

# THE POINT SHOPPING MALL

TIGNÉ POINT

## SUMMARY NOTE

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This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No 486/2012 of the 30 March 2012 amending the Regulation as regards the format and content of the prospectus, the base prospectus, the summary and the final terms as regards the disclosure requirements.

This document is dated 20 March 2013

### TIGNÉ MALL P.L.C.

(a public liability company registered under the Laws of Malta with registration number C-35139)

ISIN: MT0000740101

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 adviser.

Manager, Registrar  
& Underwriter

Legal Counsel

Sponsor

**BOV**  
Bank of Valletta

MAMO TCY  
ADVOCATES

 RIZZO FARRUGIA  
YOUR INVESTMENT CONSULTANTS

## IMPORTANT INFORMATION

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

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

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

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

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

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA AND ANY PERSON ACQUIRING ANY SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER OR THE OFFEROR TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF SHARES, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

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

This Summary Note is prepared in accordance with the requirements of the Regulation as amended by Commission Delegated Regulation (EU) No 486/2012 of the 30 March 2012 amending the Regulation as regards the format and content of the prospectus, the base prospectus, the summary and the final terms as regards the disclosure requirements.

Summaries are made up of disclosure requirements known as '**Elements**'. These elements are numbered in Sections A-E (A.1-E.7). This summary contains all the Elements required to be included in a summary for this type of security and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

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

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

Applicant	A person or persons, in the case of joint applicants, whose name or names appear in the registration details of the Application Form
Application	The offer made by an Applicant to subscribe for Ordinary Shares by completing an Application Form and delivering it to the Registrar
Application Form	The form of application to subscribe for Ordinary Shares
Business Days	Any day between Monday and Friday (all days inclusive) on which commercial banks in Malta settle payments and are open for normal banking business
Combined Offer Period	The period between the 15 April and 19 April 2013 (or such earlier date as may be determined by the Company) during which the Combined Offering is open
Combined Offering	The issue of 14,000,000 new Shares by the Company and the offer for sale of 42,400,000 existing Shares by the Offerors pursuant to this Prospectus
Company or Issuer	Tigné Mall p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-35139 and with registered office at Management Suite, The Point Shopping Mall, Tigné Point, Sliema TP 01, Malta
Central Securities Depository	The Central Securities Depository of the Malta Stock Exchange established pursuant to article 24 of the Financial Markets Act (Cap. 345 of the Laws of Malta) and situated at Garrison Chapel, Castille Place, Valletta VLT 1063
Directors or Board	The Directors of the Company
Financial Intermediaries	The banks, financial institutions, stockbrokers and other persons set forth in Annex 1 of the Securities Note
Group	The Issuer, its parent company and other subsidiary companies of the parent company; and the terms "Group Company" shall be construed accordingly
Listing Authority	The Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003
Listing Rules	The Listing Rules made by the Listing Authority under article 13 of the Financial Markets Act (Cap. 345 of the Laws of Malta)
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta and company registration number C-42525
Manager or Registrar or Underwriter	Bank of Valetta p.l.c.
Member or Shareholder	The persons registered in the Company's register as being the holders of its Ordinary Shares

Offerors	MIDI p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-15836 and with registered office at North Shore, Manoel Island, Gzira, Malta and Tigné Contracting Limited, a limited liability company registered under the laws of Malta with company registration number C-28438 and with registered office at North Shore, Manoel Island, Gzira, Malta
Ordinary Shares or Securities	Ordinary Shares of a nominal value of €0.50 in the capital of the Issuer
Property	The retail mall complex, operating as The Point, with its parking facilities
Prospectus	Collectively, the Registration Document, the Securities Note and the Summary Note
Registration Document	The registration document issued by the Issuer on 20 March 2013, as the same may be updated from time to time
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 prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements
Securities Note	The securities note issued by the Issuer on 20 March 2013, as the same may be updated from time to time
Share Issue	The 14,000,000 Ordinary Shares of a nominal value of €0.50 each being issued for subscription by the Company at the Share Price
Share Offer	The 42,400,000 existing Ordinary Shares of a nominal value of €0.50 each being offered for sale by the Offerors at the Share Price
Share Price	The price of €0.50 per Share
Shares	Has the same meaning as 'Ordinary Shares'
SIS	Solutions & Infrastructure Services Limited (C-38866), a joint venture between MIDI p.l.c. and Siemens SpA, with each having a 50% stake in SIS
Sponsor	Rizzo Farrugia & Co. (Stockbrokers) Ltd
Summary Note	This document in its entirety, as the same may be updated from time to time

## SECTION A – INTRODUCTION AND WARNINGS

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

<b>B.1</b>	<p>The legal and commercial name of the Issuer is Tigné Mall p.l.c. (C-35139).</p>
<b>B.2</b>	<p>The Issuer is a Maltese public limited company, incorporated in Malta and operated under the Companies Act (Cap. 386 of the Laws of Malta). The Issuer is domiciled in Malta.</p>
<b>B.3</b>	<p>The Property is operated by the Issuer as a shopping mall, with a number of outlets and stores leased out to various tenants. The car park is currently operated by SIS.</p> <p>The shopping mall occupies a prominent position at the gateway of the Tigné Point development. The mall consisting of 14,349 sqm comprises 50 retail units, in addition to a number of kiosks and two ATMs. Excluding the Debenhams anchor store and the supermarket, the retail units vary in size from approximately 40 sqm to over 1,000 sqm, accommodating a variety of retailers.</p> <p>The Issuer firmly believes that for the efficient management of its business it needs to retain the overall control and management of the mall including the responsibility of its maintenance. This has been the rationale underpinning its strategy to retain full ownership of all retail outlets and common areas, whilst leasing the outlets to business entities and retailers.</p> <p>The Issuer's core revenue emanates from the leases of the retail outlets. Whilst the terms of the individual leases differ between tenants, leases are based on a standard form of agreement. Typical leases are for 15-20 years, some of which include break options and are drawn on full repairing and insuring terms. In general, tenants are entitled to assign their lease, in which case an incoming tenant will step into the shoes of an outgoing tenant and will continue the lease on the same permitted use and terms and conditions.</p> <p>Tenants pay an annual base rent in equal instalments quarterly in advance, depending on the size and the location of the outlet within the mall and is subject to an annual review. The quantum of the contracted increments has been designed to ensure a consistent level of growth, in annual rents. A number of leases also provide for a turnover rent, which is calculated as a pre-determined percentage of the turnover that the tenant generates, if the turnover that is generated by that unit exceeds a specified amount.</p>
<b>B.4a</b>	<p>The performance of the shopping centre and the interest shown by retailers wishing to lease the space has been encouraging, as reflected by the full occupancy achieved to date. As with any new shopping mall, The Point has experienced changes in some of its outlets as tenants have sought to optimise their retail offer. Such changes have typically resulted in a shift in the goods and in the brands sold from an outlet, but not in the tenant list of the mall.</p> <p>The shopping centre has proved to be popular with shoppers. Testament to this are the year on year increases in footfall recorded at The Point since its opening on 20 March 2010. The Point had 2 million visitors in 2012, an increase of 9% over the previous year. Increase in the level of competition could impact on the results of the Issuer's operations.</p>



The performance of The Point can also be gauged from the income earned by the Company and by the year on year increases registered also in the turnover of those outlets operating lease contracts with turnover rents. Tenant turnover increased by 5% in 2011 and by a further 16% in 2012, contributing to an increase in the Issuer's annual income of 14% over the 2 year period.

**B.5**

The Issuer has no subsidiaries or holdings in any other undertakings.

The Issuer is a subsidiary company of MIDI p.l.c. ("MIDI") and currently forms part of the group of companies of which MIDI is the parent company. As a result of this Combined Offering however, the Issuer will no longer form part of the Group.

The Issuer is a subsidiary company of MIDI and currently forms part of the group of companies of which MIDI is the parent company. The Group is composed of MIDI as the parent undertaking and its wholly owned subsidiary companies – the Issuer, Tigné Contracting Limited and Tigné Point Marketing Limited.

**B.6**

The Ordinary Shares form part of one class and there are no different voting rights attached to any shares, whether held by the Issuer's major shareholders or otherwise.

At the time of approval of this Prospectus, the Issuer is controlled directly by MIDI, which has 99.38% of the shareholding. The only other shareholder is Tigné Contracting Limited which has 0.62% of the shareholding. In the event of a full subscription of the Share Offer, MIDI and Tigné Contracting Limited will no longer be shareholders of the Issuer.

**B.7**

The Issuer's financial statements for the 3 financial years ended 31 December 2010, 2011 and 2012 are available for inspection at the Company's registered office. These financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU.

There has been no significant change in the Issuer's financial or trading position since 31 December 2012, the date to which financial statements were last drawn up.

The following are extracts of the audited historical financial statements of the Issuer referred to above:

#### Condensed income statement

	Year ended 31 December		
	2010 Audited €000	2011 Audited €000	2012 Audited €000
Revenue	3,006	4,136	4,553
Operating profit	1,386	2,100	2,784
<b>(Loss)/profit for the year</b>	<b>(375)</b>	<b>132</b>	<b>476</b>
Earnings per share (euro cents)	(4.89)	0.57	1.19

The presentation of the earnings per share and the weighted average number of ordinary shares in issue during each financial year on which the earnings per share is based, have been adjusted retrospectively to reflect the redenomination of the Company's capital that occurred subsequent to 31 December 2012. Each Ordinary Share with a nominal value of €2.329373 has been redenominated into 4.658746 ordinary shares with a nominal value of €0.50 each.

## Condensed balance sheet

	As at 31 December		
	2010 Audited €000	2011 Audited €000	2012 Audited €000
<b>Total assets</b>	<b>64,568</b>	<b>62,976</b>	<b>63,072</b>
Total equity	6,882	19,701	21,239
Total liabilities	57,686	43,275	41,833
<b>Total equity and liabilities</b>	<b>64,568</b>	<b>62,976</b>	<b>63,072</b>

**B.8** Not applicable: the Registration Document does not contain pro forma financial information.

**B.9** The following is an extract from the profit forecasts of the Issuer for the 5 years ending 31 December 2013 to 2017.

	Year ended 31 December	Year ended 31 December				
	2012 Audited €000	2013 €000	2014 2015 2016 2017 Projected financial information €000 €000 €000 €000	2015 €000	2016 €000	2017 €000
Revenue	4,553	4,952	5,229	5,408	5,633	5,867
Operating profit	2,784	3,064	3,375	3,535	3,748	3,971
<b>Profit for the year</b>	<b>476</b>	<b>872</b>	<b>1,206</b>	<b>1,354</b>	<b>1,496</b>	<b>1,692</b>
Earnings per share (euro cents)	1.19	1.66	2.14	2.40	2.65	3.00

The Issuer's income stream has in the main been projected assuming the continued operation of existing contracts, of which *circa* 90% is expected to arise from the annual base rent and is revisable over time at pre-agreed terms as stipulated in the lease contract.

The operating costs of The Point have now been stabilised and save for the impact of unforeseen or exceptional events are not expected to change materially in the future except for the impact of inflation. As the Issuer's two largest costs, depreciation and interest, are not projected in aggregate to increase in the future, the Issuer's profit after taxation available for distribution to shareholders is expected to increase at a significantly higher pace than increases in turnover, a trend already experienced between 2010 and 2012. Although between 2013 and 2017, turnover is projected to increase by 18.5%, during the same period, the Issuer's profit after taxation available for distribution is projected to increase by 94%.

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

	As at	As at 31 December				
	31 December					
	2012	2013	2014	2015	2016	2017
	Audited		Projected financial information			
	€000	€000	€000	€000	€000	€000
<b>Total assets</b>	<b>63,072</b>	<b>60,204</b>	<b>59,808</b>	<b>59,186</b>	<b>58,544</b>	<b>57,954</b>
Total equity	21,239	28,443	28,591	28,676	28,762	29,023
Total liabilities	41,833	31,761	31,217	30,510	29,782	28,931
<b>Total equity and liabilities</b>	<b>63,072</b>	<b>60,204</b>	<b>59,808</b>	<b>59,186</b>	<b>58,544</b>	<b>57,954</b>

Borrowings are projected to reduce from €36.5 million in 2012 to €26.3 million at the end of 2013 as all balances due to or from Group and related parties are settled and the net proceeds from the Share Issue are applied towards reducing bank indebtedness. Based on the sanction letter dated 8 March 2013, the reduced loan will be repaid over a seventeen year period, with annual repayments of €2.3 million (inclusive of interest).

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

	Year ended	Year ended 31 December				
	31 December					
	2012	2013	2014	2015	2016	2017
	Audited		Projected financial information			
	€000	€000	€000	€000	€000	€000
Net cash (used in)/generated from operating activities	(3,493)	5,108	2,998	3,092	3,340	3,321
Net cash used in investing activities	(64)	(55)	(56)	(57)	(58)	(60)
Net cash generated from/(used in) financing activities	2,726	(3,871)	(2,163)	(2,424)	(2,554)	(2,634)
<b>Net movement in cash and cash equivalents</b>	<b>(831)</b>	<b>1,182</b>	<b>779</b>	<b>611</b>	<b>728</b>	<b>627</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>963</b>	<b>132</b>	<b>1,314</b>	<b>2,093</b>	<b>2,704</b>	<b>3,432</b>
<b>Cash and cash equivalents at end of year</b>	<b>132</b>	<b>1,314</b>	<b>2,093</b>	<b>2,704</b>	<b>3,432</b>	<b>4,059</b>

<b>B.10</b>	Not applicable: the financial statements have been audited by PwC and the auditor's report thereon comprises an unqualified audit opinion.
<b>B.11</b>	Not applicable: the Issuer's working capital is sufficient for the Issuer's present requirements.



## SECTION C – SECURITIES

C.1	The Combined Offering comprises the issue of 14,000,000 new Ordinary Shares by the Company and the offer for sale of 42,400,000 existing Ordinary Shares. All these ordinary shares form part of one class of Ordinary Shares. There are no shares that have any preferred or deferred rights. Following their admission to the Malta Stock Exchange, the Ordinary Shares will retain their registered form and will thereafter be held in book-entry form at the Central Securities Deposit in accordance with the requirements of the Malta Stock Exchange, or in such other form as may be determined from time to time by applicable law, the requirements of the Malta Stock Exchange or the Issuer. The ISIN of the Ordinary Shares is MT0000740101.
C.2	The currency of the Combined Offering is the Euro (€).
C.3	All the Ordinary Shares comprised in the Combined Offer are fully paid up. The nominal or par value of the Ordinary Shares is €0.50.
C.4	<p><b>Dividends</b> The Ordinary Shares shall carry the right to participate in any distribution of dividend declared by the Issuer <i>pari passu</i> with all other Ordinary Shares in the same class.</p> <p><b>Voting Rights</b> Each Share shall be entitled to one vote at meetings of Shareholders.</p> <p><b>Capital Distribution</b> The Ordinary Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether on a winding up or otherwise, <i>pari passu</i> with all other Ordinary Shares of the same class.</p> <p><b>Pre-Emption</b> In accordance with Article 88 of the Companies Act, should Ordinary Shares of the Issuer be proposed for allotment for consideration in cash, those Ordinary Shares must be offered on a pre-emptive basis to Shareholders in proportion to the share capital held by them. A copy of any offer of subscription on a pre-emptive basis indicating the period within which this right must be exercised must be delivered to the Registrar of Companies. The right of pre-emption must be exercised in accordance with Article 3 of the Articles of Association of the Issuer which states that on a fresh issue of ordinary shares, such shares shall be offered in the first instance to the existing Members of the Issuer <i>pro-rata</i> to the number of shares held by them respectively. The offer shall be made by notice in writing specifying the number of shares offered, as well as their price and limiting a time, being not less than 14 days, within which the offer if not accepted shall be deemed to have been declined. Any remaining shares may then be offered to non-Members.</p>
C.5	The Ordinary Shares are freely transferable and once admitted to the Official List of the Malta Stock Exchange shall be transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time.
C.6	Application has been made to the Listing Authority for all of the Ordinary Shares, whether issued, to be issued or offered, to be admitted to listing on a regulated market. Application has also been made to the Malta Stock Exchange for all of the Ordinary Shares, whether issued, to be issued or offered, to be admitted to the Official List.
C.7	<p>The Board's policy is to pay an interim and a final dividend. The extent of any dividend distribution will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the cash flows for the Issuer, working capital requirements and the requirements of the Companies Act (Cap. 386 of the laws of Malta) especially with regard to distributable reserves.</p> <p>Subject to the above, it is the Directors' objective to distribute a total dividend to the holders of Ordinary Shares in the Issuer equivalent to 5% net (7.69% gross), rising annually by an amount that is, as a minimum, in line with inflation. The Directors expect, on the basis of the prospective financial information set out in this Prospectus, that the target 5% (net) dividend yield will be attained by 2016.</p> <p>In the absence of unforeseen circumstances, the Issuer will pay its final dividend for the year ending 31 December 2013 following the publication of the financial statements of the Issuer in April 2014. An interim dividend is also expected to be paid in September 2014 following the publication of the interim results for that period.</p> <p>The net dividend distributions that have been provided for in the Issuer's prospective financial information in line with the above policy are as follows:</p>

	2013 €000	2014 €000	2015 €000	2016 €000	2017 €000
Payable to MIDI p.l.c. prior to Combined Offer in respect of profits up to 30 April 2013	180				
Payable to new investors		1,058	1,269	1,410	1,431
Gross dividend yield		5.8%	6.9%	7.7%	7.8%
Net dividend yield		3.8%	4.5%	5.0%	5.1%

Note: The net dividend yield assumes an effective tax rate of 35%. Projected dividend yields are based on the Share Price and may vary if the market price changes.

The Company's projections indicate that the main limiting factor in the payment of dividends in the immediate years ahead will be the availability of distributable earnings. Variations from the projected earnings and/or shifts in the value of Property will have a direct impact on the Issuer's ability to distribute the projected dividends. Although the Directors believe that the financial projections included herein have been prepared on a fair and reasonable basis, all forecasts are inherently subject to the risk of adverse unexpected events which may affect the Issuer's revenue streams and its profitability.

## SECTION D – RISKS

### D.1

The Issuer is subject to a number of risks which could have an adverse effect on its business, the value of its assets and results of operations. Prospective investors should carefully consider, with their own independent financial and other professional advisers, the following risk factors and other investment considerations as well as all the other information contained in the Prospectus before deciding to acquire Shares.

This document contains statements that are, or may be deemed to be, “forward-looking statements”, which relate to matters that are not historical facts and which may involve projections of future circumstances. They appear in a number of places throughout the Prospectus and include statements regarding the intention, beliefs or current expectations of the Issuer and/or its Directors. These forward-looking statements are subject to a number of risks, uncertainties, assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer’s Directors. No assurance is given that the future results or expectations will be achieved.

- i. These risks include but are not limited to those risks discussed below. The Issuer is susceptible to adverse economic developments and trends both locally and overseas. Negative economic factors and trends could have a material impact on the business of the Issuer, rental revenues and property values and results of operations, due to increased competition from other similar developments and rising operating costs;
- ii. The health of the property and retail market may be affected by a number of factors such as national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, the availability of financing and yields of alternative investments. Such factors may be expected to cause property prices to fluctuate over the life-span of the development;
- iii. The Issuer was formed to own and operate a retail mall complex and ancillary parking facilities at Tigné Point. As property is a relatively illiquid asset, combined with the fact that the Issuer has only invested in one property, such illiquidity may affect the Issuer’s ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiration of the lease term;
- iv. The Issuer’s tenants are susceptible to competition from retail outlets which are in the vicinity of Tigné Point, St. Julians and other areas, factory outlet centres, other shopping centres which offer the same amenities, television shopping networks as well as online shopping. Increases in the level of competition could impact on the results of the Issuer’s operations;
- v. The Issuer is dependent on 43 tenants or groups of related tenants fulfilling their obligations under their lease agreements. The business, revenue and projected profits of the Issuer would be negatively impacted if tenants fail to honour their respective lease obligations;
- vi. In cases of early termination by tenants prior to the expiration of the lease term on the specific break-date, there is a risk of loss of rental income if the tenant is not replaced in a timely way;
- vii. Changes in laws and regulations relevant to the Issuer’s business and operations could be enacted that may have an adverse impact on the Issuer’s business, results of operations, financial condition or prospects;
- viii. The valuation referred to in this Prospectus was prepared by independent qualified valuers in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors. In providing a market value of the Property, the independent valuers have made certain assumptions on future events. The future value of the Property will be impacted if future events vary materially from expectations;
- ix. The Issuer’s operating and other expenses could increase without a corresponding increase in revenue such as an increase in the rate of inflation above the level of annual increments contracted with tenants, unforeseen increases in the costs of maintaining the Property and material increases in operating costs that may not be fully recoverable from tenants;
- x. The Issuer’s present level of indebtedness is fully funded through bank borrowings bearing a variable interest rate. Therefore, the Company may be exposed to significant interest rate risk until such time as bank borrowings bearing a variable interest rate are reduced; and
- xi. The Issuer may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk, credit risk, currency risk and interest rate risk.

D.3

The Ordinary Shares may be subject to a number of risks, which include but are not limited to the risks discussed below:

- i. Prior to the Combined Offering, there has been no public market for the Issuer's Ordinary Shares within or outside Malta. The market price of the Ordinary Shares could be subject to significant fluctuations in response to numerous factors, including the Issuer's operating results;
- ii. The limited size and liquidity of the market for shares in Malta could increase the price volatility of the Ordinary Shares and may impair the ability of the holder of the Ordinary Shares to sell such Ordinary Shares in the market in the amount and at the price and time such holder wishes to do so. The liquidity of the market depends on, amongst others, factors beyond the Company's control, such as the willingness of potential buyers and sellers to invest in the Ordinary Shares and the absence of market makers on the Malta Stock Exchange;
- iii. Following the Issue, the price at which the Ordinary Shares will be traded, as well as the sales volume of the Ordinary Shares traded, will be subject to fluctuations;
- iv. Even after the Ordinary Shares are admitted to trade on the Malta Stock Exchange, the Issuer must remain in compliance with certain requirements. The Listing Authority has the authority to suspend trading of the Ordinary Shares if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the markets. The Listing Authority may discontinue the listing of the Ordinary Shares on the Malta Stock Exchange. Any such trading suspensions or listing revocations/discontinuations described above could have a material adverse effect on the liquidity and value of the Ordinary Shares. Furthermore, the Listing Authority may discontinue the listing of the Ordinary Shares if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Ordinary Shares are no longer possible, or upon the request of the Issuer or the Malta Stock Exchange;
- v. In terms of the Listing Rules, an issuer must have at least 25% of its listed share capital in the hands of the public. Should the number of Ordinary Shares in public hands subsequent to the Issue fall below the 25% threshold, the Issuer would be in breach of the said Listing Rules, which could possibly lead to the delisting of the Issuer from the Official List of the Malta Stock Exchange. Exceptionally, the Listing Authority may accept a lower percentage of Ordinary Shares in the hands of the public provided that the market continues to operate properly. The delisting of the Company would have adverse effects on the marketability and transferability of the Ordinary Shares and on the fiscal impact on Share transfers;
- vi. The value of investments can rise or fall and past performance is not necessarily indicative of future performance;
- vii. There can be no assurance that an active secondary market for the Ordinary Shares will develop or, if it develops, that it will continue nor can there be any assurance that an investor will be able to resell his Ordinary Shares at or above the Share Price and/or the Share Price or at all;
- viii. An investment in the Issuer may not be suitable for all recipients of the Prospectus and investors are urged to consult their advisers as to the suitability or otherwise of an investment in the Ordinary Shares described herein before making an investment decision;
- ix. The Issuer's results can fluctuate and its ability to pay dividends is dependent upon, amongst other things, it achieving sufficient profits. Future dividends will also depend on, amongst other factors, the Issuer's future profits, financial position, working capital requirements, general economic conditions and other factors that the Directors may deem significant from time to time; and
- x. A Shareholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Ordinary Shares (€) and the Shareholder's currency of reference, if different.

## SECTION E – OFFER

<b>E.1</b>	<p>The net proceeds from the Share Offer and Share Issue will amount to €20.9 million and €6.5 million respectively. The Combined Offering expenses are estimated not to exceed €880,000. This amount shall be deducted as follows: €360,000 from the proceeds of the Share Offer and €520,000 from the proceeds of the Share Issue.</p>
<b>E.2a</b>	<p>The net proceeds from the Share Offer amounting to €20.9 million shall be applied to the benefit of the Offerors which, through such Offer, aim to realise their investment in the Company. The net proceeds of the Share Issue amounting to €6.5 million shall be applied by the Company in their entirety to reduce existing banking facilities. This measure is designed to enable the Company, as a listed company, to facilitate distribution of regular dividends to Shareholders.</p>
<b>E.3</b>	<p>The Combined Offering comprises a total of 56,400,000 fully paid Ordinary Shares having a nominal value of €0.50 per share in the Company at the Share Price. The Ordinary Shares on offer pursuant to this Prospectus are:</p> <ul style="list-style-type: none"><li>(a) 14,000,000 new Ordinary Shares which are being issued by the Company (“the Share Issue”);</li><li>(b) 42,400,000 Ordinary Shares which are being offered for sale by the Offerors (“the Share Offer”);</li></ul> <p>(a) and (b) above referred to as “the Combined Offering”.</p> <p>The Shares being the subject of the Share Issue were authorised by the Company and the Shareholders on 1 March 2013. The Company expects such Ordinary Shares to be issued on 7 May 2013.</p> <p>The Shares shall be available for subscription in three tranches:</p> <ul style="list-style-type: none"><li>i. By MIDI Shareholders through Financial Intermediaries to be submitted at the preplacement stage pursuant to <i>inter alia</i>, the provisions of these terms and conditions;</li><li>ii. By Financial Intermediaries for the account of their clients during the preplacement pursuant to <i>inter alia</i>, the provisions of these terms and conditions; and</li><li>iii. By the general public through Financial Intermediaries pursuant to, <i>inter alia</i>, provisions of these terms and conditions.</li></ul> <p>The following are highlights of the terms and conditions applicable to any Application for Ordinary Shares.</p> <p>MSV Life p.l.c. (MSV) has entered into a pre-allocation agreement whereby it undertakes to enter into a conditional subscription agreement, to subscribe and purchase 20,000,000 Ordinary Shares in the Company and the Company and Offerors have bound themselves to allot the said Ordinary Shares to MSV. This agreement relating to the Ordinary Shares is subject to the terms of the Prospectus and subject to the condition that the Shares shall be admitted to the Official List of the Malta Stock Exchange by not later than 31 May 2013.</p> <p>The Company and the Offerors may enter into subscription agreements (the “Subscription Agreement/s”) with Financial Intermediaries prior to the commencement of the Combined Offer Period up to an amount not exceeding 22,400,000 Ordinary Shares with respect to subscription for Shares by Shareholders of MIDI who appear on their register as at 18 March 2013 (the “Preferred Applicants”) and other investors.</p> <p>Upon completion and submission of the Subscription Agreements, the Company and the Offerors will be conditionally bound to issue and each Financial Intermediary will bind itself to subscribe to, such number of Shares, subject to the Shares being admitted to the Official List of the Malta Stock Exchange. Each Subscription Agreement will become binding on all parties upon delivery, subject to the Company and the Offerors having received all subscription proceeds in cleared funds on delivery of the Subscription Agreement.</p> <p>Completed Subscription Agreements shall be submitted by Financial Intermediaries together with subscription proceeds, in cleared funds by latest 12:00 hours on Friday 12 April 2013.</p> <p>The amount available to Financial Intermediaries for the benefit of Preferred Applicants and other investors shall be subject to the following limits:</p> <ul style="list-style-type: none"><li>i. Preferred Applicants shall be entitled to subscribe up to a maximum amount of 10,000,000 Shares; and</li><li>ii. Other investors shall be entitled to subscribe up to a maximum amount of 12,400,000 Shares.</li></ul> <p>Provided that any amount not taken up by Preferred Applicants under (i) above or by other investors under (ii) above shall be available for subscription by the Financial Intermediaries for the benefit of other investors under (ii) above or by Preferred Applicants under (i) above respectively.</p>

In the event of an over-subscription by Preferred Applicants under (i) above or by other investors under (ii) above, the Company and the Offeror shall scale down such Applications/subscriptions and:

- a. in the case of Applications by Preferred Applicants under (i) above, the unsatisfied portion will automatically participate and **will be given preference** during the Combined Offer Period; and
- b. in the case of subscriptions by other investors under (ii) above, the unsatisfied portion will automatically participate during the Combined Offer Period and will rank *pari passu* with other Applicants.

Any amount not taken up under (i) and (ii) above, shall be available during the Combined Offer Period.

The minimum which each Financial Intermediary may apply for, on behalf of other investors in terms of the Subscription Agreement is for 500,000 Ordinary Shares and the amount per underlying application must be for a minimum of 50,000 Ordinary Shares (and in multiples of 100 Ordinary Shares thereafter).

The minimum to which each Preferred Applicant may apply for is 2,000 Ordinary Shares (and in multiples of 100 Ordinary Shares thereafter).

These agreements relating to the Ordinary Shares are subject, *inter alia*, to the terms of the Prospectus.

An amount of 14,000,000 Ordinary Shares (and the balance, if any, of the reserved portion for preplacement not taken up by Preferred Applicants and/or by Financial Intermediaries pursuant to the Subscription Agreements) shall be offered to the general public and will be available for subscription by the general public. The Ordinary Shares will be available for subscription during the Combined Offer Period commencing on 15 April 2013 up to and including 19 April 2013, subject to the right of the Company and the Offeror to close subscription lists before such date in the case of over-subscription, in which case the Company may, but shall not be bound to, anticipate in the same chronological order the remaining events in such a way as to retain the number of Business Days between the said events.

The minimum subscription amount for applications received during the Combined Offer Period shall be of 2,000 Ordinary Shares and in multiples of 100 Ordinary Shares thereafter.

Applications may be obtained from and are to be lodged with Financial Intermediaries during the Combined Offer Period.

Any person, whether natural or legal, shall be eligible to submit an Application and any one person, whether directly or indirectly should not submit more than one Application Form for Ordinary Shares.

Multiple Applications are only allowed in case where there are unsatisfied amounts at the Preplacement stage due to over-subscription for Applications by Financial Intermediaries on behalf of clients not being Preferred Applicants and which automatically participate during the Combined Offer Period thereafter. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person or persons authorised to sign and bind such Application. It shall not be incumbent on the Issuer, the Offerors or the Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact so authorised. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Ordinary Shares allocated pursuant to such an Application shall be registered in the name of the minor as Shareholder, with dividends payable to the parents/legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, after which all dividends shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.

All Applications for the purchase of Ordinary Shares must be submitted on Application Forms during the Combined Offer Period. The completed Application Forms are to be lodged with any of the Sponsor, Manager or Financial Intermediaries. All Application Forms must be accompanied by the full price of the Ordinary Shares applied for. Payment may be made either in cash or by cheque payable to "The Registrar – Tigné Mall p.l.c. Combined Offering". In the event that cheques accompanying Application Forms are not honoured, on their first presentation, the Company, the Offerors and the Registrar reserve the right to invalidate the relative Application.

In the event that an Applicant has not been allocated any Ordinary Shares or has been allocated a smaller number of Ordinary Shares than the number applied for, then the Applicant shall receive a full refund or, the balance of the price of the Ordinary Shares applied for but not allocated, as the case may be, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk, within 5 Business Days from the date of final allocation.



The pricing of the Combined Offering has been fixed by the Issuer and the Offerors at the Share Price.

The Issuer will determine and announce the results of the offer and allocation policy for the allotment of the Ordinary Shares within 5 Business Days of the closing of subscriptions for Ordinary Shares by means of a press release. The Company will endeavour, through the allocation policy to be adopted, that there will be a sufficiently dispersed shareholder base to facilitate, as far as practicable, an active secondary market in the Ordinary Shares. Each Applicant will be directly notified of the amount of Ordinary Shares allocated in his/her name by the Company through an allotment letter which will be mailed by latest 6 May 2013 and by the Central Securities Depository. Trading may not commence before such a notification by the Central Securities Depository has been dispatched to each person receiving Shares.

By an agreement between the Company, the Offerors and the Underwriter, it was agreed that in the event that any Ordinary Shares of the Combined Offering remain outstanding after the end of the Combined Offer Period, the Underwriter shall purchase such outstanding shares of the Share Issue, up to a maximum of the equivalent of 14,000,000 Ordinary Shares, at the Share Price. After the Underwriter would have discharged itself of its underwriting obligation as aforesaid, any part of the other 22,400,000 Ordinary Shares not taken up and which is not subject to the Underwriting Agreement, shall be retained by MIDI.

The above is a synopsis of the general terms and conditions of the Combined Offer. Applications are subject to the full terms and conditions of the Prospectus.

The Combined Offering will open at 08:30 hours on Monday 15 April 2013 and will close as soon thereafter as may be determined by the Registrar, as the case may be, but not later than 16:00 hours on Friday 19 April 2013.

<b>E.4</b>	MSV is currently a shareholder in MIDI, one of the Offerors and has indicated that it will acquire 20,000,000 Shares forming part of the Combined Offering. Bank of Valletta p.l.c. is also a shareholder in MIDI and is acting as Underwriter, Manager and Registrar in this Combined Offering.
<b>E.5</b>	The shareholders selling their Ordinary Shares as part of the Share Offer are MIDI p.l.c. (C-15836), a public limited liability company registered under the laws of Malta with registered office at North Shore, Manoel Island, Gzira, Malta and Tigné Contracting Limited (C-28438), a limited liability company registered under the laws of Malta with registered office at North Shore, Manoel Island, Gzira, Malta.
<b>E.6</b>	In the event of a full subscription of the Share Offer, MIDI and Tigné Contracting Limited will no longer be shareholders of the Issuer.
<b>E.7</b>	The Combined Offering expenses including professional fees, costs related to publicity, advertising, printing, listing, registration, sponsoring, management, subscriptions, registrar fees, a 1.5% selling commission and other miscellaneous expenses in connection with the Combined Offering, are estimated not to exceed €880,000.

