

Dated 6 October 2014

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

## Summary Note

in respect of an Offer of:

**€30,000,000 5% Secured Bonds 2024**  
of a nominal value of €100 per Bond issued at par

by

### HAL MANN VELLA GROUP P.L.C.

(A public limited liability company registered in Malta  
with company registration number C 5067)

For a description of the security in respect of the Bonds, see section C.8 of this Summary Note.

Registrar



Malta Stock Exchange plc

Security Trustee



FJV FIDUCIARY LTD

Sponsor

**CHARTS**  
WEALTH MANAGEMENT • CORPORATE BROKING

Legal Counsel

**ÆQUITAS**   
LEGAL

APPROVED BY THE DIRECTORS

Vincent Vella

Joseph Vella

Mark Vella

Martin Vella

Arthur Galea  
Salomone

William Van  
Buren

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# IMPORTANT INFORMATION

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

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

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

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

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

ALL THE ADVISORS TO THE ISSUER HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION OR RESPONSIBILITY TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

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

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This Summary Note is prepared in accordance with the requirements of the Regulation, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014.

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

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

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

<b>Act</b>	the Companies Act (Cap. 386 of the Laws of Malta);
<b>Applicant/s</b>	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
<b>Application/s</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar or to any of the Authorised Financial Intermediaries;
<b>Application Form</b>	the form of application of subscription for Bonds, a specimen of which is contained in Annex II of the Securities Note;
<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex I of the Securities Note;
<b>Bond(s) or Secured Bond(s)</b>	the €30 million bonds due 2024 of a face value of €100 per bond redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 5% per annum, as detailed in the Securities Note;
<b>Bond Offer or Offer</b>	the issue of the Bonds;
<b>Bond Offer Price</b>	the price of €100 per Bond;
<b>Bondholder</b>	a holder of Bonds;
<b>Business Day</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;

<b>Collateral or Security Interests</b>	<p>(i) the first-ranking general hypothec to be constituted by the Company in favour of the Trustee, over all its assets present and future, for the amount of €30,000,000 (thirty million Euro), interest thereon and any other amounts due under the Bonds;</p> <p>(ii) the first-ranking special hypothec to be constituted by the Company in favour of the Trustee over the Hal Mann factory, showroom and adjacent land, measuring <i>circa</i> 22,300m<sup>2</sup> and situated in Hal Mann Road, Lija, for the amount of €30,000,000 (thirty million Euro), interest thereon and any other amounts due under the Bonds;</p> <p>(iii) the first-ranking general hypothec to be constituted by the Guarantor in favour of the Trustee, over all its assets present and future, for the amount of €30,000,000 (thirty million Euro), interest thereon and any other amounts due under the Bonds;</p> <p>(iv) the first-ranking special hypothec to be constituted by the Guarantor in favour of the Trustee:</p> <p>(a) over a plot of land measuring <i>circa</i> 5,200m<sup>2</sup> forming part of Hal Mann and situated in Pantar Road, Lija; and</p> <p>(b) over 50% (being the portion owned by the Guarantor) of a warehouse complex (known as 'Il-Binja il-Gdida') consisting of a two-storey development with an underlying two storey parking area, having a footprint of <i>circa</i> 1,200m<sup>2</sup> and situated in Pantar Road, Lija;</p> <p>for the amount of €30,000,000 (thirty million Euro), interest thereon and any other amounts due under the Bonds;</p>
<b>CSD</b>	the Central Securities Depository of the Malta Stock Exchange established pursuant to Chapter 4 of the Malta Stock Exchange Bye-Laws, having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
<b>Deed of Hypothec</b>	a deed to be entered into by and between the Trustee and the Issuer in the acts of Notary Anthony Abela whereby the Issuer constitutes the Collateral in favour of the Trustee;
<b>Directors or Board</b>	the directors of the Company whose names and addresses are set out in the Registration Document;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Guarantee</b>	the joint and several suretyship granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Bonds, subject to the terms and conditions contained in the Security Trust Deed and as the same is held on trust for the benefit of the Bondholders by the Security Trustee;
<b>Guarantor</b>	Sudvel Limited, a private company registered under the laws of Malta with company registration number C 35806 and having its registered office at St Mary House, St Philip Street, Mgarr MGR 1373, Malta;
<b>Hal Mann Vella Group or Group</b>	Hal Mann Vella Group p.l.c. and any company or entity in which Hal Mann Vella Group p.l.c. has a controlling interest, as further described in the Registration Document;
<b>Hypothecated Property</b>	<p>(i) the officially unnumbered immovable property known as the Halmann Factory and Showroom which together with adjacent land covers a global area of <i>circa</i> 27,500m<sup>2</sup>. Part of the aforesaid property which has a footprint of <i>circa</i> 22,300m<sup>2</sup> is owned by the Company. An adjacent parcel of land is the property of the Guarantor and measures <i>circa</i> 5,200m<sup>2</sup>. Both properties, forming a combined property, are located at a corner formed between Pantar Road, Lija, and the junction between Valletta Road, Mosta, and Mosta Road, Lija, and are hence variably referred to as in the Limits of Lija or the Limits of Mosta. The combined property is bounded on the north by property of the Government of Malta, held on encroachment by the Group from the Government of Malta, which property is then bounded on the north by Valletta Road, Mosta. On the East and North East, the combined property is bounded by Hal-Mann Road and on the West by Pantar Road; and</p> <p>(ii) 50% (being the portion owned by the Guarantor) of the warehouse complex situated in Pantar Road, Lija, having a footprint of approximately 1,200m<sup>2</sup> which consists of a large parking/storage area at lower basement level, warehouses at ground floor level and offices at first floor level;</p>
<b>Interest Payment Date</b>	6 November of each year between and including each of the years 2015 and 2024, provided that if any such day is not a Business Day such Interest Payment Date will be carried over to the next following day that is a Business Day;
<b>Issue Date</b>	17 November 2014;

