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.

18 September 2015

SUMMARY NOTE

in respect of an Issue of:

€37,000,000 4.5% Unsecured Bonds 2025

of a nominal value of €100 per Bond issued at par by

HILI PROPERTIES P.L.C.

A public limited liability company registered in Malta
with company registration number C 57954
ISIN:- MT0000941204

with the joint and several Guarantee* of

Harbour (APM) Investments Limited and Hili Estates Limited
Both private limited liability companies registered in Malta
with company registration numbers C 58453 and C 20513 respectively

*Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note forming part of this Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in the Registration Document and the Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by Harbour (APM) Investments Limited and Hili Estates Limited (the "Guarantors").

Manager & Registrar	Legal Counsel	Sponsor
BOV Bank of Valletta	GVTH ADVOCATES	CHARTS WEALTH MANAGEMENT ▪ CORPORATE BROKING

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

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

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

IMPORTANT INFORMATION

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

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

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

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

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

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

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

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

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

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

IMPORTANT INFORMATION

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.

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

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

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

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

Act	the Companies Act (Cap. 386 of the Laws of Malta);
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar or to any of the Authorised Financial Intermediaries;
Application Form	the form of application of subscription for Bonds, specimens of which are contained in Annex II of the Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of the Securities Note;
Bond(s)	the €37 million unsecured bonds due 2025 of a face value of €100 per bond redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 4.5% per annum, as detailed in the Securities Note, forming part of the Prospectus. The Bonds are guaranteed jointly and severally by HEL and HIL;
Bond Issue	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Bondholder	a holder of Bonds;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Company or **Issuer**	Hili Properties p.l.c., a company registered under the laws of Malta with company registration number C 57954 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;

CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345, Laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Cut-Off Date	close of business on 11 September 2015 (trading session of 9 September 2015);
Directors or **Board**	the board of directors of the Company is composed of: Margrith Lütschg-Emmenegger, Karl Naudi, Carmelo *sive* Melo Hili, Richard Abdilla Castillo, Victor Tedesco, David Aquilina and Martin Xuereb;
European Countries	countries located within the European Economic Area ('EEA') and the European Union ('EU');
Euro or **€**	the lawful currency of the Republic of Malta;
Exchange, Malta Stock Exchange or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;
Financial Reporting Date	means 30 June and 31 December in each year as from 31 December 2015;
Group or **HP Group**	the Issuer, its subsidiaries and any affiliates;
Guarantee	the joint and several suretyship of the Guarantors undertaking to effect payment of interest and capital repayments of any amount due by the Issuer to any Bondholder and which remain unpaid by the Issuer after 60 days of the due date for payment thereof. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex III thereof;
Guarantors	HEL and HIL;
HEL	Hili Estates Limited, a company registered under the laws of Malta having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta and bearing company registration number C 20513;
HIL	Harbour (APM) Investments Limited, a company registered under the laws of Malta having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta and bearing company registration number C 58453;
Hili Ventures Group or **HVL**	Hili Ventures Limited, a company registered under the laws of Malta with company registration number C 57902 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta, its subsidiaries and any affiliates;
Hili Ventures Group Bondholders	the holders of 6.8% Premier Capital p.l.c. Bonds 2017-2020 (ISIN: MT0000511205) and 5.1% PTL Holdings p.l.c. Bonds 2024 (ISIN: MT0000841206) as at the Cut-Off Date;
Hili Ventures Group Preferred Applicants	shareholders, directors and employees of any company forming part of the Hili Ventures Group as at the Cut-Off Date;
Interest Payment Date	16 October of each year between and including each of the years 2016 and 2025, 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;
Issue Date	expected on 23 October 2015;
Issue Period	the period between 24 September 2015 to 9 October 2015 (both days included) during which the Bonds are on offer;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules of the Listing Authority;
Memorandum and Articles of Association or **M&As**	the memorandum and articles of association of the Issuer and/or the Guarantors (as may be indicated) in force at the time of publication of the Prospectus;
MFSA	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the Laws of Malta);
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Prospectus	collectively the Registration Document, Securities Note and this Summary Note;
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
Redemption Date	16 October 2025;
Redemption Value	the nominal value of each Bond (€100 per Bond);

Registrar and **Manager**	Bank of Valletta p.l.c. of BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta;
Registration Document	the registration document issued by the Issuer dated 18 September 2015, forming part of the Prospectus;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, 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;
Securities Note	the securities note issued by the Issuer dated 18 September 2015, forming part of the Prospectus;
Sponsor	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
Summary Note	this document in its entirety;
Terms and Conditions	the terms and conditions of the Bond Issue, a summary of which is included in Element E.3.

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

Prospective investors are hereby informed that:

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

   (a) in respect of Bonds subscribed for through the Authorised Financial Intermediaries listed in Annex I of the Securities Note during the Issue Period;
   (b) to any resale or placement of Bonds subscribed for as aforesaid taking place in Malta;
   (c) to any resale or placement of Bonds subscribed for as aforesaid taking place within the period of 60 days from the date of the Prospectus.

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

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

SECTION B: ISSUER AND GUARANTORS

B.1 {B.19} The legal and commercial name of the Issuer is Hili Properties p.l.c. (registration number C 57954). The legal and commercial names of the Guarantors are Harbour (APM) Investments Limited (registration number C 58453) and Hili Estates Limited (registration number C 20513).

B.2 {B.19} The Issuer was registered in Malta in terms of the Act on 23 October 2012 as a private limited liability company and changed its status to a public limited liability company on 22 June 2015. HEL and HIL were registered in Malta in terms of the Act on 30 August 1996 and 4 December 2012 respectively as private limited liability companies. The Issuer and the Guarantors are domiciled in Malta.

B.4b {B.19} The Issuer is a wholly owned subsidiary of Hili Ventures Limited and is the parent company of the property division of the Hili Ventures Group. The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, both locally and overseas.

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

- **European commercial property**

Investors continue to display an increased willingness to explore opportunities across a wide range of geographies and sectors, and investment volumes have remained on an upward trend in many secondary cities and peripheral markets. Given the healthy start to the year, 2015 is set to be another strong year for the investment market, and transaction volumes may approach the levels seen during the 2006/07 market peak. The ECB's QE programme should help to preserve favourable conditions for property investment throughout the year, and the weak Euro will boost the attractiveness of European property prices to many overseas buyers, particularly US Dollar denominated investors.

- **Latvian real estate investment market**

An improving investment climate and positive market expectations contributed to slight yield compression in 2014. The prime yield to industrial properties remained on the 2013 level of 9%, while prime retail and office yields experienced a decline to 7.5% and 7.75% respectively. In 2015, the investment market is expected to remain active with investment volumes remaining on the 2014 level. Office and retail commercial properties will become the main investment focus of 2015, while activity in the mixed-use and residential segment is expected to decrease. Prime yields are expected to remain stable in 2015.

- **Lithuanian real estate investment market**

Market stabilisation during 2013 – 2014, with a decrease of uncertainty and a positive performance by the Lithuanian economy, gradually compressed investment yields. In 2014, prime investment yields in Vilnius ranged between 7.5% (for prime retail and office properties) and 9% (in the industrial segment). Other Lithuanian cities remained quite inactive in terms of investment in real estate due to weak regional economies and lower levels of business concentration. A possible exception is the industrial segment in Kaunas and Klaipeda where several deals were concluded.

After integration with the Euro zone, Lithuania is expected to become even more attractive to investors not only from the usual regions, but also from Western countries. Main investment targets are expected to remain office and retail properties located in Vilnius with strong cash flow and core locations.

- **Estonian real estate investment market**

Notable yield compression by 50 bps was recorded in Estonia in 2014. Low-cost financing, shortage of investment grade properties, positive performance by corresponding sectors, and strengthening demand from both highly capitalised and smaller investors resulted in tougher competition and thus lower prime yield levels.

In 2015, the investment market will continue to be active as investors are well capitalised and are constantly looking for good quality cash flow properties. Willingness to take increased risks can be observed among some investors due to the scarcity of investment grade properties. The office and retail sectors will remain the more favoured by investors, international and local alike. Prime yields are expected to remain stable in 2015.

• **Maltese real estate investment market**

National statistics relating to commercial property in Malta is currently not captured and therefore is more difficult to gauge the health of this sector. Notwithstanding the lack of such data, general business sentiment and the continued drive to promote Malta as a regional hub for the provision of business related services, notably in the financial, i-gaming, back-office services, information technology, aircraft registration and maritime has continued to generate a positive trend in the commercial property sector, in particular office space. In addition, Malta's highly skilled and competitive labour costs have also been vital in sustaining this success. This view is substantiated when assessing the lack of availability of large office and commercial space, as well as, the number of projects earmarked for development and set to commence in the near future.

With regards to the Guarantors, the principal income stream of Hili Estates Limited is derived from contractual agreements with companies forming part of the Hili Ventures Group and other related parties. In view of the long term nature of such leases, Hili Estates Limited is not considered to be unduly exposed to operating uncertainties relating to the commercial real estate sector and/or to other external events related to the economy, which could be deemed likely to have a material impact on its business, at least for the foreseeable future.

As to Harbour (APM) Investments Limited, the company considers that its future performance will depend on the sale of the Benghajsa site in the medium to long term as a commercial area and the cash flows likely to be generated when disposal thereof is initiated.

B.5 {B.19} The Issuer is the holding company of the HP Group. Through the parent company and various subsidiary companies (including HEL), the HP Group owns and manages a real estate portfolio consisting of 24 properties (46,900m^2 of rentable space), valued at €64.9 million. Occupancy was 93% as at 31 August 2015, with a weighted average unexpired lease term (WALT) of 8.0 years and a current gross rental yield of 7.3%.

HIL is a wholly-owned subsidiary of APM Holdings Limited. It owns land at Benghajsa, Malta, valued at *circa* €25 million. The sites mainly consist of undeveloped agricultural fields having a cumulative total area of approximately 92,000m^2. No income is currently generated from the aforementioned land and as such HIL is ultimately dependent on the support provided by its shareholder.

B.9 The financial information relating to 2015 is extracted from the unaudited forecast consolidated financial statements of the Issuer for the year ending 31 December 2015, which is available for inspection at the registered office of the Issuer. Extracts of the aforesaid forecast financial information are set out in Element B.12 of this Summary Note.

B.10 {B.19} Not Applicable: The audit reports on the audited historical financial statements of each of the Issuer and Guarantors, described in Element B.12 below, do not contain qualifications.

B.12 {B.19} The historical financial information for the two financial periods ended 31 December 2013 and 31 December 2014 as audited by Deloitte Audit Limited is set out in the annual statutory financial statements of each of the Issuer and the Guarantors. Such audited financial statements are available at the Issuer's registered office.

There has been no material adverse change in the prospects of the Issuer and Guarantors since the date of their latest published financial statements. There were no significant changes to the financial or trading position of each of the Issuer and Guarantors since 31 December 2014, being the end of the financial period to which the last audited financial statements of each of the Issuer and Guarantors relate.

Extracts of the above-mentioned historical financial information and of the forecast financial information referred to in Element B.9 are set out below:

Hili Properties p.l.c

Consolidated Income Statement for the year ended 31 December Amounts in €'000s	**2015 (12 months) Forecast**	**2014 (12 months) Actual**	**2013 (14 months) Actual**
Revenue	4,293	1,678	1,717
EBITDA	2,979	918	1,430
Net investment income/(losses)	1,741	(149)	(1,801)
Finance costs	(1,875)	(687)	(743)
Profit/(loss) after tax	**1,896**	**189**	**(1,456)**

Statement of Financial Position Amounts in €'000s	31 Dec'15 Forecast	31 Dec'14 Actual	31 Dec'13 Actual
Total assets	**91,930**	**36,747**	**38,145**
Equity	25,983	13,733	13,544
Liabilities	65,947	23,014	24,601
Total equity and liabilities	**91,930**	**36,747**	**38,145**

Consolidated Statements of Cash Flows For the year ended 31 December Amounts in €'000s	2015 (12 months) Forecast	2014 (12 months) Actual	2013 (14 months) Actual
Net movement in cash and cash equivalents	**10,865**	**(850)**	**895**
Opening cash balance	45	895	-
Closing cash balance	**10,910**	**45**	**895**

The Issuer was incorporated on 23 October 2012 and therefore, the initial reportable financial period covered the 14 months from incorporation to 31 December 2013. During the financial period under review (23 October 2012 to 31 December 2014), the Group generated rental income from 11 investment properties located in Malta, Latvia, Lithuania and Estonia, the majority of which are leased to related parties. In 2015, the Issuer is expected to generate rental income of €4.3 million, an increase of €2.6 million when compared to 2014. During the said year (FY2015), the Issuer commenced earning income from the newly acquired properties – SIA Tukuma, SIA Apex and Swatar Business Centre. Overall, the Issuer is projecting to achieve a net profit of €1.9 million in 2015 (2014: €0.2 million).

On 19 May 2015, the share capital of the Company was increased through an issue of 100,000 shares of €1 each at a premium of €39 per share. The amount of €4 million was settled by way of capitalisation of shareholders' loans. Furthermore, on 27 August 2015, the issued share capital of the Company was increased by €6,500,000 to €21,600,000 by the capitalisation of shareholders' loans.

Harbour (APM) Investments Limited

Statement of Financial Position	31 Dec '14 €'000s	31 Dec '13 €'000s
Assets		
Non-current assets	19,174	18,483
Current assets	93	92
Total assets	**19,267**	**18,575**
Equity	(111)	(1)
Liabilities	19,378	18,576
Total equity and liabilities	**19,267**	**18,575**

The company is the owner of land at Benghajsa, Malta which does not generate an income stream. During the year ended 31 December 2014, the company incurred administrative expenses and finance costs of €110,000 (2013: loss of €2,000) and the loss after tax was of a similar amount.

As at 31 December 2014 the property was valued at *circa* €19 million. The said property was subject to a promise of share purchase agreement in 2015 whereby the Issuer undertook to acquire HIL for €25 million by 2018. In view of this transaction, the fair value of the property was increased to €25 million. Furthermore, the authorised and issued share capital of HIL was increased on 24 August 2015 to €22,331,200 through the capitalisation of shareholder's loans, revaluation reserves and retained earnings of €18,574,351, €3,753,441 and €2,208 respectively.

Hili Estates Limited Statement of Financial Position	31 Dec '14 €'000s	31 Dec '13 €'000s
Assets		
Non-current assets	13,351	13,531
Current assets	1,733	2,655
Total assets	**15,084**	**16,186**
Equity	5,609	5,253
Liabilities	9,475	10,933
Total equity and liabilities	**15,084**	**16,186**

During the period under review, the company was principally engaged in the management of one property – the Hili Building in Luqa, Malta – valued at *circa* €13.4 million. In 2014, the company generated rental income of €650,000 (2013: €695,000) and net profit for the year amounted to €356,000 (2013: €1,169,000). On 14 September 2015, HEL issued €8,051,340 4.5% redeemable preference shares through the capitalisation of related party loans. The said shares were fully allotted to the Company. As a consequence, the equity of HEL as at 16 September 2015 amounted to €14.0 million.

B.13 Not Applicable: the Issuer is not aware of any recent events which are to a material extent relevant to the evaluation of the solvency of the Issuer and/or Guarantors.

B.14 {B.19} The Issuer is the parent company of the HP Group, and was set up to principally manage the property division of the Hili Ventures Group. As at the date of the Prospectus, the Issuer holds, directly and indirectly through its subsidiaries, *circa* 46,900m^2 of rentable real estate, approximately half of which consists of real estate area that is rented out to companies within the Hili Ventures Group. The Issuer's strategy is to create a property portfolio consisting primarily of commercial and retail property in Europe, to deliver income and capital growth through active asset management. The Issuer relies on active asset management to maximise operating efficiency and profitability at the property level. As the holding company of the HP Group, the Issuer is ultimately dependent upon the operations and performance of its subsidiaries and their respective operations.

HIL is the owner of *circa* 92,000m^2 of land at Benghajsa, Malta. The company does not generate any income and as such HIL is ultimately dependent on the support provided by its shareholder (APM Holdings Limited).

B.15 {B.19} The Issuer and Guarantors are principally property holding companies. In terms of their respective Memorandum and Articles of Association the principal object of each of the Issuer and Guarantors is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests.

Sub-Clause 4(n) of the Issuer's Memorandum of Association specifically provides that the Issuer is authorised and empowered to issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and to sell or offer same to the public.

B.16 {B.19} The authorised share capital of the Issuer is €21,600,000. The issued share capital is €21,600,000 divided into 21,600,000 ordinary shares of €1 each, fully paid up. The share capital is subscribed to by Hili Ventures Limited except for one share which is held by APM Holdings Limited and another share which is held by La Toc Limited. The HP Group is wholly owned directly or indirectly through Hili Ventures Limited by Carmelo *sive* Melo Hili as to 50%, whilst the remaining 50% is held by Joseph *sive* Beppe Hili and other members of his family. HIL is wholly owned directly or indirectly through APM Holdings Limited by Carmelo *sive* Melo Hili.

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 Guarantors irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds as and when the same shall become due under any of the foregoing, the Guarantors will pay to such

Bondholder on demand the amount payable by the Issuer to such Bondholder. The obligations of the Guarantors 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.

The Guarantors undertake that so long as any Bond remains outstanding, the Guarantors shall collectively ensure that their aggregate net asset value will amount to not less than €37 million on each Financial Reporting Date.

"**net asset value**" means the value of an entity's assets minus the value of its liabilities.

SECTION C: SECURITIES

C.1 The Issuer shall issue an aggregate of €37 million in Unsecured Bonds having a face value of €100 per bond, subject to a minimum subscription of €2,000 in Bonds. The Bonds are guaranteed jointly and severally by Hili Estates Limited and Harbour (APM) Investments Limited. 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 MT0000941204. The Bonds shall bear interest at the rate of 4.5% 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 Investors wishing to participate in the Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Bonds. Execution of the Application Form will entitle such investor to:

(i) the payment of capital;
(ii) the payment of interest;
(iii) ranking with respect to other indebtedness of the Issuer in accordance with the status of the Bonds, as follows: "The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantors.";
(iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond; and
(v) enjoy all such other rights attached to the Bonds emanating from the Prospectus.

As at 10 September 2015 the Group's indebtedness amounted to €38.94 million, comprising of bank loans. The Group's bank borrowings are secured by general hypothecs, pledges and guarantees provided by Group companies, by companies forming part of the Hili Ventures Group and by the Company's ultimate shareholders. An amount of €19.54 million of bank borrowings will be repaid through net proceeds of the Bond Issue, and therefore bank borrowings senior to the Bonds will be reduced to *circa* €19.40 million.

The outstanding bank borrowings as at 10 September 2015 in relation to HIL amounted to €1.73 million. The said bank loan is secured by the land at Benghajsa, Malta.

The indebtedness being created by the Bonds ranks after the aforesaid bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a pledge, mortgage, privilege and/or a hypothec.

C.9 The Bonds shall bear interest from and including 16 October 2015 at the rate of 4.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 16 October 2016. 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 16 October 2025.

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date, is four point five per cent (4.5%).

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 18 September 2015. 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 23 October 2015 and trading is expected to commence on 26 October 2015.

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 business of the Issuer, the Group and the Guarantors:

i. The Issuer is a holding company and, as such, its assets consist primarily of loans issued to and investments in Group companies. Consequently, the Issuer is largely dependent on income derived from dividends receivable from Group companies and the receipt of interest and loan repayments from Group companies.

ii. The Issuer is vulnerable to general market conditions. An increase in the supply of commercial space could impact negatively upon capital values and income streams of the property portfolio.

iii. The Group is dependent on tenants fulfilling their obligations under their lease agreements.

iv. The Group is subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease.

v. The Group's operating and other expenses could increase without a corresponding increase in revenue.