## EXPECTED TIMETABLE

EVENT	DATE
Availability of Application Forms	27 March 2013
Preplacement date	12 April 2013
Opening of Combined Offer Period	15 April 2013
Closing of Combined Offer Period	19 April 2013
Expected announcement of basis of acceptance	26 April 2013
Expected dispatch of allocation advices and refunds of unallocated monies	6 May 2013
Expected admission of the Ordinary Shares on the Malta Stock Exchange	7 May 2013
Expected commencement of trading on the Malta Stock Exchange	8 May 2013

The Issuer reserves the right to close the Combined Offer Period before the above described date in the case of over-subscription, in which the Issuer may, but shall not be bound to, anticipate in the same chronological order the remaining events in such a way as to retain the number of Business Days between the said events.



# THE POINT SHOPPING MALL

TIGNÉ POINT

## REGISTRATION DOCUMENT

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This document is a Registration Document issued in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the “**Regulation**”) implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

This Registration Document contains information about Tigné Mall p.l.c. (the “**Issuer**” or the “**Company**”) as issuer of securities. This Registration Document should be read in conjunction with the most updated Securities Note issued from time to time containing information about the securities to which it relates.

This document is dated 20 March 2013

in respect of

AN OFFER BY **MIDI p.l.c. and Tigné Contracting Limited** OF A TOTAL OF 42,400,000 ORDINARY SHARES

AND AN ISSUE BY **The Company** OF 14,000,000 ORDINARY SHARES

IN

**TIGNÉ MALL P.L.C.**

OF A NOMINAL VALUE OF €0.50 PER SHARE AT A SHARE PRICE OF €0.50 PER SHARE

ISIN: MT0000740101

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 adviser.

## IMPORTANT INFORMATION

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THIS DOCUMENT CONSTITUTES A REGISTRATION DOCUMENT AND CONTAINS INFORMATION IN RELATION TO TIGNÉ MALL P.L.C. (THE “ISSUER” OR THE “COMPANY”) AND ITS BUSINESS. THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH: (A) THE COMPANIES ACT (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 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; AND (B) THE RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE (“MSE”).

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

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

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

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

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

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA AND ANY PERSON ACQUIRING ANY ORDINARY SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING, IN ANY OTHER COMPETENT JURISDICTION, ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF ORDINARY SHARES, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE PROSPECTUS AS A WHOLE.

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

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE MSE AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES. APPLICATION HAS BEEN MADE TO THE LISTING AUTHORITY FOR THE APPROVAL OF THE PROSPECTUS AND FOR THE ADMISSION OF THE ISSUER’S ORDINARY SHARES ON A REGULATED MARKET. APPLICATION HAS ALSO BEEN MADE TO THE MSE, FOR THE ORDINARY SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE.

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## DEFINITIONS

The capitalised terms used throughout this Registration Document shall bear the following meaning:

Applicant	A person or persons, in the case of joint applicants, whose name or names appear in the registration details of the Application Form
Application	The offer made by an Applicant to subscribe for Ordinary Shares by completing an Application Form and delivering it to the Registrar
Application Form	The form of application to subscribe for Ordinary Shares, a specimen of which is set out in Annex 2 of the Securities Note
Combined Offer Period	The period between the 15 April 2013 and 19 April 2013 (or such earlier date as may be determined by the Company) during which the Combined Offering is open
Combined Offering	The issue of 14,000,000 new Shares by the Company and the offer for sale of 42,400,000 existing Shares by the Offerors pursuant to this Prospectus
Company or Issuer	Tigné Mall p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-35139 and with registered office at Management Suite, The Point Shopping Mall, Tigné Point, Sliema TP 01, Malta
Directors or Board	The Directors of the Company whose names and addresses are set out in Section 12.1 with the heading "The Board" of this Registration Document
Existing Shareholders	The shareholders of the Issuer whose names and addresses are set out in Section 17.2 with the heading "Existing Shareholders of the Issuer" of this Registration Document
Emphyteutical Deed	The public deed in the records of Notary Vincent Miceli of 15 June 2000 whereby Government, granted the temporary emphyteutical concession of immovable property at Tigné Point and Manoel Island for a period of 99 years commencing from 15 June 2000 to MIDI p.l.c.
Government	The Government of Malta
Group	The Issuer, its parent company and other subsidiary companies of the parent company; and the term "Group Company" shall be construed accordingly
Listing Authority	The Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003
Listing Rules	The Listing Rules made by the Listing Authority under Article 13 of the Financial Markets Act (Cap. 345 of the Laws of Malta)
Malta Stock Exchange	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta and company registration number C-42525
Member or Shareholder	The persons registered in the Company's register as being the holders of its Ordinary Shares
MEPA	Malta Environment and Planning Authority established in terms of the Development Planning Act (Cap. 356 of the Laws of Malta)
Offerors	MIDI p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-15836 and with registered office at North Shore, Manoel Island, Gzira, Malta and Tigné Contracting Limited, a limited liability company registered under the laws of Malta with company registration number C-28438 and with registered office at North Shore, Manoel Island, Gzira, Malta
Ordinary Shares or Securities	Ordinary Shares of a nominal value of €0.50 in the capital of the Issuer
Property	The retail mall complex, operating as The Point, with its parking facilities that is more fully described in Section 7 of this Registration Document
Prospectus	This Registration Document together with the Securities Note and the Summary Note, all dated 20 March 2013, in connection with the Combined Offering
Registration Document	This document in its entirety, as the same may be updated from time to time
Securities Note	The securities note issued by the Issuer on 20 March 2013, as the same may be updated from time to time
Share Issue	The 14,000,000 Ordinary Shares of a nominal value of €0.50 each being issued for subscription by the Company at the Share Price

Share Offer	The 42,400,000 existing Ordinary Shares of a nominal value of €0.50 each being offered for sale by the Offerors at the Share Price
Share Price	The price of €0.50 per Share
Shares	Has the same meaning as "Ordinary Shares"
SIS	Solutions & Infrastructure Services Limited (C-38866), a joint venture between MIDI p.l.c. and Siemens SpA, with each having a 50% stake in SIS
Sub-emphyteutical Deed	The public deed in the records of Notary Pierre Attard of 22 October 2010 whereby MIDI p.l.c. granted the Property to the Issuer for the remaining period out of the original period of 99 years which commenced from 15 June 2000
Summary Note	The summary note issued by the Issuer on 20 March 2013 as the same may be updated from time to time

# 1. RISK FACTORS

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An investment in the Issuer is subject to certain risks and prospective investors should carefully consider the risks associated with the Issuer and its business. In particular, prospective investors should carefully consider the risk factors set out in the following section (which have not necessarily been listed in order of priority), together with the other information contained in the Prospectus, before making an investment decision with respect to the Issuer and the Securities issued and offered by it. Prospective investors are also advised to consult their own independent financial, tax, accounting, legal and other professional advisers in regards to the merits of an investment in the Ordinary Shares. If any of the risks and uncertainties described below were to materialise, such an event could have a serious effect on the Issuer's financial results and trading prospects. The risks and uncertainties discussed below are those identified as such by the Directors, but these risks and uncertainties may not be the only ones that the Issuer faces.

Additional risks and uncertainties, including those which the Issuer's Directors are not currently aware of, may well have a material impact on the financial condition and operational performance of the Issuer that could lead to a decline in value of the Ordinary Shares.

Moreover, information contained in the Prospectus contains "forward looking statements", which are subject to the qualifications discussed in Section 1.2 entitled "Forward Looking Statements" below.

## 1.1 RISKS RELATING TO THE ISSUER AND ITS BUSINESS

The Issuer is subject to a number of risks which could have an adverse affect on its business, the value of its assets and the results of operations. These risks include but are not limited to those risks which are discussed below.

### 1.1.1 ECONOMIC CONDITIONS

The Issuer is susceptible to adverse economic developments and trends both locally and overseas. Negative economic factors and trends could have a material impact on the business of the Issuer, rental revenues and property values and results of operations and increased competition from other similar developments and rising operating costs.

### 1.1.2 GENERAL MARKET CONDITIONS

The health of the property and retail market may be affected by a number of factors such as national economy, political developments, government regulations, changes in planning or tax laws, interest rate fluctuations, inflation, the availability of financing and yields of alternative investments. Such factors may be expected to cause property prices to fluctuate over the life-span of the development.

Confidence in the local retail market may be expected to have a beneficial effect on the value of the Issuer's assets and income streams. Conversely, an increase in the supply of retail space and/or a reduction in retail demand could impact negatively upon capital values and income streams of the development.

### 1.1.3 REAL ESTATE INVESTMENTS ARE ILLIQUID

The Issuer was formed to own and operate a retail mall complex and ancillary parking facilities at Tigné Point. As property is a relatively illiquid asset, combined with the fact that the Issuer has only invested in one property, such illiquidity may affect the Issuer's ability to vary its portfolio or dispose of or liquidate part of its portfolio in a timely fashion and at satisfactory prices in response to changes in economic, real estate market or other conditions or the exercise by tenants of their contractual rights such as those which enable them to vacate properties occupied by them prior to, or at, the expiration of the lease term. These factors could have an adverse effect on the Issuer's financial condition and results.

### 1.1.4 COMPETITION

The Issuer's tenants are susceptible to competition from retail outlets which are in the vicinity of Tigné Point, St. Julians and other areas, factory outlet centres, other shopping centres which offer the same amenities, television shopping networks as well as online shopping. Increases in the level of competition could impact on the results of the Issuer's operations.

### 1.1.5 DEPENDENCE ON TENANTS

The Issuer is dependent on 43 tenants or groups of related tenants fulfilling their obligations under their lease agreements. The Issuer's dependence on any one group of related tenants that form part of the same business organisation does not exceed 12% of total base rent. The business, revenue and projected profits of the Issuer would be negatively impacted if tenants fail to honour their respective lease obligations.

### 1.1.6 TERMINATION OF LEASE AGREEMENTS

The Issuer is subject to the risk that tenants may terminate the lease either due to the expiration of the lease term or due to an early termination of the lease where agreements entitle tenants to terminate the lease on specific break-dates. In cases

of early termination by tenants prior to the expiration of the lease term on the specific break-date, there is a risk of loss of rental income if the tenant is not replaced in a timely way.

### 1.1.7 CHANGES IN LAWS AND REGULATIONS

Changes in laws and regulations relevant to the Issuer's business and operations could be enacted that may have an adverse impact on the Issuer's business, results of operations, financial condition or prospects.

### 1.1.8 PROPERTY VALUATION

The valuation referred to in this Prospectus was prepared by independent qualified valuers in accordance with the valuation standards published by the Royal Institution of Chartered Surveyors. In providing a market value of the Property, the independent valuers have made certain assumptions on future events. The future value of the Property will be impacted if future events vary materially from expectations.

### 1.1.9 THE ISSUER MAY BE SUBJECT TO INCREASES IN OPERATING AND OTHER EXPENSES

The Issuer's operating and other expenses could increase without a corresponding increase in revenue. The factors which could materially increase operating and other expenses include:

- a. increases in the rate of inflation above the level of annual increments contracted with tenants;
- b. unforeseen increases in the costs of maintaining the Properties; and
- c. material increases in operating costs that may not be fully recoverable from tenants.

Such increases could have a material adverse effect on the Issuer's financial position and its ability to make distributions to its shareholders.

### 1.1.10 INCREASES IN INTEREST RATES WILL IMPACT ON THE ISSUER'S PROFITABILITY

The Issuer's present level of indebtedness is fully funded through bank borrowings bearing a variable interest rate. Therefore, the Company may be exposed to significant interest rate risk until such time as bank borrowings bearing a variable interest rate are reduced.

### 1.1.11 CERTAIN FINANCIAL MARKET RISKS

The Issuer may be exposed to a variety of financial risks associated with the unpredictability inherent in financial markets, including market risk (such as the risk associated with fluctuations in interest rates and fair values of investments), credit risk (the risk of loss by the Issuer due to its debtors not respecting their commitments), currency risk and interest rate risk (such as the risk of potential changes in the value of financial assets and liabilities in response to changes in the level of market interest rates and their impact on cash flows).

## 1.2 FORWARD LOOKING STATEMENTS

The Prospectus includes statements that are, or may be deemed to be, "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/ or the Directors concerning, amongst other things, the Issuer's strategy and business plans, results of operations, financial condition, liquidity, prospects and dividend policy of the Issuer and the market in which it operates.

By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Issuer are consistent with the forward looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions, legislative and regulatory developments, changes in taxation regimes and the availability of suitable financing.

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

## 2. PERSONS RESPONSIBLE

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The Directors of the Issuer, whose names appear in Section 12, are the persons responsible 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 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.

## 3. ADVISORS AND STATUTORY AUDITORS

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<b>Legal Advisors</b>	<b>Mamo TCV Advocates</b> Palazzo Pietro Stiges 103, Strait Street, Valletta VLT 1436, Malta
<b>Sponsor</b>	<b>Rizzo, Farrugia &amp; Co. (Stockbrokers) Ltd</b> Airways House, Third Floor, High Street, Sliema SLM 1549, Malta
<b>Manager, Registrar and Underwriter</b>	<b>Bank of Valletta p.l.c.</b> 58, Zachary Street, Valletta VLT 1130, Malta
<b>Statutory Auditors and Reporting Accountants</b>	<b>PwC</b> 78, Mill Street, Qormi QRM 3101, Malta  PwC is a firm registered as a partnership of certified public accountants holding a practising certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the laws of Malta)



## 4. SELECTED FINANCIAL INFORMATION

The Issuer's financial statements for the 3 financial years ended 31 December 2010, 2011 and 2012 are available for inspection at the Company's registered office. These financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU. The financial statements have been audited by PwC and the auditor's report thereon comprises an unqualified audit opinion.

There has been no significant change in the Issuer's financial or trading position since 31 December 2012, the date to which financial statements were last drawn up.

Extracts from the audited financial statements of the Issuer for the 3 financial years ended 31 December 2010, 2011 and 2012 are set out below.

### Income statements extracts

	Year ended 31 December		
	2010 Audited €000	2011 Audited €000	2012 Audited €000
Revenue	3,006	4,136	4,553
Cost of sales	(1,425)	(1,792)	(1,491)
Gross profit	1,581	2,344	3,062
Administrative expenses	(195)	(244)	(278)
Operating profit	1,386	2,100	2,784
Finance income	-	-	89
Finance costs	(1,519)	(1,614)	(1,775)
(Loss)/profit before tax	(133)	486	1,098
Tax expense	(242)	(354)	(622)
<b>(Loss)/profit for the year</b>	<b>(375)</b>	<b>132</b>	<b>476</b>
Earnings per share (euro cents)	(4.89)	0.57	1.19

The presentation of the earnings per share and the weighted average number of ordinary shares in issue during each financial year on which the earnings per share is based, have been adjusted retrospectively to reflect the redenomination of the Company's capital that occurred subsequent to 31 December 2012. Each share with a nominal value of €2.329373 has been redenominated into 4.658746 ordinary shares with a nominal value of €0.50 each.

## Statement of Financial Position extracts

As at 31 December

	2010 Audited €000	2011 Audited €000	2012 Audited €000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	59,247	57,724	58,027
<b>Current assets</b>			
Trade and other receivables	4,828	4,289	4,913
Current tax assets	2	-	-
Cash and cash equivalents	491	963	132
Total current assets	5,321	5,252	5,045
<b>Total assets</b>	<b>64,568</b>	<b>62,976</b>	<b>63,072</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	7,313	20,000	20,000
Revaluation reserve	-	-	1,062
(Accumulated losses)/retained earnings	(431)	(299)	177
<b>Total equity</b>	<b>6,882</b>	<b>19,701</b>	<b>21,239</b>
<b>Non-current liabilities</b>			
Trade and other payables	8,502	878	891
Borrowings	33,873	31,264	33,532
Deferred taxation	242	458	1,341
Total non-current liabilities	42,617	32,600	35,764
<b>Current liabilities</b>			
Trade and other payables	14,933	7,995	2,761
Current taxation	-	138	308
Borrowings	136	2,542	3,000
Total current liabilities	15,069	10,675	6,069
<b>Total liabilities</b>	<b>57,686</b>	<b>43,275</b>	<b>41,833</b>
<b>Total equity and liabilities</b>	<b>64,568</b>	<b>62,976</b>	<b>63,072</b>

## 5. INFORMATION ABOUT THE ISSUER

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The Issuer is a public limited company incorporated, registered and operating in Malta under the Companies Act (Cap. 386 of the Laws of Malta), with company registration number C-35139. The Issuer is domiciled in Malta. Its registered office is at Management Suite, The Point Shopping Mall, Tigné Point, Sliema TP 01, Malta. The contact details of the Issuer are as follows:  
Telephone number: +356 2065 5550  
E-mail address: [info@thepointmalta.com](mailto:info@thepointmalta.com)

The Company was incorporated as a private limited liability company on 1 December 2004 with the name Tigné Point Mall Ltd. By virtue of a resolution signed by all the shareholders of the Issuer dated 21 April 2005, the Issuer changed its name to Tigné Mall Ltd, which change was registered by the Registry of Companies on 26 May 2005.

Pursuant to a resolution passed on 18 February 2013 and registered on 1 March 2013, the Issuer was converted into a public limited company, with a new Memorandum and Articles of Association. The following share capital structure was adopted:

- a. The authorised share capital was increased to €30,000,000;
- b. The issued share capital was increased to €21,200,000 through a capitalisation of reserves; and
- c. The Issuer's share capital was denominated into shares of €0.50 each, such that the authorised share capital consists of 60,000,000 shares of €0.50 each and the issued and fully paid up capital consists of 42,400,000 shares of €0.50 each.

The Issuer is managed by a Board of Directors (see Section 12 below), which is entrusted with the overall direction, administration and management of the Issuer.

The Issuer's sole business is focused on the management and operation of the Property.

## 6. ORGANISATIONAL STRUCTURE

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The Issuer is a subsidiary company of MIDI p.l.c. ("MIDI") and currently forms part of the group of companies of which MIDI is the parent company. The Group is composed of MIDI as the parent undertaking and its wholly owned subsidiary companies – the Issuer, Tigné Contracting Limited and Tigné Point Marketing Limited.

As at the date of this Registration Document the shareholding in the Issuer is owned as to 99.38% by MIDI and as to 0.62% by Tigné Contracting Limited, which is in turn part of the Group. As a result of this Combined Offering, it is expected that the Issuer will no longer form part of the Group.

MIDI p.l.c. (C-15836) was established on 31 January 1994. MIDI was originally incorporated as a private limited liability company with the name "International Resorts Management Limited" and was converted into a public limited company in June 1999 under the name it is now known as, that is, MIDI p.l.c..

MIDI's principal business is the development and disposal of immovable property situated in Malta at Tigné Point, Sliema and Manoel Island, limits of Gzira which entails a total gross development area of approximately 237,000 sqm.

Solutions & Infrastructure Services Limited (C-38866) ("SIS") was established on 5 June 2006 and is a joint venture between MIDI and Siemens SpA, with each having a 50% stake in SIS. The purpose of the joint venture, *inter alia*, is that of supplying, installing and operating technological products, systems, solutions, plants and services related to MIDI's project for the development of Tigné Point and Manoel Island and the operation of certain activities and businesses therein.

All these companies have been incorporated and registered in Malta under the Companies Act (Cap. 386 of the Laws of Malta).

## 7. THE PROPERTY

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By virtue of a deed dated 15 June 2000, MIDI had acquired property at Tigné Point and Manoel Island from the Government of Malta under title of temporary emphyteusis for a period of 99 years commencing from 15 June 2000. Subsequently, MIDI granted a temporary sub-emphyteusis to the Issuer by virtue of the Sub-emphyteutical Deed.

The sub-emphyteutical grant covered by the deed imposes a number of obligations on the Issuer including the payment of annual ground rent. The grant also provides that the Property is operated as a shopping mall with underlying parking facilities.

In terms of the Emphyteutical Deed, the dissolution of the emphyteutical grant to MIDI for any reason shall not affect any real rights in respect of any part of the property granted by the Emphyteutical Deed that has already been acquired by any third party who is acknowledged or is entitled to be acknowledged by the Government of Malta.

The Government of Malta has recognised the Issuer as the holder of the temporary sub-emphyteusis of the Property, evidenced by the fact that the Government of Malta through the Department of Land accepts sub-ground rent payments directly from the Issuer. Consequently, the dissolution for any reason of the emphyteutical grant to MIDI by the Government of Malta shall not affect the title of the Issuer to the Property granted by the Sub-emphyteutical Deed.

### The footprint of the Property



The Point is part of a mixed use development on Tigné Point that in total will encompass a land area of 108,420 sqm. The Point has a footprint of 9,735 sqm, accounting for 9% of this overall development.

Apart from the Property, the development has to date included 281 residential units, a public square, Pjazza Tigné, with underlying public car parking (a total of 643 spaces, including public car parking spaces in adjoining areas) and various retail and catering facilities both on the square and on the south shore.

The next phases to be developed at Tigné Point will include 2 residential blocks (102 apartments) and an office development having a gross build of 16,620 sqm. The ground floor of the office development will add to the overall catering facilities available on Pjazza Tigné.

It is planned that these will be followed in due course by further retail and catering development on the north shore, which will provide additional rentable space of circa 1,200 sqm. The aforementioned development at Tigné Point does not form part of the Issuer's operations.

The original planning application for the shopping mall was approved on 21 June 2002. Apart from the mall, the application also covered football pitch overlying the property, a trunk road, a supermarket, 5-a-side pitches and other club facilities together with the underlying basement parking levels. The building of the football pitch and ancillary sports facilities was an integral part of the terms and conditions of the sub-emphyteutical grant. Upon completion, the aforementioned football pitch and ancillary sports facilities were transferred back to the Government of Malta by means of a public deed that took place on 20 August 2010.

The Property includes 253 car spaces. These parking facilities, together with the adjacent public parking facilities owned by MIDI, are currently operated by SIS. Refer also to Section 18.3 of this Registration Document.

An independent professional valuation of the Property has been carried out by KPMG and DeMicoli and Associates and is set out in Annex 1 of this document. The value of the Property has been established at €58,000,000. This valuation has been reflected in the Issuer's audited financial statements for the year ended 31 December 2012. The valuation methodology used considers the free cash flows arising from the Property's projected income streams discounted to present value using the estimated weighted average cost of capital available to a Reasonably Efficient Operator for financing such operation. The prospective financial information set out in this Prospectus is consistent with the basis of this professional valuation. The valuation also takes cognisance of the agreements set out in section 18 of this document. For purposes of this paragraph and the aforementioned valuation methodology, the phrase "Reasonably Efficient Operator" is used in accordance with the meaning given in the guidance note on the valuation of individual trade related properties, issued by the Royal Institution of Chartered Surveyors in its publication "RICS Valuation – Professional Standards" and which is as follows: "A concept where the valuer assumes that the market participants are competent operators, acting in an efficient manner, of a business conducted

on the premises. It involves estimating the trading potential rather than adopting the actual level of trade under the existing ownership and it excludes personal goodwill”.

The Company has in the course of 2012 sought professional advice on the useful lives of its assets, on the basis of which it has projected the future maintenance and replacement costs which will need to be incurred to ensure consistent and high levels of upkeep within the mall. This information was referred to in the course of the valuation of the Property and in the preparation of the prospective financial information set out in this Prospectus. It was also used by the Company as the basis for revised depreciation rates that were implemented with effect from 1 January 2012.

## 8. BUSINESS OVERVIEW

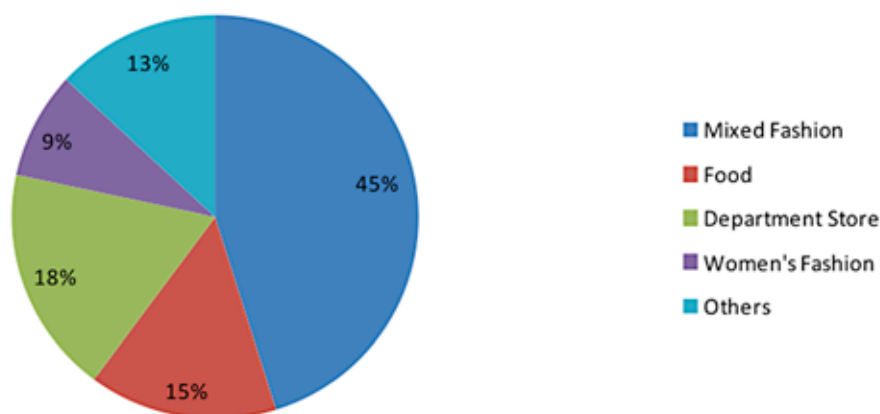
The Property is operated by the Issuer as a shopping mall, with a number of outlets and stores leased out to various tenants. The car park is currently operated by SIS.

### 8.1 THE SHOPPING MALL

The shopping mall occupies a prominent position at the gateway of the Tigné Point development – an entirely pedestrianised environment. It consists of 14,349 sqm of retail accommodation, which spans over 3 floors. The external façade of the mall uses a reconstructed Victorian arched colonnade combined with 21st century architecture. This element provides a semi covered space that protects visitors from the elements as they approach the mall.

The mall comprises 50 retail units including a Debenhams anchor store and a supermarket, in addition to a number of kiosks and two ATMs. Excluding the anchor store and supermarket, the retail units vary in size from approximately 40 sqm to over 1,000 sqm, accommodating a variety of retailers.

#### The Point's tenant mix



The interior of the mall is finished to an international standard. The substantial floor to ceiling height combined with the wide mall provides easy circulation for the high number of visitors. The mall is arranged around an elliptical atrium that concentrates activity towards its centre, allowing good sight between the 3 retail levels. A high level of comfort and convenience is made available to visitors, not least in the internal circulation facilities and the climate control maintained throughout the mall, coupled with the wide mix of leading internationally renowned brands available in the retail levels.

The mall is easily accessed on foot, with the main entrance at ground level opening directly onto Piazza Tigné. There are a further two entrances at ground level via the side walkways. The lower levels may be accessed directly via the underground car park. The mall offers excellent vehicular access to the underground car parking.

The mall was from the outset conceived as a managed business rather than a traditional property development with the passive leasing of premises. This strategy has been strengthened by working in close collaboration with tenants to continually enliven and market The Point, holding various activities of interest to visitors and placing the mall as a whole, rather than individual outlets, as the focal point.

The Point’s floor plans

LEVEL 0



KEY



LEVEL -1



LEVEL -2



8.2 BASIS OF THE LEASE AGREEMENTS

The Issuer firmly believes that for the efficient management of its business it needs to retain the overall control and management of the mall including the responsibility of its maintenance. This has been the rationale underpinning its strategy to retain full ownership of all retail outlets and common areas, whilst leasing the outlets to business entities and retailers.

The Issuer’s core revenue emanates from the leases of the retail outlets. Whilst the terms of the individual leases differ throughout the mall, the leases are based on a standard form of agreement. Typical leases are for 15 to 20 years, some of which include break options and are drawn on full repairing and insuring terms. The Issuer’s dependence on any one group of related tenants that form part of the same business organisation does not exceed 12% of total base rent.

The main commercial terms of these agreements can be summarised as follows. Tenants pay an annual base rent in equal instalments quarterly in advance, which takes into account the size and the specific location of the outlet within the mall. A number of leases also provide for a turnover rent, which is calculated as a pre-determined percentage of the turnover that the tenant generates, if the turnover that is generated by that unit exceeds a specified amount. Turnover rents apply in the case of 74% of the tenants. The base rent is subject to annual review, which is in many cases calculated as being the higher of either 80% of the total rent (base rent + turnover rent) payable for the previous year or the base rent, immediately prior the review date, increased by an agreed percentage. The quantum of the contracted increments has been designed to ensure a consistent level of growth, in annual rents.

The maintenance and cleaning of common areas, including *inter alia* electricity consumption and security is paid by the Issuer and recovered from the tenants through a service charge. Tenants contribute towards the promotion of The Point and elect representatives to participate in the tenants’ association.

In general, tenants are entitled to assign their lease, in which case an incoming tenant will step into the shoes of an outgoing tenant and will continue the lease on the same permitted use, terms and conditions.



## 9. OPERATING AND FINANCIAL RESULTS

The Point commenced operations on 20 March 2010. Highlights of its financial performance since its opening are set out below.

	Year ended 31 December		
	2010 Audited €000	2011 Audited €000	2012 Audited €000
Revenue	3,006	4,136	4,553
Operating and administrative costs	(1,620)	(2,036)	(1,769)
Operating profit	1,386	2,100	2,784
Finance income and costs	(1,519)	(1,614)	(1,686)
Tax expense	(242)	(354)	(622)
(Loss)/profit for the year	(375)	132	476

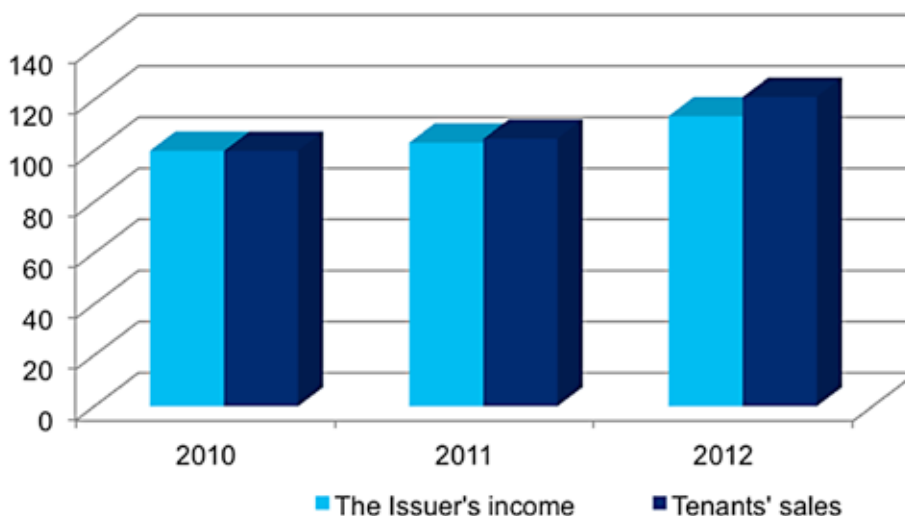
The Point is the largest shopping centre in Malta featuring the widest selection of fashion labels to be found under one roof on the island. The wide variety of top brands, the comfortable ambience, ease of access and extensive parking facilities are key components that have helped The Point establish itself as the premium retail destination in Malta giving customers an unprecedented shopping experience and becoming a popular destination for all the family.

The performance of the shopping centre and the interest shown by retailers wishing to lease the space has been encouraging, as reflected by the full occupancy achieved to date. As with any new shopping mall, The Point has experienced changes in some of its outlets as tenants have sought to optimise their retail offer. Such changes have typically resulted in a shift in the goods and in the brands sold from an outlet, but not in the tenant list of the mall.

The shopping centre has proved to be popular with shoppers. Testament to this are the year on year increases in footfall recorded at The Point since its opening on 20 March 2010. The Point had 2 million visitors in 2012, an increase of 9% over the previous year. Increase in the level of competition could impact on the results of the Issuer's operations.

The performance of The Point can also be gauged from the income earned by the Company and by the year on year increases registered also in the turnover of those outlets operating lease contracts with turnover rents. Tenant turnover increased by 5% in 2011 and by a further 16% in 2012, contributing to an increase in the Issuer's annual income of 14% over the 2 year period, as illustrated below.

### Tenants' turnover and the Issuer's income – 2010 to 2012 (2010 = 100)



Note: The Point opened for business on 20 March 2010. 2010 figures have been annualised applying the seasonality pattern experienced by the mall in 2011 and 2012.

Operating and administration costs consist primarily of the ground rent payable by the Company in terms of the Sub-emphyteutical Deed, payroll costs, directors' fees, service charge expenditure attributable to unrecovered vacant and common area costs together with depreciation. The movement in the operating and administrative expenses between 2011 and 2012 reflects mainly a change in the depreciation accounting estimates to the net effect of €290,000. The Company has, during the year ended 31 December 2012 sought professional technical advice on the remaining estimated useful lives of its property, plant and equipment, on the basis of which the Company's directors have *inter alia* revised the Company's depreciation rates. This revision in the accounting estimates was adopted with effect from 1 January 2012.

The Issuer's operating and other expenses could increase without a corresponding increase in revenue. The factors which could materially step up the costs include *inter alia* unforeseen increments in the costs of maintaining the Property as well as increases in the level of inflation above the level of annual increments contracted with tenants.

Finance costs relate primarily to the Company's outstanding bank liabilities which as at 31 December 2012 amounted to €33.5 million.

There has been no significant change in the financial or trading position of the Group and the Issuer which has occurred since the end of the last financial period.

## 10. CAPITAL RESOURCES

The Issuer's capitalisation and net indebtedness is summarised below.

	As at 31 December		
	2010 Audited €000	2011 Audited €000	2012 Audited €000
<b>Net indebtedness</b>	52,123	37,565	35,447
Deferred taxation	242	458	1,341
Shareholders' funds	6,882	19,701	21,239
<b>Total capital employed</b>	<b>59,247</b>	<b>57,724</b>	<b>58,027</b>
Net indebtedness as a proportion of total capital employed	88%	65%	61%
<b>Cash and cash equivalents</b>	<b>(491)</b>	<b>(963)</b>	<b>(132)</b>
<b>Non-current liabilities</b>			
Secured bank borrowings	33,873	31,264	33,532
Trade and other payables (unsecured)	8,502	878	891
	<b>42,375</b>	<b>32,142</b>	<b>34,423</b>
<b>Current liabilities</b>			
Trade and other payables (unsecured)	3,655	1,848	2,663
Amounts owed to Group and related parties (unsecured)	11,278	6,147	98
Related party loans (unsecured)	-	-	3,000
Secured bank borrowings	136	2,542	-
Current tax (unsecured)	-	138	308
	15,069	10,675	6,069
<b>Current assets</b>			
Trade and other receivables (unsecured)	1,636	1,157	2,022
Current tax (unsecured)	2	-	-
Amounts due from Group and related companies (unsecured)	3,192	3,132	2,891
	4,830	4,289	4,913
<b>Net working capital liability</b>	<b>10,239</b>	<b>6,386</b>	<b>1,156</b>
<b>Net indebtedness</b>	<b>52,123</b>	<b>37,565</b>	<b>35,447</b>
Interest rate cover	0.91	1.30	1.67
The weighted effective interest rate at the end of the reporting period were as follows:			
Related party loans	-	-	7%
Bank loans	4.50%	4.45%	4.45%

The Issuer's net indebtedness at 31 December 2012 included:

- a. Bank borrowings amounting to €33,532,000 which will be reduced by €6,500,000 from the proceeds of the Share Issue;
- b. The Company's working capital mainly comprises the net impact of trade and other receivables together with trade and other payables. Current trade and other payables include significant amounts relating to rental income received in advance;
- c. Balances amounting to €2,890,000 due from Group and related companies and balances of €3,097,000 due to related parties, mainly borrowings from shareholders of the parent company. Group and related party loan balances will be largely extinguished following the completion of the Combined Offering and this is expected to result in a net cash inflow to the Issuer of €444,000; and
- d. Non current trade and other payables consist of deposits effected under operating lease arrangements by a number of tenants. These advance payments normally representing 4 months' rent and are only refundable at the end of the lease term.