<b>Issuer or Company</b>	Hal Mann Vella Group p.l.c., a company registered under the laws of Malta with company registration number C 5067 and having its registered office at The Factory, Mosta Road, Lija LJA 9016, Malta;
<b>Listing Authority</b>	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
<b>Listing Rules</b>	the listing rules of the Listing Authority;
<b>Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
<b>Memorandum and Articles of Association</b>	the memorandum and articles of association of the Issuer in force at the time of publication of the Prospectus;
<b>MFSA</b>	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
<b>Offer Period</b>	the period between 27 October 2014 to 31 October 2014 during which the Bonds are on offer;
<b>Official List</b>	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
<b>Placement Agreement</b>	the agreement between the Sponsor and the Issuer to subscribe for Bonds in accordance with the Securities Note for the purpose of distributing to or placing with their underlying customers and other financial intermediaries any portion of the Bonds;
<b>Prospectus</b>	collectively the Registration Document, Securities Note and this Summary Note;
<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
<b>Redemption Date</b>	6 November 2024;
<b>Redemption Value</b>	the nominal value of each Bond (€100 per Bond);
<b>Registration Document</b>	the registration document issued by the Issuer dated 6 October 2014, forming part of the Prospectus;
<b>Regulation</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 as regards to regulatory technical standards for publication of supplements to the prospectus;
<b>Securities Note</b>	the securities note issued by the Issuer dated 6 October 2014, forming part of the Prospectus;
<b>Security Trust Deed or Trust Deed</b>	the trust deed signed between the Company, Guarantor and the Security Trustee dated 6 October 2014;
<b>Security Trustee or Trustee</b>	FJV Fiduciary Ltd having its registered office at FJVA Business Centre, Industry Street, Qormi QRM 3000, Malta;
<b>Sponsor</b>	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
<b>Summary Note</b>	this document in its entirety;
<b>Terms and Conditions</b>	the terms and conditions of the Bond Offer as contained in the Securities Note;
<b>Trust Property</b>	the rights attaching to and emanating from the Trust Deed and the benefit of the security created by virtue of the Security Interests for the benefit of Bondholders.



## SECTION A INTRODUCTION AND WARNINGS

A.1 Prospective investors are hereby warned that:

- i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer and the securities being offered pursuant to this document. This part is merely a summary and therefore should only be read as an introduction to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the securities described in this document. Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor;
- ii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before legal proceedings are initiated; and
- iii. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, and who applied for its notification, but only if the summary, when read together with the other parts of the Prospectus: is misleading, inaccurate or inconsistent; or does not provide key information in order to aid investors when considering whether to invest in such securities.

A.2 Consent required for use of the Prospectus during the Offer Period: prospective investors are hereby informed that:

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

## SECTION B ISSUER

- B.1 The legal and commercial name of the Issuer is Hal Mann Vella Group p.l.c. (registration number C 5067). The legal and commercial name of the Guarantor is Sudvel Limited (registration number C 35806).
- B.2 The Issuer was registered in Malta in terms of the Act on 1 July 1980 as a private limited liability company and was converted to a public limited liability company on 12 April 2014. The Issuer is domiciled in Malta. The Guarantor was registered in Malta as a private limited liability company in terms of the Act on 8 March 2005, and is domiciled in Malta.
- B.4b The Issuer is the parent company of the Hal Mann Vella Group that is principally engaged in the ownership of a diverse portfolio of business entities involved in: the supply of natural stone, manufacture of terrazzo tiles and pre-cast elements, general contracting services, hotel operations, property development and letting, and fashion retailing. The Issuer is therefore dependent on the business prospects, operating results and financial position of the operating companies within the Group.