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. The Group and Guarantors are involved in the acquisition and disposal of properties, and as such are susceptible to fluctuations in property values. The Group's and Guarantors' operating performance could be adversely affected by a downturn in the property market in terms of capital values.

viii. Property is a relatively illiquid asset and such illiquidity may affect the Group's and Guarantors' ability to vary their respective portfolios or dispose of or liquidate part of their portfolios in a timely manner and at satisfactory prices.

ix. The Group and Guarantors are susceptible to adverse economic developments and trends both locally and overseas.

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

xi. The Group's and Guarantors' ability to implement their respective business strategies is dependent upon, amongst other things, their ability to generate sufficient funds internally and to access continued financing at acceptable costs. The Group's current debt to equity ratios may hinder the Group's ability to procure additional financing for any new property acquisitions.

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

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

i. the existence of an orderly and liquid market for the Bonds depends on a number of factors. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all;

ii. investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds;

iii. a Bondholder will bear the risk of any fluctuations in exchange rates between the currency of denomination of the Bonds (€) and the Bondholder's currency of reference, if different;

iv. no prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time;

v. the Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantors. Furthermore, subject to the negative pledge clause, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and of the Guarantors, as the case may be, for so long as such security interests remain in effect;

vi. repayment of interest and capital on the Bonds is being guaranteed jointly and severally by the Guarantors and therefore, Bondholders are entitled to request either or both Guarantors to pay the full amounts due under the Bonds if the Issuer fails to meet any amount. The Guarantee also entitles the Bondholders to take action against either or both Guarantors without having to first take action against the Issuer. The level of recoverability by the Bondholders from either or both Guarantors of any amounts due under any of the Bonds is dependent upon the financial strength of the Guarantors and in the case of insolvency of the Guarantors, such level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantors;

vii. in the event that the Issuer wishes to amend any of the Terms and Conditions of the Bond Issue it shall call a meeting of Bondholders. The provisions relating to meetings of Bondholders permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority;

viii. the Terms and Conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.

SECTION E: OFFER

E.2b The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €36.2 million, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

(i) an amount of €19.54 million of proceeds shall be used to repay short term bank facilities, which funds were applied for the purpose of part-financing the acquisition consideration and refurbishment cost of a number of properties of the Group;

(ii) an amount of €6 million shall be applied to part-finance the deposit payable on the promise of share purchase agreement in relation to the acquisition of Harbour (APM) Investments Limited, the company that owns the Benghajsa site; and

(iii) the remaining balance of €10.66 million of the net Issue proceeds will be used for the purpose of part-funding new property acquisitions and/or to further reduce the corporate indebtedness of the Group. For the purpose of identifying such properties, the Issuer shall fully adhere to the parameters established in terms of its business development strategy described in further detail in section 4.7 of the Registration Document. Saving the foregoing, with respect to the aforementioned €10.66 million, the Issuer's Board of Directors shall aim to acquire attractively priced commercial properties located in European Countries. Furthermore, in accordance with the principle of generating sustainable income for the Issuer, the Directors shall select commercial properties that have a high level of tenancy that is broadly similar to the Group's current average occupancy rate of 93%.

As at the date of the Prospectus, the Group was in discussions to acquire commercial properties estimated at *circa* €26.4 million which will contribute to an average portfolio yield of about 8%. Such acquisitions relate to a number of retail outlets in Romania and Greece and logistics distribution and office facilities in Lithuania. The said proposed acquisitions are presently governed by non-disclosure arrangements and are subject to final agreement with the respective counterparties.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for, and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual amounts required by the Issuer for the purposes of the uses specified above which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

E.3 The Bonds are open for subscription to all categories of investors, which may be broadly split as follows:

(i) The Issuer has reserved an aggregate amount of Bonds amounting to €1 million for subscription by Hili Ventures Group Preferred Applicants;

(ii) The Issuer has reserved an aggregate amount of Bonds amounting to €16 million for subscription by Hili Ventures Group Bondholders;

(iii) The remaining balance of €20 million in Bonds shall be made available for subscription by the general public. In the event that the aggregate amount of €17 million reserved for the Hili Ventures Group Preferred Applicants and Hili Ventures Group Bondholders (detailed in clauses (i) and (ii) above) is not fully taken up, such unutilised portion/s shall also become available for allocation to the general public.

In the event that subscriptions exceed the reserved portions referred to in clauses (i) and (ii) above of €1 million and €16 million respectively, the unsatisfied excess amounts of such Applications will automatically participate in the amount of Bonds available to the general public.

The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000 and subscription amounts shall be in multiples of €100. Subscriptions may be made through any of the Authorised Financial Intermediaries.

Within 5 business days from closing of the subscription lists, the Issuer shall announce the result of the Issue and shall determine, and issue a company announcement setting out, the basis of acceptance of applications and allocation policy to be adopted.

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 4.5% Unsecured Bonds 2025 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €37 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 clause 8 of this Element E.3.

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 4.5% per annum payable annually on 16 October of each year. Interest shall accrue as from 16 October 2015. The first Interest Payment Date following the issuance of this Prospectus shall be 16 October 2016. 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 Issue Price and the redemption value of the Bonds at Redemption Date, is four point five per cent (4.5%).

5. Status of the Bonds and Negative Pledge

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

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 Bonds shall become immediately due and repayable, at their principal amount together with accrued interest, in an event of default. Subject to agreed exceptions, materiality qualifications, reservations of law and grace periods, an acceleration event shall occur if: (i) the Issuer or, in the event of default by the Issuer, the Guarantors, shall fail to pay any interest on any Bond when due; or (ii) the Issuer or, in the event of default by the Issuer, the Guarantors, shall be in breach of any material obligation contained in the terms and conditions of the Bonds; or (iii) the aggregate net asset value of the Guarantors shall diminish to less than €37 million on any Financial Reporting Date; or (iv) the Issuer and/or any Guarantor are *inter alia* dissolved, liquidated or bankrupt; or (v) the Issuer or, in the event of default by the Issuer, the Guarantors, stops or suspends payments, or announces to do so, to all or any class of its debts or ceases or threatens to cease to carry on its business or a substantial part thereof; or (vi) the Issuer or, in the event of default by the Issuer, the Guarantors, is unable to pay its debts; or (vii) a judgment by a court is made against the Issuer and/or any Guarantor for the payment in excess of €5 million; or (viii) any default occurs relating to any financial indebtedness of the Issuer and/or any Guarantor in excess of €5 million.

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

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

E.4 Save for the possible subscription for Bonds by Charts Investment Management Service Limited and Bank of Valletta p.l.c., and any fees payable in connection with the Issue to Charts Investment Management Service Limited as Sponsor and Bank of Valletta p.l.c. as Manager & Registrar, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.

E.7 Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated to be in the region of €800,000.

TIME-TABLE

1.	Applications Forms mailed to Hili Ventures Group Bondholders as at the Cut-Off Date	22 September 2015
2.	Application Forms available	24 September 2015
3.	Closing date for Applications to be received from Hili Ventures Group Preferred Applicants and Hili Ventures Group Bondholders	5 October 2015
4.	Opening and closing of subscription lists, respectively	7 October 2015 to 9 October 2015, both days included
5.	Commencement of interest on the Bonds	16 October 2015
6.	Announcement of basis of acceptance	16 October 2015
7.	Refunds of unallocated monies	23 October 2015
8.	Expected dispatch of allotment advices	23 October 2015
9.	Expected date of admission of the securities to listing	23 October 2015
10.	Expected date of commencement of trading in the securities	26 October 2015

The Issuer reserves the right to close the Issue of Bonds before 9 October 2015 in the event of over-subscription, in which case the events set out in steps 6 to 10 above shall be brought forward, although the number of workings days between the respective events shall not also be altered.

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

18 September 2015

REGISTRATION DOCUMENT

THE BONDS ARE BEING ISSUED BY

HILI PROPERTIES P.L.C.

(a public limited liability company registered under the laws of Malta
with registration number C 57954)

with the joint and several Guarantee* of

Harbour (APM) Investments Limited and Hili Estates Limited
Both private limited liability companies registered in Malta
with company registration numbers C 58453 and C20513 respectively

*Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note forming part of this Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in this Registration Document and the Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by Harbour (APM) Investments Limited and Hili Estates Limited (the "Guarantors").

Manager & Registrar	Legal Counsel	Sponsor
BOV Bank of Valletta	GVTH ADVOCATES	CHARTS WEALTH MANAGEMENT • CORPORATE BROKING

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

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

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

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IMPORTANT INFORMATION

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

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

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

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

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

A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENTS. A PROSPECTIVE INVESTOR SHOULD BE AWARE OF THE POTENTIAL RISKS 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 LEGAL ADVISORS, ACCOUNTANTS AND/OR OTHER FINANCIAL ADVISORS AS TO LEGAL, TAX, INVESTMENT OR ANY OTHER RELATED MATTERS CONCERNING THE BONDS AND THE PROSPECTUS.

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

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

IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003

ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE), AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

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

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

ALL THE ADVISORS TO THE ISSUER AND GUARANTORS NAMED IN THIS REGISTRATION DOCUMENT UNDER THE HEADING "IDENTITY OF DIRECTORS, ADVISORS AND AUDITORS OF THE ISSUER AND THE GUARANTORS" IN SECTION 3 OF THIS REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTORS IN RELATION TO THIS PUBLIC OFFER AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL, ACCORDINGLY, NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

1. DEFINITIONS

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

Act or **Companies Act**	the Companies Act (Cap. 386 of the Laws of Malta);
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of the Securities Note;
Bond/s	the €37,000,000 unsecured bonds due 16 October 2025 of a nominal value of €100 per bond issued at par and redeemable on the Redemption Date at their nominal value, bearing interest at the rate of 4.5% per annum, as detailed in the Securities Note. The Bonds are guaranteed jointly and severally by HEL and HIL;
Company or **Issuer**	Hili Properties p.l.c., a company registered under the laws of Malta having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta and bearing company registration number C 57954;
Directors or **Board**	the directors of the Company whose names are set out in section 3 of this Registration Document;
Euro or **€**	the lawful currency of the Republic of Malta;
Guarantee	the joint and several suretyship of the Guarantors undertaking to effect payment of interest and capital repayments of any amount due by the Issuer to any Bondholder and which remain unpaid by the Issuer after 60 days of the due date for payment thereof. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex III thereof;
Guarantors	HEL and HIL;
Group or **HP Group**	the Issuer and any company or entity in which the Issuer has a controlling interest, as further described in section 4 of this Registration Document;
HEL	Hili Estates Limited, a company registered under the laws of Malta having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta and bearing company registration number C 20513;
HIL	Harbour (APM) Investments Limited, a company registered under the laws of Malta having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta and bearing company registration number C 58453;
Hili Ventures Group or **HVL**	Hili Ventures Limited, a company registered under the laws of Malta with company registration number C 57902 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta, its subsidiaries and any affiliates;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
Malta Stock Exchange or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
Memorandum and Articles of Association or **M&As**	the memorandum and articles of association of the Issuer and/or the Guarantors (as may be indicated) in force at the time of publication of the Prospectus;
Prospectus	collectively, the Summary Note, this Registration Document and the Securities Note, all dated 18 September 2015;

Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
Redemption Date	shall have the meaning set out in the Securities Note;
Registration Document	this document in its entirety;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 supplementing Directive 2003/71/EC of the European Parliament and of the Council with regard to regulatory technical standards for publication of supplements to the prospectus (Text with EEA relevance);
Securities Note	the securities note issued by the Issuer dated 18 September 2015, forming part of the Prospectus;
Sponsor	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, an authorised financial intermediary licensed by the MFSA and a member of the MSE;
Summary Note	the summary note issued by the Issuer dated 18 September 2015, forming part of the Prospectus;

All references in this Registration Document to "Malta" are to the "Republic of Malta".

Unless it appears otherwise from the context:

(a) words importing the singular shall include the plural and vice-versa;
(b) words importing the masculine gender shall include the feminine gender and vice-versa;
(c) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative.

2. RISK FACTORS

PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER WITH THEIR OWN INDEPENDENT FINANCIAL AND OTHER PROFESSIONAL ADVISORS THE FOLLOWING RISK FACTORS AND OTHER INVESTMENT CONSIDERATIONS, AS WELL AS ALL THE OTHER INFORMATION CONTAINED IN THE PROSPECTUS, BEFORE MAKING ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS ANY VIEWS ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES ISSUED BY IT FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER, 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 RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER.

NEITHER THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH THE BONDS ISSUED BY THE ISSUER (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE SPONSOR OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

2.1 FORWARD-LOOKING STATEMENTS

The Prospectus and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's control. Important factors that could cause actual results to differ materially from the expectations of the Directors include those risks identified under this Section 2 and elsewhere in the Prospectus.

If any of the risks described herein were to materialise, they could have a serious adverse effect on the Issuer's financial results, trading prospects and the ability of the Issuer to fulfil its obligations under the securities to be issued in terms of the Prospectus. Accordingly, the Issuer cautions prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ from those expressed or implied by such statements, that such statements do not bind the Issuer with respect to future results and no assurance is given that the professed future results or expectations will be achieved.

2.2 RISKS RELATING TO THE BUSINESS OF THE ISSUER, THE GROUP AND THE GUARANTORS

Issuer's dependence on payments due from Group companies may be affected by factors beyond the Issuer's control

The Issuer is a holding company and, as such, its assets consist primarily of loans issued to and investments held in Group companies. Consequently, the Issuer is largely dependent, including for the purpose of servicing interest payments on the securities described in the Securities Note and the repayment of the principal on maturity date, on income derived from dividends receivable from Group companies, and the receipt of interest and loan repayments from Group companies. In this respect, the operating results of the Group companies have a direct effect on the Issuer's financial position and therefore the risks intrinsic in the business and operations of the Group companies have a direct effect on the ability of the Issuer to meet its obligations in respect of the repayment of principal and interest under the Bonds when due.

The dividends, interest payments and loan repayments to be effected by Group companies are subject to certain risks. More specifically, the ability of Group companies to effect payments to the Issuer will depend on the cash flows and earnings of the Group companies, which may be restricted by: changes in applicable laws and regulations; by the terms of agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; or by other factors beyond the control of the Issuer. The occurrence of any such factor could in turn negatively affect the ability of the Issuer to meet its obligations in respect of the payment of interest on the Bonds and repayment of principal when due.

Exposure to general market conditions

The health of the property and commercial rental 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. An increase in the supply of commercial space could impact negatively upon capital values and income streams of the property portfolio.

Dependence on tenants

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

The Group is subject to termination of lease agreements

The Group is subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease. In cases of early termination by tenants prior to the expiration of the lease term there is a risk of loss of rental income if the tenant is not replaced in a timely manner.

The Group may be subject to increases in operating and other expenses

At present, all operating expenses incurred by the Group are fully recharged to the tenants occupying the Group's properties. Nonetheless, in future, the Group's operating and other expenses could increase without a corresponding increase in revenue. The factors which could materially increase operating and other expenses include:

i. unforeseen increases in the costs of maintaining the property; and
ii. material increases in operating costs that may not be fully recoverable from tenants.

The Group's insurance policies

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

Fluctuations in property values

The Group and Guarantors are involved in the acquisition and disposal of properties. Property values are affected by and may fluctuate, *inter alia*, as a result of changing demand, changes in general economic conditions, changing supply within a particular area of competing space and attractiveness of real estate relative to other investment choices. The value of the Group's and Guarantors' property portfolios may also fluctuate as a result of other factors outside the Group's and Guarantors' control, such as changes in regulatory requirements and applicable laws (including in relation to taxation and planning), political conditions, the condition of financial markets, potentially adverse tax consequences, interest and inflation rate fluctuations and higher accounting and control expenses. The Group's and Guarantors' operating performance could be adversely affected by a downturn in the property market in terms of capital values.

The valuation of property and property-related assets is inherently subjective. Moreover all property valuations are made on the basis of assumptions which may not prove to reflect the true position. There is no assurance that the valuations of the properties and property-related assets will reflect actual market process.

Real estate investments are illiquid

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

Exposure to economic conditions

The Group and Guarantors are 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 Group and Guarantors generally, and may adversely affect rental revenues (where applicable), property values and results of operations. In addition, the Group and Guarantors may be impacted by increased competition from other similar developments and rising operating costs.

The Group and Guarantors may be impacted by changes in laws and regulations

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

The Group's and Guarantors' level of debt

The Group's and Guarantors' ability to implement their respective business strategies is dependent upon, amongst other things, their ability to generate sufficient funds internally and to access continued financing at acceptable costs.

The Group's current debt to equity ratios may hinder the Group's ability to procure additional financing for any new property acquisitions.

3. IDENTITY OF DIRECTORS, ADVISORS AND AUDITORS OF THE ISSUER AND THE GUARANTORS

3.1 DIRECTORS

As at the date of this Registration Document, the Board of Directors of each of the Issuer and Guarantors is composed of the following persons:

Directors of the Issuer

Margrith Lütschg-Emmenegger	Chairperson and independent non-executive Director
Karl Naudi	Executive Director
Carmelo *sive* Melo Hili	Non-executive Director
Richard Abdilla Castillo	Non-executive Director
Victor Tedesco	Non-executive Director
David Aquilina	Independent non-executive Director
Martin Xuereb	Independent non-executive Director

The business address of said Directors is Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta.

The Directors 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 that such is the case, the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Directors of the Guarantors

Karl Naudi	Executive Director
Richard Abdilla Castillo	Non-executive Director

The business address of said directors is Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta.

3.2 Advisors to the Issuer

Legal Counsel
Name: GVTH Advocates
Address: 192, Old Bakery Street, Valletta VLT 1455, Malta

Financial Advisors
Name: Deloitte Services Limited
Address: Deloitte Place, Mriehel Bypass, Mriehel BKR 3000, Malta

Sponsor
Name: Charts Investment Management Service Limited
Address: Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta

Registrar and Manager
Name: Bank of Valletta p.l.c.
Address: BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta

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

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

3.3 Auditors of the Issuer and Guarantors

The financial statements of the Issuer and HEL for the financial years ended 31 December 2013 and 2014 have been audited by Deloitte Audit Limited of Deloitte Place, Mriehel Bypass, Mriehel BKR 3000, Malta.

The financial statements of HIL for the financial period 4 December 2012 (being the date of incorporation) to 31 December 2013 and for the year ended 31 December 2014 have been audited by Deloitte Audit Limited of Deloitte Place, Mriehel Bypass, Mriehel BKR 3000, Malta.

Deloitte Audit Limited is a firm of certified public accountants holding a warrant to practice the profession of accountant in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta).

4. INFORMATION ABOUT THE ISSUER, THE GROUP AND THE GUARANTORS

4.1 INTRODUCTION

The Issuer

Full legal and commercial name:	**Hili Properties p.l.c.**
Registered address:	**Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta**
Place of registration and domicile:	**Malta**
Registration number:	**C 57954**
Date of registration:	**23 October 2012**
Legal form:	**The Issuer is lawfully existing and registered as a public limited liability company in terms of the Act**
Telephone number:	**+356 25681200**
E-mail address:	**info@hiliproperties.com**
Website:	**www.hiliproperties.com**

Harbour (APM) Investments Limited (Guarantor)

Full legal and commercial name:	**Harbour (APM) Investments Limited**
Registered address:	**Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta**
Place of registration and domicile:	**Malta**
Registration number:	**C 58453**
Date of registration:	**4 December 2012**
Legal form::	**Harbour (APM) Investments Limited is lawfully existing and registered as a private limited liability company in terms of the Act**
Telephone number:	**+356 25681200**
E-mail address:	**info@hiliproperties.com**
Website:	**www.hiliproperties.com**

Hili Estates Limited (Guarantor)

Full legal and commercial name:	**Hili Estates Limited**
Registered address:	**Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta**
Place of registration and domicile:	**Malta**
Registration number:	**C 20513**
Date of registration:	**30 August 1996**
Legal form:	**Hili Estates Limited is lawfully existing and registered as a private limited liability company in terms of the Act**
Telephone number:	**+356 25681200**
E-mail address:	**info@hiliproperties.com**
Website:	**www.hiliproperties.com**

4.2 PRINCIPAL ACTIVITIES AND MARKETS

The Issuer

The Issuer was registered on 23 October 2012 as a private limited liability company and was subsequently converted into a public limited liability company on 22 June 2015. It is a wholly-owned subsidiary of Hili Ventures Limited and is the parent company of the property division of the Hili Ventures Group.

The principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, both locally and overseas.

The Issuer holds, directly and indirectly through subsidiary companies, *circa* 46,900m^2 of rentable real estate, of which, approximately half consists of real estate area that is rented out to companies within the Hili Ventures Group.

The Issuer's strategy is to create a property portfolio consisting primarily of commercial and retail property in Europe, to deliver income and capital growth through active asset management. The Issuer relies on active asset management to maximise operating efficiency and profitability at the property level. As of the date of this Prospectus, the Issuer's real estate portfolio comprises the assets in section 4.4 below.

Harbour (APM) Investments Limited (Guarantor)

Harbour (APM) Investments Limited ("HIL") was registered on 4 December 2012 as a private limited liability company. It is a wholly-owned subsidiary of APM Holdings Limited.

The principal object of HIL is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, both locally and overseas.

HIL owns one property which comprises a parcel of land measuring *circa* 92,000m^2 in Benghajsa, Malta. In virtue of a promise of share purchase agreement entered into by and between APM Holdings Limited, the Issuer and Hili Ventures Limited on 25 August 2015, APM Holdings Limited promised, bound itself and undertook to sell, transfer and convey unto the Issuer, which in turn promised, bound itself and undertook to accept, purchase and acquire, all of the ordinary shares held by APM Holdings Limited in HIL, which constitute the totality of shares currently issued in the capital of said latter company, in consideration of the total price of €25 million.

On its part, Hili Ventures Limited agreed and bound itself as surety and co-principal debtor, jointly and severally with the Issuer in favour of APM Holdings Limited, for the due and punctual fulfilment and performance by the Issuer of all the obligations undertaken by the Issuer to APM Holdings Limited under the aforesaid agreement.

The final deed of acquisition of the shares in question to be entered into in execution of the aforesaid promise of share purchase agreement is to be executed by not later than three (3) years from the date of such agreement.

Hili Estates Limited (Guarantor)

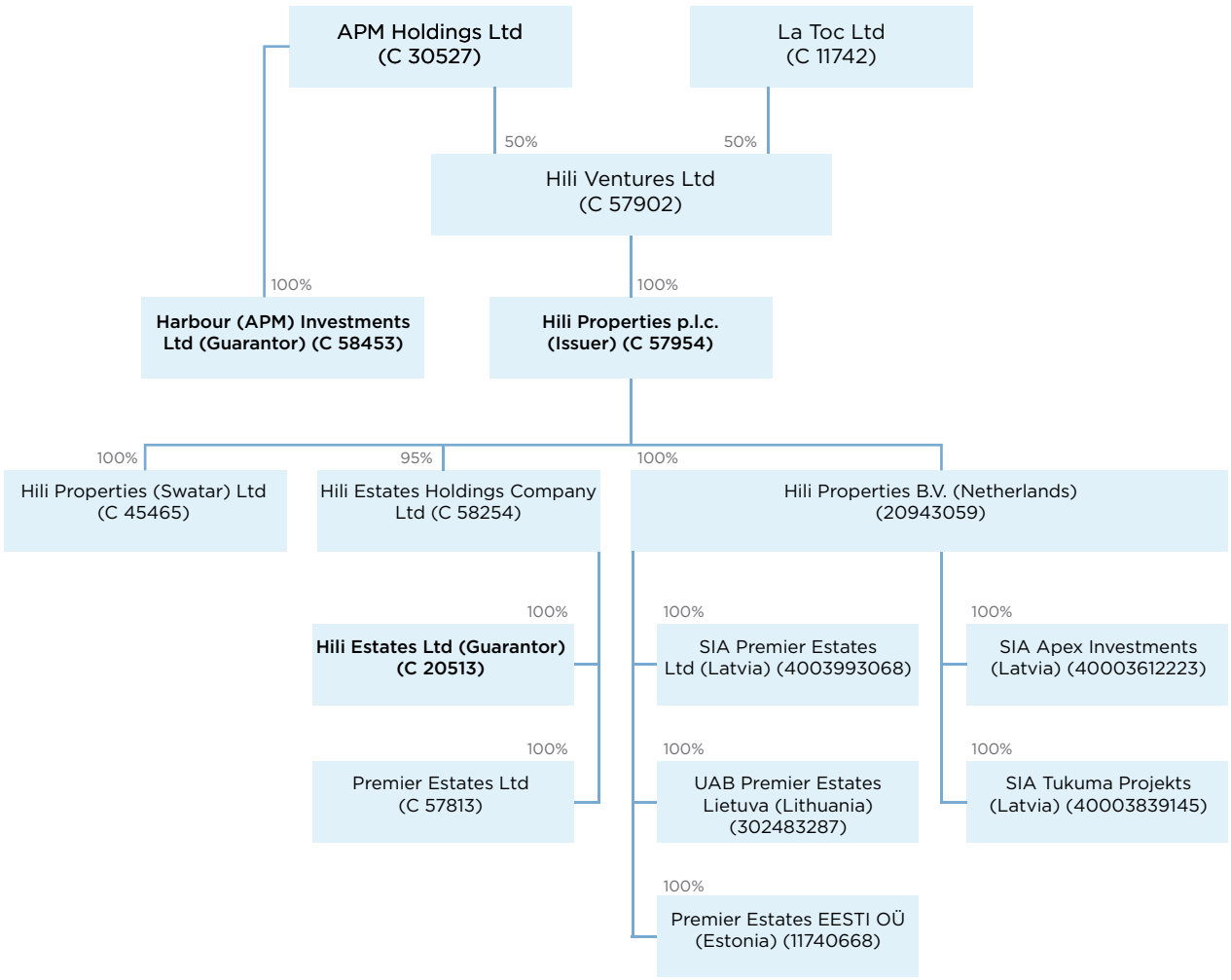
Hili Estates Limited ("HEL") was registered on 30 August 1996 as a private limited liability company and forms part of the Group.

The principal object of HEL is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, both locally and overseas.

HEL owns and manages one property, the Hili Building situated in Luqa, Malta, and includes *circa* 5,015m^2 of office and warehouse space. The property is fully leased to companies forming part of the Hili Ventures Group and other related parties.

4.3 GROUP ORGANISATIONAL STRUCTURE

The organisational structure of the Group is illustrated in the diagram below:



As the holding company of the HP Group, the Issuer is ultimately dependent upon the operations and performance of its subsidiaries and their respective operations. A summary table of properties held by the respective Group companies is provided in section 4.4 hereunder.

4.4 REAL ESTATE PORTFOLIO

The properties listed hereunder have been valued by independent valuers and a copy of their condensed valuation report is included in Annex II of this Registration Document.

The Group

As at the date of this Prospectus, the Issuer held a property portfolio valued at €64.9 million. A summary description of each property is presented below:

Owning Company	Name of Property	Location	Description	Rentable Area (m^2)	Valuation as at 12.08.15 (€'000)	Annualised Rent (€'000)	Occupancy rate (%) as at 31.08.15	Ownership
SIA Premier Estates Limited[1]	Imanta Restaurant	Riga, Lativa	McDonald's restaurant (with drive thru)	2,709	1,553	126	100	Freehold
SIA Premier Estates Limited[1]	Vienibas Restaurant	Riga, Lativa	McDonald's restaurant (with drive thru)	3,497	1,514	121	100	Freehold
SIA Premier Estates Limited[1]	Ulmana Restaurant	Riga, Lativa	McDonald's restaurant (with drive thru)	2,000	1,267	99	100	Freehold
SIA Premier Estates Limited[1]	Daugavpils Restaurant	Daugavpils, Latvia	Vacant (previously a McDonald's restaurant)	1,692	320	42	0	Freehold
SIA Premier Estates Limited[1]	Apartment 79, Duntes	Riga, Lativa	Apartment	65	115	6	100	Freehold
SIA Premier Estates Limited[1]	Apartment 84, Duntes	Riga, Lativa	Apartment	131	230	10	100	Freehold
UAB Premier Estates Lietuva[1]	Dainava Restaurant	Kaunas, Lithuania	McDonald's restaurant (with drive thru)	3,021	1,321	121	100	Freehold
UAB Premier Estates Lietuva[1]	Svajone Restaurant	Vilnius, Lithuania	McDonald's restaurant (in a building complex)	580	1,526	124	100	Land is leased, building is freehold
Premier Estates Eesti OÜ[1]	Parnu Restaurant	Parnu, Estonia	McDonald's restaurant (with drive thru)	1,803	1,999	105	100	Freehold
Tukuma Projeks SIA	M DIY Rentails Centre	Tukums, Latvia	Retail	3,370	2,585	306	100	Freehold
SIA Apex Investments	Wholesale & Retail Trade Building	Nicgales Street 2, Riga, Lativa	Retail	3,680	4,880	527	98	Freehold
SIA Apex Investments	Supermarket and Retail Centre	Augusta Dombrovska Street 23, Riga, Lativa	Retail	4,211	4,300	472	95	Freehold ($277m^2$ is leased)
SIA Apex Investments	Supermarket and Retail Centre	Vienibas Ave. 95, Riga, Lativa	Retail	1,300	1,520	137	96	Freehold
SIA Apex Investments	Supermarket and Retail Centre	Kreimeņu Street 4A, Riga, Latvia	Retail	952	1,069	111	100	Freehold
SIA Apex Investments	Shopping Centre	Dzelzavas Street 78, Riga, Lativa	Retail	1,230	1,820	169	100	Freehold

	Owning Company	Location	Description	Rentable Area (m^2)	Valuation as at 12.08.15 (€'000)	Annualised Rent (€'000)	Occupancy rate (%) as at 31.08.15	Ownership
SIA Apex Investments	Supermarket and Retail Centre	Smilšu Street, 92B Daugavpils, Latvia	Retail	1,068	1,097	111	100	Freehold
SIA Apex Investments	Hypermarket and Retail Centre	Viestura Street, 10 Daugavpils, Latvia	Retail	2,602	2,306	248	100	Leased
SIA Apex Investments	Supermarket and Retail Centre	Spidolas Street, Aizkraukle, Latvia	Retail	964	871	113	100	Leased
Hili Estates Limited (1) (2)	Hili Building	Luqa, Malta	Office space/ Warehousing facilities	5,015	13,500	677	100	Freehold
Hili Properties p.l.c. (1) (2)	APCO Building	B'Kara, Malta	Office space	415	720	63	100	Freehold ($71m^2$ is subject to ground rent)
Hili Properties (Swatar) Limited 2	Tower Business Centre	Swatar B'Kara, Malta	Office space	4,630	10,250	598	100	Freehold
Premier Estates Limited 1	McDonald's Sliema	Sliema, Malta	Restaurant/ Office space	1,065	6,800	413	50	Freehold
Hili Properties p.l.c. 1	Transport House	Floriana, Malta	Office space	900	1,750	70	0	Freehold
Hili Properties p.l.c.	Villa Marika	Madliena, Malta	Private residence	n/a	1,600	n/a	n/a	Freehold
		TOTAL		**46,900**	**64,913**	**4,769**	**93**	

1 The properties, or a portion thereof, are leased to companies forming part of the Hili Ventures Group and other related parties. As such, annualised rent amounting to €2.0 million (or circa 41% of total rental income) is generated from Hili Ventures Group companies and other related parties.

2 The rentable area is exclusive of car parking facilities.

As detailed in section 4.6 "Investments" below, a number of properties were acquired in 2015. Therefore, a full year of rental income in relation to the Group's current property portfolio described above is expected to be generated as from 2016, and is projected at €4.8 million. Based on the current value of the property portfolio, the aforesaid projected revenue equates to a gross yield of 7.3%.

(i) McDonald's Imanta, Riga, Latvia

The Imanta property consists of a land plot and a building constructed thereon. The site is located in Kurzemes Prospekts, Imanta, a residential neighbourhood of Riga inhabited by approximately 40,000 residents. Kurzemes Prospekts is a large street with a dual carriageway and a number of supermarkets (Maxima, Prisma and Rimi) located in the vicinity. The building is provided with six guest and staff entrances and has an internal seating capacity of 98 persons. The external areas within the site consist of an external terrace with a seating capacity of 44 persons and a car park with the capacity to hold 16 motor vehicles.

(ii) McDonald's Vienibas, Riga, Latvia

The Vienibas property consists of a land plot and a building constructed thereon. The site is located at 115A Vienibas Avenue, which is situated outside the centre of Riga and on one of the busiest exit streets (A8/E77), and is around 7km away from the centre and old town of Riga. The neighbourhood is a residential area inhabited by approximately 30,000 residents, with a number of supermarkets (Maxima and Rimi) located in the vicinity. The building comprises six entrances and has an internal seating capacity of 105 persons. The external areas within the site consist of an external seating space with a capacity of 48 persons and a parking area with the capacity to hold 18 motor vehicles.

(iii) McDonald's Ulmana, Riga, Latvia

The Ulmana property consists of a land plot and a building constructed thereon. The site is located at 88, Karla Ulmana Street, which is situated outside the centre of Riga and on one of the busiest exit streets (A10/E22), and is around 8km away from the centre and old town of Riga. Karla Ulmana is a large street with a dual-carriageway and the site has excellent visibility from the road. The site benefits from high traffic volume, particularly due to its close proximity to a number of supermarkets and retail shops, a shopping mall (2km), Riga International Airport (4km) and a popular highway leading to the Jurmula sea-side resort. The restaurant commenced its operations on 2 July 2015. The building provides an internal seating capacity of 78 persons, whilst the external area provides seating space for an additional 40 persons, as well as an area with the capacity to hold 16 motor vehicles.

(iv) Former McDonald's Daugavpils, Latvia

The Daugavpils property consists of a land plot and a building constructed thereon. The site is located at 42, 18, Novembra Street, Daugavpils and is next to the largest road in the city. However, the area does not enjoy significant levels of pedestrian traffic. The permitted use of the land is designated as commercial development territory whilst the permitted use of the building is designated as a restaurant building. Since the discontinuation of the operation of McDonald's drive-thru restaurant in December 2013, the property has remained vacant.

(v) Apartments 79 and 84, Duntes Street, Riga, Latvia

The properties are located in a residential multi-apartment building located at 28, Duntes Street, Riga, Latvia. The large apartment block, set in a neighbourhood on the outskirts of the centre of Riga, comprises 17 floors and a total number of 208 apartments.

(vi) McDonald's Dainava, Kaunas, Lithuania

The Dainava property consists of a land plot, a building structure constructed thereon and an ancillary building that operates as a car park. The site is located in Pramones Ave. 8B, Kaunas, which is in the vicinity of three shopping centres, a petrol station, and a fast food restaurant. Furthermore, the site is adjacent to a busy two-lane road approximately 7km away from the city centre. The building comprises of five entrances and has an internal seating capacity of 130 persons. The external areas within the site consist of external seating space with a capacity of 44 persons as well as a car park with the capacity to hold 22 motor vehicles.

(vii) McDonald's Svajone, Vilnius, Lithuania

The Svajone property consists of a property located within a larger building complex with the intended use of providing catering services. The building is constructed on a state-owned land plot and is located at 15, Gedimino Avenue, a favourable and prestigious location in the centre of Vilnius in V. Kurika's square. The property is in the heart of the city and in close proximity to Lithuania's Government Building, the National opera and Ballet Theatre and other important state institutions. The site is located in an area that enjoys a heavy pedestrian traffic flow and within a mixed residential and commercial area of high density, surrounded by a large number of shops and restaurants. The restaurant has an internal seating capacity of 128 persons, whilst the external areas consist of external seating space with a capacity for an additional 12 persons, and there is also a take away window to the sidewalk. The building enjoys exclusive views of one of the main streets of Vilnius.

(viii) McDonald's Parnu, Estonia

The Parnu property consists of a land plot and a building constructed thereon. The property is located at 74, Tallinna Maante, Parnu, an area outside the city centre next to a two-lane road at the entrance to Parnu from Tallinn. The restaurant is in the vicinity of office buildings, a large supermarket and several car dealerships. The building comprises six entrances and has an internal seating capacity of 130 persons, whilst the external areas consist of external seating space with a capacity for an additional 30 persons and a car park with a capacity to hold 16 motor vehicles.

(ix) M DIY Retails Centre, Tukums, Latvia

The property is constructed on a 13,284m^2 plot and is rented out to one anchor tenant, Rautakesko AS (the single tenant). The property is located in Tukums, a small city located in Tukama district with a population of 19,729 inhabitants. The main use of the land, buildings or parts thereof for this site, is commercial including retail and service buildings.

(x) Wholesale & retail trade building, Nicagles Street, Riga, Latvia

The property is constructed on a 9,561m^2 plot. The property is located in a zone of Riga called Purvciems, on the east bank of the Paugava River. The property is currently used as a retail and shopping centre. The anchor tenant is a major supermarket chain, occupying 71% of the total leasable areas. Other tenants occupy 27% of the lettable areas with 2% currently vacant.

(xi) Supermarket and Retail Centre, Augusta Dombrovska Street, Riga, Latvia

The property is constructed on a 6,720m^2 plot. The property is located in a part of Riga known as Vecmīlgravīs in the northern part of the city, near the mouth of the Daugava River. The property is currently used as a retail and shopping centre with 33 tenants and enjoys significant footfall. The anchor tenant is a high profile supermarket chain, occupying 38% of the total leasable areas. Other tenants occupy 57% of the lettable areas with 5% currently vacant.

(xii) Supermarket and Retail Centre, Vienibas Street, Riga, Latvia

The property is constructed on a 6,670m^2 plot. The property is located in Atgāzene in the south of Riga, on the west bank of the Daugava River. The property was refurbished in 2013 and is currently used as a supermarket and retail centre. The anchor tenant is a high profile supermarket chain, occupying 86% of the total leasable areas. The remaining floor space is leased to another 5 tenants apart from small units like ATM's. The occupancy rate of this property is 100%.

(xiii) Supermarket and Retail Centre, Kreimeņu Street, Riga, Latvia

The property is constructed on a 3,733m^2 plot. The property is located in Vecmīlgrāvis, a town in the North of Riga near the mouth of the Daugava River. The building consists of one floor, and 81% thereof is rented out to an anchor tenant being a high profile supermarket chain in the Baltics. The remaining area is rented out to a second tenant gambling hall.

(xiv) Shopping Centre, Dzelzavas Street, Riga, Latvia

The property is constructed on an 8,062m^2 plot. The property is located in Purvciems, in the west of Riga on the east bank of the Daugava River. The property is 100% leased out to three tenants, of which a high profile supermarket chain occupies 91% of the lettable area, whilst the remaining area is occupied by two other tenants.

(xv) Supermarket and Retail Centre, Smilšu Street, Daugavpils, Latvia

The property is constructed on a 2,770m^2 plot. The property is located in the north-east part of the city of Daugavpils, the second largest city in Latvia, about 230km to the North West. The property is 100% leased out to a well-established hypermarket chain that occupies 71% of the lettable area whilst another three tenants occupy the remaining area.

(xvi) Hypermarket and Retail Centre, Viestura Street, Daugavpils, Latvia

The property is constructed on a 2,011m^2 plot. The property is located in the centre of Daugavpils. This property has an occupancy rate of 100% - the anchor tenant is a well-established hypermarket chain which rents and occupies 28% of the area at ground floor level, with 10 other tenants taking up the remaining rental area.

(xvii) Supermarket and Retail Centre, Spidolas Street, Aizkraukle, Latvia

The property is constructed on a 4,000m^2 plot. The property is located in the centre of Aizkraukle, a small city located about 110km East of Riga and plays a significant role in the daily trading activity of the city. This property is 100% leased out. The anchor tenant of the property is a well-renowned hypermarket chain which rents and occupies 70%, and 6 other tenants taking up the remaining rental area.