The Company's cash flows during the 3 year period ended 31 December 2012 are analysed below.

	Year ended 31 December		
	2010 Audited €000	2011 Audited €000	2012 Audited €000
<b>Cash flow from operating activities</b>			
Cash generated from/(used in) operations	5,056	2,332	(1,665)
Interest paid	(1,519)	(1,614)	(1,775)
Interest received	-	-	89
Tax paid	-	2	(142)
Net cash generated from/(used in) operating activities	3,537	720	(3,493)
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	(3,360)	(96)	(64)
<b>Cash flow from financing activities</b>			
Proceeds from the issue of share capital	92	50	-
Proceeds from/(repayment of) bank borrowings	201	(202)	(274)
Proceeds from related party loans	-	-	3,000
Net cash generated from/(used in) financing activities	293	(152)	2,726
<b>Net movement in cash and cash equivalents</b>	<b>470</b>	<b>472</b>	<b>(831)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>21</b>	<b>491</b>	<b>963</b>
<b>Cash and cash equivalents at end of year</b>	<b>491</b>	<b>963</b>	<b>132</b>

Net cash generated from/(used in) operating activities, disclosed in the table above is the net result of the cash inflows from the tenant rental agreements less operating costs and the interest paid on borrowings, after also adjusting for movements in working capital.

In the 3 years to 31 December 2012, the Company generated a total of €5,724,000 cash from operations (before interest and tax). The Company's funds have been mainly applied towards:

- a. Settling development costs incurred on the Property amounting to €3,520,000; and
- b. Reducing its indebtedness and settling related interest charges by €2,204,000.

## 11. TREND INFORMATION, INCLUDING THE ISSUER'S PROJECTIONS

The expectations of the Directors with respect to the future operation of The Point for the 5 years ending 31 December 2017, including the forecast for the year ending 31 December 2013, are illustrated in the prospective financial information set out in Annex 2 of this Registration Document.

The Issuer's projected income statement is summarised below.

	Year ended	Year ended 31 December				
	31 December	2013	2014	2015	2016	2017
	2012					
	Audited	Projected financial information				
	€000	€000	€000	€000	€000	€000
Revenue	4,553	4,952	5,229	5,408	5,633	5,867
Cost of sales	(1,491)	(1,522)	(1,513)	(1,535)	(1,539)	(1,543)
Gross profit	3,062	3,430	3,716	3,873	4,094	4,324
Administrative expenses	(278)	(366)	(341)	(338)	(346)	(353)
Operating profit	2,784	3,064	3,375	3,535	3,748	3,971
Finance income	89	51	26	42	54	69
Finance costs	(1,775)	(1,437)	(1,220)	(1,167)	(1,177)	(1,117)
Profit before tax	1,098	1,678	2,181	2,410	2,625	2,923
Tax expense	(622)	(806)	(975)	(1,056)	(1,129)	(1,231)
<b>Profit for the year</b>	<b>476</b>	<b>872</b>	<b>1,206</b>	<b>1,354</b>	<b>1,496</b>	<b>1,692</b>

Set out below are the factors which the Directors can influence and which underlie the prospective financial information, unless otherwise stated.

The Issuer's income stream has in the main been projected assuming the continued operation of existing contracts. The possibility of higher rental rates being earned from changes in tenancies has been disregarded. The projections however, reflect management's expectations for continued growth in the number of visitors to the mall in the immediate years ahead as the shopping mall continues to mature and as the overall development of Tigné Point, including an office block abutting the Pjazza is completed. These developments are expected to add to the number of daily visitors to Tigné Point.

Turnover is as a result expected to increase by 18.5% between 2013 and 2017. The envisaged split between base rent and turnover rent is projected as follows:

	Audited	Projections for the year ending 31 December				
	2012	2013	2014	2015	2016	2017
Base rent	92%	91%	90%	90%	90%	89%
Turnover rent	8%	9%	10%	10%	10%	11%

The Issuer's business prospects predominantly revolve around the ability of the tenants to service their obligations towards the Issuer in a timely manner. The annual amounts receivable by the Issuer are in the majority quantifiable and revisable over time at pre-agreed terms. They therefore provide the Issuer with a visible and stable revenue stream, which is contracted to increase over time generally with the rate of inflation.

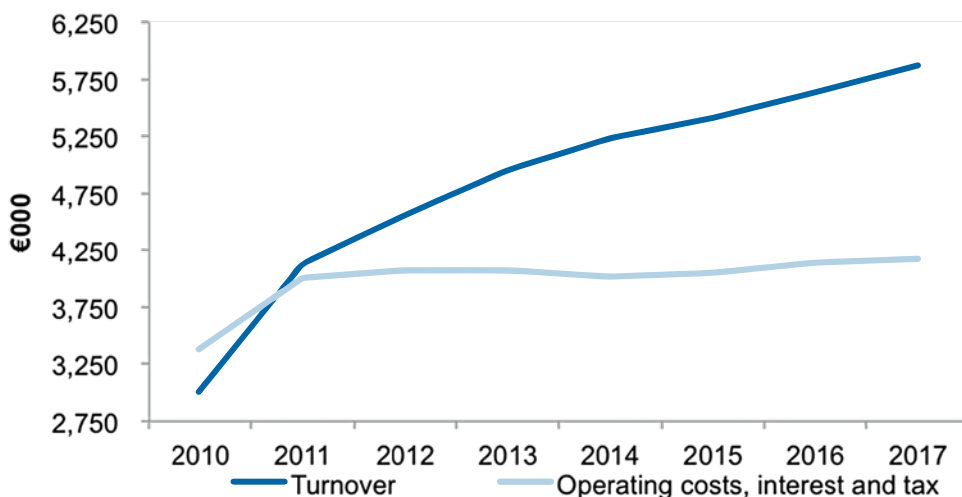
The long term nature of the Issuer's lease agreements and the considerable investment made by tenants in their outlets, may reduce the Issuer's exposure, at least in the short to medium term, to operating and economic uncertainties that could impact the commercial real estate market generally and that are outside the influence of the Directors.

The operating costs of The Point have now been stabilised and save for the impact of unforeseen or exceptional events that are outside the influence of the Directors, are not expected to change materially in the future except for the impact of inflation. As already explained in this document, provision has been made, at amounts determined on the basis of professional advice, for the future maintenance and replacement costs which will need to be incurred to ensure consistent and high levels of upkeep within the mall. Provision has also been made for the costs that the Issuer is likely to incur in fulfilling its obligations as a listed company.

Depreciation is projected at an average of €1.4 million per annum during the period covered by the projections and this sum is expected to remain static in the coming years. Interest costs are forecast to decrease substantially in 2013 given that bank indebtedness will be reduced by €6.5 million from the proceeds of the Share Issue. Thereafter, interest costs are projected to decrease in line with loan repayments (offset in part by the assumption that, in due course, the base rate charged by commercial banks will increase, in line with general market conditions). This means that the Issuer’s two largest costs, depreciation and interest, are not projected in aggregate to increase in the future.

The result of this characteristic of the Issuer’s performance is that the profit after taxation available for distribution to shareholders is expected to increase at a significantly higher pace than increases in turnover, a trend already experienced between 2010 and 2012. Between 2013 and 2017, as observed above, turnover is projected to increase by 18.5%. During the same period, the Issuer’s profit after taxation available for distribution is projected to increase by 94%.

The table below illustrates how static depreciation and interest costs contribute to projected post tax profitability.



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

	As at 31 December	As at 31 December				
	2012 Audited €000	2013 €000	2014 Projected financial information €000	2015 €000	2016 €000	2017 €000
<b>ASSETS</b>						
Property, plant and equipment	58,027	56,720	55,424	54,111	52,798	51,484
Total current assets	5,045	3,484	4,384	5,075	5,746	6,470
<b>Total assets</b>	<b>63,072</b>	<b>60,204</b>	<b>59,808</b>	<b>59,186</b>	<b>58,544</b>	<b>57,954</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and reserves</b>						
Share capital	20,000	27,713	27,713	27,713	27,713	27,713
Revaluation reserve	1,062	-	-	-	-	-
Retained earnings	177	730	878	963	1,049	1,310
<b>Total equity</b>	<b>21,239</b>	<b>28,443</b>	<b>28,591</b>	<b>28,676</b>	<b>28,762</b>	<b>29,023</b>
Borrowings	36,532	26,329	25,223	24,069	22,923	21,720
Other liabilities	5,301	5,432	5,994	6,441	6,859	7,211
<b>Total liabilities</b>	<b>41,833</b>	<b>31,761</b>	<b>31,217</b>	<b>30,510</b>	<b>29,782</b>	<b>28,931</b>
<b>Total equity and liabilities</b>	<b>63,072</b>	<b>60,204</b>	<b>59,808</b>	<b>59,186</b>	<b>58,544</b>	<b>57,954</b>

Borrowings are projected to reduce from €36.5 million in 2012 to €26.3 million at the end of 2013 as all balances due to or from Group and related parties are settled and the net proceeds from the Share Issue are applied towards reducing bank indebtedness. Based on the sanction letter dated 8 March 2013, the reduced loan will be repaid over a 17 year period.

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

	Year ended	Year ended 31 December				
	31 December	2013	2014	2015	2016	2017
	2012	Projected financial information				
	Audited	€000	€000	€000	€000	€000
	€000	€000	€000	€000	€000	€000
<b>Cash flow from operating activities</b>						
Cash (used in)/generated from operations	(1,665)	6,802	4,713	4,910	5,241	5,347
Interest paid	(1,775)	(1,437)	(1,220)	(1,167)	(1,177)	(1,117)
Interest received	89	51	26	42	54	69
Tax paid	(142)	(308)	(521)	(693)	(778)	(978)
Net cash (used in)/generated from operating activities	(3,493)	5,108	2,998	3,092	3,340	3,321
<b>Cash flow from investing activities</b>						
Purchase of property, plant and equipment	(64)	(55)	(56)	(57)	(58)	(60)
<b>Cash flow from financing activities</b>						
Proceeds from the issue of share capital	-	6,513	-	-	-	-
Repayment of bank borrowings	(274)	(7,204)	(1,105)	(1,155)	(1,144)	(1,203)
Proceeds from/(repayment of) related party loans	3,000	(3,000)	-	-	-	-
Dividends paid	-	(180)	(1,058)	(1,269)	(1,410)	(1,431)
Net cash generated from/(used in) financing activities	2,726	(3,871)	(2,163)	(2,424)	(2,554)	(2,634)
<b>Net movement in cash and cash equivalents</b>	<b>(831)</b>	<b>1,182</b>	<b>779</b>	<b>611</b>	<b>728</b>	<b>627</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>963</b>	<b>132</b>	<b>1,314</b>	<b>2,093</b>	<b>2,704</b>	<b>3,432</b>
<b>Cash and cash equivalents at end of year</b>	<b>132</b>	<b>1,314</b>	<b>2,093</b>	<b>2,704</b>	<b>3,432</b>	<b>4,059</b>

The factors highlighted in the chart on page 22 are specifically intended to enable the Issuer to distribute a regular stream of dividends. The following projected dividend distributions, net of tax, have been provided for:

	2013	2014	2015	2016	2017
	€000	€000	€000	€000	€000
Payable to MIDI prior to Combined Offer in respect of profits up to 30 April 2013	180				
Payable to new investors		1,058	1,269	1,410	1,431
Gross dividend yield		5.8%	6.9%	7.7%	7.8%
Net dividend yield		3.8%	4.5%	5.0%	5.1%

Projected dividend yields are based on the share price and may vary if the market price changes.

The Company's projections indicate that the main limiting factor in the payment of dividends in the immediate years ahead will be the availability of distributable earnings. Variations from the projected earnings and/or shifts in the value of the Property will have a direct impact on the Issuer's ability to distribute the projected dividends. Although the Directors believe that the



financial projections included herein have been prepared on a fair and reasonable basis, all forecasts are inherently subject to the risk of adverse unexpected events which may affect the Issuer's revenue streams and its profitability.

In projecting the dividends that the Issuer would distribute, the Directors have considered *inter alia* the Company's level of bank gearing, which is projected at 46% of the carrying amount of the Property at the end of 2013.

Interest and capital repayments on the Company's borrowings are expected to entail a cash outflow of €2.3 million annually as stipulated in the Sanction Letter dated 8 March 2013.

The projected financial information is based on the assumption that the factors that are outside the influence of Directors will remain constant. These factors include, *inter alia*, no material adverse events in the market and economic conditions, no significant change in the interest rates and in the inflation rate (detailed assumptions are set out in Annex 2).

## 12. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SENIOR MANAGEMENT

### 12.1 THE BOARD

The Issuer is currently managed by a Board consisting of 5 members, all of whom are non-executive, which is entrusted with the overall direction, administration and management of the Issuer. Two of the said Directors are independent within the meaning of the Listing Rules, such independent Directors being Mr. John Bonello and Mr. Albert Mamo. As at the date of this Registration Document, the Board of Directors of the Issuer is constituted by the following persons:

NAME	DESIGNATION	DATE OF APPOINTMENT
Dr. Alec A. Mizzi	Non-executive Chairman	1 December 2004
Mr. David Demarco	Non-executive Member	1 May 2012
Mrs. Marzena Formosa	Non-executive Member	7 January 2013
Mr. John Bonello	Non-executive Member	2 January 2013
Mr. Albert P. Mamo	Non-executive Member	2 January 2013

The business address of the Directors is the same as that of the Company.

Mr. David Demarco and Mrs. Marzena Formosa are employees of MSV Life p.l.c., ("MSV") which has agreed to acquire 20 million shares in the Combined Offering. MSV will in consequence own 35.4% of the Issuer's equity.

#### 12.1.1 CURRICULUM VITAE OF THE DIRECTORS

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

- **Alec A. Mizzi (Chairman)**

Alec A. Mizzi graduated as Doctor of Laws from the University of Malta in 1979 and Master of Laws from the University of London in 1980, in which year he joined Alf Mizzi & Sons Group. He has been Managing Director of Alf Mizzi & Sons (Marketing) Limited since 1986 and was appointed CEO of Alf. Mizzi & Sons Group in 1993. He is non-executive director of a number of Alf. Mizzi & Sons subsidiary and associated companies, including Intercomp Limited, Consolidated Biscuit Co. Limited, Macpherson Mediterranean Limited, Homemate Limited, Kitchen Concepts Ltd., Inspirations Limited, LandOverseas Fund Sicav p.l.c., Supermarkets (1960) Limited, as well as various overseas subsidiaries. Dr Mizzi has also been appointed by the Government of Malta as non-executive Chairman of Malta Enterprise Corporation (2006-2008) and Malta Industrial Parks Ltd. (2005-2008), as well as Director of Water Services Corporation, Malta External Trade Corp (METCO), Malta Venture Capital p.l.c. and Grand Harbour Rehabilitation Project. He has also served as Director of HSBC Fund Management Ltd. and is a Director of, amongst others, MIDI p.l.c., Tigné Mall p.l.c., First Gemini p.l.c. and EC Holdings Limited. Besides being active on the corporate scene in Malta, Dr. Mizzi sits on Boards of businesses operating in various countries, including Libya, Romania, Italy, the Netherlands, United Kingdom, Croatia, United States and Canada.

- **David Demarco (Director)**

David Demarco obtained his Bachelor of Accountancy (Hons.) from the University of Malta in 1990 and followed that up with a Masters in Business Administration in 1995. He also holds the ACIB banking diploma issued by the Institute of Financial Services as well as a CPA warrant. David has been in employment with MSV since 2010 and occupies the position of Chief Financial Officer overseeing the company's financial management and accounting processes. Prior to joining MSV, David worked within the banking industry. He was Chief Financial Officer for HSBC Bank Malta p.l.c. during the period 2004 to 2010. David Demarco also serves as a non-executive director on the board of MIDI p.l.c..

- **Marzena Formosa (Director)**

Marzena Formosa holds a Masters degree in Economics and a Masters degree in Financial Services. She joined Middlesea Group in 1996 and has occupied various positions within the Group Investments unit and worked on a number of boards and committees. Marzena served as non-executive director of Plaza Centres p.l.c. and is currently the Chief Investment Officer of MSV.

- **John L. Bonello (Director)**

John L. Bonello qualified as a member of the Institute of Chartered Accountants in England and Wales in 1971. In 1972 he returned to Malta from London and joined Coopers & Lybrand, one of the legacy firms of PwC. He was involved in the leadership and management of PwC since his early days as a partner, in 1976 and was effectively the firm's leader for the last 20 years. He formally became the Chairman and Senior Partner of PwC in Malta on 1 July 1998, a position he held until just before his retirement on 31 December 2009 having reached the firm's statutory retirement age. Apart from being centrally involved in the growth and development of PwC in Malta, John Bonello was also involved in the development of Malta as an international finance centre – something in which he always believed strongly – and was the first President of the Association of Nominee Companies (now the Institute of Financial Services Practitioners). From 1992 until the end of 1996 John Bonello was the non-executive Chairman of the Malta External Trade Corporation, at the time the national trade promotion organisation in the form of a partnership between the Government of Malta, the Federation of Industry and the Chamber of Commerce. In 2011 he was appointed non-executive Chairman of the Policy Advisory Board which has oversight responsibility for both the Strategic Policy Secretariat and the Management Efficiency Unit within the Office of the Prime Minister. He has been a member of the board of Island Hotels Group Holdings p.l.c. since 2010. He is the Chairman of the Disciplinary Committee of the Malta Institute of Accountants and the contact member in Malta for the Institute of Chartered Accountants in England and Wales.

- **Albert P. Mamo (Director)**

Albert P. Mamo has been involved in various family businesses for over 45 years having joined Galdes & Mamo Ltd. in October 1965. Since 1990 he has concentrated on the insurance side of the business and in his current position of Managing Director of GasanMamo Insurance Ltd. (from which post he is expected to resign on the 31 March 2013 due to retirement) he has steered the business through merger and transformation from an agency to an insurance company. Mr. Mamo has also served on the council of the Malta Insurance Association for 20 years, 7 years of which as President. He has also been active in various other areas such as the Malta Chamber of Commerce for a number of years serving on the Council in various capacities among which that of Senior Vice President. He also represented the Chamber on various Government Boards. He is active in philanthropic organisations having served as President of Lions Club – Sliema and he currently serves on the Board of Governors of St. Edward's College.

A list of all current and past directorships of Board members is set out in Annex 3 of this Registration Document.

## 12.1.2 APPOINTMENT AND REMOVAL OF DIRECTORS

Article 95 of the Issuer's Memorandum and Articles of Association states that at each Annual General Meeting of the Company all the Directors shall retire from office. A Director retiring from office shall retain office until the dissolution of such Meeting and a retiring Director shall be eligible for re-election or re-appointment. The Directors of the Issuer shall be elected as provided in Article 99 of the Issuer's Memorandum and Articles of Association that is a maximum of 5 Directors shall be elected at each Annual General Meeting (or at an Extraordinary General Meeting convened for the purpose of electing directors). Voting shall take place on the basis that every Member shall have 1 vote in respect of each ordinary share held by him. A Member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any two or more candidates. The Chairman of the Meeting shall declare elected those candidates who obtain the greater number of votes on that basis.

The Company's Articles of Association, as noted in Section 17.3 of this Registration Document, contain a provision whereby the Directors are entitled to appoint additional directors to the Board where this would be to the benefit of the Company in view of their commercial knowledge and experience.

## 12.1.3 POWERS OF DIRECTORS

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 transact all business of whatever nature of the Issuer not expressly reserved by the Memorandum and Articles of Association to the shareholders in general meeting or by any provision contained in any law for the time being in force. The powers of the Directors of the Issuer are further elaborated in Section 17.3.13 below.

## 12.1.4 POTENTIAL CONFLICTS OF INTEREST

Potential conflicts of interest between duties by the Directors to the Issuer and their private interests or other duties may arise from the following:-

Dr. A. Mizzi has an indirect interest in companies which are tenants in five retail outlets within the shopping mall. Dr. A. Mizzi is also a director of MIDI, which is a joint venture partner in SIS. SIS provides various services to the Issuer (refer to Sections 18.3 and 18.4 of this Registration Document). MIDI and the Issuer also have a number of areas of interaction by reason of the proximity to each other of the shopping mall and property held by MIDI.

Mr. Albert Mamo's children hold a minority share in a company that is the tenant of a retail outlet in the shopping mall. He is also a director in one of the companies currently participating in the insurance requirements of the shopping mall.

Mr. John L. Bonello is a non-executive director of Island Hotels Group Holdings p.l.c. which has a 50% shareholding in the company that is the tenant of a catering outlet in the shopping mall.

Mrs. Marzena Formosa and Mr. David Demarco are employees of MSV. As a result of the Combined Offer, MSV will own 35.4% of the equity of the Issuer. MSV is partly owned by Middle Sea Insurance p.l.c. currently participating in the insurance requirements of the shopping mall.

Mr. David Demarco is a director of SIS which provides various services to the Issuer and is also a director of MIDI. MIDI and the Issuer also have a number of areas of interaction by reason of the proximity to each other of the shopping mall and property held by MIDI.

## 12.1.5 MANAGING CONFLICTS OF INTERESTS

### *Leasing process:*

In the event of a prospective lease the Chief Executive Officer ("CEO") negotiates with the prospective tenant to ensure that a superior standard and type of tenant is taken on at the best possible terms and conditions.

The Executive Committee is responsible for the supervision of such process. In particular it is responsible for approving prospective tenants in principle, assisting and directing the CEO in negotiations with tenants. An appropriate level of delegation by the Board for the approval of leases will be determined by the Board.

### *Contracting Process:*

All contracts for goods and services are based upon the principle of competitive bidding.

The CEO negotiates with suppliers in order to ensure that the best quality goods and services are procured by the Issuer at the least possible price.

The Executive Committee is responsible to supervise such process. In particular it is responsible for assisting and directing the CEO in negotiations with contractors, suppliers and service providers. An appropriate level of delegation by the Board for the award of tenders and contracts will be determined by the Board.

### *Disclosure of Interest by Directors:*

By virtue of Article 87(1) of the Memorandum and Articles of Association, the Directors are obliged to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with that of the Company. A Director shall not vote in respect of any contract, arrangement, transaction or proposal in which he has material interest (Article 87(2) of the Memorandum and Articles of Association).

Article 81(5) of the Memorandum and Articles of Association states that if any question arises at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, then such question shall be referred to the Auditors and their ruling shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

The Listing Rules also regulate the manner in which transactions with related parties (as the same is defined in the Listing Rules) are to be entered into.

Furthermore, as stated in Section 13, among the tasks of the Audit Committee are to ensure that any potential conflicts of interest are resolved in the best interests of the Company and to protect the interests of the Company's shareholders.

## 12.1.6 REMUNERATION OF DIRECTORS

In terms of Article 82(a) of the Memorandum and Articles of Association, the maximum aggregate emoluments of all Directors in any one financial year and any increases thereto, shall be such amount as may from time to time be determined by the Issuer in General Meeting.

For the year ending 31 December 2012 the remuneration received by the Directors in aggregate amounted to €11,500.

The aggregate remuneration receivable by Directors will increase as a reflection of the increased number of Directors and their increased involvement in the Company including participation in Board committees.

The Company in General Meeting has approved the aggregate remuneration of the Directors up to the amount of €90,000. For the year ending 31 December 2013 the RemNom Committee has fixed the aggregate remuneration of the Directors at €60,000.

### 12.1.7 LOANS TO DIRECTORS

At the date of this Prospectus, there are no loans outstanding by the Issuer to any of its Directors, or any guarantees issued for their benefit by the Issuer.

## 12.2 MANAGEMENT

In terms of Article 114 of the Memorandum and Articles of Association, the Directors may from time to time appoint any person to the office of Chief Executive of the Company for such period and on such terms as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment. The Chief Executive may be asked to attend Board Meetings or General Meetings of the Company provided that he shall have no right to vote thereat. If the person appointed to the office of Chief Executive is a director of the Issuer he shall be designated as Managing Director. In such case, such person shall have the right to attend and vote at Board Meetings *qua* director of the Issuer. The Directors may entrust to and confer upon a Chief Executive or Managing Director any of the powers exercisable by them upon such terms and conditions and with such restrictions as they may think fit and either collaterally with or to the exclusion of their own powers and may from time to time revoke, withdraw, alter or vary all or any of such powers. The Directors have appointed Mr. Edwin Borg as CEO of the Company.

### 12.2.1 SENIOR MANAGEMENT OF THE ISSUER

The senior management team of the Issuer consists of:

- **Edwin Borg (Chief Executive Officer)**

Edwin Borg graduated in business management from the University of Malta in 1994 and holds an MBA from the University of Warwick. He joined MIDI as Business Development Manager in the CEO's Office in September 2006 where he was actively involved in the commercial phases of the Tigné Point development. He occupied this position until October 2008 when he was appointed General Manager of Tigné Mall Limited. Prior to joining the Company, he held management positions in both state-owned and private enterprise and acquired extensive experience in a variety of fields.

- **Daniela Fenech (Financial Controller & Company Secretary)**

Daniela Fenech is a certified Public Accountant and a graduate of the University of Malta, where she obtained her Bachelor in Accountancy Honours in 2004. She is also a member of the Malta Institute of Accountants. Daniela took up her current appointment on 1 October 2009. Prior to this, she worked as an accountant with MIDI for two and a half years and previously formed part of the accounts department in an international five star hotel after completing her studies.

### 12.2.2 REMUNERATION AND BENEFITS OF SENIOR MANAGEMENT AND EMPLOYEES

As of the date of this Registration Document, the Issuer had five employees. None of the employees hold any securities of the Issuer and there are no arrangements in place for involving employees in the capital of the Issuer.

The total amount of remuneration paid and benefits in kind granted to the senior management personnel and other employees in the last financial year ended 31 December 2012 amounted to €195,000.

The terms of employment of the CEO include a qualified right to severance payment. The right to severance payment arises in the event that a change in control in the Issuer occurs (as defined in the terms of employment and includes any reorganisation in which the Existing Shareholders do not retain a controlling interest) and in the three years thereafter, his employment is terminated without good reason. The severance payment payable would be an amount equal to the annual salary then current.

In addition to the above, the Issuer has subcontract agreements in place for the provision of security services and for car park management. Staff for car park management are employed by SIS.

## 12.3 DECLARATION

None of the above-mentioned Directors and members of senior management of the Issuer have been:

- i. convicted in relation to fraud or fraudulent conduct in the last five years;
- ii. made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- iii. the subject of any official public incrimination or sanction by any statutory or regulatory authority; or
- iv. disqualified by a court from acting as director or manager in the last five years.

## 13. BOARD PRACTICES

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The Directors have constituted the following Board committees, the terms of reference of which shall be determined by the Board from time to time with the purpose of fulfilling the below mentioned purposes:

## 13.1 AUDIT COMMITTEE

The Audit Committee is composed of Mr. John L. Bonello (Chairman), Mr. Albert P. Mamo and Mrs. Marzena Formosa. The Committee is responsible for reviewing the financial reporting process and policies, the system of internal control and management of financial risk, the audit process, any transactions with related parties and the Company's process for monitoring compliance with laws and regulations. When the Audit Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on the action needed to address the issue or make improvements.

The Audit Committee has the task to ensure that any potential conflicts of interest are resolved in the best interests of the Company. Its primary objective is to assist the Board in dealing with issues of risk, control and governance and in reviewing the Issuer's reporting processes, financial policies and internal control structure. The Audit Committee also oversees the conduct of the external audit and facilitates communication between the Issuer's Board, management and external auditors.

The Board has set formal terms of reference of the Audit Committee that establish its composition, role and function. The Audit Committee is a committee appointed by the Board and is directly responsible and accountable to the Board. The Board reserves the right to change these terms of reference from time to time.

The main role and responsibilities of the Audit Committee are:

- a. to review procedures and assess the effectiveness of the internal control systems, including financial reporting;
- b. to assist the Board in monitoring the integrity of the financial statements, the internal control structures, the financial reporting processes and financial policies of the Company;
- c. to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor following appointment by the shareholders in general meeting;
- d. to monitor and review the external audit functions, including the external auditor's independence, objectivity and effectiveness;
- e. to establish internal procedures and to monitor these on a regular basis;
- f. to establish and maintain access between the internal and external auditors of the Company and to ensure that this is open and constructive;
- g. to review and challenge where necessary, the actions and judgements of management, in relation to the interim (if applicable) and annual financial statements before submission to the Board, focusing particularly on:
  - (i) critical accounting policies and practices and any changes in them;
  - (ii) decisions requiring a major element of judgement;
  - (iii) the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
  - (iv) the clarity of disclosures and compliance with International Financial Reporting Standards as adopted by the EU;
  - (v) significant adjustments resulting from the audit;
  - (vi) compliance with stock exchange (if applicable) and other legal requirements; and
  - (vii) reviewing the Company's statement on Corporate Governance prior to endorsement by the Board;
- h. to gain an understanding of whether significant internal control recommendations made by internal and external auditors have been implemented by management;
- i. to review the internal audit function of the Company (if any), including its plans, activities, staffing and organisational structure;
- j. to monitor the statutory audit of the annual and consolidated accounts;
- k. to discuss Company policies with respect to risk assessment and risk management, review contingent liabilities and risks that may be material to the Company; and
- l. to consider other matters that are within the general scope of the Committee that are referred to it by the Board of Directors.

## 13.2 REMNOM COMMITTEE

In view of its size the Issuer has taken the view that whilst it considers the role and function of each of the remuneration committee and the nomination committee as important, it would be more efficient for these committees to be merged into one committee ("RemNom Committee") that would serve a dual role.

The RemNom Committee is composed of Mr. Albert P. Mamo (Chairman), Mr. John L. Bonello and Mr. David Demarco. In its function as remuneration committee the Committee is charged with the oversight of the remuneration policies implemented by the Company with respect to its management and employees. Its objectives are those of deciding a remuneration policy aimed to attract, retain and motivate directors, whether executive or non-executive, as well as senior management with the right qualities and skills for the benefit of the Issuer. It is responsible for making proposals to the Board on the individual remuneration packages of directors and senior management and is entrusted with monitoring the level and structure of remuneration of the non-executive directors.

In its function as nomination committee, the committee's task is to propose to the Board candidates for the position of director, including persons considered to be independent in terms of the Listing Rules, whilst also taking into account any recommendation from shareholders. It is to periodically assess the structure, size, composition and performance of the Board and make recommendations to the Board regarding any changes, as well as consider issues related to succession planning. It is also entrusted with reviewing the policy the Board's policy for selection and appointment of senior management.

### 13.3 EXECUTIVE COMMITTEE

The Executive Committee is made up of Mr. David Demarco (Chairman), Mrs. Marzena Formosa and Mr. Edwin Borg (the CEO). The Executive Committee supervises the management of the Company to ensure the attainment of its strategy and objectives, by monitoring the execution of policy matters delegated by the Board. The Executive Committee is responsible to supervise the process of leasing and the process of award of contracts. The Board delegates specified authority to and accountability for the Company to this Committee.

### 13.4 CORPORATE GOVERNANCE

The Company supports the Code of Principles of Good Corporate Governance (the "Code") originally issued by the Malta Stock Exchange which now forms part of the Listing Rules. The Board has taken such measures as are necessary in order for the Company to comply with the requirements of the Code to the extent that these were considered appropriate and complementary to the size, nature and operations of the Company. In particular:

1. The Company is headed by an effective board in terms of Main Principle 1, which is responsible for accountability, monitoring, strategy formulation and policy development as specified in Main Principle 4 (see Sections 12 and 13.1-13.3 of this Registration Document);
2. The roles of Chairman and Chief Executive are divided in terms of Code Provision 2 (see Section 12 of this Registration Document);
3. The Board is composed of 5 directors, including independent non-executives in terms of Main Principle 3 (see Section 12.1 of this Registration Document). The directors are non-executive and they have appointed the CEO who is entrusted with the implementation of the decisions of the Board and day-to-day management of the Company;
4. The Board of Directors aims to meet regularly and all Directors are given ample opportunity to discuss the agenda and convey their opinions as specified in Main Principle 5;
5. The Board of Directors has set up the audit committee and a nomination and remuneration committee (combined) required by Main Principle 8, as well as an executive committee (see Section 13.1-13.3 of this Registration Document). These have the tasks *inter alia* to ensure the professional development of the Board, as specified in Main Principle 6, to evaluate the Board's performance, as specified in Main Principle 7 and to manage conflicts of interest in terms of Main Principle 11. Conflicts of interest are also managed in terms of the Company's Articles of Association (see Section 17.3 of this Registration Document);
6. The Company recognises the importance of its role in the corporate social responsibility arena and seeks to ensure that in its operations the environment is respected. The Directors are also aware of the importance of having good relations with stakeholders and strive to work together with them in order to invest in human capital, health and safety issues and to adopt environmentally responsible practices, in line with Main Principle 12; and
7. Pursuant to the Company's statutory obligations, the Annual Report and Financial Statements, declaration of dividends, election of directors and appointment of auditors and authorisation of the directors to set the auditors' fees are proposed and approved at the Company's Annual General Meeting. The Board of Directors properly serves the legitimate interests of all Shareholders and is accountable to all Shareholders, particularly through the representation of the Shareholders on the Board itself. This ensures compliance with Main Principle 9.