The Guarantor was incorporated to provide advisory and management services to other companies. It has not commenced such activity to date, but has principally acted as a holding company. The Guarantor owns the following properties: a plot of land measuring *circa* 5,200m<sup>2</sup> forming part of the Hypothecated Property and on which it is intended to construct a mixed use commercial building having *circa* 14,000m<sup>2</sup> of rentable space; 50% ownership of a warehouse complex (known as 'Il-Binja l-Gdida'), forming part of the Hypothecated Property, consisting of a two-storey development with an underlying two storey parking area having a footprint of *circa* 1,200m<sup>2</sup>. The property, other than the basement level, is leased to third parties tenants; and two other parcels of land located in Naxxar and Lija.

The offering of Bonds by the Issuer pursuant to the Securities Note will be made with the benefit of the joint and several corporate guarantee of the Guarantor. In this respect, the level of recoverability by the Bondholders of any amounts due under any of the Bonds from the Guarantor will be limited to the extent of its operations and assets as described above.

The Hal Mann Vella Group's strategy for the foreseeable future is to continue to develop its assets with a view to realising and maximising its financial potential.

The manufacturing, products and general contracting services segment is directly correlated to the construction industry in Malta which, in general, has been going through a slow period in the past few years. However, given that the Group is an important supplier of stone, marble and other products in the infrastructure sector in Malta, it is expected that the Group will continue to be involved, whether directly as contractors or indirectly as sub-contractors, in most of the major projects in Malta. Furthermore, the Group aims to maintain or improve its market position in this sector through research and development of new products, such as the recently developed Terraslik. The Directors believe that this product will compete well in the market as a result of its improved qualities of reduced permeability.

Internationally, the economic environment remains difficult and therefore competition is expected to continue to be particularly intense. In the current financial year, the Group has concluded a contract to be executed outside Malta and which has a value of €2.2 million. The Directors believe that with the modernisation of the factory, the Group will be better positioned to tender for international contracts, as its offerings are enhanced and improvements materialise in production throughput and final quality of product.

The sale of units at the Northport Apartments has been progressing in line with the Group's projections. As to the villas at Madliena Ridge, construction is nearing completion and 70% of villas have already been sold. Given that the apartments and villas have been finished to meticulous and high standards, the Directors are confident that all units will be sold in due time.

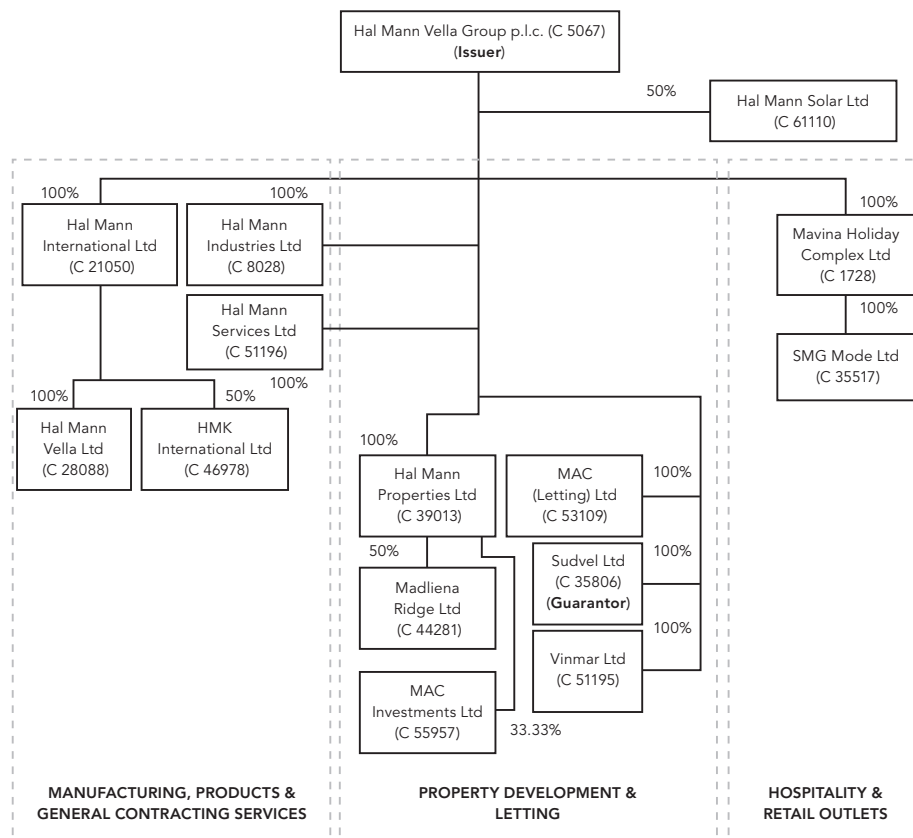
As to Spinola Residence, the apartments are fully occupied and therefore management is primarily involved in the property's upkeep. It is the intention of the Group to place a number of such apartments on the market for sale in the near term.

