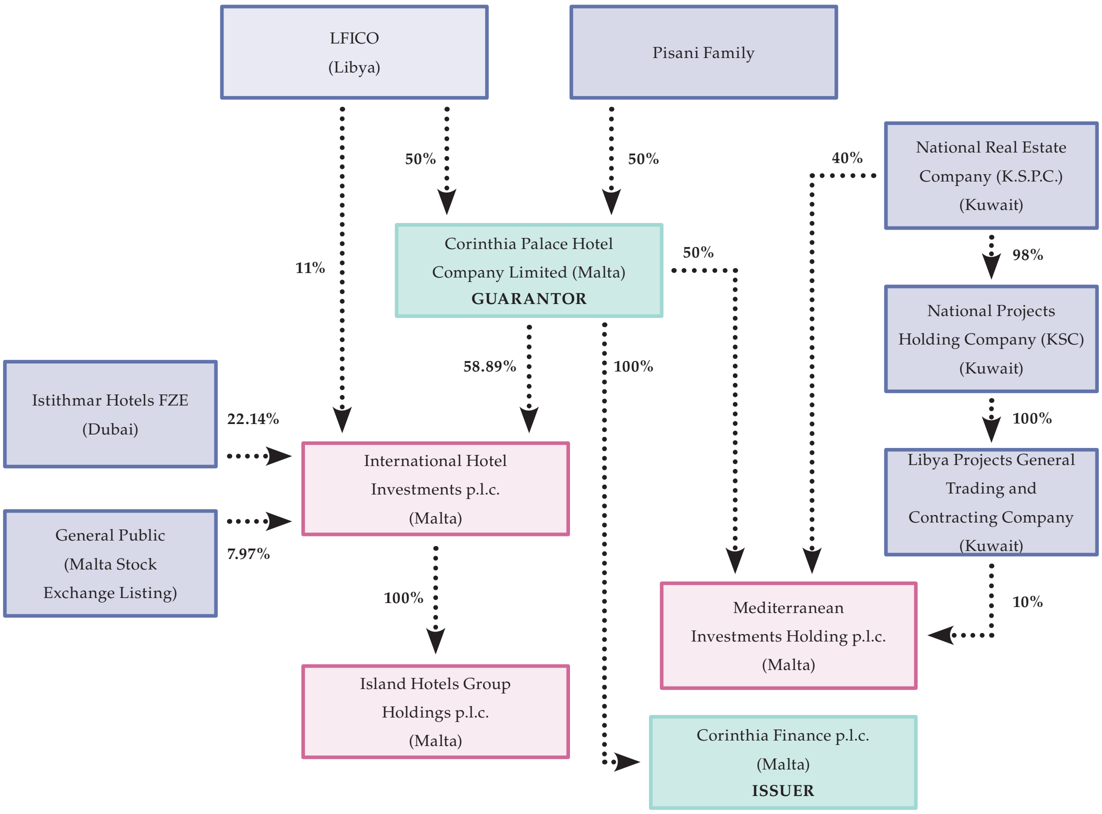
5.2.1 Introduction

Full legal and commercial name of the Guarantor:	**Corinthia Palace Hotel Company Limited**
Registered address:	**22, Europa Centre, Floriana FRN 1400, Malta**
Place of registration and domicile:	**Malta**
Company registration number:	**C 257**
Date of registration:	**21 June 1966**
Legal form:	**The company is lawfully existing and registered as a private limited company in terms of the Act**
Telephone number:	**(+356) 21 233 141**
Fax number:	**(+356) 21 234 219**
E-mail address:	**corinthia@corinthiacorporate.com**
Website:	**www.corinthiacorporate.com**

5.2.2 Overview of the 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 principally of hotels, residences, offices, retail areas, as well as industrial and event catering, in various countries.

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



The complete list of Group companies is included in the consolidated audited financial statements of the Guarantor for the year ended 31 December 2014. The said financial statements are available for inspection as indicated in section 14 below.

The following table provides a list of the principal assets and operations owned by the respective Group companies:

PRINCIPAL ASSETS AND OPERATIONS

Name	Location	Description	% ownership
Corinthia Palace Hotel Company Limited			
Panorama Hotel Prague	Czech Republic	Property owner	100
Aquincum Hotel Budapest	Hungary	Property owner	100
Corinthia Palace Hotel & Spa	Malta	Property owner	100
Ramada Plaza	Tunisia	Property owner	100
QPM Limited	Malta	Project management	80
Malta Fairs and Conventions Centre Limited	Malta	Conference & leisure conventions	100
Swan Laundry and Drycleaning Co. Limited	Malta	Laundry	100
Danish Bakery Limited	Malta	Bakery	65
Catermax	Malta	Event catering	100
International Hotel Investments p.l.c.			
Corinthia Hotel Budapest	Hungary	Property owner	100
Corinthia Hotel 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
Corinthia Hotel St George's Bay	Malta	Property owner	100
Marina Hotel St George's Bay	Malta	Property owner	100
Corinthia Hotel & Residences London	United Kingdom	Property owner	50
CHI Limited	Malta	Hotel management	100
QPM Limited	Malta	Project management	20
Medina Tower	Libya	Mixed-use property (to be developed)	25
Island Hotels Group Holdings p.l.c.			
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
Island Caterers	Malta	Event catering	100
Hal Ferh Complex	Malta	Residence complex (to be developed)	100
Costa Coffee	Malta/Spain	Retail catering	100
Mediterranean Investments Holding p.l.c.			
Palm City Residences	Libya	Gated residence complex	100
Medina Tower	Libya	Mixed-use property (to be developed)	25

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

To date, IHI has acquired and/or developed hotels in Prague (Czech Republic), Tripoli (Libya), Lisbon (Portugal), Budapest (Hungary), St Petersburg (Russia) and St Julians (Malta). IHI also has a 50% shareholding in a 294 roomed luxury hotel and residential development in London (UK), the latter property consisting of 12 residential apartments located within the same building as the hotel. In April 2014, 11 of the aforesaid apartments were sold to third parties with the holding company retaining ownership of the penthouse apartment.

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, Budapest and Tripoli. Additional revenue streams include fees earned by CHI Limited, 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 CHI Limited managed eight hotels on behalf of IHI (of which one is fifty per cent owned by IHI) and another five hotels on behalf of CPHCL and third-party owners.

On 10 August 2015, IHI acquired 100% of the issued share capital of IHGH. The business of IHGH largely relates to: the ownership, management and operation of five-star hotels in Malta (namely, the Radisson Blu Resort St Julians and the Radisson Blu Resort & Spa, Golden Sands); the operating of a vacation ownership marketing business for the aforesaid hotels; the operation of retail and event catering business (Island Caterers Limited); and the development and operation of Costa Coffee outlets in Malta, the East Coast of Spain, Canary Islands and the Balearic Islands. IHGH, through a wholly owned subsidiary, also owns a plot of land measuring 83,530m^2 located next to the Radisson Blu Resort & Spa, Golden Sands, Malta. The property is earmarked for the development of a residence complex.

MIH is principally engaged in the acquisition and development of immovable property in North Africa, including without limitation, residential gated villages, build-operate-transfer and governmental projects, office and commercial buildings, retail outlets, shopping malls, housing, hotels, and conference centres.

As at the date of this Registration Document, MIH operates the Palm City Residences, a 413-unit village in Janzour, Libya, through a build-operate-transfer agreement entered into with CPHCL for a period of 65 years as from commencement of operations; owns 25% of the share capital of MTJSC (the company incorporated to construct the Medina Tower); and is responsible to develop the Palm Waterfront pursuant to an 80-year build-operate-transfer agreement concluded with CPHCL. The Medina Tower and the Palm Waterfront are situated in Libya and as such both projects are currently on hold due to the prevailing situation in the country.