(xviii) Hili Building, Nineteen Twenty Three, Valletta Road, Luqa, Malta

The property, built on a plot area of 2,585m^2, is developed mainly as an office block with part of the premises at ground and intermediate levels used as a warehouse/storage area. The building is sited at the periphery of the industrial park in Luqa/Marsa. The property is 100% leased out, predominantly to a number of subsidiary companies forming part of the Hili Ventures Group.

(xix) APCO Building, 213, Psaila Street, Birkirkara, Malta

The property is centrally located in Psaila Street, Birkirkara built on a site of *circa* 210m^2. The building includes one basement level with three overlying floors currently used as office space. Two floors are rented out to APCO Limited, a company forming part of the Hili Ventures Group, and the remaining two floors are leased to a third party company.

(xx) Tower Business Centre, Tower Street, Swatar, Birkirkara, Malta

The property is located within a prime commercial and office area in Swatar, in the vicinity of Mater Dei Hospital and the University of Malta. The business centre is an office block with six floors comprising underground parking, a semi-basement level used as a training centre with some office space, and three floors and the penthouse level utilised as office space.

(xxi) McDonald's Restaurant and overlying office, ix-Xatt ta' Tigne' Sliema, Malta

The property in Sliema is leased as a McDonald's outlet at ground and mezzanine levels, and the first floor is completed for office use. The latter area is currently vacant, but is in a finished state ready for immediate occupation. The premises form part of a development block overlooking two streets, namely The Strand, Sliema at the waterfront and Sqaq il-Fawwara, Sliema at the back of the property.

(xxii) Transport House, Triq San Frangisk, Floriana, Malta

The property is located in a central area in Floriana and comprises of a three storey building, a receded penthouse, and two interconnected apartments at the first and second floors, all for use as office space. The property is currently vacant.

(xxiii) Villa Marika, High Ridge, Madliena

The property consists of a fully detached bungalow located at a prime location at High Ridge, Madliena with a superficial area of *circa* 1,250m^2. The site is developed with a detached bungalow including a basement garage and external soft and hard landscaping including a swimming pool. The bungalow is laid out in two unequal wings on either side of the entrance hall which overlooks the swimming pool. This property is held for resale.

Harbour (APM) Investments Limited (Guarantor)

Harbour (APM) Investments Limited owns land at Benghajsa, Malta, valued at *circa* €25 million. The property comprises a number of sites at Benghajsa and is flanked by the Freeport and its service road to the Northeast, by Hal Far Road to the Northwest, by the new LPG depot & Fort Benghajsa to the South and by agricultural fields, Benghajsa Village and Hal Far Industrial Estate beyond to the South. The sites mainly consist of undeveloped agricultural fields having a cumulative total area of approximately 92,000m^2. No income is currently generated from the aforementioned land and as such HIL is ultimately dependent on the support provided by its shareholder.

4.5 FINANCIAL INFORMATION

The Issuer

The historical financial information about the Issuer is included in the audited consolidated financial statements for the financial periods ended 31 December 2013 and 31 December 2014. The said statements have been published and are available at the registered office of the Issuer.

The projected financial information about the Issuer is extracted from the unaudited forecast consolidated financial information for the year ending 31 December 2015. The said projections have been compiled from the actual financial performance of the Group for the period 1 January 2015 to 30 June 2015 together with management's forecast financial results for the period 1 July 2015 to 31 December 2015. The full report relating to the aforesaid financial information is included in Annex I of this Registration Document.

Set out below are highlights taken from the abovementioned financial statements of the Issuer:

Consolidated Income Statement For the year ended 31 December Amounts in €'000s	**2015 (12 months) Forecast**	**2014 (12 months) Actual**	**2013 (14 months) Actual**
Revenue	**4,293**	**1,678**	**1,717**
Net Operating Expenses	(1,314)	(760)	(287)
EBITDA	**2,979**	**918**	**1,430**
Depreciation and amortisation	(5)	(6)	(9)
Net investment income/(losses)	1,741	(149)	(1,801)
Finance costs	(1,875)	(687)	(743)
Profit/(loss) before tax	**2,840**	**76**	**(1,123)**
Taxation	(944)	113	(333)
Profit/(loss) after tax	**1,896**	**189**	**(1,456)**

The Issuer was incorporated on 23 October 2012 and therefore, the initial reportable financial period covered the 14 months from incorporation to 31 December 2013. During the historical financial period under review (23 October 2012 to 31 December 2014), the Group generated rental income from 11 investment properties located in Malta, Latvia, Lithuania and Estonia, the majority of which are leased to related parties. The said investment properties comprise the assets detailed in section 4.4 above, but exclude those properties which were acquired during the current financial year (2015) and which are described in section 4.6 of this Registration Document.

At 31 December 2014, the Issuer owned the following properties which did not yield any rental income:

- Ulmana restaurant in Latvia – this was under construction until June 2015. Thereafter, the property commenced yielding a rent of €99,000 annually;
- Transport House, Floriana – management is in the process of concluding a lease agreement with a prospective tenant based on a rental of *circa* €70,000 per annum;
- Madliena property – this villa is being held for resale.

In 2015, the Issuer is expected to generate rental income of €4.3 million, an increase of €2.6 million when compared to 2014. During the said year (FY2015), the Issuer commenced earning income from the newly acquired properties – SIA Tukuma, SIA Apex and Swatar Business Centre.

Net investment losses in 2013 mainly comprised a write-down in the cost of acquisitions amounting to €2.9 million, which was partly off-set by an increase in fair value of investment property of €1.1 million. The amount of €0.1 million registered in 2014 related to a net impairment in the fair value of its properties. As for 2015, it is assumed that the valuation of the property portfolio will increase by €1.7 million.

Finance costs represent interest payable on bank loans, related party borrowings and Bonds (as from 16 October 2015). Overall, the Issuer is projecting to achieve a net profit of €1.9 million in 2015 (2014: €0.2 million).

Statement of Financial Position Amounts in €'000s	31 Dec'15 Forecast	31 Dec'14 Actual	31 Dec'13 Actual
ASSETS			
Non-current assets			
Property, plant and equipment	28	12	15
Investment property	65,513	33,217	32,965
Other financial assets	12,500	-	-
Deferred tax assets	1,125	532	407
Total non-current assets	**79,166**	**33,761**	**33,387**
Current assets			
Property held for sale	-	150	805
Trade and other recivables	1,617	2,737	3,058
Current tax asset	237	7	-
Cash and cash equivalents	10,910	92	895
Total current assets	**12,764**	**2,986**	**4,758**
Total assets	**91,930**	**36,747**	**38,145**
EQUITY AND LIABILITIES			
Equity	**25,983**	**13,733**	**13,544**
LIABILITIES			
Non-current liabilities			
Bank loans	22,364	10,804	13,525
Other financial liabilities	36,233	5,919	5,115
Deferred tax liability	2,565	1,560	1,560
Total non-current liabilities	**61,162**	**18,283**	**20,200**
Current liabilities			
Trade and other payables	2,851	791	337
Other financial liabilities	-	1,125	2,569
Bank loans	1,934	2,815	1,421
Taxation	-	-	74
Total current liabilities	**4,785**	**4,731**	**4,401**
Total liabilities	**65,947**	**23,014**	**24,601**
Total equity and liabilities	**91,930**	**36,747**	**38,145**

Total assets of the Group as at 31 December 2014 amounted to €36.7 million (2013: €38.1 million) and primarily comprise: investment property (€33.2 million, 2013: €33.0 million), deferred tax assets (€0.5 million, 2013: €0.4 million), and receivables (€2.7 million, 2013: €3.1 million). As at 31 December 2015, investment property will increase by €32.3 million to €65.5 million, as a result of the acquisitions detailed in section 4.6 below. Furthermore, the deposit of €12.5 million settled upon signing of the share purchase agreement in relation to the Benghajsa transaction is recorded as 'other financial assets'. Cash balances are projected to increase to €10.9 million, being the balance of net Bond proceeds earmarked to part finance new property acquisitions.

Total liabilities of the Group principally include bank borrowings amounting to €13.6 million (2013: €14.9 million), amounts due to related parties of €7.0 million (2013: 7.7 million), and deferred tax liabilities amounting to €1.6 million (2013: €1.6 million). As a result of property acquisitions in 2015, total liabilities are expected to increase from €23.0 million to €65.9 million, which will

principally consist of bank loans and Bonds. On 19 May 2015, the share capital of the Company was increased through an issue of 100,000 shares of €1 each at a premium of €39 per share. The amount of €4 million was settled by way of capitalisation of shareholders' loans. Furthermore, on 27 August 2015, the issued share capital of the Company was increased by €6,500,000 to €21,600,000 by the capitalisation of shareholders' loans.

Consolidated Statements of Cash flows For the year ended 31 December Amounts in €'000s	2015 (12 months) Forecast	2014 (12 months) Actual	2013 (14 months) Actual
Cash flows from operating activities	2,803	933	722
Cash flows from investing activities	(30,780)	233	(8,657)
Cash flows from financing activities	38,842	(2,016)	8,830
Net movement in cash and cash equivalents	**10,865**	**(850)**	**895**
Opening cash balance	**45**	**895**	**-**
Closing cash balance	**10,910**	**45**	**895**

Net cash flows from operating activities principally relate to the receipt of rental income and operating expenses of the Company. Such cash flows are expected to increase substantially as from FY2015 reflecting the expansion in the Group's property portfolio.

In investing activities, the Group used €10.2 million in FY2013 and €1.9 million in FY2014 to acquire properties and investments. On the other hand, cash inflows due to sale of properties and investments amounted to €1.6 million and €2.1 million in FY2013 and FY2014 respectively.

In 2014, net cash used in financing activities related to repayments of €2.0 million to banks and related parties. In comparison, the Group raised a net amount of €8.8 million in the prior year through bank loans and related party borrowings.

The principal cash flow movements in 2015 include the acquisition of properties (section 4.6 below), the issuance of the Bonds, and net movements in related party balances and bank loans.

Harbour (APM) Investments Limited (Guarantor)

The financial information about Harbour (APM) Investments Limited is included in the audited financial statements for the financial period 4 December 2012 to 31 December 2013 and for the financial year ended 31 December 2014. The said statements have been published and are available at the registered office of the Issuer.

Set out below are highlights taken from the audited financial statements of Harbour (APM) Investments Limited for the financial periods indicated hereunder.

Income Statement For the year ended 31 December	2014 (12 months) €'000s	2013 (13 months) €'000s
Administrative expenses	(7)	(2)
Finance costs	(103)	-
Loss before tax	**(110)**	**(2)**
Taxation	-	-
Loss after tax	**(110)**	**(2)**

Statement of Financial Position	31 Dec'14 €'000s	31 Dec'13 €'000s
ASSETS		
Non-current assets		
Investment property	19,174	18,483
Total non-current assets	**19,174**	**18,483**
Current assets		
Loans and other receivables	92	91
Cash and cash equivalents	1	1
Total current assets	**93**	**92**
Total assets	**19,267**	**18,575**
EQUITY AND LIABILITIES		
Equity	**(111)**	**(1)**
LIABILITIES		
Non-current liabilities		
Other financial liabilities	19,370	18,574
Deferred tax liability	-	-
Total non-current liabilities	**19,370**	**18,574**
Current liabilities		
Other payables	8	2
Bank loans	-	-
Total current liabilities	**8**	**2**
Total liabilities	**19,378**	**18,576**
Total equity and liabilities	**19,267**	**18,575**

Statement of Cash Flows For the year ended 31 December	2014 (12 months) €'000s	2013 (13 months) €'000s
Cash flows from operating activities	(3)	(1)
Cash flows from financing activities	3	2
Net movement in cash and cash equivalents	-	1
Opening cash balance	1	-
Closing cash balance	1	1

The company is the owner of land at Benghajsa, Malta which does not generate an income stream. As at 31 December 2014 the property had a book value of *circa* €19 million.

As detailed in section 4.6 below, the above property was subject to a promise of share purchase agreement in 2015 whereby the Issuer undertook to acquire HIL for €25 million by 2018. In view of this transaction, the fair value of the property was increased to €24.9 million. Furthermore, the share capital of HIL was increased on 24 August 2015 to €22,331,200 through the capitalisation of shareholder's loans, revaluation reserves and retained earnings of €18,574,351, €3,753,441 and €2,208 respectively. A summary of HIL's balance sheet (unaudited) as at 16 September 2015 is provided hereunder:

Statement of Financial Position Amounts in €'000s	16 Sep'15 Unaudited	31 Dec'14 Audited
ASSETS		
Non-current assets	24,921	19,174
Current assets	1,893	93
Total assets	**26,814**	**19,267**
EQUITY AND LIABILITIES		
Equity	**22,999**	**(111)**
Liabilities		
Non-current liabilities	3,518	19,370
Current liabilities	297	8
Total liabilities	**3,815**	**19,378**
Total equity and liabilities	**26,814**	**19,267**

Hili Estates Limited (Guarantor)

The financial information about Hili Estates Limited is included in the audited financial statements for the financial years ended 31 December 2013 and 31 December 2014. The said statements have been published and are available at the registered office of the Issuer.

Set out below are highlights taken from the audited financial statements of Hili Estates Limited for the financial periods indicated hereunder.

Income Statement For the year ended 31 December	2014 €'000s	2013 €'000s
Revenue	**650**	**695**
Net Operating expenses	(24)	(40)
EBITDA	**626**	**655**
Investment income/(losses)	-	1,115
Finance costs	(241)	(247)
Profit/(loss) before tax	**385**	**1,523**
Taxation	(29)	(354)
Profit/(loss) after tax	**356**	**1,169**

During the period under review, the company was principally engaged in the management of one property – the Hili Building in Luqa, Malta. As such, its revenue relates to the generation of rental income (€0.65 million, 2013: €0.70 million).

In 2013, the fair value of the aforementioned property was increased by €1.1 million to €13.5 million.

Finance costs represent interest payable on bank loans.

Statement of Financial Position	31 Dec'14 €'000s	31 Dec'13 €'000s
ASSETS		
Non-current assets		
Investment property	13,351	13,531
Total non-current assets	**13,351**	**13,531**
Current assets		
Loans and other receivables	1,629	2,508
Current tax asset	21	-
Cash and cash equivalents	83	147
Total current assets	**1,733**	**2,655**
Total assets	**15,084**	**16,186**
EQUITY AND LIABILITIES		
Equity	**5,609**	**5,253**
LIABILITIES		
Non-current liabilities		
Bank overdraft and loans	3,786	5,796
Deferred tax liability	1,560	1,560
Total non-current liabilities	**5,346**	**7,356**
Current liabilities		
Trade and other payables	242	161
Other financial liabilities	1,877	2,890
Bank overdraft and loans	2,010	483
Current tax liabilities	-	43
Total current liabilities	**4,129**	**3,577**
Total liabilities	**9,475**	**10,933**
Total equity and liabilities	**15,084**	**16,186**

Total assets of the company as at 31 December 2014 amounted to €15.1 million (2013: €16.2 million) and primarily comprise: investment property (€13.4 million, 2013: €13.5 million), and loans and receivables (€1.6 million, 2013: €2.5 million).

Total liabilities of the company principally include bank borrowings amounting to €5.8 million (2013: €6.3 million), amounts due to related parties of €1.9 million (2013: €2.9 million), and deferred tax liabilities amounting to €1.6 million (2013: €1.6 million).

Statement of Cash Flows For the year ended 31 December	2014 €'000s	2013 €'000s
Cash flows from operating activities	1,522	(544)
Cash flows from investing activities	180	(646)
Cash flows from financing activities	(1,766)	1,322
Net movement in cash and cash equivalents	**(64)**	**132**
Opening cash balance	147	15
Closing cash balance	**83**	**147**

The primary movements in the cash flows statement refer to movements in working capital (in operating activities) and movements in bank borrowings and financial liabilities (in financing activities).

On 16 September 2015, HEL issued €8,051,340 4.5% redeemable preference shares through the capitalisation of related party loans. The said shares were fully allotted as fully paid up preference shares to the Company. A summary of HEL's balance sheet (unaudited) as at 16 September 2015 is provided hereunder:

Statement of Financial Position Amounts in €'000s	16 Sep '15 Unaudited	31 Dec'14 Audited
ASSETS		
Non-current assets	13,501	13,351
Current assets	1,762	1,733
Total assets	**15,263**	**15,084**
EQUITY AND LIABILITIES		
Equity	**14,016**	**5,609**
LIABILITIES		
Non-current liabilities	1,080	5,346
Current liabilities	167	4,129
Total liabilities	**1,247**	**9,475**
Total equity and liabilities	**15,263**	**15,084**

4.6 INVESTMENTS

During the current financial year ending 31 December 2015, the Group carried out the following investment transactions:

(a) In January 2015, the Group concluded the acquisition of two Latvian companies, SIA Apex Investments and SIA Tukuma Projekts. The said companies between them own nine shopping centres in Latvia. The transaction was principally funded through bank borrowings totalling €22.1 million;

(b) In May 2015, the Group acquired Tal-Herba Developments Ltd, a company which owns the Tower Business Centre in Swatar, Malta. Subsequent to the transaction, the name of the company was changed to Hili Properties (Swatar) Limited. The acquisition was funded through an €8 million bank loan;

(c) On 25 August 2015, APM Holdings Limited, the Issuer and Hili Ventures Limited entered into a promise of share purchase agreement whereby APM Holdings Limited promised, bound itself and undertook to sell, transfer and convey unto the Issuer, which in turn promised, bound itself and undertook to accept, purchase and acquire, 100% shareholding of HIL currently held by APM Holdings Limited for the sum of €25 million. HIL is the company that owns the land at Benghajsa measuring *circa* 92,000m^2. The share purchase agreement provides for a 50% deposit payable in 2015, which will be funded as to €6 million from Bond Issue proceeds and €6.5 million through an increase in share capital. The remaining balance of €12.5 million will be settled by 2018 through equity. It is the intention of the Group to sell the property in the near to medium term so as to fund further investment in rental-yielding properties in accordance with the Group's strategy. As at the date of the Prospectus, such prospective acquisitions have not been identified.

The above acquired properties are described in further detail in section 4.4 of this Registration Document.

As at the date of the Prospectus, the Group's management has not made any firm commitments on any material future investments.

4.7 BUSINESS DEVELOPMENT STRATEGY

It is the objective of the Issuer to continue to act as the property holding vehicle of the Hili Ventures Group. In this regard, the Issuer aims to continue to manage existing properties, and to acquire and dispose of properties as necessary to meet the needs of the Group's business operations. The rents chargeable by the Issuer to the Hili Ventures Group companies are based on commercial rental rates and respective lease agreements are entered into on an arms-length basis.

With respect to the remaining portfolio, the Issuer's strategy is to create a property portfolio consisting primarily of attractively-located, institutional and high quality, income-producing investment properties in, inter alia, Malta, Estonia, Latvia, Lithuania and other developed countries (the "Target Countries") to deliver income and capital growth through active asset management. Although the Issuer's current investment properties as well as the identified future property acquisitions as described in Section 4.1 paragraph (iii) of the Securities Note are all located within European countries, the Board of Directors shall particularly seek to focus its development strategy on property markets that develop and offer the most attractive investment opportunities which may be located outside the European market. As at the date of this Prospectus the Issuer has not identified specific investment opportunities in Target Countries outside Europe however it may consider to expand its property portfolio to countries outside Europe whilst fully adhering to the parameters set out in this Section 4.7.

The Issuer believes that its Board of Directors, with the support of external advisors and property experts, has distinct knowledge of and competence within, the immovable property markets of the Target Countries, thereby placing the Issuer in an appropriate position to capitalise on the opportunities presented by current and expected market conditions. The Issuer intends to source its investment opportunities primarily through the Board of Directors' extensive network of relationships within the immovable property markets of the Target Countries, which include the corporate and private landlords, brokers, domestic banks and others. The Board of Directors expects to create both sustainable income and strong capital returns for the Issuer.