The Company's Articles of Association, as noted in Section 17.3 of this Registration Document, contain a provision whereby the Directors are entitled to appoint additional directors to the Board where this would be to the benefit of the Company in view of their commercial knowledge and experience. This is not strictly in line with Main Principle 1.2 in so far as this Principle 1.2 encourages that the process of appointment of Directors should be conducted at properly constituted general meetings where the view of the minority can be expressed. Nevertheless, it has been considered prudent and beneficial to the Company for the Articles of Association to contain such a provision in order to ensure appropriate retail experience on the Board of Directors, which is also in line with Supporting Principle 3(i) of the Code.

The Board at this time does not include executive Directors. The Company does, however, have a CEO. Given their background and experience, members of the Board do not at the present time undergo a formal evaluation procedure. The Company does not have a succession plan for senior management, however, the Board does not consider that at the present time the size, nature and operations of the Company warrant the existence of such a plan.

In the light of the factors mentioned above and except for the instances of non-adherence which have been explained above, the Board is of the opinion that the Company is in compliance with the Code.



## 14. RELATED PARTY TRANSACTIONS

During the 3 financial years ended 31 December 2010, 2011 and 2012, the Issuer formed part of the MIDI Group, which comprises MIDI and its subsidiaries. MIDI was the Issuer's immediate and ultimate parent. MIDI also has an interest in a jointly controlled entity, SIS. Accordingly, all companies forming part of the MIDI Group and MIDI's jointly controlled entity were considered by the directors of the Issuer to be related parties.

All entities forming part of the respective groups of companies of which the corporate shareholders of MIDI form part, were considered by the Directors of the Issuer to be related parties. All entities owned, controlled or significantly influenced by the Issuer's current ultimate shareholders, together with the Issuer's Directors, close members of their families and all entities owned, controlled or significantly influenced by these individuals, are considered to be related parties of the Issuer.

The principal transactions undertaken with related parties are disclosed below.

	As at 31 December		
	2010 Audited €000	2011 Audited €000	2012 Audited €000
<b>Rental income</b>			
- Rental income - outlets	323	449	465
- Rental income - car park (SIS)	58	90	84
<b>Purchases of goods and services (SIS)</b>			
- HVAC service	(409)	(294)	(311)
- Plant and equipment	(139)	-	-
- Repairs and maintenance services	(95)	(113)	(86)
<b>Bank loans</b>			
- Outstanding balances at end of year	(34,008)	(33,806)	(33,532)
- Interest payable during the year	(1,492)	(1,515)	(1,554)
<b>Loans from certain restricted shareholders of MIDI p.l.c.</b>			
- Outstanding balances at end of year	-	-	3,000
- Interest payable during the year	-	-	(139)
<b>Balances with other related parties</b>			
<i>(i) Balances with parent company</i>			
- Amounts owed by parent at end of year	-	-	2,770
- Amounts owed to parent at end of year	(18,572)	(5,819)	-
<i>(ii) Balances with other group undertakings</i>			
- Amounts owed by other group undertakings at end of year	3,057	3,049	-
- Amounts owed to other group undertakings at end of year	(393)	(1)	(10)
<i>(iii) Interest receivable and payable from/to parent</i>			
- Interest receivable during the year	-	-	81
- Interest payable during the year	(497)	(73)	(20)
<i>(iv) Other related parties</i>			
- Amounts owed by related parties - rents receivable	135	83	120
- Amounts owed to related parties - purchases of goods and services (SIS)	(393)	(327)	(87)
- Other payables to related parties - deposits on rental agreements	(154)	(154)	(103)

These transactions are earmarked as related party transactions since BOV has granted these advances. BOV is a shareholder in the parent of the Company and was considered to be a related party to the Company.

During the year ended 31 December 2011, amounts owed to the parent company amounting to €12,636,933 were capitalised by the Issuer as an equity injection. During the year ended 31 December 2012, the balance owed to the parent was effectively settled, following which the Company advanced funds to its parent company amounting to a total of €2,770,000. This balance is expected to be realised during the financial year ending 31 December 2013.

The terms and conditions of the bank borrowings are disclosed in Section 18.2 to this Registration Document. The loans from certain shareholders of the Issuer's parent are unsecured, subject to a 7% interest rate per annum and are expected to be repaid within the financial year ending 31 December 2013. Other balances are unsecured and repayable on demand, with the exception of payables relating to deposits under operating lease arrangements which are refundable at the end of the lease term.

The table above reflects the value of the Issuer's transactions with related parties during the illustrated historical periods. The Company also enters into other transactions with related parties, such as the placement of insurance risks, but the related transaction amounts are not considered to have a material impact on the financial results and financial position of the Company.

The transactions with related parties during the period from 1 January 2013 up to the date of this Registration Document are a continuation of the transactions disclosed in the table above and no new types of transactions have been entered into.

## 15. DIVIDEND POLICY

The Board's policy is to pay an interim and a final dividend. The extent of any dividend distribution will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the cash flows for the Issuer, working capital requirements and the requirements of the Companies Act (Cap. 386 of the Laws of Malta) especially with regard to distributable reserves.

Subject to the above, it is the Directors' objective to distribute a total dividend to the holders of ordinary shares in the Issuer equivalent to 5% net (7.69% gross), rising annually by an amount that is, as a minimum, in line with inflation. The Directors expect, on the basis of the prospective financial information set out in this Prospectus, that the target 5% (net) dividend yield will be attained by 2016.

In the absence of unforeseen circumstances, the Issuer will pay its final dividend for the year ending 31 December 2013 following the publication of the financial statements of the Issuer in April 2014. An interim dividend is also expected to be paid in September 2014 following the publication of the interim results for that period.

The net dividend distributions that have been provided for in the Issuer's prospective financial information in line with the above policy are illustrated below.

	2013 €000	2014 €000	2015 €000	2016 €000	2017 €000
Payable to MIDI prior to Combined Offer in respect of profits up to 30 April 2013	180				
Payable to new investors		1,058	1,269	1,410	1,431
Gross dividend yield		5.8%	6.9%	7.7%	7.8%
Net dividend yield		3.8%	4.5%	5.0%	5.1%

Note: The net dividend yield assumes an effective tax rate of 35%. Projected dividend yields are based on the share price and may vary if the market price changes.

The Company's projections indicate that the main limiting factor in the payment of dividends in the immediate years ahead will be the availability of distributable earnings. Variations from the projected earnings and/or shifts in the value of the Property will have a direct impact on the Issuer's ability to distribute the projected dividends. Although the Directors believe that the financial projections included herein have been prepared on a fair and reasonable basis, all forecasts are inherently subject to the risk of adverse unexpected events which may affect the Issuer's revenue streams and its profitability.



## 16. LEGAL AND ARBITRATION PROCEEDINGS

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The following is a list of legal proceedings which are currently pending or threatened. They are not envisaged to have any material adverse effect on the Issuer.

### 16.1 PENDING PROCEEDINGS

*MIDI p.l.c. vs. Awtorita' Dwar it-Trasport ta' Malta u Melita Cable p.l.c.* (Sworn application number 1101/2007JRM). In the Sub-emphyteutical Deed, it was stated that the Company assumed MIDI's rights and obligations arising out of these proceedings (including those arising out of the orders issued by the Malta Transport Authority that gave rise to these proceedings), but only in so far as the Property might be affected. This lawsuit concerns the placing of cabling for cable television at Tigné Point. It is pending before the Civil Court, First Hall, currently adjourned to 13 March 2013 for judgement.

### 16.2 THREATENED PROCEEDINGS

On 8 March 2010, the Malta Transport Authority issued 2 orders allowing GO p.l.c. to pass telecommunication cables generally at Tigné Point and specifically within the Property. These orders were contested with the Malta Communications Authority by MIDI, on the grounds that GO p.l.c. should utilise the infrastructure within the Property, as contemplated by law. In the Sub-emphyteutical Deed, it was stated that the Company shall assume MIDI's rights and obligations arising out of these proceedings (including those arising out of the orders issued by the Malta Transport Authority), but only in so far as the Property might be affected. GO p.l.c. has not followed up on its claim and these orders were eventually verbally suspended, although the orders have not been formally withdrawn, nor has GO p.l.c.'s claim been formally withdrawn.

## 17. ADDITIONAL INFORMATION

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### 17.1 SHARE CAPITAL

The Issuer was incorporated with an authorised share capital of Lm10,000,000, equivalent to €23,293,730, divided into 10,000,000 Ordinary Shares of Lm1 each, equivalent to €2.329373.

The original issued share capital was of Lm10,000, equivalent to €23,293.73, divided into 10,000 Ordinary Shares of Lm1 each, equivalent to €2.329373 each, 20% paid up.

On 24 June 2010 the issued share capital was increased to €7,313,066.53, divided into 3,139,500 Ordinary Shares of €2.329373, fully paid up.

On 31 August 2011 the issued share capital was increased to €19,999,996.58, divided into 8,586,000 Ordinary Shares of €2.329373, fully paid up.

Pursuant to a resolution passed on 18 February 2013 and registered on 1 March 2013, the Issuer was converted into a public limited company, with a new Memorandum and Articles of Association. The following changes were also made to the Issuer's share capital structure:

- a. The authorised share capital was increased to €30,000,000;
- b. The issued share capital was increased to €21,200,000 through a capitalisation of reserves; and
- c. The Issuer's share capital was denominated into shares of €0.50 each, such that the authorised share capital consists of 60,000,000 shares of €0.50 each and the issued and fully paid up share capital consists of 42,400,000 shares of €0.50 each.

## 17.2 EXISTING SHAREHOLDERS OF THE ISSUER

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

Names and address of Existing Shareholders	Number of Ordinary Shares taken up by each Existing Shareholder and amount paid up of such Ordinary Shares	Shareholder percentage (%)
MIDI p.l.c. C-15836 North Shore Manoel Island Gzira Malta	42,138,963 Ordinary Shares having a nominal value of €0.50c each fully paid up	99.38%
Tigné Contracting Limited C-28438 North Shore Manoel Island Gzira Malta	261,037 Ordinary Shares having a nominal value of €0.50 each fully paid up	0.62%

The Ordinary Shares rank *pari passu* amongst each other for all purposes irrespective of any premium paid thereon. Each Ordinary Share shall be entitled to 1 vote. There are currently no different classes of Ordinary Shares in the Issuer and accordingly all Ordinary Shares have the same rights, voting rights and entitlements in connection with any distribution whether of dividends or capital (on a winding up or otherwise).

At the time of approval of this Prospectus, the Issuer is controlled directly by MIDI. The Issuer is a fully-owned subsidiary of the Group. Following the Offer, the Issuer will no longer form part of the MIDI Group. MSV has entered into a pre-allocation agreement whereby it undertakes to enter into a conditional subscription agreement, to subscribe to and purchase 20,000,000 Ordinary Shares in the Company and the Company and Offerors have bound themselves to allot the said Ordinary Shares to MSV. This agreement relating to the Ordinary Shares is subject to the terms of the Prospectus and subject to the condition that the Shares shall be admitted to the Official List of the Malta Stock Exchange by not later than 31 May 2013.

The audit committee has the task to ensure that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The presence of independent non-executive Directors on the Board of the Issuer aims to minimise the possibility of any abuse of control by any major shareholder. Furthermore, in terms of the Articles of Association of the Issuer, in the event that a Director has a material interest, either directly or indirectly, in any contract or arrangement with the Issuer, such Director is not entitled to vote on any decisions taken in connection therewith.

## 17.3 MEMORANDUM AND ARTICLES OF ASSOCIATION

A copy of the Memorandum and Articles of Association of the Issuer may be inspected at the registered office of the Company and at the Registrar of Companies of the Malta Financial Services Authority.

The Memorandum and Articles of Association (“the Memorandum” and “the Articles” respectively), contain provisions, *inter alia*, to the following effect:

### 17.3.1 OBJECTS

The principal object and purpose of the Company is that of owning, designing, building, constructing, developing, altering, refurbishing, furnishing, equipping, maintaining, providing, promoting, financing, supervising, controlling, leasing, renting, buying, selling, managing, operating or otherwise dealing in shopping malls, commercial centres, supermarkets, retail and shopping outlets and areas, catering establishments including restaurants and bars, leisure and entertainment centres and amenities including cinemas, health and beauty clinics, offices and commercial parking places and to deal in any manner whatsoever in any products, goods, merchandise and other materials of all kinds to be used for the purposes of/in connection with any of the aforesaid activities/to be promoted/sold from any of the aforesaid outlets, areas, establishments, centres and places and to provide all other allied and connected services (Clause 3 of the Memorandum).

### 17.3.2 REPRESENTATION

- i. The legal representation of the Company shall be vested in the Chairman and any other Director of the Company acting jointly or, in addition but without prejudice to the aforesaid, in any person or persons jointly or severally and in such manner as the Board of Directors shall from time to time and for any particular purpose or purposes determine. For the purposes of this clause, “legal representation” shall include, but shall not be limited to, the power to enter into, sign and execute any contract of whatsoever nature and all other documents purporting to bind the Company as well as to sign, draw, accept, endorse, or otherwise execute all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for monies paid to the Company (Clause 7 of the Memorandum).

- ii. The judicial representation of the Company shall be vested in the Chairman or, in addition but without prejudice to the aforesaid, in any person or persons jointly or severally as the Board of Directors shall from time to time and for any particular case or cases determine (Clause 7 of the Memorandum).

### 17.3.3 VOTING RIGHTS IN RESPECT OF ORDINARY SHARES

- i. Each Ordinary Share shall be entitled to 1 vote (Clause 5 of the Memorandum). Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every Member present in person shall have 1 vote and on a poll every Member present in person or by proxy shall have 1 vote for each share of which he is the holder (Article 69).
- ii. On a poll votes may be given personally or by proxy and a Member entitled to more than 1 vote need not, if he votes, use all his votes or cast all the votes he uses in the same way (Article 72).
- iii. With respect to elections of directors, voting shall take place on the basis that every Member shall have 1 vote in respect of each ordinary share held by him. A Member may use all his votes in favour of 1 candidate or may split his votes in any manner he chooses amongst any 2 or more candidates (Article 98(2)).
- iv. No Member shall be entitled, in respect of any share in the capital of the Company held by him, to be present or to vote on any question, either in person or by proxy, at any General Meeting, or upon any poll, or to be reckoned in a quorum, or to exercise any other right or privilege conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such share remains unpaid (Article 70).

### 17.3.4 RESTRICTIONS ON ORDINARY SHARES

- i. During such time as any part of the call or instalment together with interests and expenses remains unpaid, the entitlement of the person from whom the sum is due to the rights and advantages conferred by membership of the Company including the right to receive dividends and the right to attend and vote at meetings of the Company, shall be suspended (Article 19). This provision is similar to the provision in Article 70 referred to in paragraph (iv) above under the heading "Voting rights in respect of Ordinary Shares" in Section 17.3.3.
- ii. A person becoming entitled to a share by reason of the death or bankruptcy of the holder shall, upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by Membership in relation to Meetings of the Company. Provided always that the Directors may at any time give notice requiring any such person to elect either be registered himself or to transfer the share and if the notice is not complied with within 90 days, the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with (Article 38(3)).
- iii. The Company shall not, at any time after the forfeiture or surrender of a share and before the sale, re-allotment or other disposition of such share, exercise any voting rights in respect of such share (Article 27).

### 17.3.5 VARIATION OF CLASS RIGHTS

- i. If at any time the share capital is divided into different classes of shares, the change of any shares from 1 class into another or the variation of the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class which is to be changed or the rights attached to which are to be varied, according to the case) may, whether or not the Company is being wound up, be made with the consent in writing of the holders of three-fourths of the issued shares of that class and the holders of three-fourths of the issued shares of any other class affected thereby. Such change or variation may also be made with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the issued shares of that class and of an Extraordinary Resolution passed at a separate General Meeting of the holders of the issued shares of any other class affected thereby. To every such separate General Meeting the provisions of these Articles relating to General Meetings of the Company shall *mutatis mutandis*, so far as applicable, apply (Article 7).

### 17.3.6 ALTERATION OF CAPITAL

- i. The Company may from time to time increase its share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe. All new shares shall be subject to the provisions of these Articles with reference to allotment, payment of calls, forfeiture, transfer and transmission and otherwise (Article 46).
- ii. Any increase in the issued share capital of the Company shall be decided upon by an Ordinary Resolution of the Company, provided that, notwithstanding the foregoing, the Company may by Ordinary Resolution authorise the Directors to issue shares up to the amount specified as the Authorised Share Capital of the Company, which authorisation shall be for a maximum period of 5 years and is renewable for further periods of 5 years each and provided further that if any issue of shares would dilute a substantial interest the shares shall not be issued without the prior approval of the Shareholders by Ordinary Resolution (Article 9). On a fresh issue of ordinary shares, such shares shall be offered in the first instance to the existing Members of the Company *pro-rata* to the number of shares held by them respectively. The offer shall be made by notice in writing specifying the number of shares offered, as well as their price and limiting a time, being not less than 14 days, within which the offer if not accepted shall be deemed to have been declined. Any remaining shares may then be offered to non-Members. A Member shall have the right to assign to another person his right to accept an offer to subscribe for shares in terms of this Article (Article 3).

- iii. The Company may by Ordinary Resolution: (1) consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; (2) sub-divide its shares, or any of them, into shares of smaller amounts than is fixed by the Memorandum of Association, provided that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived (Article 47).
- iv. Subject to the provisions of the Companies Act, the Company may by Extraordinary Resolution reduce its Share Capital (Article 49).
- v. Subject to the provisions of the Companies Act, the Company may purchase its own shares (Article 11).

### 17.3.7 TRANSFER OF ORDINARY SHARES

- i. Subject to the provisions of law and of the Articles, the shares of the Company are freely transferable provided that in no case may a part of a share constitute the object of a transfer (Article 30).
- ii. All transfers of shares in the Company quoted and listed on the MSE (“Listed Shares”) shall be unrestricted and regulated by law. Articles 32 to 34 of the Articles (referred to in the next following paragraph) shall be applicable only to unlisted shares (Article 31).
- iii. All transfers of shares (other than transfers of Listed Shares) shall be effected by instrument in writing in any usual or common form or any other form which the Directors may approve. Listed Shares shall be transferred in the manner regulating such shares (Article 32(1)). The instrument of transfer of any share shall be signed by or on behalf of the transferor and the transferee and the transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the register of members (“the Register”) in respect thereof (Article 32(2)). The Directors may in their absolute discretion without assigning any reason thereof, refuse to register any transfer of any share which is not a fully paid share (Article 33). The Directors may decline to recognise any instrument of transfer and refuse to register such transfer if: (1) the instrument of transfer is not duly stamped and/or is not left at the Office or at such other place as the Directors may from time to time determine, to be registered and/or is not accompanied by the certificates of the shares to which it relates and such other evidence as the Directors may reasonably require to show the right to the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person to do so); or (2) the instrument of transfer is not in respect of only 1 class of shares; or (3) the instrument of transfer is in respect of shares pledged to another person under a pledge agreement duly notified to the Company (Article 34). If the Directors refuse to register a transfer they shall within 2 months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal and (except in the case of fraud) return to him the instrument of transfer. All instruments of transfer which are registered may be retained by the Company (Article 35).

### 17.3.8 TRANSMISSION OF ORDINARY SHARES

- i. All transmissions of Listed Shares shall be regulated by law and by the bye-laws of the MSE and the Listing Rules which relate to such transmission and accordingly Article 38 of the Articles (referred to in the next following paragraph) shall be applicable to such transmission only in so far as the said Articles are not inconsistent therewith (Article 37).
- ii. Any person becoming entitled to a share (other than a Listed Share) in consequence of the death or bankruptcy of a Member may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that Member before his death or bankruptcy, as the case may be (Article 38(1)). If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer signed by that Member (Article 38(2)).

### 17.3.9 PLEDGING OF SHARES

Shares in the Company may be pledged (Article 45).

### 17.3.10 SHARES HELD JOINTLY OR SUBJECT TO USUFRUCT

- i. In respect of shares held jointly by several persons, the joint holders may elect and nominate 1 of their number as their representative and his name will be entered in the Register with such designation. Such person shall for all intents and purposes be deemed *vis-à-vis* the Company to be the registered holder of the shares so held. In the absence of such nomination and until such nomination is made, the person first named on the Register in respect of such share shall, for all intents and purposes be deemed *vis-à-vis* the Company to be the registered holder of the shares so held (Article 39).
- ii. In respect of shares held subject to usufruct, the names of the bare owner and the usufructuary shall be entered in the Register. The usufructuary shall for all intents and purposes be deemed *vis-à-vis* the Company to be the registered holder of the shares so held and shall be entitled to all the rights and advantages conferred by law or by the Memorandum and Articles on such shares but shall not have the right to dispose of the shares so held without the consent of the bare owner. If there is more than one usufructuary the provisions of Article 39 shall *mutatis mutandis* apply (Article 40).

### 17.3.11 GENERAL MEETINGS

- i. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year and not more than 15 months shall elapse between the date of 1 Annual General Meeting of the Company and that of the next (Article 50).
- ii. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings (Article 51). The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition, or, in default, may be convened by such requisitionists as provided by the Act. If at any time there are not in Malta sufficient Directors capable of acting to form a quorum, the Directors in Malta capable of acting, or if there are no Directors capable and willing so to act, any 2 Members of the Company, may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors (Article 52).
- iii. A General Meeting of the Company shall be called by not less than 21 days notice in writing (Article 53(a)). The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given and shall specify the place, the day and the hour of meeting, the proposed agenda for the Meeting and in case of special business, the general nature of the business to be considered (Article 53(b)) as well as other information which is specified in the said Article 53(b).
- iv. Subject to such restrictions affecting the right to receive notice as are for the time being applicable to the holders of any class of shares, notice of every General Meeting shall be given in any manner hereinbefore authorised to: (a) every Member except those Members who have not supplied to the Company an address for the giving of notices to them; (b) the Auditor for the time being of the Company; and (c) the Directors for the time being of the Company. No other person shall be entitled to receive notices of General Meetings (Article 140).
- v. A notice calling an Annual General Meeting shall specify the meeting as such and a notice convening a meeting to pass an Extraordinary Resolution as the case may be shall specify the intention to propose the resolution as such and the principal purpose thereof (Article 53(c)). A notice of General Meeting called to consider extraordinary business shall be accompanied by a statement regarding the effect and scope of any proposed resolution in respect of such extraordinary business (Article 53 (e)).
- vi. In every notice calling a meeting there shall appear with reasonable prominence a statement that a Member entitled to attend and vote is entitled to appoint 1 or more proxies to attend and vote instead of him and that a proxy need not also be a Member and such statement shall comply with the provisions of the Act as to informing Members of their right to appoint proxies (Article 53(d)).
- vii. Any Member or Members holding not less than 5% in nominal value of all the shares entitled to vote at the meeting may: (a) request the Company to include items on the agenda of the General Meeting, provided that each item is accompanied by a justification or a draft resolution to be adopted at the Annual General Meeting; and (b) table draft resolutions for items included in the agenda of a General Meeting. The request to put items on the agenda of the General Meeting or the tabling of draft resolutions to be adopted at the General Meeting shall be submitted to the Company (in hard copy or in electronic form to an email address provided by the Company for the purpose) at least 46 days before the date set for the General Meeting to which it relates and shall be authenticated by the person or persons making it. Furthermore, where the right to request items to be put on the agenda of the General Meeting or to table draft resolutions to be adopted at the General Meeting requires a modification of the agenda for the General Meeting that has already been communicated to Shareholders, there shall be made available a revised agenda in the same manner as the previous agenda in advance of the applicable record date or, if no such record date applies, sufficiently in advance of the date of the General Meeting so as to enable other Shareholders to appoint a proxy, or where applicable, to vote by correspondence (Article 53(f)).
- viii. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive notice shall not invalidate the proceedings at that meeting (Article 55).
- ix. An "Ordinary Resolution" means a resolution taken at a General Meeting of the Company passed by a Member or Members having the right to attend and vote at such meeting holding in the aggregate more than 50% in nominal value of the shares represented and entitled to vote at the meeting. An "Extraordinary Resolution" means a resolution taken at a General Meeting of the Company of which notice specifying the intention to propose the text of the resolution as an extraordinary resolution and the principal purpose thereof has been duly given and passed by a number of Members having the right to attend and vote at such meeting holding in the aggregate not less than 75% in nominal value of the shares represented and entitled to vote at the meeting and at least 51% in nominal value of all the shares entitled to vote at the meeting. Provided that, if one of the aforesaid majorities is obtained, but not both, another meeting shall be convened within 30 days in accordance with the provisions for the calling of meetings to take a fresh vote on the proposed resolution. At the second meeting the resolution may be passed by a member or members having the right to attend and vote at the meeting holding in the aggregate not less than 75% in nominal value of the shares represented and entitled to vote at the meeting. However, if more than half in nominal value of all the shares having the right to vote at the meeting is represented at that meeting, a simple majority in nominal value of such shares so represented shall suffice (Article 2).

### 17.3.12 DIRECTORS

- i. Subject to Article 100 (refer to paragraph (iv) below), the number of Directors shall be not less than 3 and not more than 5 directors (Clause 6 of the Memorandum).
- ii. All the Directors must be natural persons (Clause 6 of the Memorandum) and no shareholding qualifications shall be required (Article 81).



- iii. At each Annual General Meeting of the Company all the Directors shall retire from office. A Director retiring from office shall retain office until the dissolution of such Meeting (Article 94). A retiring Director shall be eligible for re-election or re-appointment (Article 95). The Company shall make a call for nominations for election to the office of Director by notice published as an advertisement in at least 2 daily newspapers. The Company shall grant a period of at least 14 days for nominations and for the nominee's acceptance of the nomination to be submitted. All such nominations shall on pain of nullity contain notice in writing signed by a Member duly qualified to attend and vote at such Meeting of his intention to propose such person for election (Article 96). All such nominations, including any nominee's acceptance to be nominated as Director, must be received by the Company at least 14 days prior to the date of the meeting appointed for such election. In the event that there are as many nominations as there are vacancies, or less, no election will take place and the candidates so nominated will be automatically appointed Directors (Article 97). In case an election is necessary 5 Directors shall be elected at each Annual General Meeting (or at an Extraordinary General Meeting convened for the purpose of electing directors). Voting shall take place on the basis that every Member shall have 1 vote in respect of each ordinary share held by him. A Member may use all his votes in favour of one candidate or may split his votes in any manner he chooses amongst any 2 or more candidates. The Chairman of the Meeting shall declare elected those candidates who obtain the greater number of votes on that basis (Article 98(2)).
- iv. A Director shall hold office until he retires, resigns, dies, is removed or is disqualified (Article 92). The Company may by Ordinary Resolution, of which special notice has been given in accordance with the provisions of the Companies Act, remove any Director before the expiration of his period of office notwithstanding anything in the Articles or in any agreement between the Company and such Director. Such removal shall be without prejudice to any claim such Director may have for damages for breach of any contract of service between him and the Company (Article 101). The Company may by Ordinary Resolution appoint another person in place of a Director so removed from office (Article 103). The Board of Directors may exceptionally appoint up to 2 further Directors (who shall hold office until the next Annual General Meeting) if it is of the opinion that it would be beneficial to the Company for additional directors to be appointed in view of their commercial knowledge and experience.
- v. Subject to the provisions of the Companies Act, a Director may hold any other office or place of profit under the Company, except that of Auditor, in conjunction with the office of Director and may act by himself or through his firm in a professional capacity for the Company and in any such case on such terms as to remuneration and otherwise as the Directors may arrange. Any such remuneration shall be in addition to any remuneration provided for by any other Article (Article 86(1)).
- vi. No Director shall be disqualified by his office from entering into any contract, arrangement, transaction or proposal with the Company either with regard to his tenure of any such other office or place of profit or any such acting in a professional capacity or as a vendor, purchaser or otherwise. Subject to the provisions of the Act and save as therein provided no such contract, arrangement, transaction or proposal entered into by or on behalf of the Company in which any Director or person connected with him is in any way interested, whether directly or indirectly, shall be liable to be avoided, nor shall any Director who enters into any such contract, arrangement, transaction or proposal or who is so interested be liable to account to the Company for any profit realised by any such contract, arrangement, transaction or proposal by reason of such Director holding that office or of the fiduciary relation thereby established, but he shall declare the nature of his interest in accordance with the Companies Act (Article 86(2)).
- vii. A Director who is in any way, whether directly or indirectly, interested (even if such direct or indirect interest relates to the Member or Members who appointed him to office) in any contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at a meeting of the Directors. In the case of a proposed contract or arrangement, the declaration of interest to be made by such Director shall be made at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if such Director was not at the date of that meeting interested in the proposed contract or arrangement, at the next meeting of the Directors held after he became so interested; and in a case where such Director becomes interested in a contract or arrangement after it is made, the said declaration shall be made at the first meeting of the Directors held after such Director becomes so interested (Article 87(1)). Save as herein provided, a Director shall not vote in respect of any contract, arrangement, transaction or any other proposal whatsoever in which he has any material interest (even if such interest relates to the Member or Members who appointed him to office), whether direct or indirect, otherwise than by virtue of his interests in shares or debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting (Article 87(2)). A Director shall not vote or be counted in the quorum on any resolution concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested including fixing or varying the terms of his appointment or the termination thereof (Article 87(3)). Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of 2 or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such cases each of the Directors concerned shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment (Article 87(4)). If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the Audit Committee of the Board and its ruling shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed (Article 87(5)). Subject to the provisions of the Companies Act, the Company may at any time with the consent of the Company in General Meeting suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this

Article (Article 87(6)).

- viii. The maximum aggregate emoluments of all Directors in any one financial year and any increases thereto, shall be such amount as may from time to time be determined by the Company in General Meeting and any notice convening the General Meeting during which an increase in the maximum limit of such aggregate emoluments shall be proposed, shall contain a reference to such fact. The remuneration of the Directors shall be deemed to accrue from day to day. The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any Committee of the Directors or General Meetings or otherwise in connection with the business of the Company (Article 82).
- ix. Meetings of the Directors shall take place in Malta or with the consent of all the directors elsewhere (Article 105(2)). Subject to what is provided in the Articles, questions arising at any meeting shall be decided by a simple majority of votes. In case of an equality of votes the Chairman shall have a second or a casting vote (Article 104(3)).
- x. The quorum necessary for the transaction of the business of the Directors shall be 3 Directors. Provided that the quorum necessary in connection with any resolution, contract, arrangement, transaction or any other proposal in respect of which a Director is not entitled to vote and to be counted in the quorum shall be one half ( $\frac{1}{2}$ ) of the number of Directors entitled to vote and to be counted in the quorum rounded up to the nearest whole number. Provided further that if no quorum is present within half an hour from the time appointed for the meeting, the meeting shall be adjourned to the second working day following the date of the meeting at the same time and place. If, at such adjourned meeting no quorum is present within half an hour from the time appointed for the meeting, the directors present shall constitute a quorum. No business shall be transacted at any adjourned meeting, except such business as shall have been specified in the Agenda for the first convocation of the meeting (Article 105).
- xi. Any Director (other than an alternate Director) may at any time by writing under his hand and deposited at the Company's registered office, or delivered at a meeting of the Directors, appoint any person to be his alternate Director and may in like manner at any time terminate such appointment (Article 109(1)).
- xii. The Directors may also appoint committees consisting of one or more persons selected from among themselves, delegating to them any of their powers. Any such delegation may be made subject to any condition or requirement as the Directors may impose and may be made either collaterally with or to the exclusion of their own powers and the Directors may from time to time revoke, withdraw, alter or vary all or any of such powers. Any such committees shall, subject to any of the said conditions or requirements, regulate their own proceedings, in so far as possible in like manner as if their meetings were meetings of the Directors (Article 118).

### 17.3.13 POWERS OF DIRECTORS

The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not, by the Companies Act or by the Articles, required to be exercised by the Company in General Meeting, subject, nevertheless, to the provisions of the Articles and of the Companies Act and to such directions, being not inconsistent with any provisions of the Articles and of the Companies Act, as may be given by the Company in General Meeting: provided that no direction given by the Company in General Meeting shall invalidate any prior act of the Directors which would have been valid if such direction had not been given. The general powers conferred upon the Directors by this Article shall not be deemed to be abridged or restricted by any specific power conferred upon the Directors by any other Article (Article 84).

### 17.3.14 BORROWING POWERS

Subject to the provisions of these Articles, the Board of Directors may exercise all the powers of the Company to borrow money and to hypothecate or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures and other securities, whether outright or as security for any debt, liability or obligation of the Company or of any third party (Article 91).

### 17.3.15 DIVIDENDS

- i. The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors (Article 122). Subject to the rights of persons, if any, entitled to shares with any priority, preference or special rights as to dividend, all dividends shall be declared and paid according to the amounts paid up on the nominal value of shares in respect whereof the dividend is paid, but no amount paid up on a share in advance of calls shall be treated for the purpose of this Article as paid up on the share. All dividends shall be apportioned and paid proportionately to the amounts paid up on the nominal value of the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as if paid up in full or in part from a particular date, whether past or future, such share shall rank for dividend accordingly (Article 124).
- ii. The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company and may pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates, whenever such position, in the opinion of the Board, justifies that course (Article 125).
- iii. All dividends and interest shall belong and be paid to those Members whose names shall be on the Register at such date when the said dividends are declared notwithstanding any subsequent transfer or transmission of shares (Article 127).
- iv. All dividends, interest or other sums payable unclaimed for 1 year after having been declared may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed. All dividends unclaimed for a period of 12 years after having been declared shall be forfeited and shall revert to the Company (Article 129).