5.2.3 Investments

The most recent principal investments of the Group are described hereunder:

(a) ***Island Hotels Group Holdings p.l.c.***

In the latter half of 2015, IHI acquired the assets, liabilities and operations of the Island Hotels Group. In consideration for the acquisition of 38,583,660 shares in IHGH, IHI effected an aggregate cash settlement of €21.4 million and issued 2,687,960 ordinary IHI shares of €1 each. A further payment of €17.3 million and the issuance of 6,507,168 IHI shares will be made by 10 August 2016. The cash settlement is expected to be funded from IHI's general cash flow and/or bank financing.

(b) ***St George's Bay Development***

Following the IHGH acquisition in 2015, IHI initiated the design process to consolidate the three hotel properties situated in St George's Bay, St Julians, Malta (namely, the Radisson Blue Resort St Julians, the Corinthia Hotel St George's Bay and the Marina Hotel), and make way for a mixed-use development that will feature multiple luxury hotels, attracting high net leisure and corporate guests, as well as high-end residential, office, retail and commercial facilities targeting a six-star market.

The Group is in the initial stage of formulating a development concept and design for the project and as such, a formal application is yet to be submitted to the Malta Environment & Planning Authority for project sanctioning. Thereafter, subject to having the required funding in place, it is envisaged that this project will be spread out over a number of years to minimise interruption to hotel operations.

(c) ***Costa Coffee***

In May 2012, The Coffee Company Malta Limited a 10-year agreement with Costa Coffee International Limited for the development of Costa Coffee retail outlets in Malta. The first Costa Coffee outlet was opened in June 2012 at the check-in lounge of the Malta International Airport. Since then, another 7 Costa Coffee outlets were opened (3 outlets at the Malta International Airport [one in the arrivals area, another in the Schengen area and the third one in the non-Schengen area] and 1 outlet in each of The Point Shopping Complex Sliema, the premises formerly known as Papillon in Balzan, The Embassy Valletta and Bay Street Complex St Julians). IHGH plans to open another two outlets in Malta and one outlet in Gozo during 2016 (total of 11 outlets in Malta and Gozo).

In March 2014, The Coffee Company Spain S.L. (at the time an associate company of IHGH, at the date of this Registration Document a beneficially owned subsidiary of IHGH) signed a franchise agreement with Costa Coffee International Limited for the development and operation of up to 75 Costa Coffee outlets in the East Coast of Spain, the Balearic and Canary Islands. The first outlet in Spain opened in the third quarter of 2014 and by 31 December 2015 this number increased to a total of 11 outlets. IHGH is projecting to operate a total of 75 outlets by end 2018 and the capital expenditure programme for the additional outlets is estimated at €19.6 million. The cash outflow is expected to be financed through bank borrowings.

(d) ***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* 11,000m^2 and is situated in Tripoli's main high street. The architectural concept stems from a 4-storey podium that will include a mix of residential, retail, commercial and conference space. A curved tower rises from the 6th level and peaks at the 40th level, where a double height restaurant will complete the property. The development will comprise a total gross floor area of *circa* 199,000m^2.

The project designs of the Medina Tower are complete and all development approvals have been obtained from the relevant authorities. As to the financing of the project, the equity contribution for the first phase of this project is already fully paid up and will comprise 40% of the capital requirements for the said project. With regards to the remaining 60% of funding, MTJSC has in hand an approved and signed sanction letter from a Libyan financial institution. However, since the sanction letter was issued in 2014, it is expected that on resumption of works, the Libyan financial institution would request a revision of terms and conditions included in the said sanction letter. The project was put on hold in 2014 following the conflict in Libya and the formation of the two governments.

(e) ***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, once completed, for a period of 80 years.

The site has a footprint of *circa* 50,000m^2 and the planned development shall include a 164 room 5-star hotel, 257 residential units for lease or sale, an entertainment centre comprising six cinemas and a bowling centre, retail outlets and restaurants, car park and a marina. Apart from the studio and two bedroom apartments, most of the residences at the Palm Waterfront will have spacious layouts. The average size of an apartment will be *circa* 250m^2 and the larger units are planned to measure approximately 450m^2 of indoor space together with large outdoor terraces.

The project was put on hold in 2014 following the conflict in Libya and the formation of the two governments. The provision of funding will be considered as and when the project is re-activated.

(f) ***Corinthia Hotel St Petersburg***

A renovation programme for the Corinthia Hotel St Petersburg, estimated at €23.5 million, has been approved by the IHI board of directors. Such programme comprises the refurbishment of the rooms of the original Hotel and the development of an area measuring *circa* 1,500m^2 situated behind the Hotel and which will consist of the creation of a car park and further office space. The project will commence once the economic situation in Russia improves and there is a material recovery in the generation of revenue at the Hotel. The programme is expected to be funded from available Group cash flows.

(g) ***Hal Ferh Project***

As part of the IHGH acquisition, IHI took ownership of the 83,530m^2 plot of land at Hal Ferh, situated adjacent to the Radisson Blu Resort & Spa, Golden Sands, Malta. The Group is currently in the process of assessing the project designs and concept and funding requirements, prior to embarking on the execution of this project.

(h) ***Benghazi Project***

IHI has a 55% equity participation in Libya Hotel Development and Investment JSC, a company set up in Libya to acquire a derelict building formerly known as the El-Jazeera Hotel and adjoining site in Benghazi, Libya. Libya Hotel Development and Investment JSC will eventually develop a mixed-use project consisting of a 228-room five-star hotel, 2,000m^2 of retail space and 10,000m^2 of office space. Whilst the necessary planning permits for the project were issued by the Benghazi planning authorities and demolition works commenced in January 2014, in light of the prevailing situation in Libya all works on this development have been put on hold, and current plans are due for reconsideration depending on future developments in Libya. It is anticipated that the funding required for the project, once resumed, will be sourced from a combination of equity injected by the shareholders and appropriate bank financing.

Save for the above, the Group is not party to any other principal investments, and has not entered into or committed for any principal investments subsequent to 31 December 2014, being the date of the latest audited consolidated financial statements of the Guarantor.

5.2.4 Business development strategy

The Corinthia Group's business strategy focuses on achieving positive and sustainable financial results, and appreciation in the value of Group properties. In the execution of the 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 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 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 Group hotels.

The Group's strategy focuses on the operation of hotels that are principally in the five star category. In this respect, the 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 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

Management remains active in growing the Group's hotel portfolio and mixed-use properties by acquisition, particularly if these entail a potential for capital appreciation. In 2015, the Group acquired IHGH which, *inter alia*, will enable the Group to redevelop the three hotels located near St George's Bay, St Julians, Malta into a mixed-use luxury development. This recent acquisition will also allow the Group to diversify its revenue streams through the expansion of Costa Coffee outlets principally in Spain. Furthermore, other mixed-use properties described in section 5.2.3 above are earmarked for development in the coming years and which are expected to generate positive returns for the Group. It is projected that further acquisition opportunities will arise as a result of the extensive network of contacts of the Chairman, directors and Chief Executives of the Group. If available at attractive prices and subject to funding, the Group is principally interested to acquire hotels in its target markets, including certain European cities.

Management contracts

Where attractive opportunities arise, the Group will seek to expand its portfolio of hotels by entering into agreements to manage hotels. Management believes that the strength of the Corinthia brand, its reservation system and online presence, and the quality of its existing operations give it a good position to establish such relationships, which are expected to gather momentum in the short to medium term, principally through the exposure that the Corinthia Hotel & Residences London gave to the international market.

6 TREND INFORMATION AND FINANCIAL PERFORMANCE

6.1 TREND INFORMATION OF THE ISSUER

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

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

6.2 TREND INFORMATION OF THE GUARANTOR

Save for the downturn in business arising as a direct consequence of the turmoil in Libya, the economic decline in Russia and the terrorist attacks in Tunisia, there has been no material adverse change in the prospects of CPHCL since the date of its last published audited consolidated financial statements dated 31 December 2014.