In carrying out its functions, the Board of Directors aims to focus its investment decisions on the acquisition of primarily investment properties in the Target Countries with some of the following characteristics:

- Retail properties in city centres and certain suburban areas (shopping centres and high street retail outlets);
- Office properties that the Board of Directors expects to be in demand by high demand tenants;
- Other selected commercial real estate properties, for example, warehousing, industrial and distribution facilities;
- Such other specialist building or property that the Board of Directors considers will give attractive investor return;
- In line with the current property portfolio available for rent which presently reflects an overall average occupancy rate of 93%, the Board of Directors shall aim to maintain a similar high level of occupancy rates for future investment properties.

When investing in property, the Board of Directors shall concentrate on assets priced at significant discounts to fair value or assets with active asset management opportunities, for example through repositioning, rental extension or rental optimisation, and adopt a conservative approach with regard to development opportunities in the context of the whole portfolio as the Issuer's primary focus is on cash flow and active asset management.

The intention of the Board of Directors is, where appropriate, to improve income profiles and add value to the Issuer's property portfolio through asset management techniques which include:

- Renegotiating or surrendering leases;
- Improving lease terms/duration and tenant profile;
- Undertaking physical improvements when and where considered appropriate;
- Improving layouts and space efficiency of specific assets;
- Changing the tenant mix of certain properties;
- Maintaining dialogue with tenants to assess their requirements;
- Taking advantage of planning opportunities where appropriate; and
- Repositioning and upgrading assets.

In the implementation of the above strategy, the Issuer shall seek to use prudent levels of leverage to enhance equity returns over the long-term. The indicative aggregate borrowing as a percentage of gross asset value of the Issuer is expected not to exceed 70%. The Issuer may modify the leverage policy from time to time in light of then-current economic conditions, the relative costs of debt and equity capital, the fair value of the Issuer's assets, growth and acquisition opportunities or other factors it deems appropriate.

5. TREND INFORMATION

There has been no material adverse change in the prospects of the Issuer and/or the Guarantors since the date of their latest published audited financial statements.

At the time of publication of this Registration Document, the Issuer considers that generally the HP Group will be subject to the normal business risks associated with the principal activities detailed in section 4 above and does not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of its business and that of the HP Group, at least with respect to the current financial year and the forecast year ending 31 December 2016.

With regards to the Guarantors, the principal income stream of Hili Estates Limited is derived from contractual agreements with companies forming part of the Hili Ventures Group and other related parties. In view of the long term nature of such leases, Hili Estates Limited is not considered to be unduly exposed to operating uncertainties relating to the commercial real estate sector and/or to other external events related to the economy, which could be deemed likely to have a material impact on its business, at least for the foreseeable future.

As to Harbour (APM) Investments Limited, the company considers that its future performance will depend on the sale of the Benghajsa site in the medium to long term as a commercial area and the cash flows likely to be generated when disposal thereof is initiated. Other than the aforesaid uncertainties, Harbour (APM) Investments Limited does not anticipate any trends, uncertainties, demands, commitments or events that could be deemed likely to have a material effect on the upcoming prospects of its business, at least for the foreseeable future.

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

European commercial property [1]

After a year of tentative economic growth in 2014, the first quarter of 2015 brought increased optimism for Europe as Eurozone GDP grew by 0.4%. Economic activity improved, aided by low oil prices, the European Central Bank's quantitative easing programme and the weak Euro, which has boosted the competitiveness of European exports. However, the Eurozone's modest economic recovery suffered a setback in Q2 as Eurozone GDP slowed to 0.3% (from 0.4% in Q1). Consensus forecasts suggest that the single currency area will see annual growth of around 1.3% in 2015.

[1] *European Quarterly Commercial Property Outlook Q1 2015 (Knight Frank), Eurostat*

Investors continue to display an increased willingness to explore opportunities across a wide range of geographies and sectors, and investment volumes have remained on an upward trend in many secondary cities and peripheral markets. Given the healthy start to the year, 2015 is set to be another strong year for the investment market, and transaction volumes may approach the levels seen during the 2006/07 market peak. The ECB's QE programme should help to preserve favourable conditions for property investment throughout the year, and the weak Euro will boost the attractiveness of European property prices to many overseas buyers, particularly US Dollar denominated investors.

Latvian real estate investment market[2]

In 2014, the real estate investment market continued to be active. The year closed with a total investment volume of €316.9 million, compared to €331.5 million in 2013. The total number of investment deals closed during 2014 amounted to 112, exceeding the 2013 level by 19%.

The key players responsible for the major part of 2014 annual investment volume can be divided into three general groups: Nordic investors, investors from CIS countries and Russia in particular, and local Baltic investors. Each group has its own investment preferences and targets specific investment properties. Nordic investors are mostly represented by investment funds and fund managers, which target cash flow yielding properties with long term income potential and tend to place investments not only on a single asset transaction base but also on a cross Baltic portfolio base. Investors from CIS countries and Russia aim at more risky projects, compared to institutional investors, as well as considering properties with development opportunities.

An improving investment climate and positive market expectations contributed to slight yield compression in 2014. The prime yield to industrial properties remained on the 2013 level of 9%, while prime retail and office yields experienced a decline to 7.5% and 7.75% respectively. In 2015, the investment market is expected to remain active with investment volumes remaining on the 2014 level. Office and retail commercial properties will become the main investment focus of 2015, while activity in the mixed-use and residential segment is expected to decrease. Prime yields are expected to remain stable in 2015.

Lithuanian real estate investment market[2]

After the improvement in investment market activity registered in Lithuania in 2013, the performance in 2014 was even more positive. The situation was encouraged not only by a positive performance from the Lithuanian economy, with growing internal consumption and the retail trade, but also by increased activity from Shared Service Centres and ICT companies, which have been actively expanding in the country. Besides, positive expectations related to Euro integration in 2015 gave an additional impulse to attract investment in the Lithuanian property market. Despite some speculation about the negative impact of the Russia – Ukraine conflict in terms of attracting investment in Lithuania, especially from Russia, those fears have not materialised and investors from Russia have remained interested in the Lithuanian real estate investment market.

During 2014 investment volume in Lithuania reached €298 million, an increase of 24.8% compared to 2013. The majority of investment deals were executed in the office segment (45%), but activity in the retail segment was also strong at 22.4% of total deals transacted. In 2014, the market was dominated by investors from the Baltic and Nordic countries, and Russia.

Market stabilisation during 2013 – 2014, with a decrease of uncertainty and a positive performance by the Lithuanian economy, gradually compressed investment yields. In 2014, prime investment yields in Vilnius ranged between 7.5% (for prime retail and office properties) and 9% (in the industrial segment). Other Lithuanian cities remained quite inactive in terms of investment in real estate due to weak regional economies and lower levels of business concentration. A possible exception is the industrial segment in Kaunas and Klaipeda where several deals were concluded.

After integration with the Euro zone, Lithuania is expected to become even more attractive to investors not only from the usual regions, but also from Western countries. Main investment targets are expected to remain office and retail properties located in Vilnius with strong cash flow and core locations.

Estonian real estate investment market[2]

Total 2014 investment volume stood at €240 million, thus surpassing the previous year level by more than 12%, and showing strongest results in terms of investment turnover since 2008. Nordic investors, investors from the CIS countries and Russia in particular, together with local Baltic investors continue to dominate the investment market in Estonia. Domestic spend made up one third of acquisitions, while Russian capital represented more than 36% of invested volume in 2014.

Notable yield compression by 50 bps was recorded in Estonia in 2014. Low-cost financing, shortage of investment grade properties, positive performance by corresponding sectors, and strengthening demand from both highly capitalised and smaller investors resulted in tougher competition and thus lower prime yield levels.

[2] *Real Estate Market Overview 2015 (Colliers International, Sorainen, PricewaterhouseCoopers)*

In 2015, the investment market will continue to be active as investors are well capitalised and are constantly looking for good quality cash flow properties. Willingness to take increased risks can be observed among some investors due to the scarcity of investment grade properties. The office and retail sectors will remain the more favoured by investors, international and local alike. Prime yields are expected to remain stable in 2015.

Maltese real estate investment market

National statistics relating to commercial property in Malta is currently not captured and therefore is more difficult to gauge the health of this sector. Notwithstanding the lack of such data, general business sentiment and the continued drive to promote Malta as a regional hub for the provision of business related services, notably in the financial, i-gaming, back-office services, information technology, aircraft registration and maritime has continued to generate a positive trend in the commercial property sector, in particular office space. In addition, Malta's highly skilled and competitive labour costs have also been vital in sustaining this success. This view is substantiated when assessing the lack of availability of large office and commercial space, as well as, the number of projects earmarked for development and set to commence in the near future.

6. MANAGEMENT AND ADMINISTRATION

6.1 THE BOARD OF DIRECTORS OF THE ISSUER

The Issuer is currently managed by a board of seven (7) directors entrusted with the overall direction and management of the Issuer. The Board currently consists of one (1) executive Director and six (6) non-executive Directors. The business address of each Director is the registered office of the Issuer.

6.1.1 EXECUTIVE DIRECTOR

The executive Director of the Issuer is entrusted with the Company's day-to-day management. He is supported in this role by several consultants and benefits from the know-how gained by members and officers of the HP Group.

The executive Director of the Issuer is Karl Naudi.

6.1.2 NON-EXECUTIVE DIRECTORS

The non-executive Directors constitute a majority on the Board and their main functions are to monitor the operations of the executive Director and his performance, as well as to review any proposals tabled by the executive Director.

The non-executive Directors are Margrith Lütschg-Emmenegger, Melo Hili, Richard Abdilla Castillo, Victor Tedesco, David Aquilina and Martin Xuereb.

Three of the above-mentioned non-executive Directors, namely Margrith Lütschg-Emmenegger, David Aquilina and Martin Xuereb, are also considered as independent directors since they are free of any business, family or other relationship with the Issuer, its controlling shareholder or the management of either, that creates a conflict of interest such as to impair their judgement. In assessing the independence of Margrith Lütschg-Emmenegger, David Aquilina and Martin Xuereb due notice has been given to sub-section 5.119 of the Listing Rules.

6.1.3 CURRICULUM VITAE OF THE DIRECTORS

Margrith Lütschg-Emmenegger – Chairperson and independent non-executive Director

Margrith Lütschg-Emmenegger has worked in trade finance with a special focus on forfaiting and factoring for most of her professional life, first with Barclays Bank, and then with Midland Bank Aval in London. She later assumed global responsibility for forfaiting and factoring at market leader West Merchant Bank (now WestLB AG). Ms Lütschg-Emmenegger joined FIMBank in 2003 as Executive Vice-President, responsible for business development. She was appointed President in September 2004 and served for more than a decade, after which she became advisor to the FIMBank Group and other industry members. She was appointed to the board of directors of the International Factors Group in 2011 where she now serves as Chairperson since October 2013. In March 2014 Ms Lütschg-Emmenegger was awarded the highest decoration of the Republic of Malta, that of the National Order of Merit. She is also Chairperson of Competitive Malta, a voluntary organisation in support of national competitiveness.

Karl Naudi – Executive Director

Karl Naudi joined the Hili business after completing his studies in 1997. In 1998, he became Sales Executive at Carmelo Caruana Company Limited and Freight Forwarding Manager a year later. In 2003, Mr Naudi was appointed to the board of directors of Carmelo Caruana Freeport Operations Limited. He was named Managing Director of Carmelo Caruana Company in 2013. In 2014, he was also entrusted with expanding Hili Company Limited's logistics activities and in 2015 Mr Naudi was appointed Advisor to Hili Company Limited.

Carmelo *sive* Melo Hili – Non-executive Director

Melo Hili joined the family business in 1988 and was appointed managing director of Motherwell Bridge Limited, then a joint venture with Motherwell Bridge Group of Scotland. He later headed the company's Italian operation and was a board member of Motherwell Bridge Bhicam in the Bahamas. Mr Hili was named developmental licencee for McDonald's in Malta in 2005, for Estonia, Lithuania and Latvia in 2007, and for Greece in 2011. Mr Hili is chief executive of Hili Ventures and is a member of the supervisory board of the Ronald McDonald House Charities in Latvia.

Richard Abdilla Castillo – Non-executive Director

Richard Abdilla Castillo is a certified public accountant. He joined the Hili business in 1989 as a financial controller and has since been extensively involved in the growth of the Hili Ventures Group's companies. He now sits on several boards within Hili Ventures Group, and is presently Finance Director at Hili Ventures. Mr Abdilla Castillo previously occupied senior roles at KPMG Malta, formerly Joe Tabone and Co. Ltd, within the firm's consultancy division. He was responsible for several companies in diverse industries, based in Malta and abroad.

Victor Tedesco – Non-executive Director

Victor Tedesco joined the McDonald's team in Malta before the first restaurant opened in Valletta in 1995, and was part of the group of people who spearheaded the expansion of the Malta chain to St Julian's and Sliema. He was St Julian's store manager for three years during which time he was awarded Manager of the Year at the Managers' Convention in Spain. Mr Tedesco subsequently became operations manager and moved to head office. In 2007, he was appointed director of operations for the Baltics and moved to Riga for three and a half years. In 2011, he was entrusted with leading the operation in Greece. He returned to Malta in 2014 as managing director for Malta and Greece for Premier Capital p.l.c., which latter entity holds the developmental licence for McDonald's in Estonia, Greece, Latvia, Lithuania and Malta, and is a subsidiary of Hili Ventures.

David Aquilina – Independent non-executive Director

David Aquilina has extensive experience in the local property and construction industry. He read for a BA Hons. Accountancy at the University of Malta and has been involved in running various businesses ever since. He is an executive director at Belair Property, a leading local real estate agency and holds directorships in various property construction companies involved in development of an extensive range of properties, including high-end capital projects. He is also a director in a retail operation running the franchise of two of the leading fashion brands present in the Maltese Islands.

Martin Xuereb - Independent non-executive Director

Brigadier Martin Xuereb served as Commander of the Armed Forces of Malta from 2010 to 2013, Deputy Commander (2007-2008), Military Representative to the EU Military Committee, the European Defence Agency, the EU Institute for the Security Study, the EU Satellite Centre, and NATO (2004-2007), Common Foreign and Security Policy Attaché and Representative to the Western EU (2004), and Malta Representative to NATO Partnership for Peace Programme and Defence Attaché to Belgium (1996-1997). His active service included command at expedition, company, and regimental level in Malta and Kosovo. He trained at the Royal Military Academy, Sandhurst, and holds a Master's in International Studies from King's College, London. Brigadier Xuereb is Director of the Migrant Offshore Aid Station, a privately financed foundation engaged in providing assistance to migrants in distress while crossing the Mediterranean.

6.1.4 SERVICE CONTRACTS OF THE DIRECTORS

Margrith Lütschg-Emmenegger, Martin Xuereb and David Aquilina have a service contract with the Issuer.

6.1.5 AGGREGATE EMOLUMENTS OF THE DIRECTORS

In accordance with the Issuer's Articles of Association, the total emoluments payable to all Directors, whether as fees and/or salaries by virtue of holding employment with the Issuer, is subject to shareholder approval at general meeting.

Margrith Lütschg-Emmenegger is the only Director who received emoluments for the financial period ended 31 December 2014.

6.1.6 LOANS TO THE DIRECTORS

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

6.1.7 REMOVAL OF THE DIRECTORS

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

6.1.8 POWERS OF THE DIRECTORS

By virtue of the Articles of Association of the Issuer, the Directors are empowered to transact all business which is not by the Articles expressly reserved for the shareholders in general meeting. The powers of the Directors are better described in section 12.4.4 below.

6.2 THE BOARD OF DIRECTORS OF THE GUARANTORS

Harbour (APM) Investments Limited

The Memorandum of Association of the Harbour (APM) Investments Limited provides that the board of directors shall be composed of not more than three directors. As at the date of this Registration Document, the board of directors of the company is constituted of two directors, namely, Karl Naudi and Richard Abdilla Castillo. Their curriculum vitae are included in section 6.1.3 above. The business address of both directors is the registered office of the company.

Hili Estates Limited

The Memorandum of Association of the Hili Estates Limited provides that the board of directors shall be composed of not more than four directors. As at the date of this Registration Document, the board of directors of the company is constituted of two directors, namely, Karl Naudi and Richard Abdilla Castillo. Their curriculum vitae are included in section 6.1.3 above. The business address of both directors is the registered office of the company.

6.3 EMPLOYEES OF THE GROUP

As at the date of this Registration Document, the Group had a total of nine (9) employees, of which two (2) staff members form part of management and the remaining seven (7) employees form part of the technical and operations department. All of the aforementioned employees are directly deployed by the Issuer.

7. MANAGEMENT STRUCTURE

7.1 GENERAL

The Issuer is a property holding company which does not require an elaborate management structure. Karl Naudi has been appointed executive Director and, in the execution of the strategic direction, investment and management oversight of the Group, he is assisted by members of senior management of the HP Group.

The Directors believe that the current organisational structures are adequate for the current activities of the Company. The Directors will maintain these structures under continuous review to ensure that they meet the changing demands of the business and to strengthen the checks and balances necessary for better corporate governance.

7.2 SENIOR MANAGEMENT

Karl Naudi – Managing Director

Karl Naudi's curriculum vitae is included in section 6.1.3 above.

Daniel Mangion – Chief Financial Officer

Daniel Mangion is an ACCA-qualified accountant. Mr Mangion was Financial Controller at Nectar Group where he headed the group finance team as Financial Controller from 2012 to 2015. Between 2010 and 2012 he was Corporate Services Assistant Manager at Abacus Ltd, and was previously Malta-based Financial Controller at Global Procurement, part of the Van Marcke Group of Belgium.

7.3 CONFLICT OF INTEREST

Karl Naudi, Richard Abdilla Castillo, Melo Hili and Victor Tedesco are Directors of the Issuer and other companies of the Hili Ventures Group. Karl Naudi and Richard Abdilla Castillo are also directors of each of the Guarantors. Conflicts of interest could potentially arise in relation to transactions involving the Issuer and the Guarantors and other Hili Ventures Group companies.

The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment, pursuant to these different roles held by Directors, are handled in the best interest of the Issuer and according to law. The majority held by the independent non-executive Directors on the Audit Committee provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arms-length basis. To the extent known or potentially known to the Issuer as at the date of this Registration Document, there are no potential conflicts of interest between any duties of the Directors towards the Issuer and their private interests and/or their other duties which require disclosure in terms of the Regulation.

7.4 MAJOR SHAREHOLDERS

Hili Ventures Limited (C 57902) currently holds 21,599,998 of the Issuer's 21,600,000 ordinary shares in issue. The HP Group is wholly owned, directly or indirectly, through Hili Ventures Limited by Carmelo *sive* Melo Hili as to 50%, whilst the remaining 50% is held by Joseph *sive* Beppe Hili and other members of his family.

The Issuer adopts measures in line with the Code of Corporate Governance to ensure that the relationship with Hili Ventures Limited is retained at arm's length, including adherence to Rules on Related Party Transactions requiring the sanction of the Audit Committee, which is constituted by three (3) non-executive Directors.

Harbour (APM) Investments Limited is a wholly-owned subsidiary of APM Holdings Ltd, that is, a part owner of Hili Ventures Limited.

As to Hili Estates Limited, the Issuer owns indirectly 95% of the company.

8. AUDIT COMMITTEE PRACTICES

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

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

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

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

All Directors of the Issuer sitting on the Audit Committee are of a non-executive capacity. David Aquilina acts as chairman, whilst Martin Xuereb and Victor Tedesco act as members. In compliance with the Listing Rules, David Aquilina is the independent non-executive Director considered by the Board to be the director competent in accounting and/or auditing matters. The curriculum vitae of the said Directors may be found in section 6.1.3 above.

9. COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

The Issuer

Prior to the present issue, the Company was not regulated by the Listing Rules and, accordingly, was not required to comply with the Code of Principles of Good Corporate Governance forming part of the Listing Rules (the "Code"). As a consequence of the present issue of securities in accordance with the terms of the Listing Rules, the Issuer is required to comply with the provisions of the Code. The Issuer supports the Code and is confident that the application thereof shall result in positive effects accruing to the Issuer.