## 18. MATERIAL CONTRACTS

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### 18.1 SUB-EMPHYTEUTICAL DEED

#### 18.1.1 GRANT OF TITLE

MIDI granted the Property to the Issuer by title of temporary sub-emphyteusis in October 2010, commencing from the date of the grant, for the remaining period out of the original period of 99 years which commenced from 15 June 2000.

The Property does not include the overlying football pitch or the airspace above it, or the sports facilities within, that were transferred back to Government by MIDI in accordance with the terms of the Emphyteutical Deed.

#### 18.1.2 GROUND RENT

The annual sub-ground rent consists of a proportionate part of the original annual ground rent, together with an increase of ground rent payable to MIDI. The increase of ground rent payable to MIDI is a nominal amount. The proportionate part pertaining to the Property of the original annual ground rent imposed on all of the land granted by the Emphyteutical Deed is currently €75,494. This original annual ground rent will increase, in accordance with the terms of the Emphyteutical Deed, to €132,223 on 1 April 2025 and to €151,005 on 1 April 2050.

As security for the payment of the sub-ground rent and its proportionate share of the original ground rent, the Issuer granted to MIDI a general hypothec on all its property present and future in general and a special privilege on the Property.

#### 18.1.3 RIGHTS AND APPURTENANCES AND CONTRIBUTION TO UPKEEP

MIDI is required to provide adequate road/s and pedestrian passages to and from the Property for the duration of the sub-emphyteutical grant and to provide, for the duration of the sub-emphyteutical grant, the use of the distribution systems in respect of services and utilities up to the outer boundary of the Property and the Issuer is required to pay the reasonable fees and costs in respect of their upkeep and, in certain cases, in respect of their use and also in respect of Pjazza Tigné.

#### 18.1.4 SERVITUDES AND OTHER ENCUMBRANCES

A number of servitudes are stated. The Property and the Tigné Point site enjoy or are subject to servitudes which may exist or which may become necessary as a result of their position in relation to each other and in relation to the football pitch and other sports facilities in the Property that are the property of the Government.

Furthermore, the common parts or those parts that are mainly intended for the passage of the relevant services and utilities (which now exist or may be constructed) of the Tigné Point site including the Property are subject to servitudes in respect of installations relating to services made or to be made by MIDI for the benefit of any or all other developments in the Tigné Point site, as shall be necessary or convenient in view of the planning and design of the whole development to be made over the Tigné Point site.

As an essential condition of this sub-emphyteutical grant, MIDI or its assignees shall be entitled to extend the installation into the Property of a private infrastructure for a telecommunications network for the use of the MIDI project. MIDI also enjoys rights of pedestrian access over various pathways or colonnades around the Property.

#### 18.1.5 PEACEFUL POSSESSION AND OTHER WARRANTIES

MIDI warrants in favour of the Issuer the peaceful possession of the Property according to law. This warranty for peaceful possession has not been secured by a general hypothec on the property of MIDI. The proposed deed also provides for reciprocal warranties that there are no defaults, litigation and similar. In view of the fact that the Property was commissioned and constructed by the Issuer and was in the possession of the Issuer, warranty by MIDI against defects was excluded. In view of the fact that the aforementioned football pitch and other sports facilities were constructed by the Issuer for MIDI at the expense of MIDI, the Company has warranted in favour of MIDI that the aforementioned football pitch and other sports facilities are fully covered with valid building permits issued by the competent authorities and furthermore that they have been built according to standard building practice and with good materials.

#### 18.1.6 PERMITTED USE OF THE PROPERTY

Broadly speaking, the Property may be used only for the purposes allowed in the MEPA Permit or as may otherwise be allowed in writing by MIDI. It is specifically laid down that the Property must be operated as one entity exclusively and uninterruptedly for purposes allowed in the MEPA Permit or as may otherwise be allowed in writing by MIDI. Broadly speaking, the purposes allowed by the MEPA permits are predominantly retail shops falling within Class Four of the Development Planning (Use Classes) Order of 1994 and a supermarket and an element of catering premises falling within Class Six of the aforementioned Development Planning (Use Classes) Order and car parking facilities.

Neither the Company nor any of its successors in title are entitled to change any of such uses within a period of 20 years from the date of the sub-emphyteutical deed without the prior written consent of MIDI. Alterations to the exterior require the written permission of MIDI.

### 18.1.7 IMPROVEMENTS, MAINTENANCE AND REPAIRS

The Issuer is responsible for all maintenance, both ordinary and extraordinary, both on the inside and on the outside, of the Property.

On the termination of the sub-emphyteutical grant, the Issuer is required to relinquish the Property and any permanent improvements thereon in a good state of repair and operation, without any right of compensation.

Any damage however it may occur, even if the Property perishes entirely, shall be made good by the Issuer at its own cost within a maximum period of 3 years so as to render the Property capable of being used in accordance with the Permitted Use.

### 18.1.8 COMPLIANCE WITH LAW

The Issuer is required to carry out all obligations imposed by law on the owners of buildings, lands, installations and improvements falling under the deed, at its own expense.

### 18.1.9 INSURANCE

The Issuer is required to maintain:

- a. Public liability insurance with limits of liability which are reasonable in the circumstances and acceptable to MIDI; and
- b. Material damage (Industrial All Risks) insurance covering loss or damage to the Property (including the fixtures and fittings therein) and including all installations and improvements thereon in an amount equivalent to the full re-instatement value thereof.

### 18.1.10 DISSOLUTION

In addition to any other remedies available, MIDI has the right to terminate the sub-emphyteutical grant:

- a. If the Issuer owes by way of sub-ground rent and/or its proportionate share of the original ground rent a sum equal in amount to two yearly payments; and/or
- b. If the Issuer is in material breach of any of its obligations arising from the sub-emphyteutical grant, the Emphyteutical Deed or applicable law and remains in default for a period of 60 days from the date of service of a judicial notice by MIDI identifying the default.

In the event of dissolution of the sub-emphyteutical grant, the Property and all improvements thereon will revert to MIDI with no right of the Issuer to compensation.

The dissolution of the sub-emphyteutical grant for any reason shall not affect any real rights in respect of any part of the Property then already acquired by any third party who is acknowledged or is entitled to be acknowledged by MIDI. Following such dissolution, any ground rents, sub-ground rents, rents or other fees falling due after dissolution by such third parties to the Issuer shall become the property of MIDI and shall be payable to MIDI.

### 18.1.11 FORCE MAJEURE

In general, neither MIDI nor the Issuer are liable for delay in performing or failure to perform obligations if the delay or failure results from any event or circumstance outside their control. This is subject to conditions and qualifications and subject to further provisions to tie in with the 'force majeure' provisions that apply to MIDI in the Emphyteutical Deed.

## 18.2 BANK LOANS

By virtue of a deed of loan in the records of Notary Marco Farrugia of 20 September 2007 Bank of Valletta p.l.c. (the "Bank") granted on loan to the Company the sum of €9,783,368.27 ("the First Loan"). The loan is secured by means of a general hypothec on the property of the Company and by a general hypothec on the property of MIDI which company acted as surety for the loan of the Company. MIDI, *in solidum* with the Company, constituted a special hypothec over the temporary *utile dominium* from the remaining period of 99 years that started to run on the 15 June 2000 over the Property and sites T17W and T17E, all situated at Tigné Point, Sliema. The said Property (at that time) and sites T17W and T17E belong to MIDI. For further details refer to Annex 4.

By virtue of another deed of loan in the Records of Notary Marco Farrugia of 20 March 2008, the Bank granted on loan to the Company the sum of €24,225,000 ("the Second Loan"). The loan was secured by means of a general hypothec on the property of the Company and a general hypothec on the property of MIDI, which company again acted as surety for the loan of the Company. MIDI constituted a special hypothec of the temporary *utile dominium* from the remaining period of 99 years that started to run on 15 June 2000 over the Property and the sites T17W and T17E, both at Tigné Point, Sliema. The said Property (at that time) and sites T17W and T17E belong to MIDI. For further details refer to Annex 4.

By virtue of another deed in the records of Notary Pierre Attard of 22 October 2010, signed simultaneously with the Sub-empytheutical Deed, pursuant to the transfer of the Property by MIDI to the Company, the Company granted additional security over the Property in favour of the Bank. This was necessary in order to reflect the grant by MIDI to the Company of the Property on title of sub-empytheusis. The additional security consisted in the constitution of a special hypothec on the temporary *sub-utile dominium* for the period remaining out of the original period of 99 years which commenced on 15 June 2000 over the Property. By virtue of the same deed, the Bank waived its hypothecary rights arising from the above mentioned deeds in so far as these affected the temporary *sub-utile dominium* for the period remaining out of the original period of 99 years commencing from 15 June 2000 over the Property. Notwithstanding the provision of this additional security by the Company to the Bank, the general hypothec over the Company's property, the general hypothec over MIDI's property and the special hypothec over sites T17W and T17E (as above described) as security for the two loans in the aggregate of €34,008,368.27 (together with interest thereon) remained in full force and effect. For further details refer to Annex 4.

The Bank has issued a sanction letter dated 8 March 2013 to the Company regarding repayment of the above-mentioned loans and the waiver of security granted by MIDI. Following this Combined Offering, the Company is expected to make repayments of €6,500,000, allocated as to €1,804,082 as repayment on the First Loan and €4,695,918 as repayment on the Second Loan. The loan repayments will be rescheduled over a 17 year term following the reduction of the loans as aforesaid. The sanction letter also states that:

- cash generation from operations net of intra group undertakings should not go below the Company's annual loan repayment commitments for the forthcoming year;
- the Bank is to be informed of any material changes in the letting contracts that are deemed to have a major impact on the Company's cash generation;
- utility payments and fiscal obligations should be up to date; and
- the shareholders' funds should at all times finance at least 43% of the Company's total assets.

The aforementioned sanction letter also states, as an event of default: "Unless previously approved in writing by the bank, the Customer allows and/or recognises any transfer of its shares or any change of its ownership and/or in any other manner whatsoever allows the control of the Customer to be acquired or exercised by any person or entity not having control as at the date of the document/s regulating the Loan. For the purposes of this clause, "control" means the power to direct the management and/or policies of the Customer whether through the ownership of capital, by contract or otherwise." The Bank has confirmed in writing that the Combined Offering is not a breach of this clause.

In terms of the same sanction letter issued to the Company by the Bank, the Bank has stated that the Bank shall release MIDI from the suretyship by MIDI for the bank facilities enjoyed by the Company constituted in the aforementioned loan deeds, upon payment by the Company to the Bank of €6,500,000 following the Combined Offer.

By virtue of a deed in the records of Notary Ann Bugeja of 12 December 2012 the Company constituted itself as surety, joint and severally with MIDI, for a loan granted to MIDI of €2,300,000, through the constitution of a general hypothec over the Company's property in general present and future and a special hypothec over the temporary *sub-utile dominium* for the period remaining from 99 years commencing on 15 June 2000 of the the Property, as described in the said deed. By virtue of the same deed, MIDI also constituted further special hypothecs in favour of the Bank. The purpose of this deed was to constitute additional security in warranty of the said loan granted to MIDI by virtue of a deed in the records of Notary Marco Farrugia of 20 October 2008.

By virtue of another deed in the records of Notary Ann Bugeja, also of 12 December 2012, MIDI was allowed to further overdraw its accounts with the Bank and was granted further general banking facilities up to an additional sum of €2,000,000. Aside from a number of special hypothecs constituted by MIDI in favour of the Bank, these facilities are further secured by the Company which constituted itself as surety, joint and severally with MIDI in the amount of €2,000,000, through the constitution of a general hypothec over the Company's property in general present and future and a special hypothec over the temporary *sub-utile dominium* for the period remaining from 99 years commencing on 15 June 2000 of the Property, as described in the said deed. It was agreed by virtue of the aforementioned deed that the Bank is entitled to call upon MIDI or the Company at any time to settle the indebtedness to the Bank and to pay the balance in MIDI's current account.

By virtue of another deed in the records of Notary Ann Bugeja, also of 12 December 2012 the Company constituted itself as surety, joint and severally with MIDI, for a loan granted to MIDI in the outstanding amount of €9,533,238, through the constitution of a general hypothec over the assets of the Company and a special hypothec over the temporary *sub-utile dominium* for the period remaining from 99 years commencing on 15 June 2000 of the Property, as described in the said deed in the records of Notary Ann Bugeja of 12 December 2012. By virtue of the same deed, MIDI also constituted further special hypothecs in favour of the Bank. The purpose of this Deed was to constitute additional security in warranty of the said loan granted to MIDI by virtue of a deed in the records of Notary Marco Farrugia of 8 November 2006. For further details refer to Annex 4.

These 3 bank facilities enjoyed by MIDI apart from being secured by hypothecs (as described above) over property of the Company, are also currently guaranteed by a corporate guarantee of the Company in the amount of €13,833,238.

MIDI and the Company undertook not to give any further hypothecs or charges over their property without the Bank's prior consent. In terms of a sanction letter issued to MIDI by the Bank, the Bank has stated that it shall release the Company from the suretyship by the Company for the bank facilities enjoyed by MIDI constituted in the aforementioned 2 deeds of Notary Ann Bugeja of 12 December 2012 upon payment by MIDI to the Bank of €12,000,000 following the Combined Offer.

### 18.3 CAR PARK OPERATION AND REVENUE SHARING AGREEMENTS

The Property includes ancillary car parking facilities consisting of 253 individual car parking spaces situated at levels minus 2 and minus 3 of the Property. The Issuer has entered into an operation agreement with SIS whereby the Issuer has engaged SIS to operate the car park for a period of 20 years. In virtue of a separate agreement, the Issuer's car park is operated together with the larger adjoining car park that is the property of MIDI.

The principal terms of the agreement are the following:

- a. SIS is required to keep the car park accessible to the public 24 hours a day throughout the year and is responsible for the ordinary maintenance of the car park, for the acquisition, installation, operation and maintenance of all equipment within the car parks and for all operating costs, including security and car park attendants; and
- b. SIS retains 80% of all of the annual revenue generated by the operation of these car parks.

The remaining 20% is split between MIDI and the Issuer based on the ratio of car spaces belonging to MIDI and the Issuer respectively, or as may otherwise be agreed between MIDI and the Issuer.

SIS is required to insure against loss or damage of its equipment and public liability and the Issuer is required to insure against loss or damage to the car park.

### 18.4 THE HVAC AGREEMENT

The ambient temperature control of the Property ("HVAC") is provided by SIS from its central plant situated close by within the block known as T14. The related plant and equipment that is located within the Property belongs to the Company. An agreement between the Company and SIS regulates the provision of this service; the principal terms are listed hereunder.

The duration of the agreement is 20 years, from 18 March 2010 to 31 December 2030. The agreement may be extended for up to 3 more terms of 10 years each, at the option of the Company. The principal obligations of SIS are to provide an uninterrupted service including all the necessary maintenance and repairs. SIS is liable for any damage or injury resulting from its negligence or breach of the agreement and this is backed by the obligation of SIS to maintain adequate public liability insurance cover. The SIS charge, which includes *inter alia* all water and electricity costs related to ambient temperature control within the Property and its review from time to time, is dealt with in the agreement. The cost of the HVAC service is recovered from the shop tenants as a component of the service charge.

## 19. STATEMENTS BY EXPERTS

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Save for the Accountants' Report, which is annexed to this Registration Document as Annex 2 and the valuation report, which is annexed to this Registration Document as Annex 1, this Registration Document does not contain any statement or report attributed to any person as an expert.

### 19.1 ACCOUNTANTS' REPORT

The Issuer engaged PwC, a firm of Certified Public Accountants, to issue the accountants' report dated 15 March 2013. The following are the details of the said expert:

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

### 19.2 VALUATION REPORT

The Issuer commissioned KPMG, a firm of Certified Public Accountants and DeMicoli & Associates, a firm of architects to issue the valuation report. The following are the details of the said entities:

Name: KPMG  
Address: Portico Building, Marina Street, Pieta' PTA 9044, Malta  
Name: DeMicoli & Associates  
Address: 70, Mill Street, Qormi QRM 3104, Malta

### 19.3 CONFIRMATIONS

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

The Issuer confirms that the accountants' report and the valuation report have been accurately reproduced in this Registration Document, with the consent of PwC and KPMG and DeMicoli & Associates respectively. The Issuer further confirms that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

PwC, KPMG and DeMicoli & Associates have given and have not withdrawn their consent for the publication of the accountants' report and the valuation report in the form and context in which they are included in this Registration Document respectively.

## 20. DOCUMENTS ON DISPLAY

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

- a. Memorandum and Articles of Association of the Issuer;
- b. Audited Financial Statements of the Issuer for the financial years ended 31 December 2010, 2011 and 2012;
- c. The Emphyteutical Deed;
- d. The Sub-emphyteutical Deed;
- e. Searches of privileges and hypothecs carried out up to 3 December 2012;
- f. The professional valuation report;
- g. Experts' consent letters; and
- h. Pre-allocation Agreement between MIDI and MSV Life.

**KPMG**  
**Portico Buildings**  
**Marina Street,**  
**Pietà, PTA 9044**  
**Malta**

**DeMicoli and Associates**  
**70, Mill Street**  
**Qormi, QRM 3104**  
**Malta**

The Board of Directors  
MIDI p.l.c.  
North Shore  
Manoel Island  
Gżira, GZR 3016  
Malta

The Board of Directors  
Tigné Mall Ltd  
Management Suite  
The Point Shopping Mall  
Pjazza Tigné Point  
Sliema, TP 01  
Malta

8 February 2013

Dear Sirs,

## **Preparation of an Independent Valuation Report**

### **Parties requesting valuation**

This valuation report has been prepared for MIDI p.l.c. (hereinafter referred to as 'MIDI'), a public company incorporated in Malta and listed on the Malta Stock Exchange, and Tigné Mall Ltd (hereinafter referred to as 'TML') a MIDI subsidiary incorporated in Malta. Our work has been carried out in accordance with our terms of engagement dated 18 December 2012.

### **Purpose of valuation**

MIDI is aiming to divest of its interest in TML through an offer of its shares to the public. At the same time, TML intends to raise further capital through the issue of equity shares to the public. Following conclusion of the public offering, TML intends to list its shares on the Official List of the Malta Stock Exchange. TML's principal activity is to develop and manage The Point shopping mall (hereinafter referred to as 'the Property'), which it holds under a temporary sub-empyteutical title.

For the purpose of concluding the above-mentioned transaction, MIDI needs to obtain the approval of shareholders in accordance with rule 5.163 of the Listing Rules issued by the Listing Authority (hereinafter referred to as 'the Listing Rules'). This rule requires that a circular be issued by MIDI to its shareholders which circular is to include a valuation report on the Property prepared by an independent expert in accordance with Chapter 7 of the Listing Rules.

In addition, TML requires an Independent Valuation of the Property for inclusion in the prospectus relating to the offer of its securities to the public.

This Report has been prepared solely for the above-mentioned purpose and is not suitable for other uses or purposes.

#### **Date of Valuation**

This valuation is effective as of 31 January 2013.

#### **Subject of Valuation**

This valuation relates to the property known as The Point shopping mall, which building forms part of the MIDI project at Tigné Point, Sliema. The building is constructed on the T2 site of the MIDI project.

The Property's address is as follows:

The Point Shopping Mall  
Tigné Point  
Sliema, Malta

By virtue of a deed dated 15 June 2000 ('hereinafter referred to as 'the Original Deed') MIDI had acquired the T2 site (together with other sites) from the Government of Malta under title of temporary emphyteusis for a period of 99 years commencing from 15 June 2000. Subsequently, by virtue of a deed of the 22 October 2010 (hereinafter referred to as 'the Deed'), the Property was granted by MIDI to TML on temporary sub-emphyteusis for the period remaining out of the 99 years, which commenced on 15 June 2000.

The sub-emphyteutical grant covered by the Deed imposes a number of obligations on TML including the payment of annual ground rent. The Deed also provides that an essential element and condition of the sub-emphyteutical grant is that the Property is operated as a shopping mall with ancillary parking facilities.

The Property is operated by TML as a shopping mall, with a number of outlets and stores leased out to various tenants. The car park is currently operated by a third party.



### **Site Location, building description and use**

The Property is the unnumbered building known as 'The Point' at Tigné Point, Sliema comprising a shopping mall with ancillary underground parking facilities and other ancillary facilities situated in part of the Tigné Point site and accessible from a piazza known as 'Pjazza Tigné' and also from a network of roads, driveways, pathways, passages, stairways and open spaces constructed or still to be constructed on the Tigné Point site, which link with the public road network including Tigné Seafront and Triq Ċensu Xerri. The Property consists of the building shown outlined in red on the attached plan (Appendix 1) but excluding the sports facilities found within the same site and from which it is physically divided.

At Level 0, which is the ground floor level of the building and which is also known as the Pjazza Level, the Property has a main unnumbered entrance situated on its South-East side. This entrance abuts onto a covered colonnade forming part of the Property and which runs parallel with, and is accessible from, Pjazza Tigné. The Property also has several other unnumbered entrance and exit points situated on its South-West side and which abut onto a covered colonnade that also forms part of the Property. This covered colonnade runs parallel and opens onto an unnamed pedestrian walkway situated in the Tigné Point site. This pedestrian walkway interconnects Pjazza Tigné with Triq Ċensu Xerri, as well as with several other unnumbered entrance and exit points situated on the North-East side of the building which abut onto an unnamed pedestrian walkway forming part of the Property that leads onto the area in the Tigné Point site known as the North Pjazza. At Level -1, Level -2 and Level -3 the Property has several unnumbered entrance and exit points which interconnect with the above-mentioned network of roads, driveways, pathways, passages and stairways constructed or still to be constructed on the Tigné Point site.

The perimeter of the Property is bounded on the South-East by Pjazza Tigné, on the North-West by property of GAP Developments p.l.c. and on all other sides by the remainder of the Tigné Point site property of MIDI, except that within the said boundaries there are situated sports facilities that are the property of the Government of Malta.

The Property also includes the foundations and sub-terrain underlying the footprint of the building on the Property, the airspace which overlies the parts of the Property that do not underlie that part of the sports facilities situated on Level +1 of the Property, and all its rights and appurtenances.

The sports facilities permitted to be built within the volume of the Property (the five-a-side pitches) and on its roof (the football pitch and ancillary buildings) are not owned by TML. The Property was developed in accordance with the full development permit issued by the Malta Environment and Planning Authority ('MEPA') on 29 July 2002 (Ref PA04291/01) as amended by the full development permit issued by MEPA on 6 January 2006 (Ref PA06480/03) and as also amended by the full development permit issued by MEPA on 7 January 2010 (Ref PA04255/08).

As shown on the Deed, the overall area of the footprint of the Property at Level -3 is 9,735 square metres ('sqm'). The entrance lobby (at -3 Level) has an area of about 600 sqm, with the remaining area being used for car park space, plant rooms (approx. 600 sqm) and staircases/lifts etc. At the Pjazza Level the gross floor area is 7,837 sqm, an area measured excluding the atrium void. At Level -1, the gross floor area is 8,670 sqm, measured as above. At Level -2 the gross floor area is 9,365 sqm, measured as above and includes further car park spaces. The total gross floor area of the Property is therefore of 35,607 sqm.

Works on site started in September 2007, and the Property commenced operation as a shopping mall in March 2010.

The gross floor area of rentable space is 14,349 sqm. The areas of the retail outlets as currently applied are as follows:

Floor Area - by use		
Category	Number of Outlets	Floor Area (sqm)
Department Store and Fashion	23	9,590
Supermarket and Food	2	1,699
Sportswear and Accessories	4	968
Footwear	4	406
Catering	10	593
Other	16	1,093
<b>Total</b>	<b>59</b>	<b>14,349</b>

In total, the Property includes 253 car park spaces. According to the Planning Permit, the spaces owned by TML cannot be separated from the rest of the car park forming part of the overall Tigné Point site. The use of these car park spaces is therefore not exclusive to the customers of the Point though the latter have the right to make use of car park spaces within the Tigné site, which are outside the footprint of The Point. The car park is operated by a third party.

A summary of the servitudes, rights, hypothecs, privileges, easements and other burdens relating to the Property are set out in Appendices 2 and 3.

#### Summary of main terms of tenants' leases

The Property is operated as a shopping mall with outlets leased out to a number of tenants. The leases are based on a single model agreement, with some variation between one and the other. The main commercial terms of the agreements may be briefly described as follows:

- a) Tenants pay an annual base rent that is payable quarterly in advance. The amount of rent depends on the size of each outlet and its location within the Property. The leases provide for an annual increase of the base rent. A number of leases also provide for an additional rent in addition to the base rent, whereby the tenant will also pay a percentage of the turnover that is generated from that unit if that percentage exceeds a specified amount.
- b) The duration of most leases is fifteen years or twenty years. In some cases the tenant is entitled to terminate the lease on specific break-dates. A tenant exercising this option is typically required to give nine months notice. There is a qualified right of preference in the event of a new lease (if any), that is regulated by law and in some cases by the lease agreement.

The material damage insurance cover and the terms of the lease are designed to maintain a continuation of the tenancy and a continuity of revenue even in the case of serious damage to the Property during the lease.

- c) The tenants are entitled to assign the lease, subject to some safeguards designed to maintain the high standard of the shopping mall. In this event the incoming tenant will step into the shoes of the outgoing tenant and will continue the lease on the same permitted use, and terms and conditions.
- d) Maintenance and repairs of each outlet are carried out by the respective tenant at the tenant's cost. The upkeep of the common parts, and the provision of services for the common benefit of the tenants, are paid by TML and recovered from tenants through the service charge. The service charge includes a contribution for the promotion of the shopping centre. The leases provide for compulsory membership in a tenants' association, the statute of which provides for the election of a committee. The objects of the tenants' association are to further the interests of tenants and to provide a vehicle with which to liaise with the Property management.
- e) A few (currently two) tenants in the Property, having catering as the permitted use, have been granted an encroachment permit (or have been advised of the possibility of obtaining an encroachment permit) to encroach on Pjazza Tigné with tables and chairs. The Original Deed states that all encroachment permits are to be granted by the Department of Lands (Government), and also states that the Government shall not unreasonably refuse to grant such encroachment permits. The applications are considered by the Malta Tourism Authority. The Original Deed grants MIDI p.l.c., and its successors in title, the exclusive right to request such encroachment permits on terms and conditions that are normally granted in similar circumstances.

- f) There is the interest of MIDI and TML respectively noted on the building insurance policies of the other given that the shopping mall is an inherent part of the Tigné Point project.

#### **Declaration of Independence**

KPMG and DeMicoli and Associates hereby declare that they have not had any professional relationship with MIDI plc or TML for the twelve months prior to the commencement of this engagement. Furthermore, the proportion of the total fees, including fees for this engagement, from MIDI plc and TML to total fees earned by KPMG and DeMicoli and Associates respectively in the preceding twelve months is minimal.

#### **Statement of compliance**

We confirm that the valuation has been prepared in accordance with the appropriate sections of the Valuation Standards contained in the RICS Valuation – Professional Standards dated March 2012. There has been no departure from the abovementioned standards.

The Property has been valued by valuers, for and on behalf of KPMG and DeMicoli & Associates, who are qualified for the purpose of the valuation in accordance with the RICS valuation standards.

#### **Basis of Value and Valuation approach**

We have been engaged to provide the valuation of the Property based on Market Value. Market Value is defined by RICS Valuation – Professional Standards as:

*‘The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.’*

This basis of value describes an exchange between parties that are unconnected and operating freely in the market place and ignores any price distortions caused by special value or synergistic value.

The Property comprises a fully operational shopping mall with ancillary parking facilities and other ancillary services. The Property has been designed for a specific use resulting in its value being intrinsically linked to the returns that an owner of such property can generate through its use. For this reason the Market Value has been arrived at having regard to the Property’s trading potential as a fully equipped operational entity. In addition the present capital value in existing state of the Property is reflected in the Market Value of the Property estimated as described herein.

When evaluating the Property's trading potential, we considered the future income that a Reasonably Efficient Operator ('REO') would expect to be able to realize from operation of the Property. The trading potential reflects a range of factors such as the location, design and character, level of adaptation and trading history of the property within the market conditions prevailing that are inherent to the property asset.

We have thus considered the free cash flows arising from the projected income streams that a REO could be expected to derive from the operation of the Property over the duration of the sub-empyteutical period. These projected free cash flows were discounted to present value using our estimate of the weighted average cost of capital that would be available to a REO for financing such operation.

The resulting value is then adjusted to exclude the value of working capital and office furniture and equipment as at the effective date of the valuation to arrive at the Market Value of the immovable property including trade fixtures, fittings and equipment.

### **Net Annual Rent**

Based on information provided by management, the Net Annual Rent with respect to the Property in 2012 and projected for 2013 is of €4,071,089 (four million, seventy-one thousand and eighty-nine Euro) and €4,464,697 (four million, four hundred and sixty-four thousand, six hundred and ninety-seven Euro), respectively. These amounts reflect the total revenues (base rents + top-up rents + ancillary income + receipts from parking) less ground rent and operating expenses (including unrecovered maintenance costs) and capital expenditure for the year.

Net Annual Rent is defined within the Listing Rules as:

*'The current income or income estimated by the valuer:*

- (i) ignoring any special receipts or deductions arising from the Property;*
- (ii) excluding value added tax (where applicable) and before taxation (including tax on profits and any allowances for interest on capital or loans); and*
- (iii) after making deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the Property and allowances to maintain it in a condition to command its rent.'*

### **Property inspection**

As part of our work, an inspection of the building was carried out by DeMicoli and Associates on 17 December 2012 to obtain a better understanding of the Property and to identify any obvious defects that could have an impact on the value of the Property. This inspection did not represent a building survey and should not be construed as such.

### **Assumptions and sources of information**

An assumption can be defined as a supposition taken to be true. Assumptions are facts, conditions or situations affecting the subject of, or approach to, a valuation that by agreement, need not be verified by a valuer as part of the valuation process. In undertaking our valuation, we have made certain assumptions and have relied on certain sources of information. We believe that the assumptions we have made are reasonable taking into account our knowledge of the Property and the contents of reports and other information made available to us. However, in the event that any of the information or assumptions on which the valuation is based is subsequently found to be incorrect, then our valuation conclusion may also be incorrect or invalid.

In addition, management have confirmed that they provided us with all information that could be material for the purposes of our valuation.

### **Sources of information**

We have relied on the following information provided to us by TML Management or their advisors or which was otherwise in the public domain:

- The Deed between MIDI and TML dated 22 October 2010;
- The Original Deed between MIDI and Government of Malta dated 15 June 2000;
- Drawings of plans and sections of the Property;
- Health and Safety information relating to the Property;
- Audited Financial Statements for the financial years ended 31 December 2010 and 2011;
- Unaudited financial information for the year ended 31 December 2012;
- Detailed financial projections of the Property's trading potential as a fully equipped operational entity, approved by the Board of TML;
- Details of current contracts with tenants; and
- Other relevant details in relation to the Property.

### **Assumptions**

We have made the following assumptions in the preparation of our Report:

- The building is in a good state of repair;
- All building services and any associated controls or software are in working order and free from defect;
- The Property is not contaminated and no contaminative or potentially contaminative uses have ever been carried out on it;

- There are no abnormal ground conditions, nor archaeological remains present which might adversely affect the present or future occupation, development or value of the Property;
- All buildings have been erected either prior to planning control or in accordance with planning permissions and have the benefit of permanent planning consents or existing use rights for their current use;
- The Property complies with all applicable laws and regulations, including those relating to health and safety;
- Only minor costs will be incurred if any modification or alteration is necessary in order for the Property to comply with the provisions of relevant disability and access laws.
- There are no tenants' improvements that will materially affect our opinion of the rent that would be obtained on review or renewal;
- The Property is, in all respects, insured against all usual risks at normal, commercially acceptable premiums and will remain so throughout the term of the lease;
- The Property constitutes a fully equipped operational entity which has in place, and will continue to have over the period of the lease, all the necessary licences and other enablers required to continue trading;
- The current trade-related use of the Property will continue throughout the period of the sub-empyteutical grant.
- The valuation is based on the assumption that the Property will only be encumbered by privileges and hypothecs necessary for its financing and operation. Amongst others, this assumption implies that the charge on the Property in favour of Bank of Valletta p.l.c. as surety for MIDI is not in place.

The valuation does not reflect any liability to tax, stamp duty and any other transaction costs arising on the disposal or acquisition of the Property.

All measurements, areas and ages quoted in our report are approximate.

No special assumptions have been relied upon in the preparation of the Report.

### **Other important information**

#### ***Consent to publication and use***

This report should not be distributed, quoted or referred to, in whole or in part, without our prior written consent. We understand that you will require our express consent in writing for our report to be included in its entirety in the circular to be issued by MIDI to its shareholders and to be included in the prospectus as part of the public offer of TML. Before granting such consent we will require sight of a final draft of such Circular or Prospectus. Our consent for the whole or part of our Report to be copied or disclosed to any third party

or otherwise quoted or referred to, in whole or in part, is on the basis that we do not owe such third parties any duty of care as a result of giving such consent.

**Limitation of liability**

We have performed our work in accordance with applicable professional standards and accepted practice for this type of engagement. Our duties in relation to our work are owed solely to MIDI and TML, and accordingly we do not accept any responsibility for loss occasioned to any third party acting or refraining from action as a result of our report.

**Other**

We wish to point out that there exists a significant degree of judgement involved in selecting methods and basis for valuation and a significant number of items which may be subjectively considered when arriving at such valuation, including growth in future earnings and related free cash flows. It follows that valuations are not a prediction of price or a guarantee of value and, whilst our valuation is one which we consider to be both reasonable and defensible, others may arrive at a different conclusion. Furthermore, since the projections of free cash flows which underpin the valuation, and the assumptions on which these projections are based, relate to the future they may be affected by unforeseen events. The variation between projected and actual results may be material and such variation may materially affect the value of the Property.

Unless otherwise specifically stated, the analysis set out in this document takes into account all the information known and made available to us up to 31 January 2013 and is therefore current as at that date.

**Valuation opinion**

In our opinion, on the basis of the information set out in this document including the stated assumptions, the Market Value of the Property as at 31 January 2013 is of €58,000,000 (fifty-eight million Euro).