The following is an overview of the most significant recent trends affecting the Guarantor and the markets in which it operates:

Libya

The continued instability and state of uncertainty prevailing since the 2011 uprising continues to have a negative effect on Libya's economy and as a result, on the performance and operation of the Corinthia Hotel Tripoli and the Palm City Residences in Janzour.

Ongoing conflict between rival militias has left Libya deeply divided, with vast regions split under the rule of various Islamist and nationalist groups and armed gangs taking control on a smaller scale. This has left a security vacuum in the country without a reliable police or army force to maintain law and order. Moreover, a government that is recognised both on a national and international level is yet to be appointed. Practically all foreign embassies in Libya have suspended operations and withdrawn their diplomatic staff, and have advised their respective nationals against all unnecessary travel to the country. This state of affairs is expected to continue in the near term as there is yet no indication that the unstable political and security climate will subside any time soon.

As such, low occupancy at the Corinthia Hotel Tripoli and the Palm City Residences is likely to continue in 2016. Moreover, development of a number of the Group's properties in Libya (including Medina Tower, the Palm Waterfront and the Benghazi Project) will remain on hold until such time when there are clear signs that the turmoil in Libya has subsided and a gradual recovery in business activity has commenced.

Russia

Lower oil prices, a decline in real wages, the weakening of the Rouble and the impact from external economic factors continued to weigh on the Russian economy in 2015. However, initial signs of stabilisation are coming from the industrial sector, while performance in the agricultural sector is also looking better. Despite such evidence, the economy will likely continue to underperform due to low oil prices, external economic factors and increasing geopolitical risks. Moreover, reactions from Moscow, NATO and Turkey on the latest incident with Turkey, when a Turkish fighter jet shot down a Russian bomber aircraft on 24 November 2015, may have an adverse effect on the Russian economy.

The Corinthia Hotel St Petersburg has been affected by a reduction in corporate travel to the Russian Federation and a significant reduction in the value of the Rouble against the Euro. The challenges set and so far acted upon by the Hotel's management team have been to source alternative markets, targeting in particular as much business as possible from within the Russian Federation itself, and to operate the Hotel with a wide range of room rates targeting upscale corporate to luxury travellers.

Tunisia

Tunisia was once again rocked by terrorist activity on 24 November 2015 when a bus carrying presidential guards was targeted in the capital. This marks the third high-profile incident for Tunisia in 2015. The latest attack will exacerbate the country's security concerns and have far-reaching implications for the economy. Since the attacks in June 2015, approximately 70 hotels have closed and employment in the tourism sector has plummeted. Business activity is set to follow suit, as apprehensive investors begin to scale back their investments in Tunisia. Such events have affected and will undoubtedly continue, at least in the near term, to have an adverse impact on the occupancy and average room rates at the Ramada Plaza Tunis Hotel.

Malta

Tourism in Malta has in recent years been performing at a strong level and this trend continued in 2015 as well. Inbound tourism from January to December 2015 amounted to 1.8 million guests, an increase of 6.0% over the same period in 2014. Although tourists residing in collective accommodation (hotels, guesthouses, hostels, B&Bs, etc) made up 71.7% of the market in 2015, preference for private accommodation has been growing in the last years at a faster pace, and actually increased by 18.2% from 2014. Tourism expenditure was estimated at €1.6 billion, 7.5% higher than that recorded for the comparable period in 2014.[1] Focus will be maintained on increasing traffic during the winter months and attracting more visitors from new markets to Malta. This bodes well for the Maltese hospitality industry to continue to grow revenues and increase profitability.

Beyond 2015, Malta's EU Presidency in 2017 together with Valletta serving as the European City of Culture in 2018 are widely expected to generate increased demand for hotels and enhance Malta's image as a tourist and leisure destination, which would in turn generate future growth. Meanwhile, the somewhat uncertain future of the national carrier Air Malta poses a threat to further growth and competition from other Mediterranean countries will likely remain strong.

In the light of the above developments, the Group's hotel properties in Malta have performed exceptionally well both in terms of revenue generation and profitability, achieving significant year-on-year growth.

Hungary

Hungary grew at the fastest pace in eight years in 2014 as the economy expanded 3.6% (which was up from the 1.5% expansion recorded in 2013), supported by strong fiscal and monetary stimulus and its improved ability to absorb funding from the European Union. More recent indicators showed Hungary's economic expansion gained momentum in the fourth quarter of 2015 because of robust output in the manufacturing and services sectors. In 2015 as a whole, Hungarian GDP rose 2.9% for the year, 0.8% slower than in 2014. At the end of November 2015, the government proposed a drastic reduction to the country's banking tax, which is the highest in Europe, and additional measures to incentivise greater lending.

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

In 2015, the number of nights spent by domestic tourists increased by 6.4% and that of international tourism nights increased by 4.6% compared to a year earlier. The guest turnover of accommodation establishments, measured in tourism nights, increased by an overall 1.3%. The gross revenues of accommodation establishments – at current prices – rose by 4.9%. In 2015, accommodation establishments recorded a total of 25.8 million tourism nights, 5.4% more than in 2014. Key markets that are contributing to growth in incoming travel include Germany, Austria, Russia, UK and the US.[2] Overall, tourism prospects in Hungary are believed to be promising. Domestic tourism will be fuelled mainly by the continued decline of the local currency, making local travel more attractive for the budget conscious. Inbound travel will also benefit from more competitively-priced Hungarian offerings, especially in medical and health tourism. The conflict in neighbouring Ukraine and the escalating economic difficulties in Russia, however, pose great uncertainties as both are important feeder markets and drastic changes in arrival numbers could affect the performance.

In line with the country's economic improvements, the Group's two hotel properties (one five star and one four star) achieved significant year-on-year growth both in revenue generation and in profitability. A substantial part of these improvements is in consequence of the diversification in market segmentation wherein lower rated business is being replaced by the more lucrative leisure market segment.

Czech Republic

The Czech Republic's economic performance was extraordinarily strong in 2015 and a third consecutive annual expansion above 4.0% was recorded (2015: 4.3%), fuelled by rising investment, through strong absorption of EU funds, and public spending. Solid private consumption, which is benefiting from expansionary monetary policy and low oil prices, has also encouraged growth. The economy will likely decelerate in 2016 and expand at a more sustainable pace, partly because inflows of EU funds and government spending are projected to slow. As such, the Czech National Bank expects economic growth to slow to 2.8% in 2016.

In 2015, Czech hotels reported an increase in overnight stays of 10.2% y-o-y to 47.1 million and guest numbers (both resident and foreign guests) increased by 9.6% to 17.2 million. Of the foreign guests, the country experienced a decrease in guests from Russia (-37.4% or 260,000 guests) and from Ukraine (-10.7% or 12,000 arrivals), which was compensated for by higher occupancy of guests from neighbouring as well as distant countries. German visitors increased by 12.6% y-o-y as well as Slovaks (+14.6%) and persons from USA (+14.9%). The number of guests from China and South Korea increased by 35.3% and 31.8% respectively.[3]

The Czech government is increasingly prioritising to move tourism beyond concentration in the capital, Prague, and increase the potential of undiscovered places in the country. Most significant source markets are Germany, Russia, Italy, UK, US, Slovakia and Poland, while demand is also increasing from other markets such as China and South Korea.

This positive trend was also witnessed at the Group's two hotel properties in Prague (one five star and one four star) where over the past couple of years there has been significant year-on-year growth both in revenue streams and profitability.

Portugal

Portugal's gross domestic product expanded in the three months through December 2015 from the prior quarter as a rise in exports helped offset a drop in investment. GDP rose 0.2% from the third quarter, when it was unchanged. The Portuguese economy expanded 1.2% in the fourth quarter from a year earlier, the slowest pace of annual growth since the fourth quarter of 2014. For the year of 2015, GDP increased 1.5% after expanding 0.9% in 2014.