As at the date hereof, the Board considers the Company to be in compliance with the Code save for the following exceptions:

- **Principle 8:** The Issuer does not have a Remuneration Committee as recommended in Principle 8 because it is not deemed as necessary in view of the very limited number of employees directly engaged by the Issuer; and
- **Principle 8:** The Issuer does not have a Nomination Committee as recommended in Principle 8. Appointments to the Board of Directors are determined by the shareholders of the Company in accordance with the Memorandum and Articles of Association. The Issuer considers that the members of the Board provide the level of skill, knowledge and experience expected in terms of the Code.

The Guarantors

The Guarantors are private companies and accordingly, are not bound by the provisions of the Code, set out in the Listing Rules. While the Guarantors do not adopt the provisions of the Code, they have each specifically tasked the Audit Committee of the Issuer with keeping a watching brief over the operations of the Guarantors. In this regard, the Audit Committee shall, *inter alia*, monitor the net asset value of each of the Guarantors to ensure that, during the term of the Bond, their aggregate net asset value will amount to not less than €37 million.

10. HISTORICAL INFORMATION

The financial information about the Issuer is included in the audited consolidated financial statements for the financial period 23 October 2012 to 31 December 2013, and for the financial year ended 31 December 2014.

The financial information about Harbour (APM) Investments Limited is included in the audited financial statements for the financial period 4 December 2012 to 31 December 2013, and for the financial year ended 31 December 2014.

The financial information about Hili Estates Limited is included in the audited financial statements for the financial years ended 31 December 2013 and 31 December 2014.

The said statements have been published and are available at the Issuer's registered office.

There were no significant changes to the financial or trading position of the Issuer, Guarantors or the Group since the end of the financial period to which the last audited financial statements relate.

11. LITIGATION

There have not been any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer and/or Guarantors are aware) during the period covering twelve (12) months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantors or of the Group.

12. ADDITIONAL INFORMATION

12.1 SHARE CAPITAL OF THE ISSUER

The current authorised and issued share capital of the Company is twenty one million six hundred thousand Euro (€21,600,000) divided into twenty one million six hundred thousand (21,600,000) ordinary shares of a nominal value of one Euro (€1) each, fully paid up.

The issued shares in the Company are subscribed for, allotted and taken up as fully paid up shares by (i) Hili Ventures Limited (C 57902) as to twenty-one million, five hundred ninety-nine thousand, nine hundred and ninety-eight (21,599,998) ordinary shares of €1 each; (ii) one (1) ordinary share of €1 is held by APM Holdings Limited (C 30527); and (iii) the remaining one (1) ordinary share of €1 is held by La Toc Limited (C 11742).

The authorised share capital of the Issuer may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by a resolution of the shareholders in general meeting.

There are no classes of shares and each share confers the right to one (1) vote at general meetings of the Company. All ordinary shares rank *pari passu* in all respects.

The shares of the Company are not listed on the MSE and no application for such listing has been made to date.

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

12.2 SHARE CAPITAL OF HARBOUR (APM) INVESTMENTS LIMITED

The authorised share capital of Harbour (APM) Investments Limited is €22,331,200. The issued share capital is €22,331,200 divided into 22,331,200 ordinary shares of €1 each, fully paid up.

The authorised share capital of Harbour (APM) Investments Limited may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by a resolution of the shareholders in general meeting.

It is not expected that shares in Harbour (APM) Investments Limited shall be issued during the next financial year, whether fully or partly paid up, in consideration for cash or otherwise.

The shares of the Harbour (APM) Investments Limited are not listed on the Malta Stock Exchange, and no application for such listing has been made to date.

There is no capital of the Harbour (APM) Investments Limited which is currently under option, nor is there any agreement by virtue of which any part of the capital of the Issuer is to be put under option.

12.3 SHARE CAPITAL OF HILI ESTATES LIMITED

The authorised share capital of Hili Estates Limited is €9,216,026.84. The issued share capital is €9,216,026.84 divided into 500,000 ordinary shares of €2.329373 each, fully paid up. Furthermore, HEL has in issue €8,051,340.34 4.5% redeemable preference shares of €2.329373 each. The preference shares are subscribed for, allotted and taken up as fully paid up preference shares by the Company.

The authorised share capital of Hili Estates Limited may be increased by an ordinary resolution of the shareholders in general meeting. Shares can be issued when and under those conditions decided by a resolution of the shareholders in general meeting.

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

The shares of the Hili Estates Limited are not listed on the Malta Stock Exchange, and no application for such listing has been made to date.

12.4 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER

12.4.1 OBJECTS

In terms of its Memorandum of Association, the principal object of the Issuer is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests.

Sub-clause 4(n) of the Company's Memorandum of Association specifically provides that the Issuer is authorised and empowered to issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and to sell or offer same to the public.

12.4.2 APPOINTMENT OF DIRECTORS

The Directors of the Issuer are appointed in terms of the Company's Articles of Association. In line with generally accepted principles of sound corporate governance, at least one (1) of the Directors shall be a person independent of the Group.

12.4.3 REMOVAL OF DIRECTORS

In terms of the Company's Articles of Association, any Director may be removed at any time by the Company in general meeting, provided that the Director who is to be removed shall be given the opportunity of making representations to the general meeting at which a resolution for his/her removal is to be taken.

12.4.4 POWERS OF DIRECTORS

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

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

In terms of the Memorandum and Articles of Association, the Board may exercise all the powers of the Company to borrow money to an unlimited amount and to grant as security therefor a hypothecation and/or other charges upon the whole or any part of the Company's property, present and future.

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

12.5 MEMORANDUM AND ARTICLES OF ASSOCIATION OF HARBOUR (APM) INVESTMENTS LIMITED

12.5.1 OBJECTS

In terms of its Memorandum of Association, the principal object of Harbour (APM) Investments Limited is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. Clause 4 of the Memorandum of Association contains the full list of objects of the company. A copy of the Memorandum and Articles of Association of the company may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Registry of Companies.

12.5.2 VOTING RIGHTS

The holders of the ordinary shares in Harbour (APM) Investments Limited are entitled to vote at meetings of the shareholders of Harbour (APM) Investments Limited on the basis of one vote for each share held.

12.5.3 APPOINTMENT OF DIRECTORS

At present, in terms of the Memorandum and Articles of Association, the board of Harbour (APM) Investments Limited shall consist of not more than three directors who shall be appointed by the shareholders of the company.

12.5.4 POWERS OF DIRECTORS

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

12.6 MEMORANDUM AND ARTICLES OF ASSOCIATION OF HILI ESTATES LIMITED

12.6.1 OBJECTS

In terms of its Memorandum of Association, the principal object of Hili Estates Limited is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, including but not limited to securities and other financial interests. Clause 4 of the Memorandum of Association contains the full list of objects of the company. A copy of the Memorandum and Articles of Association of the company may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Registry of Companies.

12.6.2 VOTING RIGHTS

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

12.6.3 APPOINTMENT OF DIRECTORS

At present, in terms of the Memorandum and Articles of Association, the board of Hili Estates Limited shall consist of not more than four directors who shall be appointed by the shareholders of the company.

12.6.4 POWERS OF DIRECTORS

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

13. MATERIAL CONTRACTS

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

14. PROPERTY VALUATION REPORTS

In connection with the issue of the Bonds in accordance with the terms of the Prospectus, the Issuer commissioned Edward Bencini, Senior Architect at Bencini & Associates Architects, to issue two property valuation reports in relation to the properties owned by the HP Group and HIL. The following are the details of said independent valuer:

Name	Edward Bencini
Business address	Bencini & Associates Architects Design Centre, Level 1, Tower Road, Swatar BKR 4012, Malta

Listing Rule 7.4.3 provides that property valuations to be included in a prospectus must not be dated (or be effective from) more than 60 days prior to the date of publication of the prospectus in question. Accordingly, the property valuation reports referred to herein is dated 10 September 2015.

A copy of the reports dated 10 September 2015 compiled by Architect Edward Bencini in respect of the properties owned by the HP Group and HIL, the aggregate value of which has been estimated at *circa* €89.9 million, are available for inspection as set out in section 17 of this Registration Document.

15. STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST

Save for the financial analysis summary, the accountants' report on the consolidated forecast financial statements and the architects' property valuation reports, the Prospectus does not contain any statement or report attributed to any person as an expert.

The financial analysis summary dated 18 September 2015 has been included in Annex IV of the Securities Note in the form and context in which it appears with the authorisation of Charts Investment Management Service Limited of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

The accountants' report on the consolidated forecast financial statements dated 16 September 2015 has been included in Annex I of this Registration Document in the form and context in which it appears with the authorisation of Deloitte Services Limited of Deloitte Place, Mriehel Bypass, Mriehel BKR 3000, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein.

The architects' property valuation reports dated 10 September 2015 are being made available in the form and context in which they appear with the authorisation of Bencini & Associates Architects of Design Centre, Level 1, Tower Road, Swatar BKR 4012, Malta, which has given and has not withdrawn its consent to said reports being made available for inspection as set out in the following section 17 of this Registration Document. A condensed version of the valuation report relating to the HP Group and the full version of HIL's property report have been included in Annex II of this Registration Document.

None of the foregoing experts have any beneficial interest in the Issuer. The Issuer confirms that the financial analysis summary, the accountants' report and the architects' property valuation reports have been accurately reproduced and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

16. THIRD PARTY INFORMATION

Section 5 of the Registration Document contains information sourced from third parties. The Issuer confirms that such third party information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by the respective third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Reference to the sources is included in the aforesaid section of this Registration Document.

17. DOCUMENTS AVAILABLE FOR INSPECTION

For the duration period of this Registration Document, the following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta, during office hours:

(a) Memorandum and Articles of Association of the Issuer and Guarantors;
(b) Audited consolidated financial statements of the Issuer for the financial periods ended 31 December 2013 and 2014;
(c) Audited financial statements of Harbour (APM) Investments Limited for the financial periods ended 31 December 2013 and 2014;
(d) Audited financial statements of Hili Estates Limited for the financial years ended 31 December 2013 and 2014;
(e) Unaudited consolidated forecast financial statements of the Issuer for the year ending 31 December 2015;
(f) The letter of confirmation drawn up by Deloitte Services Limited dated 16 September 2015;
(g) The independent architects' property valuation reports dated 10 September 2015;
(h) The Guarantee; and
(i) Financial analysis summary prepared by Charts Investment Management Service Limited dated 18 September 2015.

Items (a), (b), (g) and (i) above are also available for inspection in electronic form on the Issuer's website at www.hiliproperties.com

ANNEX I – UNAUDITED CONSOLIDATED FORECAST FINANCIAL STATEMENTS OF THE ISSUER FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2015

A. SUMMARY OF SIGNIFICANT ASSUMPTIONS AND ACCOUNTING POLICIES

1. Introduction

The forecast statement of financial position, the forecast income statement, and the forecast statement of cash flows ("the Forecasts") of Hili Properties p.l.c. ("the Company") and its subsidiary undertakings (the "Group") for the financial year ending 31 December 2015 ("FY15") have been prepared to provide financial information for the purposes of inclusion in the Registration Document of Hili Properties p.l.c., dated 18 September 2015. The Forecasts as presented in Annex I of the Registration Document, together with the assumptions set out below, are the sole responsibility of the Directors of the Company.

The Forecasts are intended to show a possible outcome based on assumptions relating to anticipated future events which the Directors expect to take place, and on actions the Directors expect to take. Events and circumstances frequently do not occur as expected, and therefore, actual results may differ materially from those included in the forecast and projected financial information. Attention is drawn, in particular, to the risk factors set out in the Registration Document, which describe the primary risks associated with the business to which the Forecasts relate.

The Forecasts are not intended to and do 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 Group, in accordance with International Financial Reporting Standards as adopted by the EU.

The Directors have exercised due care and diligence in adopting the assumptions set out below. The Forecasts were formally approved on 20 August 2015 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 described in Section 3 below.

2. Significant accounting policies

The significant accounting policies of the Company are set out in the audited financial statements of the Group for the financial year ended 31 December 2014. Where applicable, in so far as they relate to recognition and measurement criteria, they have been consistently applied in the preparation of the forecast financial information.

3. Basis of preparation and principal assumptions

The projections are based on the actual financial results and cash flows as reflected in the consolidated management accounts of the Group up to 30 June 2015 together with forecast financial results and cash flows between 1 July 2015 and 31 December 2015 as well as provisions required in order to reflect the Company's forecast financial results, cash flows and financial position for the year-ended and as at 31 December 2015.

The principal assumptions relating to the environment in which the Group operates, and the factors which are exclusively outside the influence of the Directors and which underlie the forecast financial statements, are the following:

- There will be no material adverse movements originating from market and economic conditions affecting the real estate markets in Malta, the Baltics or any other country in which the Group intends to operate;
- Exchange rates will not change significantly over the period covered by the forecast financial information;
- Interest rates will not change significantly over the period covered by the forecast financial information;
- The rate of inflation will be in line with historical trends;
- The Group will continue to enjoy the confidence of its bankers;
- The Group will be able to meet its financial obligations;
- The basis and rates of taxation, direct and indirect, will not change materially throughout the period covered by the prospective financial information.

The principal assumptions relating to the environment in which the Group operates, and the factors which the Directors can influence and which underlie the Forecasts, are the following:

Significant transactions

i. Acquisitions carried out to date in 2015 including SIA Apex Investments, SIA Tukuma Projekts and Hili Properties (Swatar) Ltd, have been included in the Forecasts from the month of purchase and based on actual acquisition costs and financing arrangements as reflected in the consolidated management accounts of the Group for the 6-month period ended 30 June 2015.

ii. The Forecasts include a deposit of €12.5m on a promise of share purcahse agreement to acquire Harbour (APM) Investments Ltd by not later than 2018 for an agreed price of €25m. The Forecasts assume that €6.0m of the above is settled through bond proceeds with the remaining €6.5m settled through an increase in equity.

iii. The Bond Issue is forecast to generate gross proceeds of €37.0m less issue costs of €0.8m. Of the remaining €36.2m, €19.5m is applied against bank borrowings, most of which relate to loans taken out in 2015 to fund the acquisitions referred to in (i) above. €6m is applied against part of the deposit payable on the promise of share purcahse agreement referred to in (ii) above, whereas the remaining €10.7m is forecast to be used to fund additional acquisitions which are projected to take place in 2016.

Financial performance assumptions

iv. Rental income has been forecast on the basis of existing rental agreements with tenants.

v. Administrative expenses have been forecast on the basis of management's expectations using 2014 as a basis and providing for known increases such as increases in professional fees and travel costs in view of the FY15 acquisition activity, and other administrative expenditure in view of the increased portfolio from FY15, including a 20% increase in management fees payable to the parent company.

vi. The Forecasts assume that operating expenditure will be substantially recharged to tenants in line existing arrangements and trends recorded in previous years.

vii. Investment income/losses refer to net fair value gains on the revaluation of investment property in line with a valuation exercise carried out by independent valuers as summarised in Annex II of the Registration Document.

viii. Finance costs on Bank and related party borrowings have been forecast on the basis of existing arrangements, whereas interest on the Bond has been forecast at 4.5% per annum.

ix. The projections are based on tax assumptions which include the following:

a) The establishment of a real estate asset portfolio company that would hold the subsidiaries, finance certain operations, actively pursue acquisitions, oversee the overall group strategy and manage the group's portfolio thereby incurring central management costs that have been assumed to be deductible for Malta tax purposes against dividend income.
b) Malta property rental operations have been assumed to be taxable at the rate of 35% on rental income against a 20% tax allowance and deductibility of qualifying interest costs.
c) Property rental operations in Latvia, Lithuania and Estonia have been assumed to be taxable at 15% on the net profit before tax.
d) Dividends from the Baltic companies have been assumed to attract an additional 18.75% tax in Malta.
e) Refunds of Malta tax paid are not assumed to be received within the forecast period (FY15).
f) Deferred tax on Maltese investment property was projected on the basis of 8% of the value subject to a maximum of the projected cumulative surplus in value over cost.
g) Deferred tax on property in the Baltics was projected on the basis of 15% of the projected increase in the value.

Other cash flow assumptions

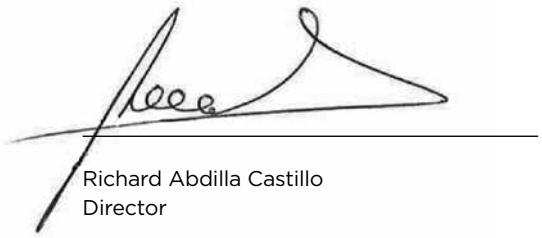
x. Working capital cash flows are based on the forecast movements in the year-end balances on debtors and creditors. Projected year-end debtors are based on ratios ranging between 20 and 30 days of total annual revenue plus operating expenses recharged to tenants (based on a 365-day year). Projected year-end creditors are based on 30 days of total annual administrative and operating expenditure.

xi. Loan repayments have been projected in line with existing arrangements subject to the refinancing of bank loans out of bond proceeds.

4. Conclusion

The Directors believe that the assumptions on which the projections are based are reasonable. The Directors further believe that, in the absence of unforeseen circumstances outside their control, the working capital available to the Issuer will be sufficient for the carrying on of its business.

Approved by the Board of Directors on 20 August 2015 and signed on its behalf by:



Richard Abdilla Castillo
Director

B. FORECAST INCOME STATEMENT - YEAR ENDING 31 DECEMBER

	Forecast 2015 €'000
Revenue	**4,293**
Other operating income	9
Administrative expenses	(1,328)
Operating profit	**2,974**
Net investment income	1,741
Finance costs	(1,875)
Profit before tax	**2,840**
Income tax expense	(944)
Profit and total comprehensive income for the year	**1,896**
Profit attributable to:	
Owners of the company	1,883
Non-controlling interests	13
	1,896

C. FORECAST STATEMENT OF FINANCIAL POSITION - AS AT 31 DECEMBER

	Forecast 2015 €'000
ASSETS AND LIABILITIES	
Non-current assets	
Property, plant and equipment	28
Investment property	65,513
Other financial assets	12,500
Deferred tax asset	1,125
	79,166
Current assets	
Trade and other receivables	1,617
Current tax	237
Cash and bank balances	10,910
	12,764
Total assets	**91,930**
Current liabilities	
Trade and other payables	2,851
Bank loans	1,934
	4,785
Non-current liabilities	
Bank loans	22,364
Other financial liabilities	36,233
Deferred tax liability	2,565
	61,162
Total liabilities	**65,947**
Net assets	**25,983**
EQUITY	
Share capital	21,600
Reserves	4,304
Equity attributable to owners of the company	**25,904**
Non-controlling interests	79
Total equity	**25,983**

D. FORECAST STATEMENT OF CASH FLOWS - YEAR ENDING 31 DECEMBER

	Forecast 2015 €'000
Cash flows from operating activities	
Profit before tax	2,840
Adjustments for:	
Amortisation of bond issue expenses	33
Depreciation	5
Loss on disposal of property, plant and equipment	(108)
Gain on revaluation of properties	(1,634)
Interest expense	1,842
Operating profit before working capital movements	**2,979**
Movement in trade and other receivables	**752**
Movement in trade and other payables	(691)
	3,040
Income tax paid	(237)
Net cash flows from operating activities	**2,803**
Cash flows from investing activities	
Proceeds from sale of property	290
Capital expenditure	(2,036)
Purchase of investment property	(29,200)
Cash taken over on acquisitions	167
Net cash flows from operating activities	**(30,780)**
Cash flows from financing activities	
Net movement in related party balances	(6,120)
Proceeds from bank borrowings	37,641
Repayment of bank loans	(27,397)
Proceeds from bond issue	36,200
Interest paid	(1,252)
Dividends paid	(230)
Net cash flows from operating activities	**38,842**
Net movement in cash and cash equivalents	**10,865**
Cash and cash equivalents at the beginning of the year	**45**
Cash and cash equivalents at the end of the year	**10,910**

Deloitte.