Yours faithfully.



**Tonio Zarb** CPA, FCCA, FIA, MBA  
*Partner*  
For and on behalf of  
KPMG



**Ray DeMicoli** B.Arch.(Hons), A&CE  
*Principal*  
For and on behalf of  
DeMicoli & Associates



**Appendix 1: TML site plan**



## **Appendix 2: Servitudes and other Easements**

The Property is granted on temporary sub-emphyteusis with all its rights and appurtenances as described in the Deed, as enjoying and as subject to the praedial easements and other rights in favour of the other parts of the Tigné Point Site (including the Sports Facilities) which now exist or which may become necessary as a result of the position of the Property and the other parts of the Tigné Point site (including the Sports Facilities) in relation to each other, as enjoying those rights and as subject to those obligations arising from the deed between the Government of Malta and MIDI p.l.c to the extent applicable to the Property and as suitable for functional and constant operation of a shopping Mall with ancillary parking facilities and other ancillary facilities as part of the MIDI project.

The praedial easements and other rights are being summarized hereunder as follows:

### ***i. Right of Access***

The Property enjoys the right of access from the Public road Network in Tigné Sliema and vice – versa over the network of roads, driveways, pathways, passages, stairways and open spaces on other parts of the Tigné Point site which link with the Public Road network including Tigné Sea Front and Triq Censu Xerri, of which some constitute Public Areas and other private, whether pedestrian and/or vehicular, to all the levels of the Property where such levels interconnect with or abut onto the remainder of the Tigné Point site.

The Tigné Point Site (excluding the Property) shall remain and become subject to such easements or other rights for the advantage of the Property consisting of the right of way and access, both vehicular and pedestrian, from the public road network in Tigné, Sliema to the Property and vice versa over those parts of the Tigné Point Site laid out for such purpose by MIDI p.l.c, and all entrance and exit points of the Property, as well as the loading bays/docks and parking spaces of the Property, shall enjoy and shall be provided with adequate and uninterrupted access at all times for the purpose of and according to their destination.

### ***ii. Distribution Systems***

The Property enjoys the use of the distribution systems (namely common or separate cables, wires, flues, pipes, drains, fittings, accessories, installations, equipment, other media and infrastructure, channels, spaces, conduits and spaces) relating to services and utilities, water (potable and chilled), drainage, sewerage, electricity and electronic transmissions, communication and reception systems, whether private or public, security systems and air-conditioning systems, and to the receiving, passage and collection of rain water in reservoirs installed within the Tigné Point site (excluding the Property) up to the boundary of the Property.

The Property also enjoys the right of passage through such part of the Tigné Point Site designated for the purpose by MIDI p.l.c of the Distribution System now installed or which may in future be installed in order to provide the Property with the services and utilities including the receiving, passage and collection of rainwater in reservoirs necessary or convenient for the proper enjoyment of the Property according to the Permitted Use.

**iii. Fees and Costs for Maintenance**

MIDI p.l.c. is responsible for the maintenance, up keep, repair replacement and cleanliness, in accordance with normal standards commensurate with the MIDI project, of the network of roads, driveways, pathways, passages, stairways and open spaces which are not public areas in terms of the Government of Malta deed and which are not situated in or on the Property, as well as the Distribution Systems which do not form part of the Public Infrastructure in terms of the MIDI/Government of Malta deed.

Tigné Mall Ltd is due to pay such reasonable, fair and equitable fees and costs as may be imposed from time to time by MIDI p.l.c. in respect of such maintenance etc as aforesaid, including the maintenance etc as aforesaid of Pjazza Tigné.

**iv. MIDI Distribution Systems for other Developments and Property Units in the Tigné Point site.**

The Property is subject to rights of passage and access in favour of MIDI p.l.c. for the benefit of any or all other developments and property units in the Tigné Point Site including the Sports facilities. MIDI p.l.c. has rights of passage through such parts of the Property designated as "MIDI Distribution Systems" (namely common or separate cables, wires, flues, pipes, drains, fittings, accessories, installations, equipment and other media and infrastructure for the supply or discharge including appropriate channels, conduits and spaces) relating to services and utilities including water, drainage, sewerage, electricity and electronic transmissions, ventilation systems, communication and reception systems, whether private or public, security systems and air-conditioning systems, for the purposes of replacement, repair, modification and/or additional services, which although in the Property, are necessary or convenient to service the remainder of the Tigné Point site in view of the planning and design of the MIDI project.

MIDI p.l.c. also has right of access through the Property for the purpose of maintenance and repairs of the MIDI Distribution Systems passing through the Property subject to reasonable prior notice except in an emergency when the obligation of notice is waived.

**v. Extension of Installation of telecommunication Network.**

MIDI p.l.c. is entitled to extend the installation into the Property of a private infrastructure for a telecommunications network for the use of the MIDI project, including the Property, and which may include the infrastructure for any form of electronic transmissions, communications and reception systems and for this purpose MIDI p.l.c. is entitled to pass ducts, conduits, pipes, cables, wires and similar installations through the Property, or along, below or under these walls, ceilings or floors, and to occupy space for the installation of plant and equipment for the purposes of maintenance and repairs, provided that rules of trade are observed and routes used which objectively cause the least disturbance to the Property, and which in any case shall not materially affect the usage of any part of the Property for the purpose it is intended according to Permitted Use.

***vi. Unrestricted and Uninterrupted pedestrian access***

MIDI p.l.c. and Tigné Mall Ltd enjoy the non-exclusive right of unrestricted and uninterrupted pedestrian access over the

- a) “Colonnade Pathway”
- b) “North Pathway”
- c) Level –1 Pathway

areas as defined in pages 23 and 24 of the sub-empyteutical grant deed.

Tigné Mall Ltd also has the right to use and may allow others to use the North Pathway or parts thereof for the Permitted Use including the right to place tables and chairs and outside furniture thereon.

***vii. Right of pedestrian access from Piazza Tigné to the Northeast side of the North Pathway***

MIDI p.l.c. has the right of pedestrian access from Pjazza Tigné to that part of the Tigné Point site situated on the North East side of the North Pathway (including the buildings known as T15 and T16) and the North Pjazza, and vice-versa, over the North Pathway.

***viii. Right to open apertures and construct terraces and balconies abutting onto or overlooking the North Pathway***

MIDI p.l.c. reserves an easement to open apertures and construct terraces and Balconies abutting onto or overlooking the North Pathway, provided these do not cause the Property to be in breach of the Code of Police Laws or any other building or sanitary laws or regulations applicable at the time.

***ix. Access through Stairwell in the Sports Facilities***

The Property enjoys the right of free pedestrian access at all times through the stairwell in the Sports Facilities.

### Appendix 3: Summary of Hypothecs, Privileges and other Securities

Date	Notary	Type	Inscription No / Hypothec No	Amount €	Creditor	Comments / Description
15/06/2000	Vincent Miceli	Privilege	H9973/2000	-	GOM	Constitution of Privilege in favour of GOM in respect of payment of Ground Rent over all property at Tigne Point & Manoel Island
25/09/2007	Marco Farrugia	Loan / Security	18674/07	9,783,368	Bank of Valletta plc	Provision of Loan by BOV to TML & Provision of General Hypothec by TML to BOV (over assets present and future)
25/09/2007	Marco Farrugia	Security (correction)	18709/07	9,783,368	Bank of Valletta plc	Correction to L18674/07
20/03/2008	Marco Farrugia	Loan / Security	5705/08	24,225,000	Bank of Valletta plc	Provision of Loan by BOV to TML & Provision of General Hypothec by TML to BOV (over assets present and future)
28/04/2008	Daniela Mifsud Buhagiar	Commodatum	8556/2008	N/A	N/A	Enemalta Commodatum - T2 plant room (MIDI to Enemalta)
22/10/2010	Pierre Attard	Transfer	17132/2010	N/A	N/A	Transfer of temporary sub-utile dominium (sub-empyteusis) from MIDI plc to TML of T2 excluding sports facilities pertaining to Government of Malta
22/10/2010	Pierre Attard	Additional Security	16162/2010	9,783,368	Bank of Valletta plc	Provision of Special Hypothec by TML to BOV over the temporary sub-utile dominium of T2 (inc. car park)
22/10/2010	Pierre Attard	Additional Security	16163/2010	24,225,000	Bank of Valletta plc	Provision of Special Hypothec by TML to BOV over the temporary sub-utile dominium of T2 (inc. car park)
22/10/2010	Pierre Attard	Security	16164/2010	76,000 until 31/03/2025 133,000 until 31/03/2050 152,000 until 14/06/2099	MIDI plc	Provision of Special Privilege & General Hypothec over temporary sub-utile dominium of T2 (inc. car park)
17/06/2011	Clyde La Rosa	Commodatum	10898/2011	N/A	N/A	Enemalta Commodatum - T2 Plant room - acknowledgement by Enemalta of transfer between TML and MIDI
12/12/2012	Ann Bugeja	Security	18123/2012	2,300,000	Bank of Valletta plc	Provision of GH and SH by TML to BOV as surety for MIDI
12/12/2012	Ann Bugeja	Security	18120/2012	2,000,000	Bank of Valletta plc	Provision of GH and SH by TML to BOV as surety for MIDI
12/12/2012	Ann Bugeja	Security	18122/2012	9,533,238	Bank of Valletta plc	Provision of GH and SH by TML to BOV as surety for MIDI

# ANNEX 2 PROSPECTIVE FINANCIAL INFORMATION AND ACCOUNTANTS' REPORT

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## SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES

### 1. INTRODUCTION

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The projected statement of financial position, the projected income statement and the projected statement of cash flows of Tigné Mall p.l.c. for the five year period from 1 January 2013 to 31 December 2017 ("the prospective financial information") have been prepared to provide financial information for the purpose of inclusion in the Prospectus of Tigné Mall p.l.c. dated 20 March 2013. The prospective financial information, set out on pages 64 to 66 and the assumptions below are the sole responsibility of the directors of Tigné Mall p.l.c..

The prospective financial information has been prepared on the basis of an assumed offer for sale by MIDI p.l.c. and Tigné Contracting Limited of Tigné Mall p.l.c.'s 42,400,000 ordinary shares at a price of €21,200,000 (€0.50 per share) and an equity issue of €7,000,000 by Tigné Mall p.l.c. representing 14,000,000 ordinary shares at a share price of €0.50 per share.

The prospective financial information for the five year period ending 31 December 2017 has been based on the projections of the Company covering the period from 1 January 2013 to 31 December 2017.

The prospective financial information is intended to show a possible outcome based on a mixture of best-estimate assumptions as to future events which the directors expect to take place and actions the directors expect to take and hypothetical assumptions about future events and management actions which are not necessarily expected to take place. Events and circumstances frequently do not occur as expected and therefore actual results may differ materially from those included in the prospective financial information. Attention is drawn, in particular, to the risk factors set out in the Prospectus which describe the primary risks associated with the business and operations to which the prospective financial information relates.

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

The directors have exercised due care and diligence in adopting the assumptions below. The prospective financial information was formally approved on 15 March 2013 by the directors and the stated assumptions reflect the judgements made by the directors at that date. The assumptions that the directors believe are significant to the prospective financial information are set out in Section 3 below.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

### 3. BASIS OF PREPARATION AND PRINCIPAL ASSUMPTIONS

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The projected financial information covers the operations of The Point in its current form and excludes the impact of any possible extensions or of new future developments in which the Company may participate.

The principal assumptions relating to the environment in which Tigné Mall p.l.c. operates and the factors which are exclusively outside the influence of the directors and which underlie the projected financial information are the following:

- there will be no material adverse events originating from market and economic conditions;
- Tigné Mall p.l.c. will continue to enjoy the confidence of its bankers;
- interest rates will not change materially throughout the period covered by the projection;
- the basis and rates of taxation will not change materially throughout the period covered by the projection; and
- the rate of inflation will not exceed that experienced in the last few years.

The principal assumptions relating to the environment in which Tigné Mall p.l.c. operates and the factors which the directors can influence and which underlie the prospective financial information, are the following:

### 3.1 REVENUES

The Company's projected revenue for the five years up to 31 December 2017 is mainly based on base rents that Tigné Mall p.l.c. expects to receive from operating The Point. Whilst the terms of the individual leases differ throughout the mall, the leases are based on a standard form of agreement. Typical leases are for periods of 15 up to 20 years, some of which provide for turnover rents and/or include break options.

Base rent projections have been calculated on the basis of signed contracts as at 31 December 2012, with the exception of one tenant whose contract is currently being renegotiated as at the date of approval of this financial information. Base rent projections assume the continuation of all existing contracts at the current level of occupancy of 100%, based on an annual increase to the base rent as stipulated in the respective operating lease agreements. Therefore, the possibility of higher rental rates being earned from changes in tenancies has been disregarded, which substantially offsets the potential impact of outlets becoming vacant from time to time.

As outlined previously, a number of lease arrangements also provide for a turnover rent, which is calculated as a pre-determined percentage of the turnover that the respective tenant generates, if the turnover that is generated by that tenant exceeds a specified amount. In this respect, the projections reflect management's expectations for continued growth in the number of visitors to the mall in the immediate years ahead as the shopping mall continues to mature and as the overall development of Tigné Point is completed.

### 3.2 DIRECT COSTS – COST OF SALES

Direct costs comprise the ground rent payable by the Company in terms of the deed of emphyteusis, service charge expenditure attributable to unrecovered vacant and common area costs (based on historical experience adjusted for projected inflation levels) together with depreciation.

Depreciation is calculated on the straight-line method to allocate the cost or revalued amount of all items comprised within property, plant and equipment to their residual values over their estimated useful lives. As the property was revalued upwards by €1.63 million on 31 December 2012 as established in the Valuation Report prepared by KPMG and DeMicoli & Associates, the depreciation charge relating to property has been calculated on the basis of the revalued amount over its remaining estimated useful life as at 31 December 2012. Future changes in asset values have been disregarded.

The depreciation charge is based on the Tigné Mall p.l.c.'s fixed asset base as at 31 December 2012 adjusted for forecast additions during the period of the projections and on the basis of the following depreciation rates:

Land and buildings are depreciated over the remaining term of the property interest.

	%
Electrical and plumbing installations	3 - 8
Plant, machinery and operational equipment	3 - 15
Fixtures and fittings	2 - 15
Office and computer equipment	10 - 33.33

The Company has, during the year ended 31 December 2012 sought professional technical advice from RLF Optima, a UK firm of construction and property consultants, on the remaining estimated useful lives of its property, plant and equipment, on the basis of which the Company's directors have *inter alia* revised the Company's depreciation rates. This revision in the accounting estimates implied within the estimated remaining useful lives was adopted with effect from 1 January 2012.

### 3.3 ADMINISTRATIVE EXPENSES

Administrative expenses consist primarily of payroll costs net of recharges to the tenants at The Point Shopping Mall, directors' fees, advertising, professional fees, listing fees together with other corporate and general expenses. These expenses have been projected at the levels experienced in the recent years, applying an inflation rate in line with the levels encountered in the last few years.

### 3.4 FINANCE INCOME

Finance income consists of interest receivable by Tigné Mall p.l.c. on its liquidity balances, on the basis of interest rates prevailing at the time of approval of the prospective financial information.



### 3.5 FINANCE COSTS

Finance costs relate primarily to the Company's bank borrowings, including interest costs and similar finance charges.

The Company's outstanding bank loan liabilities as at 31 December 2012 amount to €33.5 million. Interest cost is forecasted to decrease substantially in 2013 given that bank indebtedness will be reduced by €6.5 million from the proceeds of the Share Issue. The finance costs have been projected on the basis of the forecast level of borrowings outstanding during the period covered by the projections at the contracted interest rates for the term of the borrowings.

The Company's bank borrowings are subject to an effective interest rate of 2.0% over Bank's base rate as set out in the sanction letter dated 8 March 2013. The projections assume that the bank loans shall continue carrying an interest rate of 2.0% over Bank's base rate and are repayable in equal annual installments of €2.3 million based on a 17 year term as stipulated in the sanction letter.

### 3.6 TAXATION

Current taxation is provided at 35% of the Company's chargeable income for the period.

Deferred tax is provided using the liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

### 3.7 EARNINGS PER SHARE

Earnings per share is based on the projected profit after taxation attributable to the ordinary shareholders of Tigné Mall p.l.c. divided by the projected weighted average number of ordinary shares in issue during the respective year.

	2012 Audited	2013	2014 Projected financial information	2015	2016	2017
Net profit attributable to equity holders of the Tigné Mall p.l.c. (€000)	476	872	1,206	1,354	1,496	1,692
Weighted average number of ordinary shares in issue	39,999,993	52,499,999	56,400,000	56,400,000	56,400,000	56,400,000
Earnings per share (euro cents)	1.19	1.66	2.14	2.40	2.65	3.00

### 3.8 DIVIDENDS

Net dividends payable during 2014 have been forecast at €1.1 million as explained in Section 15 of the Registration Document of which this prospective financial information will form part. Dividend levels have been projected to increase in subsequent years in line with earnings and available cash flows. These projected levels of dividends are being made for illustrative purposes only and are based on the current dividend policy of the directors, which is subject to change, particularly in the event of future investments in new developments.

### 3.9 CAPITAL AND RESERVES

The preparation of this prospective financial information is based on the assumption that the Company's revaluation reserve as at 31 December 2012 and retained earnings amounting to €138,000 have been capitalised during the financial year ending 31 December 2013. Accordingly, the Company's share capital subsequent to the capitalisation would amount to €21,200,000. The Company's share capital has also been increased by the equity issue of €7,000,000 of Tigné Mall p.l.c., the subject matter of this Prospectus, net of issuance costs.

### 3.10 WORKING CAPITAL

The Company's working capital mainly comprises the net impact of trade and other receivables together with trade and other payables. Current trade and other payables include significant amounts relating to rental income received in advance.

Current receivables amounting to €2,770,000 due from group and related companies as at 31 December 2012 and current borrowings amounting to €3,000,000 due to related parties as at that date will be extinguished following the completion of the Combined Offering.

Within the prospective financial information, settlement of normalised trade receivable balances has been assumed to be effected within the normal credit terms granted to tenants as at 31 December 2012. Also, settlement of trade payable balances has been assumed to be effected within the normal credit terms allowed by creditors as at 31 December 2012.

Non-current trade and other payables consist of deposits effected under operating lease arrangements by a number of tenants at The Point Shopping Mall. These advance payments are only refundable at the end of the lease term and subject to annual interest of 3%.

The Directors, having made due and careful enquiry, are of the opinion that in the absence of unforeseen circumstances outside their control, the working capital available to the Company will be sufficient for the carrying out of its business.

## 4. CONCLUSION

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The Directors believe that the assumptions on which the prospective financial information is based are reasonable.

Approved by the board of directors on 15 March 2013 and signed on their behalf by:



Dr. Alec Mizzi  
Chairman



Mr. David Demarco  
Director

## Projected statement of financial position

	As at 31 December	As at 31 December				
	2012 Audited €000	2013 €000	2014 Projected financial information €000	2015 €000	2016 €000	2017 €000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	58,027	56,720	55,424	54,111	52,798	51,484
<b>Current assets</b>						
Trade and other receivables	4,913	2,170	2,291	2,371	2,314	2,411
Cash and cash equivalents	132	1,314	2,093	2,704	3,432	4,059
Total current assets	5,045	3,484	4,384	5,075	5,746	6,470
<b>Total assets</b>	<b>63,072</b>	<b>60,204</b>	<b>59,808</b>	<b>59,186</b>	<b>58,544</b>	<b>57,954</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Capital and reserves</b>						
Share capital	20,000	27,713	27,713	27,713	27,713	27,713
Revaluation reserve	1,062	-	-	-	-	-
Retained earnings	177	730	878	963	1,049	1,310
<b>Total equity</b>	<b>21,239</b>	<b>28,443</b>	<b>28,591</b>	<b>28,676</b>	<b>28,762</b>	<b>29,023</b>
<b>Non-current liabilities</b>						
Trade and other payables	891	891	891	891	891	891
Borrowings	33,532	25,224	24,068	22,924	21,720	20,458
Deferred taxation	1,341	1,625	1,906	2,184	2,335	2,486
Total non-current liabilities	35,764	27,740	26,865	25,999	24,946	23,835
<b>Current liabilities</b>						
Trade and other payables	2,761	2,395	2,504	2,588	2,655	2,754
Current taxation	308	521	693	778	978	1,080
Borrowings	3,000	1,105	1,155	1,145	1,203	1,262
Total current liabilities	6,069	4,021	4,352	4,511	4,836	5,096
<b>Total liabilities</b>	<b>41,833</b>	<b>31,761</b>	<b>31,217</b>	<b>30,510</b>	<b>29,782</b>	<b>28,931</b>
<b>Total equity and liabilities</b>	<b>63,072</b>	<b>60,204</b>	<b>59,808</b>	<b>59,186</b>	<b>58,544</b>	<b>57,954</b>

## Projected income statement

	Year ended	Year ended 31 December				
	31 December	2013	2014	2015	2016	2017
	2012	Projected financial information				
	Audited	€000	€000	€000	€000	€000
	€000	€000	€000	€000	€000	€000
Revenue	4,553	4,952	5,229	5,408	5,633	5,867
Cost of sales	(1,491)	(1,522)	(1,513)	(1,535)	(1,539)	(1,543)
Gross profit	3,062	3,430	3,716	3,873	4,094	4,324
Administrative expenses	(278)	(366)	(341)	(338)	(346)	(353)
Operating profit	2,784	3,064	3,375	3,535	3,748	3,971
Finance income	89	51	26	42	54	69
Finance costs	(1,775)	(1,437)	(1,220)	(1,167)	(1,177)	(1,117)
Profit before tax	1,098	1,678	2,181	2,410	2,625	2,923
Tax expense	(622)	(806)	(975)	(1,056)	(1,129)	(1,231)
<b>Profit for the year</b>	<b>476</b>	<b>872</b>	<b>1,206</b>	<b>1,354</b>	<b>1,496</b>	<b>1,692</b>

## Projected statement of cash flows

	Year ended	Year ended 31 December				
	31 December	2013	2014	2015	2016	2017
	2012	Projected financial information				
	Audited	€000	€000	€000	€000	€000
	€000	€000	€000	€000	€000	€000
<b>Cash flow from operating activities</b>						
Cash (used in)/generated from operations	(1,665)	6,802	4,713	4,910	5,241	5,347
Interest paid	(1,775)	(1,437)	(1,220)	(1,167)	(1,177)	(1,117)
Interest received	89	51	26	42	54	69
Tax paid	(142)	(308)	(521)	(693)	(778)	(978)
Net cash (used in)/generated from operating activities	(3,493)	5,108	2,998	3,092	3,340	3,321
<b>Cash flow from investing activities</b>						
Purchase of property, plant and equipment	(64)	(55)	(56)	(57)	(58)	(60)
<b>Cash flow from financing activities</b>						
Proceeds from the issue of share capital	-	6,513	-	-	-	-
Repayment of bank borrowings	(274)	(7,204)	(1,105)	(1,155)	(1,144)	(1,203)
Proceeds from/(repayment of) related party loans	3,000	(3,000)	-	-	-	-
Dividends paid	-	(180)	(1,058)	(1,269)	(1,410)	(1,431)
Net cash generated from/(used in) financing activities	2,726	(3,871)	(2,163)	(2,424)	(2,554)	(2,634)
<b>Net movement in cash and cash equivalents</b>	<b>(831)</b>	<b>1,182</b>	<b>779</b>	<b>611</b>	<b>728</b>	<b>627</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>963</b>	<b>132</b>	<b>1,314</b>	<b>2,093</b>	<b>2,704</b>	<b>3,432</b>
<b>Cash and cash equivalents at end of year</b>	<b>132</b>	<b>1,314</b>	<b>2,093</b>	<b>2,704</b>	<b>3,432</b>	<b>4,059</b>



The Directors  
Tigné Mall p.l.c.  
The Point Shopping Mall  
Management Suite  
Tigné Point  
Sliema TPO1  
Malta

15 March 2013

Dear Sirs,

**Independent Accountants' Report on the projected financial information of Tigné Mall p.l.c.**

We report on the projected statements of financial position, income and cash flows ("the projected financial information") of Tigné Mall p.l.c. for the five year period ending 31 December 2017. The projected financial information, the basis of preparation and the material assumptions upon which the projections are based, are set out on pages 60 to 66 of the Prospectus issued by Tigné Mall p.l.c..

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

**Directors' responsibilities for the projected financial information**

It is the responsibility of the Directors of Tigné Mall p.l.c. to prepare the projected financial information and the assumptions upon which it is based, as set out on pages 60 to 66, in accordance with the requirements of the Listing Rules issued by the Listing Authority of the Malta Financial Services Authority and EU Regulation EC 809/2004.

**Accountants' responsibility**

It is our responsibility to form an opinion as required by Listing Rule 5.40 as issued by the Listing Authority of the Malta Financial Services Authority and Annex I item 13.2 of EU Regulation EC 809/2004 as to the proper compilation of the projected financial information, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned, and to report that opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed, to the fullest extent permitted by law, we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Prospectus.

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



**Basis of preparation of the projected financial information**

The financial information has been prepared on the basis stated on pages 60 to 63 of the Prospectus and is based on a projection covering the five year period to 31 December 2017. The projected financial information is required to be presented on a basis consistent with the accounting policies of Tigné Mall p.l.c..

**Basis of opinion**

We have examined the basis of compilation and the accounting policies of the accompanying projected financial information of Tigné Mall p.l.c. for the five year period ending 31 December 2017 in accordance with ISAE 3000 “Assurance Engagements Other than Audits and Reviews of Historical Financial Information”. Our work included evaluating the basis on which the financial information included in the projection has been prepared and considering whether the projected financial information has been accurately computed based upon the disclosed assumptions and the accounting policies of Tigné Mall p.l.c..

The assumptions upon which the projected financial information is based are solely the responsibility of the Directors of Tigné Mall p.l.c. and accordingly we express no opinion on the validity of the assumptions. However, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Directors which, in our opinion, are necessary for a proper understanding of the projected financial information have not been disclosed and whether any material assumption made by the Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the projected financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

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





**Opinion**

In our opinion, the projected financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of Tigné Mall p.l.c..

**Emphasis of matter**

Without qualifying our opinion, we draw attention to the fact that the projected financial information is not intended to, and does not, provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position and cash flows of the Company in accordance with International Financial Reporting Standards as adopted by the EU.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Fabio Axisa', is written over a light blue rectangular stamp.

Fabio Axisa  
Partner

## ANNEX 3 CURRENT AND PAST DIRECTORSHIPS OF BOARD MEMBERS

### ALEC MIZZI

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#### **Present Directorships**

- Alf. Mizzi & Sons (HR) Limited
- Alf. Mizzi & Sons (Marketing) Limited
- Alf. Mizzi & Sons Ltd.
- Alfoods Limited
- Altair Consulting Limited
- Amco Limited
- Calco Limited
- Cannon Estates Ltd.
- CHS Limited
- Consolidated Biscuit Company Limited
- Consolidated Distributors Limited
- Derfla Limited
- EC English Holdings Limited
- EC English Malta Limited
- EC Global Limited
- EC Holdings Limited
- EC Property Holdings Limited
- Eurest (Malta) Limited
- Foodfinders Ltd.
- Homemate Company Limited
- Ikelmalti Ltd.
- Inspirations Limited
- Intercomp Limited
- Intercomp Marketing Limited
- Intercomp Properties Limited
- International Retail Group Limited
- Keyman Limited
- KGS Limited
- Kitchen Concepts Ltd.
- LandOverseas Funds Sicav p.l.c.
- Logistics Limited
- M & M Limited
- M G H Limited
- Mac Med Limited
- Macpherson Mediterranean Limited
- MIDI p.l.c.
- Paint Centres Limited
- Power Projects Ltd.
- Retail Holdings Limited
- Retail Properties Limited
- Siculomalti Limited
- Sloane Ltd.
- Supermarkets (1960) Limited
- Swatar M & B limited
- Swatar SMC Limited
- Tal-Lumi Limited
- T.J.S. Investment Company Limited
- Tigné Contracting Limited
- Tigné Mall p.l.c.
- V & A Investments Ltd.
- Zachary Estates Limited
- Zachary Ltd
- Zamma Holdings Limited
- Zamma Limited
- Zamma Operations Limited
- Zamma Ventures Limited
- Alf. Mizzi & Sons Overseas Investments Ltd. (Cyprus)
- Centre Court Ltd. (BVI)
- EC English Bristol Ltd. (UK)
- EC English Cambridge Ltd. (UK)
- EC English London Ltd. (UK)
- European Language Centre Ltd. (Channel Islands)
- General Logistics srl (Romania)
- House of English Ltd. (Channel Islands)
- Mizzescu Developments srl (Romania)
- Noodlebar Benelux (Holland)
- Primaverii Apartamente Deluxe srl (Romania)
- Retail Italia Ltd. (Italy)
- Romal srl (Romania)
- Zac Dev Strand srl (Romania)
- Zac Dev Surii Mici srl (Romania)

#### **Past Directorships**

- A & E Company Limited
- Alf. Mizzi & Sons (Trading) Limited
- Alfa Company Limited
- Aplan Limited
- Berkeley Ltd.
- Café Cuba Limited
- Chocolate Products Company Limited
- Combined Catering Company Limited
- Croatia Investments Limited
- Dragut Limited
- Eurocircle Limited
- First Gemini p.l.c.
- Frozen Art Holdings Limited
- Frozen Art Imports Limited
- Frozen Art Limited
- Grand Harbour Regeneration Corporation
- HSBC Fund Management (Malta) Ltd.
- Intercomp Logistics Limited
- International Recruitment Limited
- Jigsaw Limited
- John G. Cassar Limited
- KCHR Limited
- Kcina Maltija Limited
- Kemmuna Ltd.
- M & B Limited
- M.C. Holdings Limited
- Mal Services Limited
- Mal Travel (Valletta) Limited
- Mal Travel Ltd.
- Malta Enterprise Corporation
- Malta External Trade Corporation
- Malta Industrial Parks Ltd.
- Malta Venture Capital p.l.c.
- MAS Ltd.
- Noodles Un Limited
- Pasha Ltd.
- Premium Realty Ltd.
- RST Ltd.
- Sicilmadliena Ltd.
- Sicilmellieha Ltd.
- Sicilvarja Ltd.
- Sicilwardija Ltd.
- Sign It Ltd.
- Softweb Limited
- Solutions & Infrastructures Services Limited
- Standard Publications Ltd.
- Sunshine Snacks Company Limited
- Swatar Holdings Ltd.
- Systec Ltd.
- Vecchia Napoli Limited
- Water Services Corporation
- Woodware Ltd.

## DAVID DEMARCO

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### ***Present Directorships***

- Solutions & Infrastructure Services Ltd
- MIDI p.l.c.
- Tigné Contracting Limited
- Tigné Mall p.l.c.

### ***Past Directorships***

- HSBC Life Assurance (Malta) Ltd
- HSBC Stockbrokers (Malta) Ltd

## MARZENA FORMOSA

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### ***Present Directorships***

- Tigné Mall p.l.c.

### ***Past Directorships***

- Euro Globe Holdings Ltd.
- Plaza Centres p.l.c.

## ALBERT P MAMO

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### ***Present Directorships***

- Abacus Risk Management Services PCC Ltd.
- GasanMamo Insurance Ltd.
- G M Insurance Brokers Ltd.
- GasanMamo Financial Services Ltd.
- Island Insurance Brokers Ltd.
- Island Holdings Ltd
- Galdes & Mamo Ltd.
- Galdes & Mamo (Holdings) Ltd.
- Galileo Ltd.
- M.I.L. Ltd.
- Punent Co. Ltd.
- Rex Solutions Ltd.
- Tigne Mall p.l.c.

### ***Past Directorships***

- Euro Trade Holding Limited
- Galdes & Mamo Ltd.
- Mediterranean Survey Bureau Ltd

## JOHN BONELLO

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### ***Present Directorships***

- Crane Investments Ltd
- Island Hotels Group Holdings p.l.c.
- Mercanti Ltd
- MCL Components Ltd
- Salina International Ltd
- Tigne Mall p.l.c.

### ***Past Directorships***

- Abacus (Nominee) Ltd
- Abacus Holdings Ltd
- PricewaterhouseCoopers Technology Solutions Ltd
- PricewaterhouseCoopers ( Past Senior Partner)

## ANNEX 4 SUMMARY OF PRIVILEGES AND HYPOTHECS <sup>1</sup>

The following is a summary of the most significant charges:

<b>CREDITOR</b>	<b>Bank of Valletta p.l.c.</b>
<b>CAUSE OF PREFERENCE</b>	<i>General Hypothec</i> over all the property of Tigné Mall Limited (principal debtor) and MIDI p.l.c. (joint and several surety) and <i>Special Hypothec</i> over the utile dominium temporaneum of property at Tigné Point, Sliema namely Block T2 and sites T17W and T17E.
<b>OBLIGATION</b>	<p>Loan of Lm4,200,000 equivalent to €9,783,368.28 and interest and charges in connection therewith.</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 28 April 2008 Bank of Valletta p.l.c. waived its rights arising from the above Note in so far as they affect the Property therein specified, namely apartment number 9 in the Block T8B in the Complex and the lock-up garage in the Garage Complex numbered C'324 (Vol.r.3396/08).</p> <p>By virtue of another deed in the Records of Notary Pierre Attard of the 11 September 2008 Bank of Valletta p.l.c. waived its rights arising from the above Note in relation to the Property therein specified, namely apartment number 17 in the Block T9B in the Complex and the lock-up garage in the Garage Complex numbered C'103 (Vol.r. 7480/08).</p> <p>By virtue of another deed in the Records of Notary Naomi Mugliette of the 27 November 2009 Bank of Valletta plc granted its consent for the postponement, limited to €788,420, in favour of Lombard Bank Malta p.l.c. of the special hypothec rising from the above Note over the Property therein specified, namely apartments number 7, 9, 10, 13, 15 and 16 in Block T10F in the Complex and the lock-up garages in the Garage Complex numbered D'328, D'131, D'221, D'121, D'125, D'133 (Vol.r.9418/09).</p> <p>By virtue of another deed in the Records of Notary Marco Farrugia of 22 December 2009 Bank of Valletta p.l.c. granted its consent to the postponement, limited to €4,000,000, in favour of Lombard Bank Malta p.l.c. of the general hypothec registered against the Surety arising from the above Note in so far as the general hypothec affects the temporary utile dominium over three portions of land at Manoel Island, Gzira therein specified, namely the Marina South Phase Area, the Marina Central Phase Area and the Manoel Sports Club Phase Area (Vol.r.44/10).</p> <p>By virtue of another deed in the records of Notary Marco Farrugia of 20 April 2010, Bank of Valletta p.l.c. granted its consent for the postponement, limited to €7,000,000, in favour of HSBC Bank Malta p.l.c. of the general hypothec arising from the above Note in so far as the general hypothec affects the utile dominium temporaneum of the property therein described at Tigné Point, Sliema, namely the residential block T10 (Vol.r.3142/10).</p>
<b>REGISTRATION</b>	18674/2007 of the 11 October 2007.