In 2015, tourism accommodation establishments hosted 17.4 million guests (+8.6%) and registered 48.9 million overnight stays (+6.7%). Compared to the corresponding year, the internal market grew by 5.3% registering 14.5 million overnight stays. Overnight stays from non-residents in 2015 increased by 7.3% and represented 70.3% of the total. On a regional basis, growth was registered in all regions of mainland Portugal, with particular emphasis on the Alentejo region, Azores and the North (+11.8%, +19.6% and +13.6% respectively). As in prior periods, the inbound markets preferred to choose the Algarve, Lisbon and Madeira.[4] The coordination between tourism and aviation authorities to expand available routes turned out to be crucial for Portugal's success in the tourism industry.

2 Hungarian Central Statistical Office (www.ksh.hu)

3 Czech Statistical Office (www.czso.cz)

4 Instituto Nacional de Estatistica (www.ine.pt)

With the introduction of low cost airline carriers to the country, Portugal is perceived as a 'value for money' destination and this has been one of the leading factors contributing to the growth in hospitality numbers detailed above. The Group's hotel property in Lisbon has likewise benefited from this upsurge in business registering significant year-on-year growth both in revenue and operating profits.

United Kingdom

The UK economy grew by 0.5% in Q4 2015, taking the annual rate of growth for 2015 to 2.2% (0.7% lower than the 2.9% growth registered in 2014). The disappointing figure was the result of a slowdown in industry due to feeble manufacturing figures as factories struggled with a strong pound and weak external demand. Moreover, the construction sector recorded the first contraction in nearly two years. This could prompt concerns that the UK economy's reliance on the services sector (which continued to expand in 2015) is increasing further. The country's macroeconomic fundamentals remain strong and a robust labour market will sustain growth going forward. However, uncertainty regarding the EU referendum, weak overseas growth and financial market volatility are all creating an unsettling business environment and point to downside risks to the economy in 2016.

International visits to the UK by overseas residents rose by 5% to 8.5 million in the period October 2015 to December 2015 compared with the same period a year earlier. In the 12 months to December 2015, the number of visits to the UK was 4% higher (to 35.8 million visits) than a year earlier and earnings remained the same during this period (non-residents spent £21.8 billion in 2015). Visits from North America and Europe were up by 8% and 3% respectively and visits from 'Other Countries' grew by 6%. Business trips grew 6%, holiday visits increased by 1% and visits to friends or relatives was up 7%.[5]

Since its launch in 2011, the Corinthia Hotel & Residences London managed to increase both its revenue generation and operating profits annually. 2015 has been the best performing year for the hotel as it is now approaching its stabilised years of performance.

6.3 FINANCIAL REVIEW

6.3.1 Financial information on the Issuer

The following financial information on the Issuer is extracted from the audited financial statements for the years ended 31 December 2012 to 2014 and from the unaudited financial statements for the six-month period ended 30 June 2015, full versions of which are available for inspection as indicated in section 14 below.

Audited financial information for the years ended 31 December 2012 to 2014

Corinthia Finance p.l.c. Income Statement for the years ended 31 December	**2012**	**2013**	**2014**
	€'000	**€'000**	**€'000**
Finance income	3,169	3,011	3,019
Finance costs	(3,099)	(2,951)	(2,947)
Administrative expenses	(37)	(40)	(41)
Profit before tax	**33**	**20**	**31**
Taxation	(11)	(5)	(5)
Profit for the year	**22**	**15**	**26**

5 Office for National Statistics - UK (www.ons.gov.uk)

Corinthia Finance p.l.c. Balance Sheet

as at 31 December	2012	2013	2014
	€'000	€'000	€'000
Assets			
Non-current			
Loans owed by parent company	47,100	46,310	45,170
Other long-term financial assets	400	1,168	2,445
	47,500	47,478	47,615
Current			
Receivables	1,709	2,082	1,718
Current tax asset	3	-	-
Cash and cash equivalents	30	16	15
	1,742	2,098	1,733
Total assets	**49,242**	**49,576**	**49,348**
Equity and liabilities			
Equity			
Called up share capital	250	250	250
Investment revaluation reserve	-	8	156
Retained earnings	64	79	106
	314	**337**	**512**
Liabilities			
Non-current			
Bonds in issue	47,500	47,468	47,428
Deferred tax liability	-	-	2
	47,500	47,468	47,430
Current			
Payables	1,428	1,771	1,406
	1,428	1,771	1,406
	48,928	**49,239**	**48,836**
Total equity and liabilities	**49,242**	**49,576**	**49,348**

Corinthia Finance p.l.c. Cash flow Statement

for the years ended 31 December	2012	2013	2014
	€'000	€'000	€'000
Net cash from operating activities	(96)	(54)	(21)
Net cash from investing activities	10,544	3,779	4,108
Net cash from financing activities	(10,451)	(3,739)	(4,088)
Net movement in cash and cash equivalents	**(3)**	**(14)**	**(1)**
Cash and cash equivalents at beginning of year	33	30	16
Cash and cash equivalents at end of year	**30**	**16**	**15**

Unaudited financial information for the six-month period ended 30 June 2015

Corinthia Finance p.l.c. Income Statement

for the six-month period ended 30 June	**2014**	**2015**
	Unaudited	**Unaudited**
	€'000	**€'000**
Finance income	1,491	1,506
Finance costs	(1,474)	(1,473)
Administrative expenses	(18)	(21)
Profit before tax	**(1)**	**12**
Taxation	2	(3)
Profit for the period	**1**	**9**

Corinthia Finance p.l.c. Balance Sheet

as at	**31-Dec-14**	**30-Jun-15**
	Audited	**Unaudited**
	€'000	**€'000**
Non-current	47,615	47,693
Current	1,733	2,788
Total assets	**49,348**	**50,481**
Equity	**512**	**584**
Non-current	47,430	47,430
Current	1,406	2,467
Total liabilities	**48,836**	**49,897**
Total equity and liabilities	**49,348**	**50,481**

Corinthia Finance p.l.c. Cash Flow Statement

for the six-month period ended 30 June	**2014**	**2015**
	Unaudited	**Unaudited**
	€'000	**€'000**
Net cash from operating activities	(10)	(9)
Net decrease in cash and cash equivalent	**(10)**	**(9)**
Cash and cash equivalent at beginning of period	16	15
Cash and cash equivalent at end of period	**6**	**6**

6.3.2 Financial information on the Guarantor

The following financial information on the Guarantor is extracted from the audited consolidated financial statements for the years ended 31 December 2012 to 2014 and from the unaudited consolidated financial statements for the six-month period ended 30 June 2015, full versions of which are available for inspection as indicated in section 14 below.