The Group plans to renovate the Mavina Hotel, which should enable the property to improve average room rates once it re-opens for business. Management has not been particularly active in the operation and marketing of the hotels, but this is set to change once the project is complete. Although income from hospitality will remain modest as compared to Group turnover, the Directors expect such operations to yield more positive results and contribute to overall profitability.

In general, the retail market in Malta is subject to stiff competition, both from local retailers as well as from online sales (through the internet). Notwithstanding this generic view, particular brands are performing better than others and continue to be sought after. Given that both Guess and Brooks Brothers are two of the top international brands in quality apparel, the Directors are confident that the Group's outlets can compete well for a share of the retail market in Malta.

The future performance of the Guarantor will depend on the development of the circa 14,000m<sup>2</sup> mixed use commercial property in Lija and its subsequent leasing to third parties once the property is complete.

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



- B.9 Not Applicable: the Registration Document forming part of the Prospectus does not contain any profit forecasts or estimates.
- B.10 Not Applicable: the audit reports on the audited financial statements of each of the Issuer and Guarantor for the years ended 31 December 2011, 2012 and 2013 do not contain any qualifications.
- B.12 The annual statutory financial statements of the Issuer and Guarantor for the financial years ended 31 December 2011, 2012 and 2013, as audited by HLB Falzon & Falzon, together with the unaudited financial statements for the six month period ended 30 June 2014 of the Issuer and Guarantor, are available at the registered office of the Issuer.

The remaining components of Element B.12 are not applicable, given that:

- there has been no material adverse change in the prospects of the Issuer and Guarantor since the date of their last published audited financial statements; and
- there were no significant changes in the financial or trading position of the Issuer and Guarantor since the end of the financial period to which the last published audited financial statements relate.

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

**Hal Mann Vella Group p.l.c.**

<b>Consolidated Income Statement for the years ended 31 December (Audited)</b>	<b>2013 (€'000)</b>	<b>2012 (€'000)</b>	<b>2011 (€'000)</b>
Revenue	13,156	13,684	12,461
EBITDA	1,273	1,106	1,090
Change in fair value of investment property	5,946	-	-
Profit after tax	5,840	570	480

**Hal Mann Vella Group p.l.c.**

<b>Consolidated Balance Sheet as at 31 December (Audited)</b>	<b>2013 (€'000)</b>	<b>2012 (€'000)</b>	<b>2011 (€'000)</b>
<b>ASSETS</b>			
Non-current assets	41,625	32,479	28,514
Current assets	18,925	22,334	22,935
<b>Total assets</b>	<b>60,550</b>	<b>54,813</b>	<b>51,449</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>	<b>28,078</b>	<b>22,023</b>	<b>19,583</b>
<b>Liabilities</b>			
Non-current liabilities	10,474	16,949	15,480
Current liabilities	21,998	15,841	16,386
<b>Total liabilities</b>	<b>32,472</b>	<b>32,790</b>	<b>31,866</b>
<b>Total equity and liabilities</b>	<b>60,550</b>	<b>54,813</b>	<b>51,449</b>



Hal Mann Vella Group p.l.c. Consolidated Income Statement for the six month period ended 30 June (Unaudited)	2014 (€'000)	2013 (€'000)
Revenue	6,697	5,762
EBITDA	275	248
(Loss)/profit after tax	(203)	42

Hal Mann Vella Group p.l.c. Consolidated Balance Sheet as at (Unaudited)	30/06/14 (€'000)	31/12/13 (€'000)
<b>Total assets</b>	<b>61,452</b>	<b>60,550</b>
Equity	27,875	28,078
Liabilities	33,577	32,472
<b>Total equity and liabilities</b>	<b>61,452</b>	<b>60,550</b>

Sudvel Limited For the years ended 31 December (Audited)	2013 (€)	2012 (€)	2011 (€)
Profit/(loss) for the year	26,287	(1,672)	(928)
Total assets	9,233,544	9,157,291	9,157,319
Total shareholders' funds	7,504,890	7,478,603	7,480,275

Sudvel Limited Balance Sheet as at (Unaudited)	30/06/14 (€'000)	31/12/13 (€'000)
<b>Total assets</b>	<b>9,265</b>	<b>9,234</b>
Equity	7,531	7,505
Liabilities	1,734	1,729
<b>Total equity and liabilities</b>	<b>9,265</b>	<b>9,234</b>

B.13 Not Applicable: neither the Issuer nor the Guarantor are aware of any recent events which are to a material extent relevant to the evaluation of their solvency.