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www.deloitte.com/mt

Company Reg No: C51320
VAT Reg No: MT2013 6212
Exemption number: EXO2156

The Directors
Hili Properties plc
Nineteen Twenty Three
Valletta Road
Marsa
MRS 3000
Malta

18 September 2015

Dear Sirs,

Independent Accountants' Report on the Forecast Financial Information of Hili Properties p.l.c.

We report on the forecast statements of financial position, income and cash flow ("the Forecast Financial Information") of Hili Properties plc and its subsidiaries (the "Group") for the financial year ending 31 December 2015. The Forecast Financial Information, the basis of preparation and the material assumptions upon which the forecasts are based, are set out in Section A "Summary of significant assumptions and accounting policies" of Annex I of the Registration Document issued by Hili Properties p.l.c. to be dated 18th September 2015.

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 (the "Listing Rules") and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the Forecast Financial Information
It is the responsibility of the Directors of Hili Properties p.l.c. to prepare the Forecast Financial Information and the assumptions upon which it is based, as set out in Section A "Summary of significant assumptions and accounting policies" of Annex I of the Registration Document, in accordance with the requirements of the Listing Rules 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 IV item 9.2 of EU Regulation EC 809/2004 as to the proper compilation of the Forecast 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 the report or our statement, required by and given solely for the purposes of complying with the Listing Rules, consenting to its inclusion in the Registration Document.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/mt/about for a more detailed description of DTTL and its member firms.

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Cassar Torregiani & Associates is a firm of advocates warranted to practise law in Malta and is exclusively authorised to provide legal services, in Malta, under the Deloitte brand.

Deloitte.

Basis of preparation of the Forecast Financial Information
The Forecast Financial Information has been prepared on the basis stated in Section A "Summary of significant assumptions and accounting policies" of Annex I of the Registration Document and is based on the forecast for the year ending 31 December 2015. The Forecast Financial Information is required to be presented on a basis consistent with the accounting policies of the Group.

Basis of opinion
We have examined the basis of compilation and the accounting policies of the accompanying Forecast Financial Information of the Group for the year ending 31 December 2015 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 Forecast Financial Information has been prepared and considering whether the Forecast Financial Information has been accurately computed based upon the disclosed assumptions and the accounting policies of the Group.

The assumptions upon which the Forecast Financial Information is based are solely the responsibility of the Directors of Hili Properties 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 Forecast 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 Forecast 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.

The Forecast 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 results of the operations and the financial position of the Group in accordance with International Financial Reporting Standards as adopted by the EU.

Since the Forecast 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 that will be reported will correspond to those shown in the Forecast Financial Information and differences may be material.

Opinion
In our opinion, the Forecast Financial Information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Group.

Yours faithfully,

David Bonett
Principal
Deloitte Services Ltd

ANNEX II – ARCHITECTS' VALUATION REPORTS

BENCINI & ASSOCIATES
ARCHITECTS, CIVIL ENGINEERS AND DESIGN CONSULTANTS
BENCINI & ASSOCIATES, DESIGN CENTRE, LEVEL 1, TOWER ROAD, SWATAR, BKR 4012 tel: (+356)21255001 fax: (+356)21255002 e-mail: arch@ebencini.com website: www.benciniassociates.com

The Board of Directors
Harbour (APM) Investments Ltd.,
Nineteen Twenty Three,
Valletta Road,
Marsa. MRS 3000

Our Ref: 5514/15/EB
Date: 10 September 2015

Valuation Report – IMMOVABLE PROPERTY SITUATED AT BENGHAJSA, MALTA

1.0 INTRODUCTION

1.1 In accordance with your instructions, the undersigned in the capacity of warranted architect and civil engineer has carried out a valuation of an immovable property, located at Benghajsa Malta, and as further described in section 6.0 below (the **"Property"**). The detailed valuation report which includes the undersigned's opinion of the value of the Property, is submitted herewith. The effective date of the valuation is the 10th September 2015.

2.0 PURPOSE OF VALUATION

2.1 It is understood that the purpose of the valuation is for inclusion with the Prospectus, to be published in connection with a proposed Public Bond issue by Hili Properties plc, hereinafter also referred to as **"HP plc",** in accordance with the Listing Rules published by the Malta Financial Services Authority. The valuation has been prepared in accordance with Chapter 7 of the said Listing Rules, and with the disclosure requirements related to property Companies seeking listing on the Malta Stock Exchange.

I understand that our express consent will be needed in writing for this report, or parts thereof, to be included in the Prospectus of the Hili Properties plc public offer. Prior to our consent I will require sight of the final draft of the Prospectus.

2.2 The valuation has been carried out by the undersigned, as an external and independent valuer in terms of, and with regard given to, the RICS Valuation and Professional Standards Manual.

As a non-RICS regulated member of a firm over which RICS cannot exert control, the undersigned declares that in preparing this valuation the undersigned has complied with the RICS valuation standards and guidelines.

2.3 The undersigned declares that he has visited the sites at Benghajsa, except as otherwise noted below, to better understand the characteristics and qualities of the Property, and to identify any obvious defects that could influence the values of the Property, and to confirm their current uses.

2.3.1 The Property was inspected by the undersigned accompanied by Architect Dylan Agius on the 26th May 2015.

2.4 This valuation has been prepared solely for the above mentioned purpose and is not suitable for any other use. In accordance with standard practice, neither the whole, nor any part of this valuation, nor any reference thereto, may be included in any document published without the prior written approval of the undersigned for the context in which it may appear.

2.5 LIMITATION OF LIABILITY

The undersigned has performed his work in accordance with applicable professional standards and accepted practice for this type of engagement. His duties in relation to this work are owed solely to Harbour (APM) Investments Ltd, hereinafter referred to as **"H(APM)IL"** or **"HIL"**, and accordingly he does not accept any responsibility for loss occasioned to any third party acting or refraining from action as a result of the present report.

3.0 DECLARATION OF INDEPENDENCE

3.1 The undersigned declares that other than his office's direct involvement in assisting and advising Harbour Investments Ltd. in past years, on planning issues for a larger territory at Benghajsa, adjoining the Freeport, his office has no other financial or other interest in H(APM)IL.

3.2 Part of the Benghajsa lands referred to above, have now been partitioned to Harbour (APM) Investments Ltd, which company is currently in the process of being transferred to the Hili Properties group, and therefore such Benghajsa lands have been included in this valuation.

3.3 The undersigned confirms his status as an external independent valuer, without any financial interest in the H(APM)IL.

4.0 BASIS OF VALUATION

4.1 The valuation is based on the Open Market Value which provides the same result as Market Value as defined in the RICS Valuation Standards, namely *"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 acted knowledgeably, prudently and without compulsion"*.

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

The valuation of the Property is based on open market value for existing use in terms of section 7.4.4 of the Listing Rules issued by the Listing Authority.

The valuation of the Property is based on comparisons of recent sales transactions involving comparable properties in Malta, together with the experience of the undersigned in such valuations, and analysis of data available on the property market.

5.0 SUBJECT OF VALUATION

The Property included in this valuation comprises the lands at Benghajsa as described in section 6.0 below

5.1 The information contained in the Appendices referred to below relates to the acquisition of the Property valued herein, and has been made available from the owners and is available for inspection at the registered office of Hili Properties plc.

Appendix 1
1.1 Site Plan indicating the various plots
1.2 Policy Map - Marsaxlokk Bay Policy Map - May 1995
1.3 Marsaxlokk Bay Development Strategy
1.4 Superimposition of Local Plan Boundaries on Site Plan
1.5 Aerial Photo of sites in 'Reserve Site' directly adjacent to Freeport
1.6 Photographs
1.7 Purchase Agreements
1.8 Legal Searches by GVTH

5.2 ASSUMPTIONS

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, certain assumptions were made and reliance was made on certain sources of information. The undersigned believes that the assumptions made are reasonable taking into account the personal knowledge of the Property and the contents of reports and other information made available. However, in the event that any of the information or assumptions on which the valuation is based are subsequently found to be incorrect, then our valuation conclusion may also be incorrect or invalid.

With reference to our valuation we have made the following assumptions in the preparation of our Report:

- The property is not contaminated and no contaminative or potentially contaminative uses has ever been carried out on it;
- There are no abnormal ground conditions, nor archaeological remains present, other than noted in the report, which might adversely affect the present or future occupation, development or value of the Property;
- This valuation is based solely on visual observations made during our inspections and does not consider hidden defects in the ground.

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 and areas quoted in our report are approximate.

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

5.3 Sources of Information

We have relied on the following information provided to us by H (APM) IL Ltd Management or their advisors or which was otherwise in the public domain:

- The purchase agreement entered into with respect to each of the properties
- Drawings of technical plans for the Property
- A written declaration by H(APM)IL that none of the Directors nor promoters have had an interest in any acquisitions or disposals of any parts of the Property during the two (2) years preceding this valuation, as described in Article 7.4.8 of the Listing Rules.
- A written declaration by H(APM)IL confirming that they have provided us with copies of all relevant agreements for the Property. Other relevant details in relation to the Property.

6.0 THE LAND AT BENGHAJSA

6.1 Type of property

The Benghajsa Property comprises various portions of land close to the Malta Freeport.

6.2 Description of Property

Location:

The said Property comprises a number of sites at Benghajsa generally situated within a 'Reserve Site 'as defined in section 6.3 and as identified in the plan at Appendix 1.3 which is an extract of the Marsaxlokk Bay Local Plan (hereinafter referred to as MBLP). The sites are not all contiguous and are surrounded by various other third party properties.

The area is flanked by the Freeport and its service road to the Northeast, by Hal Far Road to the Northwest, by the New LPG depot & Fort Benghajsa to the South and by agricultural fields, Benghajsa Village and Hal Far Industrial Estate beyond to the South.

General Description:

The sites currently mainly comprise a number of undeveloped agricultural fields with limited constructions / buildings scattered amongst the area most of which appear to be related to the respective predominant agricultural activity. The locations of the individual sites are identified in site plan, while the respective areas, tenure (as reported by the HP plc management) and other general considerations are summarized in Table 1 below. The sites have a cumulative total area of approximately 92,000 square meters.

Site Reference	Area (m^2)	Tenure	Comments
2	29,840	Freehold	Located within reserve site & directly along freeport road
6	5,766	Freehold	Located within reserve site and also within scheduled Buffer Zone
7	5,127	Freehold	Located within reserve site
9	18,500	Temporary lease of €28.34 / annum expiring on the 15/8/2061	Located within reserve site and directly adjacent to main site 2
18	8,600	Freehold [1]	Located within reserve site
19	1,430	Freehold	Located on boundary of reserve site and also within scheduled Buffer Zone
22	3,600	Freehold	Located on boundary of reserve site
24	6,143	Freehold	Only partly located within reserve site
A	3,914	Freehold	Located within reserve site
B	6,813	1/2 undivided share Freehold	Located within reserve site
C	5,500	Temporary lease of €6.99/ annum expiring in 2060	Located within reserve site
Total	**91,827***		

**This total includes 1/2 of Area of site B*
[1]This property is subject to an agricultural lease

As summarized in Table 1 above it results that the bulk of the sites are clearly located within the 'Reserve Site'. It should also be noted that the south eastern boundary of the 'Reserve Site' also includes a zone affected by policies ME06, MV03, MQ02 and MV05 of the MBLP and hereinafter referred to as the 'Buffer Zone'. Sites 6 & 19 and part of site 24 appear to be partly covered by this 'Buffer Zone', as also noted in the above table.

Site reference 9 in Table 1, above, refers to a site which according to the searches carried out by GVTH included at Appendix 1.8, is subject to a temporary utile dominium and an annual and temporary ground rent of €28.34 payable to the Joint Office which expires on the 15/8/2061.

Site reference C in table 1, above, refers to a site which according to the searches carried by GVTH included at Appendix 1.8, is subject to a temporary utile dominium which expires 99 years after the 15/8/1956 and subject to an annual and temporary ground rent of €6.99.

6.3 Planning Considerations and Site Potential

As noted above the sites are predominantly located within the 'Reserve Site' in accordance to the respective Marsaxlokk Bay Local Plan (refer to Appendix 1.2 & 1.3). The strategy for this zone as outlined in the respective local plan issued in 1995 is detailed as follows:

"The area between Hal Far and the Freeport was designated as a Primary Development Area in the sixties for possible eventual industrial use. The Structure Plan confirms the designation subject however to Policy IND1 which delays the use of this land until needs arise which cannot be accommodated elsewhere. On available evidence, it is unlikely that the area will be required for such purpose within the ten-year period of the Local Plan. It is therefore proposed that the current status of the area is retained and is also to be referred to as a Reserved Area."

From the studies provided it in fact appears that over the past 20 years since the issue of the above mentioned Local Plan the foot-print of the Freeport has generally been developed to its full capacity with respect to its key activities that comprise the container terminal, the oil terminal and the ancillary warehousing facilities.

The location of the sites detailed above and falling within this 'Reserve Site', particularly those contiguous to the Freeport, therefore form the natural extension of the Freeport area as envisaged by both the Structure & Local Plans.

To this regard it should in fact also be noted that an LPG terminal has since already been developed within the said 'Reserve Site' as duly covered by Mepa permit PA 867/09, while outline applications for the development of an Oil Tanking & Warehousing Facility along the Freeport access road have also been submitted to Mepa (PA 1504/10 & PA 2071/10).

Sites 2, 9, 6 & 7 in fact fall within the boundaries of the said outline applications that are however still pending processing by Mepa. During the course of the above mentioned applications a Tender for the 'Preparation of an Action Plan for Benghajsa' was in fact issued with the scope of considering the said 'Reserve Site' for the following:

- Provide sufficient expansion space for Freeport Activities
- Provide for long term expansion of the Hal Far Industrial estate
- Provide for the warehousing / distribution depots for both the local and transshipment markets
- Provide for Fuel storage facilities and ancillary services that are required or may be required considering the country's economic development
- Promote financial investment in the private sector
- Generate employment opportunities

Considering the above it is therefore evident that while currently schemed as a 'Reserve Site' the land areas concerned however offer significant medium to long term commercial/investment opportunities.

The Property has been inspected by Architect Edward Bencini and Architect Dylan Agius o.b.o Bencini & Associates on the 26th of May 2015. No relevant material contraventions of statutory requirements were noted during the inspections but it is noted that the inspection/s were not intended to be a property survey, and are not to be construed as such.

6.4 Tenure Mortgages, Loans and Privilege

The Property is presently owned by Harbour (APM) Investments Limited, which company is in the process of being transferred into the Hili Properties group.

Table 1 shows the tenure of each parcel of land, and legal searches are found in Appendix 1.8

Listing rule 7.4.1.14 requires a valuation report to provide details of registered mortgages and privileges and other charges, real rights thereon including details of emphyteutical concessions and other burdens.

The table below is an extract from the GVTH report addressed to H (APM) IL Ltd regarding Hypothecs and Charges in respect of **ALL** or **PART** of the properties at Benghajsa:

HYPOTHECS/CHARGES: In respect of ALL or PART of the properties at Benghajsa:

Note	Charge	Creditor	Credit	Principal Debtor
H 12753/2014	SP	Harbour Holdings Company Limited	Balance of price of EUR156,217	Harbour (APM) Investments Limited
H 12754/2014	SP	Hili Estates Limited	Balance of price of EUR531,098	Harbour (APM) Investments Limited
H 6639/2015	SH	HSBC Bank Malta plc	EUR1,800,000 loan	Harbour (APM) Investments Limited
H 6641/2015	SH	HSBC Bank Malta plc	EUR16,300,000 loan	Hili Properties Limited
H 10416/2015	SH	HSBC Bank Malta plc	EUR2,000,000 overdraft	Hili Ventures Limited

The following notes of hypothecs partly affect sites 2 and 9 of the Benghajsa Property;

Note	Charge	Creditor	Credit	Principal Debtor
H 4050/2011 reduced by R 4050/2011	SH	HSBC Bank Malta plc	EUR550,250 loan	Harbour Investments Limited
H 4051/2011	SH	HSBC Bank Malta plc	Additional overdraft facility of up to EUR168,251	Carmelo Caruana Company Limited
H 4200/2011	SH	HSBC Bank Malta plc	Additional security for previous facility of EUR186,349.87	Carmelo Caruana Company Limited

The report in Appendix 1.8 by GVTH on their legal searches lists the complete result of the searches.

6.5 Valuation based on open market value

On consideration of the various parameters outlined above it is expected that the value of the respective individual sites would very much vary depending on the particular context / location of the particular parcel of land.

The larger sites and particularly those located closer to the existing Freeport Boundary / access road would clearly be expected to fetch higher rates on the Open Market than the other sites further within the 'Reserve Site'. On the other hand the sites that are located within 'Buffer Zones' or situated outside the 'Reserve Site' would be expected to fetch lower rates on the Open Market.

Table 2 below summarizes the estimated Open Market Values of the respective individual sites taking into account the various considerations outlined above, and based on research of typical values for similar properties in the area and / or other comparable locations around Malta.

Site	Area (m^2)	Tenure	Comments	Estimated Rate (Euro/m^2)	Estimated value of site (Euro)
2	29,840	Freehold	Located within reserve site & directly along freeport road	500	14,920,000
6	5,766	Freehold	Located within reserve site and also within scheduled buffer zone	175	1,009,050
7	5,127	Freehold	Located within reserve site	350	1,794,450
9	18,500	Temporary lease expires 2060	Located within reserve site and directly adjacent to main site 2	175	3,237,500
18	8,600	Freehold	Located within reserve site	175	1,505,000
19	1,430	Freehold	Located on boundary of reserve site and also within scheduled Buffer Zone	40	57,200
22	3,600	Freehold	Located on boundary of reserve site	80	288,000
24	6,143	Freehold	Only partly located within reserve site	60	368,580
A	3,914	Freehold	Located within reserve site	175	684,950
B	6,813	Freehold	1/2 undivided share located within reserve site	175	596,138[1]
C	5,500	Temporary lease expires 2060	Located within reserve site	85	467,500
Total	**91,827***				**24,928,368**

** This total includes 1/2 of area of site B*
[1] This amount is for 1/2 value of Site B

In summary and on the basis of the foregoing, attached documentation, the site inspection and other relevant factors, the undersigned values the above described Property in its existing state on the open market at a present capital value of twenty five million Euros (€25,000,000).

7.0 GENERAL

In carrying out his work the undersigned has relied on information from third parties not employed by him and this information has been assumed to be true and correct. His work was also based on information relating to the operations of HP plc and its subsidiaries and other related entities and other information provided to him by management of HP plc. The undersigned has not sought to establish the reliability of this information. His reliance on, and the use of this information, should not be construed as an expression of his opinion on it except as, and to the extent that, he may otherwise indicate in his report. The undersigned does not accept responsibility or liability for the impact on his analysis and conclusions of any inaccuracies in such information.

This document contains certain statements, estimates and projections. The assumptions on which these estimates and projections have been based may or may not prove to be correct. Actual results are likely to be different from the projections since anticipated events frequently do not occur as expected and the variation may be material. No representation is made as to the accuracy of such statements, estimates and projections.

A significant degree of judgement is involved when selecting methods and basis for valuation and a significant number of items which may be subsequently considered when arriving at such valuations. It follows that valuations are not a prediction of price or a guarantee of value, and whilst the undersigned's valuation is one which is considered to be both reasonable and defensible, others may arrive at a different conclusion. The analysis set out in this document takes into account information known and made available to us up to the time of its preparation and is therefore current as to the report date.

8.0 This Report may not be quoted, or referred to, or distributed, in whole or in part, without the prior written consent of the undersigned. Such consent for part of or the whole 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 the undersigned does not owe such third parties any duty of care as a result of giving such consent.

This valuation was carried out by the undersigned, a partner in the firm 'Bencini and Associates' with registered address at Level 1, Design Centre, Tower Road, Swatar, BKR4012, Malta. The undersigned is a qualified architect (perit) and a member of the Kamra tal-Periti (Chamber of Architects) with 44 years experience in valuations of property. The undersigned is in possession of the diploma of A&CE, issued by the Government of Malta granting him the right to practice as a 'Perit' which practice includes the preparation of valuations.