Audited financial information for the years ended 31 December 2012 to 2014

Corinthia Palace Hotel Company Limited

Condensed Consolidated Income Statement for the year ended 31 December

	2012	2013	2014
	€'000	€'000	€'000
Revenue	158,676	164,901	159,238
Net operating expenses	(163,404)	(161,390)	(155,314)
Other income (expense)	699	(488)	507
Net reversal of impairment (impairment) of hotel properties	(6,402)	5,000	5,170
Operating (loss) profit	**(10,431)**	**8,023**	**9,601**
Net finance costs	(21,148)	(17,325)	(17,573)
Gain on sale of investment property	-	3,447	-
Revaluation to fair value of investment properties	4,154	7,159	(14,629)
Share of results of associate companies	29,242	425	(29,075)
Other	124	(1,613)	923
Profit (loss) before tax	**1,941**	**116**	**(50,753)**
Tax income	973	4,653	12,028
Profit (loss) for the year	**2,914**	**4,769**	**(38,725)**
Other comprehensive income			
Net revaluation (impairment) of hotel properties	(12,283)	13,115	(27,514)
Share of comprehensive income of equity accounted investments	18,456	39,466	19,197
Other effects and tax	1,032	(10,429)	11,598
	7,205	**42,152**	**3,281**
Total comprehensive income (expense) for the year net of tax	**10,119**	**46,921**	**(35,444)**

Corinthia Palace Hotel Company Limited

Condensed Consolidated Balance Sheet as at 31 December

	2012	2013	2014
	€'000	€'000	€'000
Non-current	1,167,915	1,229,090	1,136,924
Current	95,866	70,776	71,521
Total assets	**1,263,781**	**1,299,866**	**1,208,445**
Equity pertaining to CPHCL's shareholders	382,635	418,211	386,745
Minority interest	248,457	259,609	246,961
Total equity	**631,092**	**677,820**	**633,706**
Non-current	534,070	503,640	483,414
Current	98,619	118,406	91,325
Total liabilities	**632,689**	**622,046**	**574,739**
Total equity and liabilities	**1,263,781**	**1,299,866**	**1,208,445**

Corinthia Palace Hotel Company Limited

Condensed Consolidated Statement of Cash Flows
For the year ended 31 December

	2012	2013	2014
	€'000	€'000	€'000
Net cash from operating activities	8,807	21,111	8,942
Net cash from investing activities	(33,646)	(7,183)	39,362
Net cash from financial activities	(3,025)	(26,948)	(32,166)
Net (decrease) increase in cash and cash equivalent	**(27,864)**	**(13,020)**	**16,138**
Cash and cash equivalent at beginning of year	40,837	12,973	(47)
Cash and cash equivalent at end of year	**12,973**	**(47)**	**16,091**

During **2012**, the Corinthia Group's hotels registered increases in revenues over 2011 with much of this attributable to the higher rates being achieved through the in-house developed reservation and distribution system. The Corinthia Hotel Tripoli, however, was affected by the continued state of flux in Libya following the end of the revolution in 2011 with the result that the expected improvement in its operating performance did not materialise to the budgeted level.

On the other hand the Corinthia Hotel & Residences London registered the most notable increase in revenues and gross operating profit which is reported with the share of equity accounted investments.

The investment property revaluation uplift of €4.2 million was attributable to an increase in value of the commercial centre adjacent to the Corinthia Hotel St. Petersburg. On the other hand, the valuations of the Corinthia Group's hotel properties resulted in a net impairment of €6.4 million. This charge was due to the reduction in the valuation of the Corinthia Hotel Lisbon, largely triggered by an increase in country risk that pushed up the cost of capital on investments in Portugal.

The share of profit from equity accounted investments amounted to €29.2 million and principally reflects the combined share of results of the Corinthia Group's investment in associated companies, namely the direct 50% investment in MIH and the 50% investment in Corinthia Hotel and Residences in London through its subsidiary IHI.

2012 was the first full year of operation for the London hotel and it resulted in a significant improvement in the operating profit. This was, however, impacted by substantial charges for depreciation and financing costs resulting in a net loss of €22 million. This loss was, however, more than compensated by a substantial uplift of €32 million in the value of the Residences that resulted in a combined net profit of €10 million, of which IHI's share was €5 million.

In 2012 Palm City Residences registered a significant increase in signed lease agreements with a 91% occupancy rate achieved by the end of the year. This resulted in a net profit after tax of €11.4 million. In turn, this improvement in the property's operational results and in the projected future cash flows, triggered an uplift in the value of this investment property of €56.8 million less €19.1 million deferred tax. The Corinthia Group's share from these combined positive results amounted to €24.5 million.

Net finance costs amounting to €23.8 million remained on the same level of the previous year as the loan and bond repayments made during the year were largely matched by new loans and bonds.

During 2012 the Corinthia Group registered a profit after tax of €2.9 million compared to a loss of €11.4 million in 2011.

The net income of €7.2 million recognised in the Statement of Comprehensive Income mainly reflects the Corinthia Group's share of revaluation uplifts of €17 million net of tax, on Corinthia Hotel & Residences London and €2.8 million on Corinthia Hotel Prague less impairment charges, net of tax, of €8.7 million on Corinthia Hotel and Commercial Centre St Petersburg and €2.7 million on Corinthia Hotel Budapest.

After adding the net comprehensive income of €7.2 million to the profit after tax of €2.9 million, the total comprehensive income for 2012 amounted to €10.1 million against a total comprehensive expense of €24.9 million in 2011, a positive year-on-year variance of €35 million.

The Corinthia Group's revenue for **2013** amounted to €164.9 million reflecting an increase of €6.2 million on the revenue of 2012 (€158.7 million). Moreover the results of the Corinthia Hotel & Residences in London and Palm City Residences in Zanzour, Libya, in which the Corinthia Group holds a 50% shareholding, are not included in the consolidated operating results but reflected in the line entitled 'Share of results of associate companies'.

In general, the Corinthia Group's hotels registered increases in revenues mainly from higher rates achieved through a strategic shift in market segmentation and from a sustained increase in business generated by the in-house developed reservation and distribution system. The highest improvements were registered in Lisbon, St Petersburg, and Libya, while some reductions were experienced in the Czech Republic and Tunisia. The best performer was the Corinthia Hotel and Commercial Centre in St Petersburg.

Net operating expenses also increased on account of increased occupancies, additional payroll costs in Libya in consequence of changes in work practices, and a general increase in the cost base in line with enhanced brand service standards being introduced across the Corinthia Group.

The Corinthia Hotel & Residences London, as it entered its second year of operation, continued to register improvements in its operating results, but being an associate, the results of this operation are reported with the share of equity accounted investments.

While the charge for depreciation remained on the same level of 2012, following the annual property valuation exercise, a reversal of impairment of €5 million was registered on the Corinthia Hotel Lisbon as a result of its improved results achieved in 2013 and a better long-term outlook for this property.

The share of results of associated companies amounting to €0.4 million principally reflects the combined share of results of the Corinthia Group's investment in associated companies, mainly the 50% investment in Corinthia Hotel and Residences in London and the 50% investment in MIH, being the owning company of the Palm City Residences complex in Libya.

In 2013 MIH registered its best operational results to date through the robust performance of its subsidiary PCL. Launched in 2009, Palm City Residences weathered the after-effects of the Libyan revolution and in 2013 achieved a record 94% occupancy while the operational expenses were well contained. The profit for the year after tax amounted to €13.8 million.

The Corinthia Hotel & Residences London registered a significant improvement in its operating results reaching a Gross Operating Profit of €16.7 million against €9.67 million registered in 2012. This turned into a loss after tax of €11.7 million after accounting for depreciation, financing costs and valuation movements on the residences.

The gain of €3.4 million registered on the sale of investment property represents the 50% Corinthia Group's share relating to the assignment of rights of use of the Palm Waterfront site to an associated company.

The gain on revaluation to fair value of investment properties amounting to €7.2 million was mainly the result of an uplift of €6.6 million in the valuation of a plot of land earmarked for development belonging to CPHCL.

In 2013 the Corinthia Group recognised a tax Income of €4.7 million (2012: €1.0 million) in consequence of the recognition of deferred tax income on losses on which there is a reasonable expectation of recovery.

The income of €42.2 million recognised in the Statement of Comprehensive Income mainly reflects the Corinthia Group's share of a revaluation uplift of €39.5 million, net of tax, on Corinthia Hotel & Residences London, an uplift of €16.3 million net of tax on the revaluation of the Corinthia Palace Hotel, less an impairment charge of €8.2 million, also net of tax, taken on Corinthia Hotel St. Petersburg.

Property revaluation adjustments feature in both the Corinthia Group's income statement and in the comprehensive income statement. Adjustments to the income statement represent movements in the values of investment properties and impairment adjustments or reversals thereof on hotel properties. Conversely, adjustments to the comprehensive income statement represent increases in values, or reversals thereof, in the book value of hotel properties.