B.14 The principal object of the Issuer is the carrying on of the business of a finance and investment company and for the financing or re-financing of the funding requirements of the business of the Hal Mann Vella Group. The Guarantor principally acts as a property holding company. Accordingly both the Issuer and the Guarantor are economically dependent on the operations and performance of the Group's operating companies within the manufacturing, products & general contracting services segment which generate approximately 80% of the Group's annual turnover. The other business segments of the Group include property development & letting; hotel operations; and management of retail outlets.

B.15 As at the date of the Prospectus, the Issuer is the holding company of the Group. In terms of the Memorandum and Articles of Association of the Issuer the main objects of the Issuer include, *inter alia*: acting as a finance and investment company in connection with the ownership, development, operation and financing of the business activities of the Issuer's subsidiaries, joint ventures and/or associated companies. Clause 3 of the Memorandum of Association contains the full list of objects of the Company. The Guarantor was incorporated to provide advisory and management services to other companies. As at the date of this Summary Note, the Guarantor has not commenced such activity but has acted principally as a holding company.

B.16 The authorised share capital of the Issuer is €5,000,000. The issued share capital is €4,999,820 divided into 4,999,820 ordinary shares of €1 each, fully paid up. The share capital is subscribed to by Vincent Vella and Mary Vella as to 299,285 ordinary shares each and the remaining ordinary shares are equally divided amongst their seven children (each holding 628,750 shares, equivalent to 12.58% of the issued share capital).

The authorised and issued share capital of the Guarantor is €1,164.69 divided into 500 ordinary shares of €2.329373 each, fully paid up and is subscribed to by the Issuer.

- B.17 Not Applicable: the Issuer has not sought the credit rating of an independent rating agency, and there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.
- B.18 For the purposes of the Guarantee, the Guarantor stands surety jointly and severally with the Issuer and guarantees the due and punctual performance of all the obligations undertaken by the Issuer in terms of such Issue. Accordingly, until such time as Bonds remain in issue, the Guarantor undertakes to pay any amounts of principal and interest which become due and payable by the Issuer to Bondholders under the Bonds but which remain unpaid by the Issuer for more than 60 days from due date. In such cases the Guarantor would be under an obligation to pay to the Bondholders, upon demand - and without the necessity of action first being taken by Bondholders against the Issuer itself - the amount due and payable by the Issuer to such Bondholders. The Guarantor's obligations under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

## SECTION C SECURITIES

- C.1 The Issuer shall issue an aggregate of €30 million in Bonds having a face value of €100 per bond, subject to a minimum subscription of €2,000 in Bonds. The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading the Bonds will have the following ISIN number MT0000811209. The Bonds shall bear interest at the rate of 5% per annum and shall be repayable in full upon maturity unless they are previously re-purchased and cancelled.
- C.2 The Bonds are denominated in Euro (€).
- C.5 The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
- C.8 There are no special rights attached to the Bonds other than the right of the Bondholders to payment of capital and interest and in accordance with the below described guarantee and ranking.

The offering of Bonds by the Issuer pursuant to the Securities Note will be made with the benefit of the joint and several corporate guarantee of the Guarantor. The guarantee is unconditional and shall cover all payments that may be due to holders of the Bonds, including any amount of interest or capital under the Bonds that may have become due under the terms of issue of a Bond.

Ranking: The Bonds are debt obligations of the Issuer secured by a first-ranking general hypothec over the assets of the Company and Guarantor, and also by a first-ranking special hypothec over the Hypothecated Property. The Bonds shall rank equally as between themselves.

Agreement has been reached between the Issuer and Bank of Valletta p.l.c. ("**BOV**") for the latter to cancel all hypothecary rights registered in its favour as security for advances made available to the Group. The hypothecary rights are registered over the Hal Mann factory, showroom and adjacent land, measuring *circa* 22,300m<sup>2</sup> and situated in Hal Mann Road, Lija. The cancellation of the hypothecary rights arising in favour of BOV shall take place after the Bond Offer and upon receipt by BOV of the total amount outstanding, estimated at €7.3 million.