<b>CREDITOR</b>	<b>Bank of Valletta p.l.c.</b>
<b>CAUSE OF PREFERENCE</b>	<i>General Hypothec</i> over all the property of Tigné Mall Limited (principal debtor) and MIDI p.l.c. (joint and several surety) and <i>Special Hypothec</i> over the utile dominium temporaneum of property at Tigné Point, Sliema namely Block T2 and sites T17W and T17E. This Note had already been inscribed at the Public Registry by I.18674/2007 where it was omitted that the property hypothecated belonged to the surety.
<b>OBLIGATION</b>	<p>Loan of Lm4,200,000 equivalent to €9,783,368.28 and interest and charges in connection therewith.</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 28 April 2008 Bank of Valletta p.l.c. waived its rights arising from the above Note in so far as they affect the Property therein specified, namely apartment number 9 in the Block T8B in the Complex and the lock-up garage in the Garage Complex numbered C'324 (Vol.r.3396/08).</p> <p>By virtue of another deed in the Records of Notary Pierre Attard of the 11 September 2008 Bank of Valletta p.l.c. waived its rights arising from the above Note in relation to the Property therein specified, namely apartment number 17 in the Block T9B in the Complex and the lock-up garage in the Garage Complex numbered C'103 (Vol.r. 7480/08).</p> <p>By virtue of another deed in the Records of Notary Marco Farrugia of 22 December 2009 Bank of Valletta p.l.c. granted its consent to the postponement, limited to €4,000,000, in favour of Lombard Bank Malta p.l.c. of the general hypothec registered against the Surety arising from the above Note in so far as the general hypothec affects the temporary utile dominium over three portions of land at Manoel Island, Gzira therein specified, namely the Marina South Phase Area, the Marina Central Phase Area and the Manoel Sports Club Phase Area (Vol.r.44/10).</p> <p>By virtue of another deed in the records of Notary Marco Farrugia of 20 April 2010, Bank of Valletta p.l.c. granted its consent for the postponement, limited to €7,000,000, in favour of HSBC Bank Malta p.l.c. of the general hypothec arising from the above Note in so far as the general hypothec affects the utile dominium temporaneum of the property therein described at Tigné Point, Sliema, namely the residential block T10 (Vol.r.3142/10).</p>
<b>REGISTRATION</b>	18709/2007 of the 12 October 2007.

<b>CREDITOR</b>	<b>Bank of Valletta p.l.c.</b>
<b>CAUSE OF PREFERENCE</b>	<i>General Hypothec</i> over all the property of Tigné Mall Limited (principal debtor) and MIDI p.l.c. (joint and several surety) and <i>Special Hypothec</i> constituted by the Surety over the utile dominium temporaneum of property at Tigné Point, Sliema namely Block T2 and sites T17W and T17E.
<b>OBLIGATION</b>	<p>Loan of €24,225,000 (Lm10,399,793) and interest and charges in connection therewith.</p> <p>By virtue of a deed in the Records of Notary Pierre Attard of the 28 April 2008 Bank of Valletta p.l.c. waived its rights arising from the above Note in so far as they affect the Property therein specified, namely apartment number 9 in the Block T8B in the Complex and the lock-up garage in the Garage Complex numbered C'324 (Vol.r.3396/08).</p> <p>By virtue of another deed in the Records of Notary Pierre Attard of the 11 September 2008 Bank of Valletta p.l.c. waived its rights arising from the above Note in relation to the Property therein specified, namely apartment number 17 in the Block T9B in the Complex and the lock-up garage in the Garage Complex numbered C'103 (Vol.r. 7480/08).</p> <p>By virtue of another deed in the Records of Notary Naomi Mugliette of the 27 November 2009 Bank of Valletta p.l.c. granted its consent for the postponement, limited to €788,420, in favour of Lombard Bank Malta p.l.c. of the special hypothec rising from the above Note over the Property therein specified, namely apartments number 7, 9, 10, 13, 15 and 16 in Block T10F in the Complex and the lock-up garages in the Garage Complex numbered D'328, D'131, D'221, D'121, D'125, D'133 (Vol.r.9418/09).</p> <p>By virtue of another deed in the Records of Notary Marco Farrugia of 22 December 2009 Bank of Valletta p.l.c. granted its consent to the postponement, limited to €4,000,000, in favour of Lombard Bank Malta p.l.c. of the general hypothec registered against the Surety arising from the above Note in so far as the general hypothec affects the temporary utile dominium over three portions of land at Manoel Island, Gzira therein specified, namely the Marina South Phase Area, the Marina Central Phase Area and the Manoel Sports Club Phase Area (Vol.r.44/10).</p> <p>By virtue of another deed in the records of Notary Marco Farrugia of 20 April 2010, Bank of Valletta p.l.c. granted its consent for the postponement, limited to €7,000,000, in favour of HSBC Bank Malta p.l.c. of the general hypothec arising from the above Note in so far as the general hypothec affects the utile dominium temporaneum of the property therein described at Tigné Point, Sliema, namely the residential block T10 (Vol.r.3142/10).</p>
<b>REGISTRATION</b>	5705/2008 of 15 April 2008.

<b>CREDITOR</b>	<b>Bank of Valletta p.l.c.</b>
<b>CAUSE OF PREFERENCE</b>	<i>Special Hypothec</i> on the temporary sub-utile dominium of T2. This Note is additional security for the loan of €9,783,368.28 which was already secured by the hypothecs inscribed in the Public Registry as H.1674/2007 as corrected by H.18709/2007.
<b>OBLIGATION</b>	Loan of €9,783,368.28 (Lm4,200,000) and interest and charges in connection therewith.
<b>REGISTRATION</b>	16162/2010 of the 29 October 2010.

<b>CREDITOR</b>	<b>Bank of Valletta p.l.c.</b>
<b>CAUSE OF PREFERENCE</b>	<i>Special Hypothec</i> on the temporary sub-utile dominium of T2. This Note is additional security for the loan of €24,225,000 which was already secured by the hypothecs inscribed in the Public Registry as H.5705/2008.
<b>OBLIGATION</b>	Loan of €24,225,000 (Lm10,399,793) and interest and charges in connection therewith.
<b>REGISTRATION</b>	16163/2010 of the 29 October 2010.

<b>CREDITOR</b>	<b>MIDI p.l.c.</b>
<b>CAUSE OF PREFERENCE</b>	<i>General Hypothec</i> and <i>Special Hypothec</i> on the temporary sub-utile dominium of T2.
<b>OBLIGATION</b>	Annual temporary sub-ground rent of €76,000 for the period between 22 October 2010 and 31 March 2025, €133,000 for the period between 1 April 2025 and 31 March 2050 and €152,000 for the period between 1 April 2050 until the expiration of the duration of the sub-emphyteutical grant.
<b>REGISTRATION</b>	16164/2010 of the 29 October 2010

<b>CREDITOR</b>	<b>Bank of Valletta p.l.c.</b>
<b>CAUSE OF PREFERENCE</b>	<i>General Hypothec</i> over all the property of MIDI p.l.c. (principal debtor) and <i>Special Hypothec</i> over the temporary utile dominium of property at Tigné Point, Sliema, namely sites T17E, T17W, T14, apartments 21, 51 and 54 in Block T10B and the T2 Building; and <i>General Hypothec</i> over all the property of Tigné Mall Limited (joint and several surety) and <i>Special Hypothec</i> constituted by the Surety over the subtile dominium temporaneum of property at Tigné Point, Sliema namely the T2 Building.
<b>OBLIGATION</b>	Extension of overdraft facilities granted to the principal debtor up to the further additional sum of €2,000,000.
<b>REGISTRATION</b>	18120/2012 of 20 December 2012.

<b>CREDITOR</b>	<b>Bank of Valletta p.l.c.</b>
<b>CAUSE OF PREFERENCE</b>	<i>Special Hypothec</i> constituted by MIDI p.l.c. (principal debtor) over the temporary utile dominium of property at Tigné Point, Sliema, namely sites T17E, T17W, T14 and the T2 Building; and <i>General Hypothec</i> over all the property of Tigné Mall Limited (joint and several surety) and <i>Special Hypothec</i> constituted by the Surety over the subtile dominium temporaneum of property at Tigné Point, Sliema namely the T2 Building.
<b>OBLIGATION</b>	Additional Security for the sum of €9,533,238, being the balance to date of a Loan granted to the principal debtor.
<b>REGISTRATION</b>	18122/2012 of 20 December 2012.

<b>CREDITOR</b>	<b>Bank of Valletta p.l.c.</b>
<b>CAUSE OF PREFERENCE</b>	<i>Special Hypothec</i> constituted by MIDI p.l.c. (principal debtor) over the temporary utile dominium of property at Tigné Point, Sliema, namely sites T17E, T17W, T14 and the T2 Building; and <i>General Hypothec</i> over all the property of Tigné Mall Limited (joint and several surety) and <i>Special Hypothec</i> constituted by the Surety over the subtile dominium temporaneum of property at Tigné Point, Sliema namely the T2 Building.
<b>OBLIGATION</b>	Additional Security for the sum of €2,300,000 for Loan granted to the principal debtor.
<b>REGISTRATION</b>	18123/2012 of 20 December 2012.





# THE POINT SHOPPING MALL

TIGNÉ POINT

## SECURITIES NOTE

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This document is a Securities Note issued in accordance with the provisions of the Commission Regulation (EC) No. 809/2004 of 29 April 2004 (the “**Regulation**”) implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

This Securities Note contains information about Tigné Mall p.l.c. (the “**Issuer**” or the “**Company**”) as the Issuer of the Ordinary Shares. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

This document is dated 20 March 2013

in respect of

AN OFFER BY **MIDI p.l.c. and Tigné Contracting Limited** OF A TOTAL OF 42,400,000 ORDINARY SHARES

AND AN ISSUE BY **The Company** OF 14,000,000 ORDINARY SHARES

IN

**TIGNÉ MALL P.L.C.**

OF A NOMINAL VALUE OF €0.50 PER SHARE AT A SHARE PRICE OF €0.50 PER SHARE

ISIN: MT0000740101

**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 adviser.**

## IMPORTANT INFORMATION

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THIS DOCUMENT INCLUDES INFORMATION GIVEN IN COMPLIANCE WITH (A) THE COMPANIES ACT, (CAP. 386 OF THE LAWS OF MALTA) AND COMMISSION REGULATION (EC) NO. 809/2004 OF 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; AND (B) THE LISTING RULES AND REGULATIONS APPLICABLE TO THE ADMISSION OF SECURITIES ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE (“MSE”).

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF THE ORDINARY SHARES OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN IN CONNECTION WITH THE ISSUE OF ORDINARY SHARES HEREBY MADE, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, ITS DIRECTORS, OR ADVISERS. THE ADVISERS ENGAGED BY THE ISSUER FOR THE PURPOSE OF THIS COMBINED OFFERING ARE ACTING EXCLUSIVELY FOR THE ISSUER.

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

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

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

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

THE ORDINARY SHARES HAVE NOT BEEN NOR WILL THEY BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933 AS AMENDED, OR UNDER ANY FEDERAL OR STATE SECURITIES LAW AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OF AMERICA, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, 1933. FURTHERMORE THE ISSUER WILL NOT BE REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT, 1940 AS AMENDED AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS SET OUT THEREIN.

A COPY OF THIS DOCUMENT HAS BEEN SUBMITTED TO THE LISTING AUTHORITY IN SATISFACTION OF THE LISTING RULES, THE MALTA STOCK EXCHANGE (“MSE”) IN SATISFACTION OF THE MSE BY-LAWS, AND HAS BEEN DULY FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH THE ACT. APPLICATION HAS ALSO BEEN MADE TO THE LISTING AUTHORITY AND THE MSE FOR THE ORDINARY SHARES TO BE ADMITTED TO THE OFFICIAL LIST OF THE MSE FOLLOWING CONDITIONAL ALLOCATION OF ORDINARY SHARES TAKING PLACE UPON RECEIPT OF APPLICATIONS FROM INVESTORS. DEALINGS IN ORDINARY SHARES ARE EXPECTED TO COMMENCE ON THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE ON 7 MAY 2013.

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

ALL THE ADVISERS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PROSPECTUS AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON. NONE OF THE ADVISERS ACCEPT ANY RESPONSIBILITY TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE

CONTENTS OF, AND ANY INFORMATION CONTAINED IN, THE PROSPECTUS, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

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

THIS DOCUMENT AND ALL AGREEMENTS, ACCEPTANCES AND CONTRACTS RESULTING THEREFROM SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF MALTA, AND ANY PERSON ACQUIRING ANY ORDINARY SHARES PURSUANT TO THE PROSPECTUS SHALL SUBMIT TO THE JURISDICTION OF THE MALTESE COURTS, WITHOUT LIMITING IN ANY MANNER THE RIGHT OF THE ISSUER TO BRING ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH ANY PURCHASE OF ORDINARY SHARES OR AGREEMENT RESULTING HEREFROM OR THE PROSPECTUS AS A WHOLE IN ANY OTHER COMPETENT JURISDICTION.

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

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## DEFINITIONS

Words and expressions and capitalised terms used in this Securities Note shall, except where the context otherwise requires and except where otherwise defined herein, bear the same meaning given to such words, expressed and capitalised terms as indicated in the Registration Document issued by the Issuer on 20 March 2013, as the same may be amended, supplemented and updated from time to time.

Applicant	A person or persons, in the case of joint applicants, whose name or names appear in the registration details of the Application Form
Application	The offer made by an Applicant to subscribe for Ordinary Shares by completing an Application Form and delivering it to the Registrar
Application Form	The form of application to subscribe for Ordinary Shares, a specimen of which is set out in Annex 2 of the Securities Note
Business Days	Any day between Monday and Friday (all days inclusive) on which commercial banks in Malta settle payments and are open for normal banking business
Combined Offer Period	The period between the 15 April 2013 and 19 April 2013 (or such earlier date as may be determined by the Company) during which the Combined Offering is open
Combined Offering	The issue of 14,000,000 new Shares by the Company and the offer for sale of 42,400,000 existing Shares by the Offerors pursuant to this Prospectus
Company or Issuer	Tigné Mall p.l.c., a public limited liability company registered under the laws of Malta with company registration number C-35139 and with registered office at Management Suite, The Point Shopping Mall, Tigné Point, Sliema TP01, Malta
Central Securities Depository	The Central Securities Depository of the Malta Stock Exchange established pursuant to article 24 of the Financial Markets Act (Cap. 345 of the Laws of Malta) and situated at Garrison Chapel, Castille Place, Valletta VLT 1063
Directors or Board	The Directors of the Company whose names and addresses are set out in Section 12.1 with the heading 'The Board' of the Registration Document
Existing Shareholders	The shareholders of the Issuer whose names and addresses are set out in Section 17.2 with the heading 'Existing Shareholders of the Issuer' of the Registration Document
Emphyteutical Deed	The public deed in the Records of Notary Vincent Miceli of 15 June 2000 whereby Government granted the temporary emphyteutical concession of immovable property at Tigné Point and Manoel Island for a period of 99 years commencing from 15 June 2000 to MIDI p.l.c.
Financial Intermediaries	The banks, financial institutions, stockbrokers and other persons set forth in Annex 1 of this Securities Note
Government	The Government of Malta
Group	The Issuer, its parent company, and other subsidiary companies of the parent company and the terms "Group Company" shall be construed accordingly
Listing Authority	The Malta Financial Services Authority, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003
Listing Rules	The Listing Rules made by the Listing Authority under article 13 of the Financial Markets Act (Cap. 345 of the Laws of Malta)
Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act, 1990 (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta and company registration number C-42525
Manager or Registrar or Underwriter	Bank of Valetta p.l.c.
Member or Shareholder	The persons registered in the Company's register as being the holders of its Ordinary Shares
MEPA	Malta Environment and Planning Authority established in terms of the Development Planning Act (Cap. 356 of the Laws of Malta)
Offerors	MIDI p.l.c., a public limited liability company registered under the Laws of Malta with company registration number C-15836 and with registered office at North Shore, Manoel Island, Gzira, Malta and Tigné Contracting Limited, a limited liability company registered under the Laws of Malta with company registration number C-28438 and with registered office at North Shore, Manoel Island, Gzira, Malta



Ordinary Shares or Securities	Ordinary Shares of a nominal value of €0.50 in the capital of the Issuer
Property	The retail mall complex, operating as The Point, with its parking facilities that is more fully described in Section 7 of the Registration Document
Prospectus	This Securities Note together with the Registration Document and the Summary Note, all dated 20 March 2013, in connection with the Combined Offering
Registration Document	The Registration Document issued by the Issuer on 20 March 2013, as the same may be updated from time to time
Securities Note	This document in its entirety, as the same may be updated from time to time
Share Issue	The 14,000,000 Ordinary Shares of a nominal value of €0.50 each being issued for subscription by the Company at the Share Price
Share Offer	The 42,400,000 existing Ordinary Shares of a nominal value of €0.50 each being offered for sale by the Offerors at the Share Price
Share Price	The price of €0.50 per Share
Shares	Has the same meaning as 'Ordinary Shares'
SIS	Solutions & Infrastructure Services Limited (C-38866), a joint venture between MIDI and Siemens SpA with each having a 50% stake in SIS
Sponsor	Rizzo Farrugia & Co (Stockbrokers) Ltd
Sub-emphyteutical Deed	The public deed in the Records of Notary Pierre Attard of 22 October 2010 whereby MIDI p.l.c. granted the Property to the Issuer for the remaining period out of the original period of 99 years which commenced from 15 June 2000
Summary Note	The Summary Note issued by the Issuer on 20 March 2013 as the same may be updated from time to time

# 1. RISK FACTORS

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Investment in the Ordinary Shares is subject to certain risks and prospective investors should carefully consider the risks associated with the Issuer, its business and investments in equity securities generally. In particular, prospective investors should carefully consider the risk factors set out in the following section (which have not necessarily been listed in order of priority), together with the other information contained in the Registration Document, before making an investment decision with respect to the Issuer and the Ordinary Shares. Prospective investors are also advised to consult their own independent financial, tax, accounting, legal and other professional advisers in regards to the merits of an investment in the Ordinary Shares.

The risks and uncertainties discussed below are those identified as such by the Directors, but these risks and uncertainties may not be the only ones that the Issuer faces. Additional risks and uncertainties, including those which the Issuer's Directors are not currently aware of, may well have a material impact on the financial condition and operational performance of the Issuer that could lead to a decline in value of the Ordinary Shares. Moreover, information contained in the Prospectus contains "forward-looking statements", which are subject to the qualifications discussed below.

## 1.1 NO PRIOR MARKET FOR THE ORDINARY SHARES

Prior to the Combined Offering there has been no public market within or outside Malta for the Ordinary Shares being issued pursuant to the Prospectus. Due to the absence of any prior market for the Ordinary Shares, there can be no assurance that the price at which the Ordinary Shares will trade in the market subsequent to the Combined Offering will correspond to the Share Price or that the Combined Offering will be subscribed in full. The market price of the Ordinary Shares could be subject to significant fluctuations in response to numerous factors, including the Issuer's operating results and political and economic developments in Malta. The Issuer cannot predict the extent to which investor interest in the Ordinary Shares will lead to the development of a trading market or how liquid such a market might become. Investors may experience greater price volatility and less efficient execution of buy and sell orders and may not be able to resell the Ordinary Shares at or above the Share Price or at all. If an active trading market is not developed or maintained, the liquidity and trading price of the Ordinary Shares could be materially and adversely affected.

## 1.2 LIMITED LIQUIDITY

Application has been made to seek a listing of the Ordinary Shares on the Official List of the Malta Stock Exchange. This market is smaller and less liquid than certain more established stock markets in Europe and elsewhere. The liquidity of the market in Malta depends on factors beyond the Issuer's control which could impact the trading value of the Ordinary Shares such as the willingness or otherwise of potential buyers and sellers of the Ordinary Shares. There are no market makers in Malta, a factor that may be considered to contribute to the limited trading activities on the Malta Stock Exchange. Furthermore, market makers assist in adding depth and liquidity to a market by quoting prices on a daily basis at which they are prepared to buy and/or sell listed instruments.

## 1.3 VOLATILITY IN PRICES OF EQUITY SECURITIES

Following the completion of the Combined Offering, the price at which the Ordinary Shares will be traded, as well as the sales volume of the Ordinary Shares traded, will be subject to fluctuations. These movements may not necessarily be caused by the Issuer's business activity or its results of operations. It is also possible that the Issuer's results of operations or its business outlook may fall short of expectations, in which case the price of the Ordinary Shares could be negatively affected. In addition, limited trading in the Ordinary Shares could increase the price volatility of the Ordinary Shares and may limit the ability of investors to sell Ordinary Shares in the amount and at the price and time desired. Market liquidity will depend on various factors, many of which are beyond the Issuer's control such as the willingness (or otherwise) to trade of potential buyers and sellers of Ordinary Shares. The effect of such investor decisions on the trading market would consequently affect the trading value of the Ordinary Shares.

## 1.4 REVOCATION/DISCONTINUATION OF LISTING

Even after the Ordinary Shares are admitted to trade on the Malta Stock Exchange, the Issuer must remain in compliance with certain requirements. The Listing Authority has the authority to suspend trading of the Ordinary Shares if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or of the integrity or reputation of the markets. The Listing Authority may discontinue the listing of the Ordinary Shares on the Malta Stock Exchange. Any such trading suspensions or listing revocations/discontinuations described above could have a material adverse effect on the liquidity and value of the Ordinary Shares. Furthermore, the Listing Authority may discontinue the listing of the Ordinary Shares if, *inter alia*, it is satisfied that, owing to special circumstances, normal regular dealings in the Ordinary Shares are no longer possible, or upon the request of the Issuer or the Malta Stock Exchange.

## 1.5 ORDINARY SHARES IN PUBLIC HANDS

In terms of the Listing Rules, an issuer must have at least twenty five percent (25%) of its listed share capital in the hands of the public. Should the number of Ordinary Shares in public hands subsequent to the Share Issue fall below the 25% threshold the Issuer would be in breach of the said Listing Rules, which could possibly lead to the delisting of the Issuer from the Official List of the Malta Stock Exchange. Exceptionally, the Listing Authority may accept a lower percentage of Ordinary Shares in the hands of the public provided that the market continues to operate properly. The delisting of the Issuer would have adverse effects on the marketability and transferability of the Ordinary Shares and on the fiscal impacts on Share transfers.

## 1.6 VALUE

The value of investments can rise or fall, and past performance is not necessarily indicative of future performance. If in need of advice, you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the Laws of Malta).

## 1.7 SECONDARY MARKET

There can be no assurance that an active secondary market for the Ordinary Shares will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to re-sell his/her Ordinary Shares below, at or above the Share Price.

## 1.8 SUITABILITY

An investment in the Issuer may not be suitable for all recipients of the Prospectus and investors are urged to consult their advisers as to the suitability or otherwise of an investment in the Ordinary Shares described herein before making an investment decision.

## 1.9 DIVIDENDS

The extent of any dividend distribution by the Company will depend upon, amongst other factors, the profit for the year, the Directors' view on the prevailing market outlook, any debt servicing requirements, the cash flows of the Issuer, working capital requirements, and the requirements of the Companies Act (Cap. 386 of the Laws of Malta) especially with regard to distributable reserves. The prospective dividend policy set out in Section 15 entitled 'Dividend Policy' of the Registration Document should be read and construed accordingly.

## 1.10 SHAREHOLDER CURRENCY OF REFERENCE

A shareholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Ordinary Shares (€) and the shareholder's currency of reference, if different.

**AN INFORMED INVESTMENT DECISION CAN ONLY BE MADE BY INVESTORS AFTER THEY HAVE READ AND FULLY UNDERSTOOD THE RISK FACTORS ASSOCIATED WITH AN INVESTMENT IN THE ORDINARY SHARES ISSUED BY THE ISSUER AND THE INHERENT RISKS ASSOCIATED WITH THE ISSUER'S BUSINESS.**

## 2. FORWARD-LOOKING STATEMENTS

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The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer and/or the Directors concerning, amongst other things, the Issuer's strategy and business plans, results of operations, financial condition, liquidity, prospects and dividend policy of the Issuer and the markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance and should therefore not be construed as such. The Issuer's actual results of operations, financial condition, liquidity, dividend policy and the development of its strategy may differ materially from the impression created by the forward-looking statements contained in the Prospectus. In addition, even if the results of operations, financial condition, liquidity and dividend policy of the Issuer are consistent with the forward-looking statements contained in the Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in global and European economic conditions, legislative and regulatory developments, changes in taxation regimes and the availability of suitable financing.

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

### **3. PERSONS RESPONSIBLE**

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The Directors of the Issuer, whose names appear in Section 12 of the Registration Document, are the persons responsible for the information contained in this Securities Note. To the best of the knowledge and belief of the Directors (who have all taken reasonable care to ensure such is the case), the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

## 4. KEY INFORMATION

### 4.1 WORKING CAPITAL STATEMENT

The Issuer, after reasonable inquiry, is of the opinion that the working capital available to the Issuer is sufficient for its present business requirements.

### 4.2 CAPITALISATION AND INDEBTEDNESS

The Issuer's capitalisation and net indebtedness is summarised below.

	As at 31 December		
	2010 Audited €000	2011 Audited €000	2012 Audited €000
<b>Net indebtedness</b>	<b>52,123</b>	<b>37,565</b>	<b>35,447</b>
Deferred taxation	242	458	1,341
<u>Shareholders' funds</u>			
Share capital	7,313	20,000	20,000
(Accumulated losses)/retained earnings	(431)	(299)	177
Revaluation reserve	-	-	1,062
	6,882	19,701	21,239
<b>Total capital employed</b>	<b>59,247</b>	<b>57,724</b>	<b>58,027</b>
Net indebtedness as a proportion of total capital employed	88%	65%	61%
<b>Cash and cash equivalents</b>	<b>(491)</b>	<b>(963)</b>	<b>(132)</b>
<u>Non-current liabilities</u>			
Secured bank borrowings	33,873	31,264	33,532
Trade and other payables (unsecured)	8,502	878	891
	42,375	32,142	34,423
<u>Current liabilities</u>			
Secured bank borrowings	136	2,542	-
Trade and other payables (unsecured)	3,655	1,848	2,663
Amounts owed to Group and related parties (unsecured)	11,278	6,147	98
Related party loans (unsecured)	-	-	3,000
Current tax (unsecured)	-	138	308
	15,069	10,675	6,069
<u>Current assets</u>			
Trade and other receivables (unsecured)	1,636	1,157	2,022
Current tax (unsecured)	2	-	-
Amounts due from Group and related companies (unsecured)	3,192	3,132	2,891
	4,830	4,289	4,913
<b>Net working capital liability</b>	<b>10,239</b>	<b>6,386</b>	<b>1,156</b>
<b>Net indebtedness</b>	<b>52,123</b>	<b>37,565</b>	<b>35,447</b>

The bank loan is secured through a first general hypothec on the Company's assets and a third special hypothec on the temporary emphyteusis of 99 years over the parcel of land at Tigné Point developed into the shopping mall.

	As at 31 December		
	2010 Audited €000	2011 Audited €000	2012 Audited €000
<b>Cash</b>	<b>491</b>	<b>963</b>	<b>132</b>
<b>Current financial receivable</b>	<b>4,830</b>	<b>4,289</b>	<b>4,913</b>
Current bank debt	136	2,542	-
Other current financial debt	14,933	8,133	6,069
<b>Current financial debt</b>	<b>15,069</b>	<b>10,675</b>	<b>6,069</b>
<b>Net current financial indebtedness</b>	<b>9,748</b>	<b>5,423</b>	<b>1,024</b>
Non-current bank loans	33,873	31,264	33,532
Other non-current loans	8,502	878	891
<b>Non-current financial indebtedness</b>	<b>42,375</b>	<b>32,142</b>	<b>34,423</b>
<b>Net financial indebtedness</b>	<b>52,123</b>	<b>37,565</b>	<b>35,447</b>

### 4.3 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE COMBINED OFFERING

MSV Life p.l.c. ("MSV"), is currently a shareholder in MIDI p.l.c. ("MIDI"), one of the Offerors, and has indicated that it will acquire a number of Ordinary Shares forming part of the Combined Offering, as specified in Section 6.3.1 of this Securities Note.

Bank of Valletta p.l.c. ("BOV") is also a shareholder in MIDI, and is acting as Underwriter, Manager and Registrar in this Combined Offering.

### 4.4 REASONS FOR THE COMBINED OFFERING AND USE OF PROCEEDS

The net proceeds from the Share Offer amounting to a maximum of €20.9 million shall be applied to the benefit of the Offerors which, through such Offer, aim to realise their investment in the Company.

The net proceeds of the Share Issue amounting to €6.5 million shall be applied by the Company in their entirety to reduce existing banking facilities. The Issuer has two facilities with the same bank amounting to a total of approximately €33.9 million. These facilities will be reduced by €6.5 million lowering overall indebtedness to approximately €27.4 million. This measure is designed to enable the Company, as a listed company, to facilitate distribution of regular dividends to Shareholders.

## 5. INFORMATION ABOUT THE ORDINARY SHARES

### 5.1 GENERAL DESCRIPTION OF THE ORDINARY SHARES

Description and Class	The Ordinary Shares comprising the Share Issue and those Ordinary Shares comprising the Share Offer all form part of one class of Ordinary Shares having a nominal value of €0.50. There are no shares that have any preferred or deferred rights
Legislation under which the Ordinary Shares have been created	Companies Act (Cap. 386 of the Laws of Malta)
Registered Form	The Ordinary Shares are in registered form and, until they are admitted to the Official List of the Malta Stock Exchange, they will be in fully certificated form. The share certificates are evidence issued by the Issuer to the shareholder of the relevant entry in the register of members of the Issuer of the Ordinary Shares held by such member. Following their admission to the Malta Stock Exchange, the Ordinary Shares will, whilst retaining their registered form, no longer be in certificated form and will thereafter be held in book-entry form at the Central Securities Depository in accordance with the requirements of the Malta Stock Exchange, or in such other form as may be determined from time to time by applicable law, the requirements of the Malta Stock Exchange or the Issuer
Currency	Euro (€)
Expected Date of Issue	The Ordinary Shares are expected to be issued on 7 May 2013
ISIN	MT0000740101

### 5.2 RIGHTS ATTACHED TO THE ORDINARY SHARES

Each new Ordinary Share will rank in full for all dividends and distributions declared, made or paid after their issue and otherwise rank *pari passu* in all respects with each existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital) and restrictions as each existing Ordinary Share, as set in the Memorandum and Articles of Association of the Issuer.

The following are highlights of the rights attaching to the Ordinary Shares:

Dividends	The Ordinary Shares shall carry the right to participate in any distribution of dividend declared by the Issuer <i>pari passu</i> with all other Ordinary Shares in the same class
Voting Rights	Each Share shall be entitled to one vote at meetings of Shareholders
Capital Distribution	The Ordinary Shares shall carry the right for the holders thereof to participate in any distribution of capital made whether on a winding up or otherwise, <i>pari passu</i> with all other Ordinary Shares of the same class
Transferability	The Ordinary Shares are freely transferable and once admitted to the Official List of the Malta Stock Exchange shall be transferable in accordance with the rules and regulations of the Malta Stock Exchange applicable from time to time
Pre-Emption	In accordance with article 88 of the Companies Act, should Ordinary Shares of the Issuer be proposed for allotment for consideration in cash, those Ordinary Shares must be offered on a pre-emptive basis to Shareholders in proportion to the share capital held by them. A copy of any offer of subscription on a pre-emptive basis indicating the period within which this right must be exercised must be delivered to the Registrar of Companies. The right of pre-emption must be exercised in accordance with Article 3 of the Articles of Association of the Issuer which states that on a fresh issue of ordinary shares, such shares shall be offered in the first instance to the existing Members of the Company <i>pro-rata</i> to the number of shares held by them respectively. The offer shall be made by notice in writing specifying the number of shares offered, as well as their price and limiting a time, being not less than 14 days, within which the offer if not accepted shall be deemed to have been declined. Any remaining shares may then be offered to non-members
Redemption/Conversion	The Ordinary Shares are not redeemable and not convertible into any other form of security
Mandatory Takeover Bids, Squeeze-Out and Sell-Out Rates	Chapter 11 of the Listing Rules, implementing the relevant provisions of Directive 2004/25/EC of the European Parliament and of the Council of 21 April 2004 regulates the acquisition by a person or persons acting in concert of the control of a company and provides specific rules on takeover bids, squeeze-out rules and sell-out rules. The shareholders of the Issuer may be protected by the said Listing Rules in the event that the Issuer is subject to a Takeover Bid (as defined therein). The Listing Rules may be viewed on the official website of the Listing Authority – <a href="http://www.mfsa.com.mt">www.mfsa.com.mt</a>

## 6. TERMS AND CONDITIONS OF THE COMBINED OFFERING

The following terms and conditions should be read and construed as one with the additional Terms and Conditions of the Combined Offering contained in Section 14 to this Securities Note.