After adding the net comprehensive income of €42.2 million to the profit after tax of €4.8 million, the Corinthia Group's total comprehensive income for 2013 amounted to €46.9 million against a total comprehensive income of €10.1 million registered in 2012, a year-on-year improvement of €36.8 million.

In **2014** the Corinthia Group's revenue amounted to €159.2 million reflecting a decrease of €5.7 million on the turnover registered in 2013 (€164.9 million). As in previous years, these consolidated figures do not include the 50% share of results of the Corinthia Hotel & Residences London and Palm City Residences in Libya which are reflected in the line item 'Share of results of associate companies'. In view of the instability in Libya in the second half of the year and the economic conditions in the Russian Federation, the revenues generated by Corinthia Hotel Tripoli and Corinthia Hotel St. Petersburg for the year ended 31 December 2014 were lower than those of 2013 by *circa* €16.1 million. This reduction was, however, in the main compensated by increased revenues and the rationalisation of operating costs by the Corinthia Group's other hotel properties across Europe. The Corinthia Group's operating profit for 2014 at €9.6 million (which excludes the Corinthia Hotel & Residences London and Palm City Residences) represents an increase of €1.6 million on the operating profit of €8 million reported in 2013.

The depreciation charge for 2014 reduced by more than €4.1 million on the prior year and this was largely due to some assets becoming fully depreciated. In 2014 there was also a reduction of approximately €2.6 million in finance costs (from €24 million in 2013 to €21.4 million in 2014) in consequence of reduced EURIBOR rates coupled with the further reduction of the Corinthia Group's indebtedness.

The loss of €29.1 million (2013: profit of €0.4 million) registered on the Corinthia Group's share of results of associate companies mainly reflects the developments at the Corinthia Hotel & Residences London (50% share of the loss of €29.1 million registered on this investment), and at MIH through its principal subsidiary company PCL (50% share of the loss of €28.1 million).

In 2014 the Corinthia Hotel & Residences London registered a marginal improvement in its operating performance over 2013. However, depreciation and interest costs turned this profit into a loss of €11.2 million. The continued positive trend in operational performance resulted in an uplift of €17.9 million in this property's value recognized in other comprehensive income. In April 2014, 11 apartments in Whitehall Place adjacent to the Corinthia Hotel London were sold to third parties while the penthouse apartment was retained to be sold when the right opportunity arises. Except for one-off property costs resulting from this sale of apartments, the disposal of these residences had no effect on the Corinthia Group's financial results since these apartments had already been valued at their market price.

For MIH, 2014 was a year of mixed experiences, with the first semester proving to be a record performance at Palm City Residences, whilst the second semester was overshadowed by the political conflict that developed in Libya. Despite these difficult circumstances, management remained resolute in primarily ensuring the safety of its clients and its staff, but also in keeping this property operational at all times. This helped to achieve a profit after tax, but before impairment charges, of €12 million (2013: €13.8 million). However, in view of the reduced profitability and the higher country risk, MIH recognised an impairment charge on this property of €40.1 million net of tax.

Although, in 2014 the Corinthia Group registered an encouraging operational performance despite the problems in Libya and in Russia, its profitability for 2014 was adversely impacted by the resultant impairment charges on its properties in these two countries. In fact, the Corinthia Group recognised an impairment charge of €69.2 million in the value of its hotels and investment properties in Tripoli and in St. Petersburg. On the other hand, through the robust performance achieved by a number of the Corinthia Group's hotels located in Europe, the Corinthia Group registered a total uplift of €52.7 million in the fair values of these properties, most notable of which were the ones located in London (limited to 50% share), Lisbon and Budapest.

The net effect of these revaluation adjustments, excluding that on Palm City Residences, was a charge of €9.4 million reflected in the Income Statement and a further charge of €8.4 million in the Statement of Comprehensive Income with the relative tax effect mitigating the overall net impairment charge to €6.2 million. In consequence of the foregoing, in 2014 the Corinthia Group registered a loss after tax of €38.7 million compared to a profit of €4.8 million in 2013.

The other comprehensive income of €3.3 million (2013: €42.2 million) mainly reflects the net effect of the Corinthia Group's share of impairment charges of €4.3 million, net of tax, and a favourable translation adjustment of €6.4 million on the investment in the Corinthia Hotel & Residences London as a result of the strengthening of the Pound Sterling versus our reporting currency, the Euro.

After adding the net comprehensive income of €3.3 million to the loss after tax of €38.7 million, the Corinthia Group's total comprehensive expense for 2014 amounted to €35.4 million against a total comprehensive income of €46.9 million registered in 2013.

Property revaluation adjustments feature prominently in both the Corinthia Group's income statement and in the comprehensive income statement. In 2014 the net impairment charges were significant and were the principal reasons for the deviation in the results for year when compared to 2013. It is also important to highlight the fact that the total comprehensive expense of €35.4 million includes €44 million of non-cash related adjustments relating to impairments, depreciation and translation adjustments.

Despite the force majeure situations in Russia and Libya the Corinthia Group remained resilient through its robust asset base which at the end of 2014 exceeded €1.2 billion, its diversified portfolio, its prudent gearing ratio, and the unbending commitment of its two shareholding blocks and its employees.

Unaudited financial information for the six-month period ended 30 June 2015

Corinthia Palace Hotel Company Limited

Condensed Consolidated Income Statement for the six months ended 30 June

	2014 Unaudited €'000	2015 Unaudited €'000
Revenue	77,642	76,008
Net operating expenses	(76,871)	(72,901)
Other income	1,279	102
Operating profit	**2,050**	**3,209**
Net finance costs	(10,241)	(8,906)
Share of results of associate companies	(7,957)	(2,551)
Loss before tax	**(16,148)**	**(8,248)**
Tax income	6,018	1,162
Loss for the period	**(10,130)**	**(7,086)**
Other comprehensive income		
Share of comprehensive income of equity accounted investments	3,929	10,011
	3,929	**10,011**
Total comprehensive (expense) income for the period net of tax	**(6,201)**	**2,925**

Corinthia Palace Hotel Company Limited

Condensed Consolidated Balance Sheet as at

	31-Dec-14	30-Jun-15
	Audited	Unaudited
	€'000	€'000
Non-current	1,136,924	1,137,786
Current	71,521	75,870
Total assets	**1,208,445**	**1,213,656**
Equity pertaining to CPHCL's shareholders	386,745	383,743
Minority interest	246,961	250,911
Total equity	**633,706**	**634,654**
Non-current	483,414	485,528
Current	91,325	93,474
Total liabilities	**574,739**	**579,002**
Total equity and liabilities	**1,208,445**	**1,213,656**

Corinthia Palace Hotel Company Limited

Condensed Consolidated Statement of Cash Flows for the six months ended 30 June

	2014	2015
	Unaudited	Unaudited
	€'000	€'000
Net cash from operating activities	14,243	18,274
Net cash from investing activities	28,403	(5,621)
Net cash from financial activities	(33,471)	16
Net decrease in cash and cash equivalent	**9,175**	**12,669**
Cash and cash equivalent at beginning of period	(47)	16,091
Cash and cash equivalent at end of period	**9,128**	**28,760**

During the first six months of 2015 the Group registered an increase in revenues and operating profits in most of its hotels, most notably those in Malta, Prague, Budapest, Lisbon and London. These properties registered double digit growth in revenues. In turn, CHI Limited, the Group's hotel operating company, also registered significant increases in its performance. Of even greater significance is the fact that the improvements in the Group's revenue streams were mostly retained and converted into a higher Group operating profit.

The positive performance in the above locations was however negatively impacted by the political and economic conditions prevailing in Russia and Libya. In the case of Russia it was principally affected by the devaluation of the Rouble relative to the corresponding period in 2014. On the other hand the hotel in Tripoli was closed for most of the first six months of 2015 as a result of the attack at the hotel in January 2015. Since then, management took all the necessary steps to reinstate the hotel to an operational mode and a gradual reopening is under way, providing certain services in line with demand levels. Office accommodation at the adjacent Commercial Centre, remained fully leased out, albeit with minor discounts allowed to the tenants.