Agreement has also been reached between the Issuer and HSBC Bank (Malta) p.l.c. ("**HSBC**") for the latter to cancel all hypothecary rights registered in its favour as security for advances made available to the Group. The hypothecary rights are registered over a plot of land measuring *circa* 5,200m<sup>2</sup> forming part of Hal Mann and situated in Pantar Road, Lija, and 50% of a warehouse complex (known as 'Il-Binja il-Gdida') located in Pantar Road, Lija. The cancellation of the hypothecary rights arising in favour of HSBC shall take place after the Bond Offer and upon receipt by HSBC of the total amount outstanding, estimated at €6.4 million.

The Hypothecated Property shall thereafter be unencumbered and without any charges registered over the Hypothecated Property. Pursuant to the Trust Deed, the Issuer and the Guarantor have agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as beneficiaries, a special hypothec over the Hypothecated Property and a general hypothec over all their assets, present and future.

Accordingly, following the issue of the Bonds and application of the proceeds as set out above, the Trustee will for the benefit of the Registered Beneficiaries have the benefit of a special hypothec over the Hypothecated Property for the full amount of €30 million and interests thereon in addition to the general hypothec over all the assets, present and future of the Company and Guarantor for the full amount of €30 million and interests thereon.

- C.9 The Bonds shall bear interest from and including 7 November 2014 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 6 November 2015. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 6 November 2024.

The gross yield calculated on the basis of the Interest, the Bond Offer Price and the Redemption Value of the Bonds at Redemption Date, is five per cent (5%).

The remaining component of Element C.9 is not applicable, given that no representative of debt security holders has been appointed.

C.10 Not Applicable: there is no derivative component in the interest payments on the Bonds.

C.11 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 6 October 2014. Application has been made to the MSE for the Bonds being issued, pursuant to the Prospectus, to be listed and traded on the Official List. The Bonds are expected to be admitted to the MSE with effect from 17 November 2014 and trading is expected to commence on 18 November 2014.

## SECTION D RISKS

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

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

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

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

A. Risks relating to the Issuer:

i. The Issuer’s business is that of a holding company and as such, its assets include immovable property and loans issued to Group companies. Consequently, the Issuer is largely dependent on income derived from the lease of its immovable property to Group companies and receipt of interest and loan repayments from Group companies to service interest payments on the Bonds and repay the principal on maturity date.

B. Risks relating to the Guarantor:

i. The Guarantor is a property holding company. As property is a relatively illiquid asset, such illiquidity may affect, amongst others, the Guarantor’s ability to vary its portfolio or dispose of or liquidate part of its portfolio and such factors could have an adverse effect on the Guarantor’s financial condition and results.

ii. The Guarantor plans to construct a mixed-use commercial property, which project is susceptible to specific risks. If any of the risks were to materialise, they would have an adverse impact of the Guarantor’s results and cash flows.

iii. The Guarantor is susceptible to adverse economic developments and trends.

iv. The Guarantor is dependent on tenants fulfilling their obligations under their lease agreements. The business, revenue and projected profits of the Guarantor would be negatively impacted if tenants fail to honour their respective lease obligations.

C. Risks relating to the manufacturing, products and general contracting services segment of the Group:

i. The Group’s products are used mainly in the construction sector. The cyclicity of the construction sector together with its dependence on economic activity could have a negative impact on the Group’s financial results and the profitability of its operations.

ii. The Group is reliant on its supply chain, in particular, in relation to the supply of high performance cements, marble and granite aggregates, and natural stones. The failure of one or more suppliers to deliver high quality materials on a timely basis could damage the reputation of the Group in its market and increase the cost of manufacturing, products and general contracting services, thereby causing the Group to delay delivery requirements on contractual commitments with customers. Such supplier failure and additional costs could have a material adverse effect on the Group’s business and results of operations.

iii. The Group relies on strategic relationships with other entities, such as contractors, joint venture arrangements, suppliers and business partners, for its involvement in third party projects. Any failure by the Group and/or the Group’s business partners to perform their obligations may lead to a delay in the execution of assigned projects. It is also possible that disputes with such partners may arise or that the interests of the Group and its joint venture partners may not be aligned. There can be no guarantee that such issues will not have adverse consequences for the Group. Furthermore, failure to maintain these relationships may have a material and adverse effect on the Group’s financial condition and operations.