### 6.1 THE COMBINED OFFERING

The Combined Offering comprises a total of 56,400,000 fully paid Ordinary Shares having a nominal value of €0.50 per share in the Company at the Share Price. The Ordinary Shares on offer pursuant to this Prospectus are:

- a. 14,000,000 new Ordinary Shares which are being issued by the Company (“the Share Issue”);
- b. 42,400,000 Ordinary Shares which are being offered for sale by the Offerors (“the Share Offer”); and
- c. (a) and (b) above referred to as “the Combined Offering”.

### 6.2 DATE OF SHARE ISSUE

The Shares being the subject of the Share Issue were authorised by the Company and the Shareholders on 1 March 2013. The Company expects such Ordinary Shares to be issued on 7 May 2013.

### 6.3 SUBSCRIPTION

The Shares shall be available for subscription in three tranches:

- a. By MIDI Shareholders through Financial Intermediaries to be submitted at the Preplacement stage pursuant to *inter alia*, the provisions of Section 6.3.2 of this Securities Note;
- b. By Financial Intermediaries for the account of their clients during the Preplacement pursuant to *inter alia*, the provisions of Section 6.3.2 of this Securities Note; and
- c. By the general public through Financial Intermediaries pursuant to, *inter alia*, provisions of Section 6.3.3 of this Securities Note.

The following are highlights of the terms and conditions applicable to any Application for Ordinary Shares and should be read and construed as one with the Terms and Conditions of the Combined Offering contained in Section 14 of this Securities Note.

#### 6.3.1 PRE-ALLOCATION AGREEMENT

MSV has entered into a pre-allocation agreement whereby it undertakes to enter into a conditional subscription agreement to subscribe and purchase 20,000,000 Ordinary Shares in the Company, and the Company and Offerors have bound themselves to allot the said Ordinary Shares to MSV.

This agreement relating to the Ordinary Shares is subject to the terms of the Prospectus and subject to the condition that the Shares shall be admitted to the Official List of the Malta Stock Exchange by not later than 31 May 2013.

#### 6.3.2 PREPLACEMENT

The Company and the Offerors may enter into subscription agreements (the “Subscription Agreement/s”) with Financial Intermediaries prior to the commencement of the Combined Offer Period up to an amount not exceeding 22,400,000 Ordinary Shares with respect to subscription for Shares by Shareholders of MIDI who appear on their register as at 18 March 2013 (the “Preferred Applicants”) and other investors.

Upon completion and submission of the Subscription Agreements, the Company and the Offerors will be conditionally bound to issue, and each Financial Intermediary will bind itself to subscribe to, such number of Shares, subject to the Shares being admitted to the Official List of the Malta Stock Exchange. Each Subscription Agreement will become binding on all parties upon delivery, subject to the Company and the Offerors having received all subscription proceeds in cleared funds on delivery of the Subscription Agreement.

Completed Subscription Agreements shall be submitted by Financial Intermediaries together with subscription proceeds, in cleared funds by latest 12:00 hours on 12 April 2013.

The amount available to Financial Intermediaries for the benefit of Preferred Applicants and other investors shall be subject to the following limits:-

- i. Preferred Applicants shall be entitled to subscribe up to a maximum amount of 10,000,000 Shares; and
- ii. Other investors shall be entitled to subscribe up to a maximum amount of 12,400,000 Shares.

Provided that any amount not taken up by Preferred Applicants under (i) above or by other investors under (ii) above shall be available for subscription by the Financial Intermediaries for the benefit of other investors under (ii) above or by Preferred Applicants under (i) above respectively.



In the event of an over-subscription by Preferred Applicants under (i) above or by other investors under (ii) above, the Company and the Offerors shall scale down such Applications/subscriptions and:-

- a. In the case of Applications by Preferred Applicants under (i) above, the unsatisfied portion will automatically participate and will be given preference during the Combined Offer Period;
- b. In the case of subscriptions by other investors under (ii) above, the unsatisfied portion will automatically participate during the Combined Offer Period and will rank *pari passu* with other Applicants.

Any amount not taken up under (i) and (ii) above, shall be available during the Combined Offer Period.

The minimum which each Financial Intermediary may apply for on behalf of other investors in terms of the Subscription Agreement is for 500,000 Ordinary Shares and the amount per underlying application must be for a minimum of 50,000 Ordinary Shares (and in multiples of 100 Ordinary Shares thereafter).

The minimum which each Preferred Applicant may apply for is 2,000 Ordinary Shares (and in multiples of 100 Ordinary Shares thereafter).

These agreements relating to the Ordinary Shares are subject, *inter alia*, to the terms of the Prospectus including Section 12 of this Securities Note.

### **6.3.3 COMBINED OFFER PERIOD**

An amount of 14,000,000 Ordinary Shares (and the balance, if any, of the reserved portion for preplacement not taken up by Preferred Applicants and/or by Financial Intermediaries pursuant to the Subscription Agreements) shall be offered to the general public and will be available for subscription by the general public. The Ordinary Shares will be available for subscription during the Combined Offer Period commencing on 15 April 2013 up to and including 19 April 2013, subject to the right of the Company and the Offerors to close subscription lists before such date in the case of over-subscription, in which case the Company may, but shall not be bound to, anticipate in the same chronological order the remaining events described in Section 6.4 of this Securities Note entitled "Expected Time-table" in such a way as to retain the number of Business Days between the said events.

The minimum subscription amount for applications received during the Combined Offer Period shall be of 2,000 Ordinary Shares and in multiples of 100 Ordinary Shares thereafter.

Applications may be obtained from and are to be lodged with Financial Intermediaries listed in Annex 1, during the Combined Offer Period.

### **6.3.4 ELIGIBLE APPLICANTS**

Any person, whether natural or legal, shall be eligible to submit an Application and any one person, whether directly or indirectly should not submit more than one Application Form for Ordinary Shares.

Multiple Applications are only allowed in case where there are unsatisfied amounts at the Preplacement stage due to over-subscription for Applications by Financial Intermediaries on behalf of clients not being Preferred Applicants and which automatically participate during the Combined Offer Period thereafter. In the case of corporate Applicants or Applicants having separate legal personality, the Application Form must be signed by a person or persons authorised to sign and bind such Applicant. It shall not be incumbent on the Issuer, the Offerors or the Registrar to verify whether the person or persons purporting to bind such an Applicant is or are in fact so authorised. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Ordinary Shares allocated pursuant to such an Application shall be registered in the name of the minor as Shareholder, with dividends payable to the parents/legal guardian/s signing the Application Form until such time as the minor attains the age of 18 years, after which all dividends shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of 18 years.

### **6.3.5 APPLICATION FORMS/METHOD OF PAYMENT**

All Applications for the purchase of Ordinary Shares must be submitted on Application Forms during the Combined Offer Period. The completed Application Forms are to be lodged with any of the Sponsor, Manager or Financial Intermediaries. All Application Forms must be accompanied by the full price of the Ordinary Shares applied for. Payment may be made either in cash or by cheque payable to "The Registrar – Tigné Mall p.l.c. Combined Offering". In the event that cheques accompanying Application Forms are not honoured, on their first presentation, the Company, the Offerors and the Registrar reserve the right to invalidate the relative Application.

### 6.3.6 REFUNDS

In the event that an Applicant has not been allocated any Ordinary Shares or has been allocated a smaller number of Ordinary Shares than the number applied for, then the Applicant shall receive a full refund or the balance of the price of the Ordinary Shares applied for but not allocated, as the case may be, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk, within 5 Business Days from the date of final allocation.

### 6.3.7 INTENTION TO ACQUIRE

As noted in Section 6.3.1, MSV has indicated that it will acquire 35.4% of the Ordinary Shares forming part of the Combined Offering.

Mr. John Bonello has indicated to the Issuer that he may subscribe for 100,000 Ordinary Shares. Apart from this, as at the date of this Securities Note, neither the Issuer nor the Offerors have any indication that any other Director has the intention of participating in the Combined Offering by purchasing any of the Ordinary Shares, or that other investors have the intention of participating in the Combined Offering by purchasing more than 5% of the Ordinary Shares.

### 6.3.8 PRICING

The pricing of the Combined Offering has been fixed by the Issuer and the Offerors at the Share Price.

### 6.3.9 ALLOCATION POLICY

The Issuer will determine and announce the results of the Combined Offering and allocation policy for the allotment of the Ordinary Shares within 5 Business Days of the closing of subscriptions for Ordinary Shares in terms of Section 6.4 of this Securities Note by means of a press release. The Company will endeavour, through the allocation policy to be adopted, that there will be a sufficiently dispersed shareholder base to facilitate, as far as practicable, an active secondary market in the Ordinary Shares. Each Applicant will be directly notified of the amount of Ordinary Shares allocated in his/her name by the Company through an allotment letter which will be mailed by latest 6 May 2013 and by the Central Securities Depository. Trading may not commence before such a notification by the Central Securities Depository has been dispatched to each person receiving Shares.

### 6.3.10 UNDERWRITING

By an agreement between the Company, the Offerors and the Underwriter, it was agreed that in the event that any Ordinary Shares of the Combined Offering remain outstanding after the end of the Combined Offer Period, the Underwriter shall purchase such outstanding shares of the Share Issue, up to a maximum of the equivalent of 14,000,000 Ordinary Shares, at the Share Price. After the Underwriter would have discharged itself of its underwriting obligation as aforesaid, any part of the other 22,400,000 Ordinary Shares not taken up and which is not subject to the Underwriting Agreement, shall be retained by MIDI.

## 6.4 EXPECTED TIMETABLE

EVENT	DATE
Availability of Application Forms	27 March 2013
Preplacement date	12 April 2013
Opening of Combined Offer Period	15 April 2013
Closing of Combined Offer Period	19 April 2013
Expected announcement of basis of acceptance	26 April 2013
Expected dispatch of allocation advices and refunds of unallocated monies	6 May 2013
Expected admission of the Ordinary Shares on the Malta Stock Exchange	7 May 2013
Expected commencement of trading on the Malta Stock Exchange	8 May 2013

The Issuer reserves the right to close the Combined Offer Period before the above described date in the case of over-subscription, in which case the Issuer may, but shall not be bound to, anticipate in the same chronological order the remaining events in such a way as to retain the number of Business Days between the said events.

## 7. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

Application has been made to the Listing Authority for all of the Ordinary Shares, whether issued, to be issued or offered, to be admitted to listing on a regulated market. In addition, application has been made to the Malta Stock Exchange for all of the Ordinary Shares, whether issued, to be issued or offered, to be admitted to the Official List. Subject to what is stated in Section 12, the Ordinary Shares are expected to be admitted to the said Official List with effect from 7 May 2013 and trading is expected to commence on 8 May 2013.

For the purposes of the Prevention of Money Laundering Act and regulations issued thereunder, as subsequently amended, all Financial Intermediaries, acting as appointed selling agents, are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the Code of Conduct for Members of the Malta Stock Exchange, appended as appendix IV to Chapter 3 of the Malta Stock Exchange. Bye-Laws, irrespective of whether the said appointed selling agents are MSE Members or not. Such information shall be held and controlled by the MSE in terms of the Data Protection Act (Cap. 440 of the Laws of Malta), for the purposes and within the terms of the MSE Data Protection Policy, as published from time to time.

## **8. SELLING SECURITIES HOLDERS**

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MIDI p.l.c., the entity offering to sell 42,138,963 Ordinary Shares in the Company, is a public limited company incorporated, registered, and operating in Malta under the Companies Act, with registration number C-15836 and whose registered office is at North Shore, Manoel Island, limits of Gzira, GZR 3016, Malta.

Tigné Contracting Limited, the entity offering to sell 261,037 Ordinary Shares in the Company, is a limited liability company incorporated, registered and operating in Malta under the Companies Act, with registration number C-28438 and whose registered office is at North Shore, Manoel Island, Gzira, Malta.

The Offerors are offering a total of 42,400,000 fully paid up Ordinary Shares having a nominal value of €0.50 per share in the Company at the Share Price. As at the date of this Prospectus the Company is wholly owned by the Offerors.

## **9. EXPENSES OF THE COMBINED OFFERING**

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The Combined Offering expenses including professional fees, costs related to publicity, advertising, printing, listing, registration, sponsoring, management, subscriptions, registrar fees, a 1.5% selling commission and other miscellaneous expenses in connection with the Combined Offering, are estimated not to exceed €880,000. This amount shall be deducted proportionately from the proceeds of the Combined Offering, that is, €360,000 shall be deducted from the proceeds of the Share Offer and €520,000 shall be deducted for the proceeds of the Share Issue. Accordingly, the net proceeds from the Share Offer and Share Issue will amount to €20.9 million and €6.5 million respectively.

The overall amount of the underwriting commission payable to the Underwriter and of the preplacement commission payable to Financial Intermediaries entering into conditional subscription agreements, in terms of the Prospectus, will not exceed €275,000.

## **10. SHAREHOLDING AFTER COMBINED OFFERING**

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At the time of approval of this Prospectus, the Issuer is controlled directly by MIDI. In the event of a full subscription of the Share Offer, MIDI and Tigné Contracting Limited will no longer be shareholders of the Issuer.

## **11. AUTHORISATIONS**

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The Share Offer has been authorised by means of a resolution in writing of all the shareholders entitled to attend and vote at general meetings of Tigné Contracting Limited and a resolution of the Board of Directors of Tigné Contracting Limited.

The Share Offer and the Share Issue were authorised by a resolution of the Board of Directors of MIDI on 21 January 2013. In terms of the Listing Rules, the Share Offer and the Share Issue also require the approval of the shareholders of MIDI. Accordingly, the Share Offer and the Share Issue are set to be authorised by means of resolution to be taken at an extraordinary general meeting of the shareholders of MIDI to be held on 22 March 2013.

The Combined Offering was authorised by means of a resolution in writing of all the shareholders entitled to attend and vote at general meetings of the Issuer on 9 February 2013 and a resolution of the Board of Directors adopted on 9 February 2013.

By virtue of a letter dated 1 March 2013 received by the Board of Directors of the Company, all the existing Shareholders of the Company waived their respective rights of pre-emption, conferred on them by the Memorandum and Articles of Association of the Company (in particular the rights granted under Article 3 of the Articles of Association) and/or conferred on them by law (in particular the rights granted under article 88 of the Companies Act), over any new Ordinary Shares to be issued and allotted pursuant to the Share Issue.

The Listing Authority admitted the ordinary share capital of the Company, issued, to be issued and offered as eligible to listing on a regulated market pursuant to the Listing Rules by virtue of a letter dated 18 March 2013.

Application has been made to the Malta Stock Exchange for all of the Ordinary Shares issued, to be issued and offered to be admitted to the Official List of the Malta Stock Exchange, on allocation of the Ordinary Shares pursuant to the Combined Offering. The Ordinary Shares are expected to be admitted to the Official List of the Malta Stock Exchange with effect from 7 May 2013 and trading is expected to commence on 8 May 2013.

## 12. CONDITIONALITY

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The Combined Offering is conditional upon the admission of the Ordinary Shares to the Official List of the Malta Stock Exchange. In the event that such condition is not met, the Combined Offering will be revoked unilaterally by the Issuer and the Offerors and, within 5 Business Days from the revocation taking effect, the Application monies will be returned by the Issuer, without interest, by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. The Issuer and the Offerors have not established an aggregate minimum subscription level as a condition for the Combined Offering and, subject to the listing thereof on the Official List of the Malta Stock Exchange, the subscription portion of the Combined Offering shall be allotted to the respective Applicants.

The Combined Offering is also conditional upon approval by the Extraordinary General Meeting of MIDI in terms of the Listing Rules, set for 22 March 2013.

## 13. TAXATION

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

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

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

### 13.1 TAXATION STATUS OF THE ISSUER

In general, the Issuer is subject to tax in Malta at the standard corporate tax rate currently standing at 35%. This is charged on the Issuer's chargeable income which is calculated in accordance with the applicable Maltese statutory provisions. Certain interest income, may, at the option of the Issuer, be received net of a final withholding tax, currently at the rate of 15% of the gross amount of interest, in which case such profits should be allocated to the Issuer's Final Tax Account.

### 13.2 TAXATION ON DIVIDENDS PAID TO THE ISSUER'S SHAREHOLDERS

Dividends distributed to Shareholders resident in Malta, other than companies, from untaxed profits are subject to 15% withholding tax which may be treated as a final tax at the option of the recipient Shareholders. The Issuer will deduct this 15% withholding tax from the amount of the dividend and will remit such withholding tax to the Commissioner of Inland Revenue.

All other dividends distributed to any Shareholders are not subject to any further tax in the Shareholders' hands.

Under Malta's full imputation system, a person is subject to tax, where applicable, on the net dividend grossed up by the tax paid by the distributing company on the profits out of which the dividend is distributed, other than profits distributed from the Final Tax Account. A Shareholder is normally entitled to claim a refund of the difference between the tax payable on the grossed up dividend and the tax paid by the company distributing the dividend.

### 13.3 TAX ON CAPITAL GAINS

In accordance with the current legislation, if and for as long as the Ordinary Shares which are subject to this Securities Note are listed on the Malta Stock Exchange and were acquired when they were already so listed, no tax on capital gains should be payable in Malta upon a transfer of these Ordinary Shares.

### 13.4 DUTY ON DOCUMENTS AND TRANSFERS

In accordance with the current legislation, if and for as long as the Ordinary Shares are listed on the Malta Stock Exchange, no duty on documents and transfers (stamp duty) is payable in Malta on any transfer of these Ordinary Shares.

**THE ABOVE INFORMATION IS BASED ON TAX LAW AND PRACTICE APPLICABLE AS AT THE DATE OF THIS SECURITIES NOTE. PROSPECTIVE INVESTORS ARE CAUTIONED THAT TAX LAW AND PRACTICE AND THE LEVELS OF TAX RELATING TO THE ISSUER AND ITS SHAREHOLDERS MAY CHANGE FROM TIME TO TIME. PROSPECTIVE INVESTORS ARE THEREFORE URGED TO SEEK PROFESSIONAL ADVICE AS REGARDS BOTH MALTESE AND FOREIGN TAX LEGISLATION APPLICABLE TO THE ACQUISITION, HOLDING AND DISPOSAL OF THE ORDINARY SHARES, AS WELL AS DIVIDEND PAYMENTS MADE BY THE ISSUER. THIS INFORMATION, WHICH DOES NOT CONSTITUTE LEGAL OR TAX ADVICE, REFERS ONLY TO INVESTORS WHO DO NOT DEAL IN ORDINARY SHARES IN THE COURSE OF THEIR NORMAL TRADING ACTIVITY.**

## 14. TERMS AND CONDITIONS OF THE COMBINED OFFERING

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1. The contract created by the acceptance of an Application shall be subject to the terms and conditions set out herein. If any Application is not accepted, or if any Application is accepted for fewer Ordinary Shares than those applied for, the Application monies or the balance of the amount paid on Application will be returned without interest by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form within 5 Business Days from the date of the final allocation.
2. Subject to all other terms and conditions set out in the Prospectus, the Company reserves the right to reject in whole or in part, or to scale down any Application, including multiple or suspected multiple Applications and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which, in the opinion of the Registrar is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several.
3. By completing and delivering an Application Form you (as the Applicant/s):
  - a. irrevocably offer to purchase the number of Ordinary Shares specified in your Application Form (or any smaller number for which the Application is accepted) at the Share Price, subject to the provisions of the Prospectus, these Terms and Conditions and the Memorandum and Articles of Association of the Company;
  - b. authorise the Registrar and the Directors to include your name or in the case of joint Applications, the first named applicant, in the register of Members of the Company in respect of the Ordinary Shares allocated to you;
  - c. agree that any refund of unallocated Application monies, will be sent to you, without interest, by direct credit into the bank account as indicated on the Application Form;
  - d. warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a registration advice, or to be registered in the register of Members or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Registrar (which acceptance shall be made in its absolute discretion and may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Registrar of such late payment in respect of such Ordinary Shares, the Company may (without prejudice to other rights) treat the agreement to allocate such Ordinary Shares as void and may allocate such Ordinary Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such Ordinary Shares (other than return of such late payment);
  - e. agree that the registration advice and other documents and any monies returnable to you may be retained pending clearance of your remittance and any verification of identity as required by the Prevention of Money Laundering Act and any regulations issued thereunder and that such monies will not bear interest;
  - f. agree that all Applications, acceptances of Applications and contracts resulting therefrom will be governed by, and construed in accordance with Maltese law and that you submit to the jurisdiction of the Maltese Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law in any court of competent jurisdiction;
  - g. warrant that, if you sign the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, you have due authority to do so and such person, corporation, corporate entity,

- or association of persons will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions and undertake to submit your power of attorney or a copy thereof duly certified by a lawyer or notary public if so required by the Registrar;
- h. agree that all documents in connection with the Combined Offering and any returned monies will be sent at your risk and may be sent by post at the address set out in the Application Form;
  - i. agree that, having had the opportunity to read the Prospectus you shall be deemed to have had notice of all information and representations concerning the Company and the Combined Offering contained therein;
  - j. confirm that in making such Application you are not relying on any information or representation in relation to the Company or the Combined Offering other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Application or any part thereof will have any liability for any such other information or representation;
  - k. confirm that you have reviewed and you will comply with the restriction contained in paragraph (s) and the warning in paragraph 4 below;
  - l. warrant that you are not under the age of 18 years or if you are lodging an Application in the name and for the benefit of a minor, warrant that you are the parents or legal guardian/s of the minor;
  - m. agree that such Application Form is addressed to the Company and that in respect of those Ordinary Shares for which your Application has been accepted, you shall receive a registration advice confirming such acceptance;
  - n. confirm that in the case of a joint Application the first named Applicant shall be deemed the holder of the Ordinary Shares;
  - o. agree to provide the Registrar, as the case may be, with any information which it may request in connection with your Application(s);
  - p. agree that the Sponsor will not, in its capacity of sponsoring stockbroker, treat you as its customer by virtue of your making an application for Ordinary Shares or by virtue of your Application to purchase Ordinary Shares being accepted and it will not owe you any duties or responsibilities concerning the price of the Ordinary Shares or their suitability for you;
  - q. warrant that, in connection with your Application, you have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Combined Offering or your Application;
  - r. represent that you are not a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) and that you are not accepting the invitation comprised in the Combined Offering from within the United States of America, its territories or its possessions, any State of the United States of America or the District of Columbia (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person, unless you indicate otherwise with your Application Form;
  - s. the Ordinary Shares have not been and will not be registered under the Securities Act and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person; and
  - t. agree that if you already hold securities on the Malta Stock Exchange, you are to indicate your MSE Account Number in the Application Form. Furthermore, you agree that any securities allotted will be recorded by the Malta Stock Exchange in the MSE Account Number quoted on the Application Form even if details of such MSE Account Number, as held by the Malta Stock Exchange, differ from any or all of the other information and details appearing on the Application Form.
4. No person receiving a copy of the Prospectus or any part thereof or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form, unless in the relevant territory such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issues, transfer or other taxes required to be paid in such territory.
  5. Within 5 Business Days of the closing of the subscription lists, the Company either directly or through the Registrar shall determine and announce the basis of acceptance of applications and allocation policy to be adopted.
  6. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions, in the Application Form and in any other document issued pursuant to the Prospectus.
  7. The Combined Offering will open at 08:30 hours on Monday 15 April 2013 and will close as soon thereafter as may be determined by the Company, as the case may be, but not later than 16:00 hours on Friday 19 April 2013.



# ANNEX 1 – LIST OF FINANCIAL INTERMEDIARIES

## FINANCIAL INTERMEDIARIES

### MEMBERS OF THE MALTA STOCK EXCHANGE

<b>Bank of Valletta p.l.c.</b> Financial Markets & Investments Division, BOV Centre, Cannon Road, Santa Venera SVR 9030	Tel: 2275 1732 www.bov.com	Fax: 2275 1733
<b>Calamatta Cuschieri &amp; Co. Ltd</b> 5th Floor, Valletta Buildings, South Street, Valletta VLT 1103	Tel: 2568 8688 www.cc.com.mt	Fax: 2568 8256
<b>Charts Investment Management Service Ltd</b> Valletta Waterfront, Vault 17, Pinto Wharf Floriana FRN 1913	Tel: 2122 4106 www.charts.com.mt	Fax: 2124 1101
<b>Curmi &amp; Partners Ltd</b> Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	Tel: 2134 7331 www.curmiandpartners.com	Fax: 2134 7333
<b>Financial Planning Services Ltd</b> 4, Marina Court, No 1, G Cali Street, Ta' Xbiex XBX 1421	Tel: 2134 4244 www.bonellofinancial.com	Fax: 2134 1202
<b>FINCO Treasury Management Ltd</b> Level 5, The Mall Complex, The Mall, Floriana FRN 1470	Tel: 2122 0002	Fax: 2124 3280
<b>GlobalCapital Financial Management Ltd</b> Testaferrata Street, Ta' Xbiex XBX 1403	Tel: 2279 6283 www.globalcapital.com.mt	Fax: 2279 6284
<b>Hogg Capital Investments Ltd</b> Regent House, Level 3, Suite 33, Bisazza Street, Sliema SLM 1641	Tel: 2132 2872 www.hoggcapital.com	Fax: 2134 2760
<b>HSBC Stockbrokers (Malta) Ltd</b> 1st Floor, Business Banking Centre, Mill Street, Qormi QRM 3101	Tel: 2380 2211 www.hsbcmalta.com	Fax: 2380 2495
<b>Jesmond Mizzi Financial Advisors Ltd</b> 67, Level 3, South Street, Valletta VLT 1105	Tel: 2122 4410 www.jesmondmizzi.com	Fax: 2122 3810
<b>Lombard Bank Malta p.l.c.</b> 67, Republic Street, Valletta, VLT 1117	Tel: 2558 1806 www.lombardmalta.com	Fax: 2558 1815
<b>Rizzo, Farrugia &amp; Co. (Stockbrokers) Ltd</b> Airways House, Third Floor, High Street, Sliema SLM 1549	Tel: 2258 3000 www.rizzofarrugia.com	Fax: 2258 3001

## INVESTMENT SERVICES PROVIDERS

<b>APS Bank Ltd</b> Investment Services Unit, APS Centre Level 2, Tower Street, B'Kara BKR 4012	Tel: 2560 3365 www.apsbank.com.mt	Fax: 2560 3001
<b>Crystal Finance Investments Ltd</b> 10, First Floor, City Gate, Valletta VLT 1010	Tel: 2122 6190 www.crystal.com.mt	Fax: 2122 6188
<b>Fexserv Investment Services Ltd</b> Alpine House, Naxxar Road, San Gwann SGN 9032	Tel: 2576 3000	Fax: 2137 8869
<b>Growth Investments Ltd</b> Customer Service Centre, Pjazza Giovanni XXIII Floriana FRN 1420	Tel: 2590 9356 www.growthinvestmentsonline.com	Fax: 2122 6429
<b>HSBC Bank (Malta) p.l.c.</b> HSBC Shareshop, Fleur de Lys Road, St Venera SVR 1587	Tel: 2380 2381 www.hsbcmalta.com	Fax: 2324 6046
<b>Island Financial Services Ltd</b> Insurance House, Salvu Psaila Street, Birkirkara, BKR 9078	Tel: 2144 7600 www.islandins.com	Fax: 2385 5238
<b>Joseph Scicluna Investment Services Ltd</b> Bella Vista Court, Level 3, Gorg Borg Olivier Street, Victoria VCT 2517, Gozo	Tel: 2156 5707	Fax: 2156 5706
<b>Mercieca Financial Investment Services Ltd</b> 'Mercieca', John F. Kennedy Square, Victoria Gozo VCT 2580	Tel: 2155 3892	
<b>MFSP Financial Management Ltd</b> 220 Immaculate Conception Str., Msida MSD 1838	Tel: 2133 2200 www.mfsp.com.mt	Fax: 2132 2190
<b>Michael Grech Financial Investment Services Ltd</b> The Brokerage, St Marta Street, Victoria Gozo VCT 2550	Tel: 2155 4492 www.michaelgrechfinancial.com	Fax: 2155 9199
<b>MZ Investment Services Ltd</b> 55, MZ house, St Rita Street Rabat RBT 1523	Tel: 2145 3739 www.mzinvestments.com	Fax: 2145 3407
<b>W &amp; J Coppini Investment Services Ltd</b> 144, Tower Road, Sliema SLM 1604	Tel: 2134 5412	Fax: 2134 4972



# ANNEX 2 – SPECIMEN APPLICATION FORM

## Tigné Mall p.l.c.

**Combined Offering**  
56,400,000 Ordinary Shares at €0.50 per Ordinary Share

Application Number \_\_\_\_\_

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

### APPLICANT (see notes 3 to 7)

**A**  Non-Resident  Minor (under 18)  Body Corporate/ Body of Persons  CIS - Prescribed Fund  MIDI p.l.c. Shareholder

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

ADDRESS

POSTCODE

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

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

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

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

### D MINOR'S PARENTS / LEGAL GUARDIAN/S (see note 5) (to be completed ONLY if the Applicant is a minor)

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

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

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

NUMBER OF ORDINARY SHARES IN FIGURES NUMBER OF ORDINARY SHARES IN WORDS

Ordinary Shares in Tigné Mall p.l.c. (minimum 2,000 Ordinary Shares and in multiples of 100 Ordinary Shares thereafter) or any smaller number of Ordinary Shares for which this Application may be accepted at the Share Price as defined in the Prospectus (dated 20 March 2013) payable in full upon application under the terms and conditions as defined in the said Prospectus and subject to the Memorandum and Articles of Association of Tigné Mall p.l.c.

AMOUNT PAYABLE  
€

### F DIVIDEND & REFUND MANDATE (see note 12) (completion of this field is mandatory)

BANK BRANCH ACCOUNT NUMBER

**G** I/We have fully understood the instructions for completing this Application Form, and am/are making this Application solely on the basis of the Prospectus dated 20 March 2013 and subject to its terms and conditions which I/we fully accept. Furthermore, I/we confirm that this is the only Application Form I/we am/are submitting on my/our behalf or on behalf of the company or other entity I/we represent.

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

Date

FINANCIAL INTERMEDIARY'S STAMP

FINANCIAL INTERMEDIARY'S CODE

## Notes on how to complete this Application Form and other information

The following notes are to be read in conjunction with the Prospectus (dated 20 March 2013)

1. This Application is governed by the Terms and Conditions of Application contained in the Prospectus dated 20 March 2013 (the "Prospectus"). Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.
2. This Application Form is to be completed in BLOCK CHARACTERS.
3. Applicants are to insert full personal details in Panel B. In the case of an Application by more than one person (including husband and wife) full details of all individuals - including I.D. Card Numbers - must be given in Panels B and C **but the person whose name appears in Panel B shall, for all intents and purposes, be deemed to be the registered holder of the Shares. Dividends, if any, will be issued in the name of the person who appears in Panel B to the account number, which must be an account number with a local bank held in Euro, indicated by the Applicant in Panel F.**
4. Applicants who are Non-Resident in Malta for tax purposes, must indicate their passport number in Panel B and the relative box in Panel A must also be marked appropriately. Applications must be accompanied by the corresponding amount in euro of the Ordinary Shares applied for.
5. In the case of an Applicant who is a minor, the word 'minor' must be indicated in Panel B next to the Applicant's name and the relative box in Panel A must also be marked. A Public Registry birth certificate must be attached to the Application Form. (The birth certificate is not required if the minor already holds securities which are listed on the Malta Stock Exchange (MSE)). The Application Form must be signed by both parents or by the legal guardian/s. (Any refund or dividend will be payable to the parent / legal guardian named in Panel DI until such time as the Company is notified that the minor named in Panel B has attained the age of 18). The address to be inserted in Panel B is to be that of the parents / legal guardian/s.
6. In the case of a body corporate, the name of the entity, exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.
7. **APPLICANT/S WHO ALREADY HOLD SECURITIES ON THE MALTA STOCK EXCHANGE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANT/S ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MALTA STOCK EXCHANGE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MALTA STOCK EXCHANGE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF.**
8. Applications must be for a minimum of 2,000 Ordinary Shares and thereafter in multiples of 100 Ordinary Shares.
9. Payment in Euro may be made by cheque payable to 'The Registrar - Tigné Mall p.l.c. Combined Offering'. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Company and the Registrar reserve the right to invalidate the relative Application.
10. Subscription lists will open at 08:30 hours on 15 April 2013 and will close at 16:00 hours on 19 April 2013. The Company reserves the right, however, to close the Combined Offering before the 19 April 2013 in the event of over-subscription. Any Applications received by the Registrar after the subscription lists close will be rejected. Completed Application Forms submitted by MIDI p.l.c. Shareholders, need to reach the Registrar by latest 12:00 hours on 12 April 2013. The relative box in Panel A must also be marked appropriately.
11. This Application Form duly completed is to be delivered to the offices of the Company, the Registrar or any Financial Intermediary listed in Annex 1 of the Securities Note, during normal office hours. Remittances by post are made at the risk of the Applicant and the Company disclaims all responsibility for any such remittances not received by the closing of the subscription lists.
12. If any Application is not accepted or is accepted for fewer Ordinary Shares after the closure of the subscription lists, than those applied for, the monies or the balance of the amount paid but not allocated as the case may be, will be returned by direct credit into the bank account as indicated in Panel F.
13. The Company reserves the right to refuse any Application which appears to be in breach of the terms and conditions of the Combined Offering as contained in the Prospectus dated 20 March 2013.
14. By completing and delivering an Application Form you (as the Applicant(s)):
  - a) acknowledge that the Company may process the personal data that you provide in the Application Form in accordance with the Data Protection Act 2001;
  - b) acknowledge that the Company may process such personal data for all purposes necessary for and related to the Ordinary Shares applied for; and
  - c) acknowledge that you, as the Applicant, have the right to request access to and rectification of the personal data relating to you, as processed by the Company. Any such requests must be made in writing and sent to the Company at the address indicated in the Prospectus. The request must be signed by yourself, as the Applicant to whom the personal data relates.

**The value of investments can go up or down and past performance is not necessarily indicative of future performance. An investor should consult an independent investment adviser, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.**