Despite the setbacks in Russia and Libya, the Group registered an operating profit of €3.2 million compared to €2.1 million in the same period in 2014.

Finance costs reduced by €1.3 million, mainly on account of the expiry of an interest rate swap and lower EURIBOR rates.

In the first semester of 2015, the Corinthia Hotel & Residences London registered an increase in revenue and EBITDA over the same period in 2014, with EBITDA improving from €3.6 million to €7.2 million. The profit after depreciation, building taxes, corporate charges, interest and tax improved from a loss of €21.9 million to a loss of €4.5 million due to improved performance and the one-off property costs of €13.8 million incurred in 2014. On the other hand, the other Group's major associate company MIH, owner of the Palm City Residences in Libya, registered a reduction in its operating profit of €6.7 million in consequence of the contraction in occupancy brought about by the political unrest in Libya. The Group's 50% share of results of the Corinthia Hotel & Residences London and MIH are reported in the income statement as 'Share of results of associate companies'. This line item reports the net result after deducting all costs and taxes.

During the first six months of 2015 the Group registered a loss after tax of €7.1 million compared to the loss of €10.1 million reported for the same period in 2014.

The income of €10.0 million shown in 'Other comprehensive income' reflects the Group's share of unrealised gains on currency movements on its investment in London.

During the first six months of 2015 the Group registered a 'Total comprehensive income' of €2.9 million versus a loss of €6.2 million registered in the first six months of 2014.

In April 2015, IHI secured a bank loan of €12 million with funds drawn in the second semester of 2015. In April 2015, IHI issued a €45 million 5.75% bond maturing in 2025 which issue was heavily oversubscribed. The proceeds were used for the early redemption of the €35 million 6.25% bond issue 2015-2019, with the balance being allocated to the partial financing of the IHGH acquisition.

On 1 July 2015, the Group made a voluntary public bid for the acquisition of all the shares of IHGH. On the closing date of the bid, shareholders representing 99.68% of the issued share capital of IHGH accepted the offer. On 10 August 2015 the transaction was completed with the shares in IHGH transferred to IHI. IHI is maximising synergies in Malta by merging the operations of IHGH into its own operating structures. IHI also intends to enhance development opportunities on the adjoining sites in St Julian's Malta, where it aims to redevelop fully the combined land plots.

7 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

7.1 THE ISSUER

7.1.1 Directors

The Memorandum of Association of the Issuer provides that the Board of Directors shall be composed of not less than four (4) and not more than five (5) directors. As at the date of the Prospectus, the Board of Directors of the Issuer is constituted by the four (4) individuals set out in sub-section 4.1 of this Registration Document. 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.

None of the Directors have been:

a) convicted in relation to fraud or fraudulent conduct in the last five (5) years;

b) made bankrupt or associated with any liquidation or insolvency caused by action of creditors;

c) the subject of any official public incrimination or sanction by any statutory or regulatory authority; or

d) disqualified by a court from acting as director or manager in the last five (5) years.

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

7.1.2 Directors' service contracts

None of the Directors have a definitive service contract with the Company. All Directors may be removed by the shareholder appointing them or by an ordinary resolution of the shareholders in general meeting.

7.1.3 Aggregate emoluments of Directors

For the year ending 31 December 2014, the Company paid an aggregate of €21,000 to its Directors.

7.1.4 Loans to Directors

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

7.1.5 Conflict of interest

Joseph Fenech, Frank Xerri de Caro and Joseph J. Vella, in addition to sitting on the Board of Directors of the Issuer, also act as directors of other companies within the Group. Alfred Pisani, in addition to sitting on the Board of directors of the Guarantor, also acts as director of other companies within the Group. Conflicts of interest could potentially arise in relation to transactions involving the Issuer and the Guarantor and other Group companies.

The Audit Committees of the Issuer and the Guarantor have the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by directors are handled in the best interest of the Issuer and Guarantor respectively. To the extent known or potentially known to the Issuer and the Guarantor as at the date of the Prospectus, there are no other potential conflicts of interest between any duties of the directors of the Issuer and of the Guarantor and their private interests and/or their other duties which require disclosure in terms of the Regulation.

7.1.6 Employees

The Issuer is reliant on the resources which are made available to it by CPHCL, which, as at 31 December 2015, employed 2,950 members of staff, 2,310 of whom work in operations and the remaining 640 in administration.

7.2 THE GUARANTOR

7.2.1 Directors

The Memorandum of Association of CPHCL 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 definitive 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 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 BOARD PRACTICES

8.1 THE ISSUER

8.1.1 Compliance with the Corporate Governance regime

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

The Board deems that, during the reporting periods referred to in this Registration Document, the Issuer has fully complied with the requirements of the Code, except as outlined in sub-section 8.1.3 below. Furthermore, the Board has resolved to disclose Directors' fees in the financial statements in aggregate rather than as separate figures for each Director as required by provision 8.A.4.8 of the Code.

8.1.2 Audit Committee

The Audit Committee's primary objective is to assist the Board in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. Additionally, it is responsible for monitoring the performance of the entities borrowing funds from the Company and also carries out the oversight of related party transactions to ensure that these are carried out on an arm's length basis. The Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board, management, the external auditors and the internal audit team. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board of Directors.

The terms of reference of the Audit Committee have been formally set out in a separate Charter. Frank Xerri de Caro, a non-executive Director, acts as Chairman and Joseph Fenech and Anthony R. Curmi as members, whilst Alfred Fabri performs the duties of secretary to the Audit Committee.

In terms of Listing Rule 5.117, the Board of Directors has identified Anthony R. Curmi as the independent member of the Audit Committee who is competent in accounting and/or auditing matters. Mr Curmi is a Fellow of the Chartered Institute of Bankers, he is a former CEO of Mid-Med Bank Limited and a former General Manager of the Malta International Business Authority.

8.1.3 Nomination and Remuneration Committee

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

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

8.1.4 Internal audit

The role of the internal auditor is to carry out systematic risk-based reviews and appraisals of the operations of the Issuer (as well as of the subsidiaries and associates of the Group) 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 organisation. The internal auditor reports directly to the Audit Committee.

8.2 THE GUARANTOR

8.2.1 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 measures that are recommended in the Code, in so far as such are considered applicable to its position as the parent of the Corinthia Group and guarantor of the Bond Issue. As at the date hereof, the Guarantor is considered to be in compliance with the Code save for the following exceptions:

- Principle 8: The Guarantor does not have a Remuneration Committee as recommended in Principle 8 because it is not deemed as necessary in view of the very limited number of employees directly engaged by the Guarantor; and

- Principle 8: The Guarantor does not have a Nomination Committee as recommended in Principle 8. Appointments to the Board of Directors are determined by the shareholders of CPHCL in accordance with the Memorandum and Articles of Association. The Guarantor considers that the members of its board of directors provide the level of skill, knowledge and experience expected in terms of the Code.

8.2.2 Audit Committee of CPHCL

Nothwithstanding that CPHCL is a company not bound by the Listing Rules, it has set up an audit committee in accordance with the Listing Rules, with the exception that the appointed members are persons who are not directors on CPHCL's board. CPHCL considers that the members of its Audit Committee provide the required level of knowledge and experience to effectively carry out their audit committee duties.

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 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 Joseph J. Vella and Mario Galea as members, whilst Alfred Fabri performs the duties of secretary to the Audit Committee.

The Audit Committee's role principally involves the review of the financial reporting process and internal controls. Additionally, it is responsible for monitoring the performance of the entities borrowing funds from the company and also carries out the oversight of related party transactions to ensure that these are carried out on an arm's length basis.

8.2.3 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 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.