- iv. The Group is associated with high product quality and is an important reason why customers buy products from the Group. In certain projects, the Group undertakes to source directly third party finished products. The inadvertent supply of defective or inferior products by the Group to their customers could have a material adverse effect on the Group's business, results of operations and overall financial position.
  - v. The Group's production is currently concentrated in one location. If the manufacturing facilities are critically damaged or impaired this could severely reduce or suspend the Group's production capacity for an extended time period. The production of the Group's products is an industrial process that requires specialised equipment and which may be subject to break-downs and other problems. Any disruption in production equipment and capacity could have a material adverse effect on the Group's business, financial condition and operating results.
- D. Risks relating to the property development segment of the Group:
- i. The Group is involved in the acquisition, development, management and letting of real estate projects and properties in Malta. Property development projects are subject to a number of specific risks inherent in this field. If these risks were to materialise, they would have an adverse impact on the Group's revenue generation, cash flows and financial performance.
  - ii. Property values are affected by and may fluctuate, *inter alia*, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The Group's operating performance could be adversely affected by a downturn in the property market in terms of capital values.
  - iii. The Group is subject to various counter-party risks. If such risks were to materialise, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.
  - iv. Property is a relatively illiquid asset and therefore such illiquidity may have an adverse effect on the Group's financial condition and results.
- E. Risks relating to the hospitality segment of the Group:
- i. The Group's hotel operations and the results thereof are subject to a number of external factors that could adversely affect the Group's business, many of which are common to the hotel industry and beyond the Group's control. The impact of any of these factors (or a combination of them) may adversely affect room rates and occupancy levels at the Group's hotels, or otherwise cause a reduction in the Group's income, which would have a material adverse effect on the Group's business, financial condition and results of operations.
- F. Risks relating to the apparel segment of the Group:
- i. The Group's apparel business is presently focused on the Guess brand which has been marketed in Malta for the past nine years. In addition the Group has this year introduced to the local market the brand 'Brooks Brothers'. There can be no assurance that projected sales will be achieved and any shortfall in sales would have an adverse impact of the Group's revenue generation, cash flows and financial performance. A termination of either the Guess franchise or the Brooks Brothers franchise would have an adverse effect on the Group's operations and income.
  - ii. The apparel industry is subject to rapidly evolving fashion trends and shifting consumer demands. Adverse factors could result in decreased sales volume and lower product margins, and could have a material adverse effect on the Group's results of operations.
- G. Other risks:
- i. The loss of key personnel could have an adverse effect on the Group's business, financial condition and results of operations as the Group might not be able to replace the individual within a reasonable period of time.
  - ii. The Group's current debt to equity ratio may hinder the Group's ability to procure additional financing for any new investments.
  - iii. Pursuant to the Bond Offer, the Group will undertake the modernisation of the factory, the construction of a mixed-use commercial property and the renovation of the Mavina Hotel. Each of the aforesaid projects are susceptible to specific risks. If any of the risks were to materialise, they would have an adverse impact of the Group's results and cash flows.
  - iv. The Group's fixed operating expenses are not easily reduced to react to changes in its revenue by reducing its operating expenses, which could have a material adverse effect on its business, financial condition and results of operations.
  - v. The failure to comply with present or future environmental and/or health and safety laws and regulations could result in regulatory action, the imposition of fines or third party claims which could in turn have a material adverse effect on the Group's results of operation, its financial condition and/or its reputation.

- vi. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses, regardless of the cause, nor can any assurance be given that an appropriate coverage would always be available at acceptable commercial rates.
- vii. Significant competition and changes in economic and market conditions could adversely affect the Group's business and operating results. There can be no assurance that the Group will successfully maintain its market share in each of its businesses in the future.
- viii. The Group is exposed, in the case of certain transactions not denominated in Euro, to foreign currency risk. Fluctuations in foreign currency exchange rates could negatively affect the results of the Group and have a material adverse effect on its business, results of operations, financial condition or prospects.

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

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

- i. the effectiveness of the guarantee is dependent upon the Guarantor's financial strength. The Guarantor has a limited operating history and its business is intimately related to that of the Issuer and the Hal Mann Vella Group. Therefore the operating results of the Issuer and the Group have a direct effect on the Guarantor's financial position;
- ii. the existence of an orderly and liquid market for the Bonds depends on a number of factors. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Offer Price or at all;
- iii. investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds;
- iv. a Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different;
- v. no prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time;
- vi. notwithstanding that the Bonds constitute the general, direct, unconditional and secured obligations of the Issuer and Guarantor, and shall rank with preference and priority, over any unsecured debt of the Issuer and Guarantor, if any, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of each of the Issuer and Guarantor which may rank with priority or preference to the Security Interests;
- vii. in the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Offer it shall call a meeting of Bondholders. The provisions relating to meetings of Bondholders permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority;
- viii. the Terms and Conditions of this Bond Offer are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

## SECTION E OFFER

- E.2b The proceeds from the Bond Offer, which net of Bond Offer expenses are expected to amount to approximately €29.3 million, will be used by the Issuer for the following purposes, in the following amounts and order of priority: (i) the first €13.7 million of the proceeds from the Bond Offer will be used to refinance bank borrowings described in Element C.8 of this Summary Note; (ii) the aggregate amount of *circa* €5 million shall be used for funding the complete modernisation of the Hal Mann Vella factory and investment in new plant and machinery; (iii) the amount of *circa* €7 million shall be applied towards the costs of construction and development of a mixed used commercial property in Pantar Street, Lija. The project will consist of a three floor building above street level occupying a footprint of *circa* 3,600m<sup>2</sup>; and (iv) any remaining balance of the net Bond Offer proceeds will be used for general corporate funding purposes of the Group and/or further reducing the corporate indebtedness of the Group.
- E.3 The Bonds are open for subscription by all categories of investors, including Authorised Financial Intermediaries either for their own account or on behalf of clients, and the general public. On 3 October 2014, the Issuer entered into a conditional placement agreement with the Sponsor, Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, for the subscription of €20 million of the Bonds by the Sponsor on 24 October 2014. All other Applicants may subscribe for Bonds by submitting an Application Form, subject to a minimum application of €2,000 and in multiples of €100 thereafter.



Following the allocation of €20 million to Charts Investment Management Service Limited pursuant to the conditional placement agreement referred to in the preceding paragraph, the Issuer shall allocate the remaining Bonds to Applications submitted by members of the general public without priority or preference amongst themselves and in accordance with the allocation policy as determined by the Issuer and the Registrar.

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

1. General

Each Bond forms part of a duly authorised issue of 5% Secured Bonds 2024 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €30 million.

2. Form, Denomination and Title

The Bonds will be issued in fully registered form, without interest coupons, in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €2,000 per individual Bondholder. Authorised Financial Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €2,000 to each underlying client. Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided in the Securities Note.

3. Redemption and Purchase

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on the Redemption Date. Subject to the provisions of this paragraph, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.

4. Interest and Yield

The Bonds shall bear interest at the rate of 5% per annum payable annually on 6 November of each year. Interest shall accrue as from 7 November 2014. The first Interest Payment Date following the issuance of this Prospectus shall be 6 November 2015. Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day.

The gross yield calculated on the basis of the interest, the Bond Offer Price and the redemption value of the Bonds at Redemption Date, is five per cent (5%).

5. Status of the Notes and Negative Pledge

The Bonds, as and when issued and allotted, shall constitute the general, direct, unconditional and secured obligations of the Issuer and Guarantor, and shall at all times rank *pari passu* without priority or preference among themselves, but with priority or preference over all other unsecured indebtedness of the Issuer and Guarantor, if any.

6. Payments

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

Payment of interest on a Bond will be made in Euro to the person in whose name such Bond is registered as at the close of business fifteen (15) days prior to the Interest Payment Date, by means of a direct credit transfer into such bank account as the Bondholder may designate from time to time. Such payment shall be effected within seven (7) days of the Interest Payment Date.

7. Events of Default

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

8. Transferability of the Bonds

The Bonds are freely transferable and, once admitted to the Official List, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time. All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations. The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require for the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed



in relation thereto, will be borne by the Issuer. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

9. Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further debentures, debenture stock, bonds, loan notes, or any other debt securities, either having the same terms and conditions as any outstanding debt securities of any series (including the Bonds) so that such further issue shall be consolidated and form a single series with the outstanding debt securities of the relevant series (including the Bonds), or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank senior to the Bonds on the Collateral.

10. Meetings of Participation Bondholders

The provisions of the Prospectus may be amended with the approval of the Bondholders at a meeting called for that purpose by the Issuer.

11. Governing Law and Jurisdiction

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

E.4 Save for the subscription for Bonds by Charts Investment Management Service Limited and any fees payable to Charts Investment Management Service Limited in connection with the Bond Offer as Sponsor, so far as the Issuer is aware no person involved in the Bond Offer has an interest material to the Bond Offer.

E.7 Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Offer are estimated to be in the region of €700,000.

## TIME-TABLE

1. Application Forms available	13 October 2014
2. Private Placement date	24 October 2014
3. Offer Period (opening and closing of subscription lists, respectively)	27 October 2014 to 31 October 2014, both days included
4. Commencement of interest on the Bonds	7 November 2014
5. Announcement of basis of acceptance	7 November 2014
6. Expected date of constitution of Security Interests	7 November 2014
7. Refunds of unallocated monies	14 November 2014
8. Expected dispatch of allotment advices	14 November 2014
9. Expected date of admission of the securities to listing	17 November 2014
10. Expected date of commencement of trading in the securities	18 November 2014

The Issuer reserves the right to close the Offer of Bonds before 31 October 2014 in the event of over-subscription, in which case the events set out in steps 5 to 10 above shall be brought forward, although the number of workings days between the respective events shall not also be altered.