8.2.4 Hotel operations

Day-to-day management of hotel operations are the responsibility of CHI Limited, the 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, as the case may be.

8.2.5 Property audit

Regular property audits are carried out by QPM Limited (C 26148). 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 and recommendations on the replacement of plant and equipment.

8.2.6 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 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.

9 MAJOR SHAREHOLDERS

9.1 SHARE CAPITAL OF THE ISSUER

The authorised share capital of the Company is €2,500,000 divided into 2,500,000 ordinary shares of a nominal value of €1 each. The issued share capital of the Company is €250,000 divided into 250,000 ordinary shares of €1 each, which has been fully issued, subscribed and fully paid up, as follows:

Shareholder		Ordinary shares
1.	Corinthia Palace Hotel Company Limited (C 257)	249,999
2.	CPHCL Investments Limited (C 1245)	1

9.2 SHARE CAPITAL 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:

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

At present, in terms of the Memorandum and Articles of Association of CPHCL, the Board of CPHCL is to consist of six (6) directors. A shareholder or a number of members who individually or between them hold 16.5% 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 LFICO (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.

10 FINANCIAL INFORMATION CONCERNING THE ISSUER'S AND GUARANTOR'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

10.1 HISTORICAL FINANCIAL INFORMATION

The Issuer's and CPHCL's historical financial information for the three financial years ended 31 December 2012, 2013 and 2014 as audited by Grant Thornton is set out in the annual financial statements of the Issuer and CPHCL respectively. Such audited financial statements are available for inspection as set out in section 14 below.

Grant Thornton is an independent firm 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).

The unaudited financial statements for the six-month period ended 30 June 2015 of the Issuer and Guarantor are available for inspection as set out in section 14 below.

10.2 AGE OF LATEST FINANCIAL INFORMATION

The latest audited financial statements available in respect of the Issuer and the Guarantor relate to the financial year ended 31 December 2014. These are available on the Group's website at www.corinthiacorporate.com.

10.3 SIGNIFICANT CHANGES IN FINANCIAL OR TRADING POSITION

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

11 ADDITIONAL INFORMATION

11.1 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

11.1.1 Incorporation

The Company was incorporated on 9 September 1999 as a public company with limited liability in terms of the Companies Act, 1995, with company registration number C 25104.

In terms of clause 3(e) of its Memorandum of Association, the Issuer is authorised to issue bonds, commercial paper or other instrument creating or acknowledging indebtedness and to sell or offer same to the public.

The Memorandum and Articles of Association of the Issuer otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors.

11.1.2 Share capital

The authorised share capital of the Company is €2,500,000 divided into 2,500,000 ordinary shares of a nominal value of €1 each. The issued share capital of the Company is €250,000 divided into 250,000 ordinary shares of €1 each, all fully paid up.

There is more than 10% of the Company's authorised share capital which is unissued. However, in terms of the Company's Memorandum and Articles of Association, none of such capital shall be issued in such a way as would effectively alter the control of the Company or the nature of its business without the prior approval of the Company in general meeting.

The shares of the Company are not listed on the MSE, nor has an application ever been filed for the shares of the Company to be quoted on the MSE Official List. There is no capital of the Company which has been issued to the public during the two years immediately preceding the publication of the Prospectus, nor is it expected that the Company issues during the next financial year any shares, whether fully or partly paid up, in consideration for cash or otherwise. There is no capital of the Company which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Company is to be put under option.

11.1.3 Appointment and removal of Directors

In terms of the Memorandum and Articles of Association of the Company, the Directors shall be appointed as follows:

(a) the appointment of Directors to the Board is reserved to shareholders or a number of members who individually or between them have a holding of 25% of the total issued share capital of the Company having voting rights;

(b) a shareholder or a number of members who individually or between them hold 25% of the issued share capital of the Company are entitled to appoint one director for every such 25% shareholding held. Any shareholder who does not appoint a director or directors as described above will participate in the annual election of directors at the Annual General Meeting of the Company. Shareholders who are entitled to appoint directors pursuant to their 25% holding shall be entitled to participate in the annual election of directors, provided that in such an election they only use such shares not otherwise used to appoint a director as described above; and

(c) all directors may be removed from their post by the shareholder appointing them or by an ordinary resolution of the shareholders in general meeting. Unless appointed for a longer or shorter period or unless they resign or are removed, the Directors shall, unless otherwise specified in the letter of their appointment, hold office for a period of one year. Directors are eligible for re-appointment upon the lapse of the period stated in their letter of appointment.

Further details on the appointment of Directors may be found in the Memorandum and Articles of Association of the Company, a copy of which may be inspected during the lifetime of the Prospectus at the registered office of the Issuer as set out under the heading *"Documents available for inspection"* in section 14 of this Registration Document and at the Registrar of Companies of the MFSA.

11.1.4 Powers of Directors

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

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

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

11.1.5 Commissions

There were no commissions, discounts, brokerages or other special terms granted during the two years immediately preceding the publication of the Prospectus in connection with the issue or sale of any capital of the Company.

11.1.6 Directors' interests

The Directors of the Company have no beneficial interests in the share capital of the Company as at the date of the Prospectus. There are no assets which have been leased or otherwise transferred by or to the Company in which any of the Directors have any interest, direct or indirect, nor are any such leases or transfers being proposed.

11.2 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE GUARANTOR

11.2.1 Incorporation

The Guarantor was incorporated on 21 June 1966 as a private company with limited liability in terms of the Companies Act, 1995, with company registration number C 257.

In terms of clause 4.6 of its Memorandum of Association, the Guarantor is, amongst other things, authorised to borrow, raise or secure the payment of money for the purpose of or in connection with the company's business and to secure the repayment of any moneys borrowed by hypothecation, charge or lien upon the whole or part of the movable and immovable property or assets of the company. Furthermore, the Guarantor is authorised to give guarantees or provide security for any such persons, firms and companies as the directors may deem fit and proper and on such terms as may seem expedient and, in particular, to companies in which the company has an interest.

The Memorandum and Articles of Association of CPHCL otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of directors.

11.3 HOLDINGS IN EXCESS OF 5% OF SHARE CAPITAL

On the basis of the information available to the Company as at the date of the Prospectus, CPHCL holds 249,999 shares in the Company, equivalent to 99.999% of its total issued share capital. No persons hold 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. Apart from raising finance, the Issuer's business is restricted to transactions with CPHCL. In view of this state of affairs, the Audit Committee of the Issuer ensures that any such related party transaction entered into by the Company is made on an arm's length basis.

11.4 LITIGATION

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantor are aware) during a period covering twelve months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as whole.

12 MATERIAL CONTRACTS

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

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

Save for the Financial Analysis Summary, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 18 March 2016 has been included in Annex D of the Securities Note in the form and context in which it appears with the authorisation of Charts Investment Management Service Limited of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein. Charts Investment Management Service Limited does not have any beneficial interest in the Issuer. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

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

14 DOCUMENTS AVAILABLE FOR INSPECTION

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

(a) The Issuer's and Guarantor's Memorandum and Articles of Association;

(b) The Issuer's audited financial statements for the years ended 31 December 2012, 2013 and 2014;

(c) The Issuer's unaudited financial statements for the six-month period ended 30 June 2015;

(d) The Guarantor's consolidated audited financial statements for the years ended 31 December 2012, 2013 and 2014;

(e) The Guarantor's unaudited consolidated financial statements for the six-month period ended 30 June 2015;

(f) Financial analysis summary prepared by Charts Investment Management Service Limited dated 18 March 2016; and

(g) The loan agreement entered into between CPHCL and the Company in respect of the Bonds issued pursuant to the Prospectus;

(h) The letter of confirmation drawn up by Grant Thornton dated 18 March 2016.

Documents (a) to (f) above are also available for inspection in electronic form on the Corinthia Group's website at www.corinthiacorporate.com