Edward Bencini B.Arch., A&CE
10 September 2015

BENCINI & ASSOCIATES
ARCHITECTS, CIVIL ENGINEERS AND DESIGN CONSULTANTS
BENCINI & ASSOCIATES, DESIGN CENTRE, LEVEL 1, TOWER ROAD, SWATAR, BKR 4012 tel: (+356)21255001 fax: (+356)21255002 e-mail: arch@ebencini.com website: www.benciniassociates.com

The Board of Directors
Hili Properties plc
Nineteen Twenty Three,
Valletta Road,
Marsa. MRS 3000

Our Ref: 5514/15/EB
Date: 10 September 2015

Valuation Report – IMMOVABLE PROPERTIES SITUATED IN MALTA, LITHUANIA, LATVIA, and ESTONIA

Dear Sirs/Madam,

1.0 In accordance with your instructions, the undersigned in the capacity of warranted architect and civil engineer has carried out a valuation of immovable properties, located in Malta, Lithuania, Latvia and Estonia. The undersigned appointed KPMG in Malta (hereinafter referred to as KPMG) to assist in estimating the values of the Premier Estates Properties in the Baltic States, and also appointed NEWSEC in Lithuania (hereinafter referred to as NEWSEC) to assist in estimating the values of the APEX and the TUKUMA Properties also located in the Baltic States. This document constitutes an abridged version of the full valuation document.

2.0 It is understood that the purpose of this abridged valuation is for inclusion with the Prospectus, to be published in connection with a proposed Public Bond issue by Hili Properties plc, in accordance with the Listing Rules published by the Malta Financial Services Authority. The valuation has been prepared in accordance with Chapter 7 of the said Listing Rules, and with the disclosure requirements related to property Companies seeking listing on the Malta Stock Exchange.

3.0 This document is an abridged version of the full valuation document which will be available for inspection at the Registered Office of Hili Properties plc.

4.0 The accredited valuer entrusted with the preparation of these valuations is the undersigned Edward Bencini, a Perit with warrant number 69 and a fully paid up member of the Kamra tal-Periti. The Perit was warranted in 1971 and is a Senior Partner of Bencini and Associates, Architects and Civil Engineers. The Perit has been commissioned by Hili Properties plc as an independent valuer and has no other relationship with the company.

5.0 The valuation has been carried out by the undersigned, as an external and independent valuer in terms of, and with regard given to, the RICS Valuation and Professional Standards Manual.

6.0 The undersigned declares that he has visited all the sites and the properties, except as otherwise noted below, to better understand the characteristics and qualities of the various properties in Malta, Lithuania , Latvia, and Estonia, and to identify any obvious defects that could influence the values of the properties, and to confirm their current uses. It is noted that these inspections as well as further inspections by KPMG and NEWSEC were not intended to be building surveys and do not constitute such.

6.1 The visits by the undersigned to the three properties at the former McDonald's restaurant at 42, 18 Novembra Street, Daugavpils, and the apartments numbered 79 and 84 at Duntes Street, Riga, all in Latvia, were restricted to a drive-by/ walk-by without access to the interior of these properties.

6.2 The property at the McDonald's restaurant at 74, Tallinna maante, Parnu, Estonia, was not visited by the undersigned.

6.3 In the preparation of the valuations for the four above mentioned properties, the undersigned relied on inspections carried out by by KPMG.

6.4 The information referred to in the Appendices below relates to the acquisition of properties valued herein, and has been made available by the owners. It is available for inspection at the registered office of Hili Properties plc.

Appendix 1	Information relative to Villa Marika, High Ridge
Appendix 2	Information relative to 19/23, Marsa
Appendix 3	Information relative to APCO, B'Kara
Appendix 4	Information relative to Tower Business Centre, B'Kara
Appendix 5	Information relative to McDonald's and Office, Sliema
Appendix 6	Information relative to Transport House, Floriana
Appendix 7	Premier, APEX and Tukuma tenant list and typical lease contracts
Appendix 8	Baltic States Property location plans and floor plans.
Appendix 9	Baltic States - Photos of Properties
Appendix 10	'Rodl and Partners' searches of Hili Properties Group Estate portfolio in the Baltics.
Appendix 11	Legal Searches – Malta Properties

7.0 The valuation is based on the Open Market Value which provides the same result as Market Value as defined in the RICS Valuation Standards, namely *"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 acted knowledgeably, prudently and without compulsion"*.

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

8.0 The valuation technique employed for the first six properties listed below, and situated in Malta, is the Comparative Method of valuation based by reference to a data base of valuations and sales of comparable properties in similar locations, complimented by searches through real estate listings, and the valuer's experience.

The valuation technique for the 18 properties situated in Lithuania, Latvia and Estonia is the income capitalization or discounted cash flow technique. This technique also relies on market data that is used to determine the current economical volumes of rent and expenses that form the basis of the estimated net income.

When evaluating the rental potential of each respective property, the future income that market participants at large would expect to be able to realise from the rental of the respective properties was considered. The rental potential reflects a range of factors such as location, design and character, level of adaptation and trading history of the property within the market conditions prevailing that are inherent to the property assets.

The free cash flows arising from the projected rental income streams that market participants at large could be expected to derive from the rental of each respective property was thus considered. These projected free cash flows were discounted to present value using the estimated weighted average cost of capital that would be available to the market participants at large for financing such operations.

In the preparation of the valuations for the properties situated in Lithuania, Latvia and Estonia, the undersigned relied on the reports prepared by KPMG relative to the Premier Estates properties, and by Newsec of Latvia, relative to the SIA APEX Investments properties and the SIA Tukuma Projekts property.

9.0 In the preparation of the valuations the undersigned has made the following assumptions:

- The property is free from latent defects and no contaminative material was used in the construction.
- The property is unaffected by any Statutory Notices, and neither the property or its use, gives rise to a contravention of any Statutory Requirements, as detailed in the full valuation report.
- The valuation is based solely on visual observations made during the inspections and does not consider hidden defects in the structure, finishes and equipment and services in the property.
- There are no abnormal ground conditions (including any ground instability issues, such as swelling and shrinking clay, historic and current mineral extraction, and the risk of flooding from any mechanism), or archaeological remains present which might adversely affect the present or future occupation, development or value of the properties.
- There is no recent transaction or a provisionally agreed price on any of the properties to be valued, except as specifically indicated to the valuer.
- The properties constitute fully equipped operational entities which have in place, and will continue to have over the period of the lease, all the necessary licenses and other enablers required to continue trading.

- The valuation of the properties does not reflect any liability to tax, stamp duty and any other transaction costs that may arise on the disposal or acquisition of the properties.
- Other assumptions detailed in the full valuation report.

10.0 In the preparation of the valuations the undersigned has also relied on the following:

- A written declaration by Hili Properties plc that none of the Directors or promoters have had an interest in any acquisitions or disposals of any of the properties during the two (2) years preceding this valuation, as described in Article 7.4.8 of the Listing Rules.
- A written declaration by Hili Properties plc confirming that they have provided the undersigned with copies of all relevant agreements for the properties situated in Baltic States together with an overview report for the properties.
- Report prepared by the international law firm Rodl & Partners dated 30th April 2015 setting out an overview of the legal searches conducted on the properties, including amongst others, a confirmation of the registered owners of the properties and the registered mortgages, privileges, and other charges, real rights thereon including details of leasehold concessions, easements and other burdens.
- Discussions held with management of Hili Properties Limited, in particular with Dr Dorianne Spiteri (Legal Counsel), Mr Geoffrey Camilleri (Deputy Finance Director - Hili Ventures), Mr Tonio Micallef (Head of Property, Malta), and Mr Sergejs Aleksejevs (Development and Construction Manager, Baltics).

11.0 This valuation has been prepared solely for the above mentioned purpose and is not suitable for any other use. In accordance with standard practice, neither the whole, nor any part of this valuation, nor any reference thereto, may be included in any document published without the prior written approval of the undersigned for the context in which it may appear.

12.0 The undersigned has performed his work in accordance with applicable professional standards and accepted practice for this type of engagement. His duties in relation to this work are owed solely to Hili Properties plc, hereinafter referred to as "Hili Properties" or "HP plc", and accordingly he does not accept any responsibility for loss occasioned to any third party acting or refraining from action as a result of the present report.

13.0 Property Valuations as at the 10th September 2015.

PROPERTIES SITUATED IN MALTA

The identification and registration of all registered mortgages and privileges and other charges, and rights thereon including details of emphyteutical concessions, easements and other burdens were prepared by "GVTH Lawyers" for the Issuer, and a copy provided to the undersigned for review in the preparation of this valuation. A complete copy of the "GVTH Lawyers" searches are included at Appendix 11 to this report.

Listing rule 7.4.1.14 requires a valuation report to provide details of registered mortgages and privileges and other charges, real rights thereon including details of emphyteutical concessions and other burdens.

Tables are included in each of the 6 valuations of properties situated in Malta, being extracts from the GVTH report to the owners (found at Appendix 11) of Hypothecs and Charges in respect of ALL or PART of the respective properties.

The undersigned confirms that during the inspections of the properties, no material contravention of statutory requirements were identified other than some minor matters detailed in the full report.

1) **Villa Marika, High Ridge, Madliena.**

The property consists of a fully detached bungalow constructed on a villa site at High Ridge, Madliena, built around 40 years ago and currently used as a single residence. The property is covered by valid building permits as described in the full valuation report. The property is subject to an annual perpetual ground rent of two hundred and nine Euros and 64 cents (€209.64), revisable every fifty (50) years and redeemable at the rate of three per cent (3%).

Details of registered mortgages and privileges and other charges, etc: (Extract from Appendix 11):
Tenure: Subject to annual and perpetual groundrent of EUR209.64 revisable every 50 years reckoned from 31/5/1965 (first revision due on 1/6/2015)
Possession: Vacant
Land Registration Area: No Form E available
Hypothecs/Charges: None

Present capital value of property in existing state and for existing use on Open Market: One million six hundred thousand Euros (€1,600,000).

2) **Property at Nineteen Twenty Three, Valletta Road, Luqa**

The property is developed mainly as an office block with part of the block at Ground and Intermediate level used as a warehouse /storage area. The property is developed on a site of 2,585sqm with 2 basement floors and up to four floors of offices and storage areas, all sited at the periphery of the industrial park in Luqa/Marsa. Part of the property was constructed about 30 years ago, with the main part of more recent construction between 2007 and 2015. The property is covered by valid building permits as described in the full valuation report. The property is owned freehold and is free and unencumbered.

Details of registered mortgages and privileges and other charges, etc: (Extract from Appendix 11):
Tenure: Freehold
Possession: Property is subject to Lease
Land Registration Area: No Form E available
Hypothecs/Charges:

Note	Charge	Creditor	Credit	Principal Debtor
*H4160/2008	SH &SP	Volksbank Malta Limited	EUR6,056,370.80 loan	Hili Estates Limited
*H12234/2010	SH	Volksbank Malta Limited	EUR6,000,000 loan	Hili Estates Limited
*H12,235/2010 as corrected by H1885/2011 and H3594/2011	SH & SP	Volksbank Malta Limited	EUR1,500,000 loan (SP for sum of EUR833,948.14)	Hili Estates Limited
*H15,712/10	SP	Volksbank Malta Limited	Conservation of Privilege for sum of EUR833,948.14	Hili Estates Limited
*H3595/2011	SH & SP	Volksbank Malta Limited	EUR250,000 loan	Hili Estates Limited
H5379/2012	SP	Volksbank Malta Limited	Conservation of Privilege for sum of EUR250,000	Hili Estates Limited

** reference is made to a letter dated 31 August 2015 (Ref/JV/CF) issued by Creditor Bank Mediterranean Corporate Bank Limited formerly Volksbank Malta Limited whereby creditor is giving its consent to the cancellation of the said notes of hypothec subject to the full settlement of liabilities. It is therefore understood that, as at the date of this Valuation Report, the said notes of hypothec are in the process of being cancelled.*

Summary of Lease agreements:

The floorspace comprises 3,934sqm of offices with 664sqm common parts, 1,384sqm warehousing, and 74 parking spaces. The property is practically 100% rented out to 11 tenants for periods varying up to 2030 maximum, with built-in rent appreciation conditions reaching up to 2% p.a., with the present total annual rent income of €736,175 p.a. Rent income details and conditions of rent are included in the Appendix on page 75.

The valuation of this property is made on the comparative method but it is relevant to note that the property is rented out as per rates and conditions referred to above.

Present capital value of property in existing state and for existing use on Open Market: Thirteen million five hundred thousand Euros (€13,500,000).

3) 213, 'APCO', Psaila Street, Birkirkara, Malta.

The property was constructed about 20 years ago and is centrally located along Psaila Street Birkirkara, in an established commercial area and comprises a four floor building on a site of *circa* 210sqm having a generally rectangular shape with frontage of around 6.3 meters and depth of approximately 33.4 meters. The levels consist of one basement level with three overlying floors. The building is covered by valid building permits as described in the full valuation report.

A portion of the land, about 71sqm, on which part of the property is constructed, is subject to the annual, perpetual and non-revisable groundrent/subgroundrent of €10.48, payable to Mira Finance Limited. The property is otherwise free and unencumbered.

Details of registered mortgages and privileges and other charges, etc: (Extract from Appendix 11):
Tenure: Subject to annual and perpetual and non-revisable groundrent/sub-groundrent of EUR10.48
Possession: Property subject to Lease
Land Registration Area: No
Hypothecs/Charges:

Note	Charge	Creditor	Credit	Principal Debtor
H6641/2015	SH	HSBC Bank Malta plc	EUR16,300,000 loan	Hili Properties Limited

Summary of Lease agreements:

The floorspace comprises 415sqm of offices and 5 parking spaces. The property is 100% rented out to 1 tenant up to 2029, with built-in rent appreciation conditions of 2% p.a., with the present total annual rent income of €44,900 p.a.

The valuation of this property is made on the comparative method but it is relevant to note that the property is rented out as per rates and conditions referred to above.

Present capital value of property in existing state and for existing use on Open Market: Seven hundred and twenty thousand Euros (€720,000).

4) Tower Business Centre, Triq it-Torri, Swatar, Birkirkara.

The property is an office block built about 8 years ago, with six floors of underground parking, a semi-basement office level, ground first and second floor offices and a penthouse level used as offices. It is located within a prime commercial and office area in Swatar opposite Mater Dei Hospital and the University of Malta and directly on the main road of Swatar parallel to the main arterial road, Triq Dun Karm. The building fronts on 3 streets namely Triq it-Torri, Triq Luigi Onofrio and Triq il-Graffiti Navali. The building is covered by valid building permits as described in the full valuation report. The property is free and unencumbered.

Details of registered mortgages and privileges and other charges, etc: (Extract from Appendix 11):
Tenure: Freehold
Possession: Property is subject to lease
Land Registration Area: Yes
Hypothecs/Charges:

Note	Charge	Creditor	Credit	Principal Debtor
H 10414/2015	SH	HSBC Bank Malta plc	EUR16,300,000 loan	Hili Properties Limited
*LRC 3367/09	SH & SP	Lombard Bank Malta plc	EUR3,750,000 loan	Tal-Herba Developments Limited
*LRC 1570/13	SH	Lombard Bank Malta plc	EUR5,650,000 loan	Anthony and Rita Spiteri
*LRC 2915/14	SH	Mediterranean Corporate Bank Limited	Additional security for overdraft facilities of up to EUR823,132.53	RAS Ltd

**relative notes of hypothec registered in Public Registry i.e. H 19445/2008, H 145/2013 amended by H 1285/2015 and H 17798/2014 amended by H 21121/2014, have been duly cancelled/waived. Awaiting as at the date of this Valuation Report the relative cancellation/waiver in Land Registry.*

Summary of Lease agreements:

The floorspace comprises 4,527sqm of offices with 3,693sqm parking area over 5 floors. The property is practically 100% rented out to 9 tenants for periods varying up to 2022 maximum, with built-in rent appreciation conditions reaching up to 2.2% p.a., with the present total annual rent income of €559,675 p.a. Rent income details and conditions of rent are included in the Appendix on page 161 et seq.

The valuation of this property is made on the comparative method but it is relevant to note that the property is rented out as per rates and conditions referred to above, and as per table included in the Appendix on page 162.

Present capital value of property in existing state for existing use on Open Market: Ten million two hundred and fifty thousand Euros (€10,250,000).

5) McDonald's Restaurant and overlying office at 21/22/23/24, Ix-Xatt ta' Tigne', Sliema & 77,78,79, Sqaq il-Fawwara, Sliema.

The property is located directly on the sea front in Sliema with all outlets including the office overlooking the waterfront at The Strand, Sliema, and forms part of a development block overlooking two streets namely "The Strand"at the waterfront and Sqaq il-Fawwara at the back of the property. The siting of the property is considered as prime site and is ideal for a commercial outlet such as McDonald's and for a high profile office establishment seeking a central and prime location. The building is covered by valid building permits as described in the full valuation report. The property is owned freehold.

Details of registered mortgages and privileges and other charges, etc: (Extract from Appendix 11):
Tenure: Freehold
Possession: From information provided ground floor and first floor (mezzanine) levels of commercial complex are leased in favour of Arcades Limited. Third level (first floor) of commercial complex is vacant
Land Registration Area: No
Hypothecs/Charges:

Note	Charge	Creditor	Credit	Principal Debtor
H17918/2012	SH & SP	HSBC Bank Malta plc	EUR 4,620,000 loan	Premier Estates Limited
H17406/2013	SH	HSBC Bank Malta plc	EUR 1,250,000 loan	Premier Restaurants Malta Limited
H 6641/2015	SH	HSBC Bank Malta plc	EUR 16,300,000 loan	Hili Properties Limited

Summary of Lease Agreements:

The floorspace comprises 1,030sqm of restaurant and office floorspace. The property is rented out at ground and first floor to one tenant for a period up to 2023, with a rental being the higher of €350,000 p.a. or 5% of gross sales.

The valuation of this property is made on the comparative method

Present capital value of property in existing state for existing use on Open Market: Six million eight hundred thousand Euros (€6,800,000).

6) **Office Block at 'Transport House', 11, Triq Pietro Floriani c/w Triq San Frangisk, Floriana**

The property is located very centrally in Floriana and close to Sir Paul Boffa Hospital. It is a beautiful corner building having baroque and art décor features typical of buildings in Valletta and Floriana. The property is a three storey building with a receded penthouse/washroom at roof level and two interconnected apartments at the first and second floor converted to offices and linked up with the main corner building. Use of the building as an office is covered by valid building permits. The property is owned freehold.

Details of registered mortgages and privileges and other charges, etc: (Extract from Appendix 11):
Tenure: Freehold
Possession: Vacant
Land Registration Area: No Form E available
Hypothecs/Charges:

Note	Charge	Creditor	Credit	Principal Debtor
*H4160/2008	SH	Volksbank Malta Limited	EUR1,537,386	Hili Estates Limited
*H 12,235/2010 as corrected by H1885/2011 and H3594/2011	SH	Volksbank Malta Limited	EUR1,500,000	Hili Estates Limited

** reference is made to a letter dated 31 August 2015 (Ref/JV/CF) issued by Creditor Bank Mediterranean Corporate Bank Limited formerly Volksbank Malta Limited whereby creditor is giving its consent to the cancellation of the said notes of hypothec subject to the full settlement of liabilities. It is therefore understood that, as at the date of this Valuation Report, the said notes of hypothec are in the process of being cancelled.*

The property is currently vacant.

The valuation of this property is made on the comparative method

Present capital value of property in existing state for existing use on Open Market: One million seven hundred and fifty thousand Euros (€1,750,000).

PROPERTIES SITUATED IN THE BALTIC STATES

The properties in the Baltic States are owned by three groups namely:

i) The Premier Estates Properties:

Hili Properties p.l.c. is a holding company within the Hili Ventures Group. The Company owns 100% indirect equity interest in SIA Premier Estates Limited (a limited liability company incorporated and registered in Latvia), Premier Estates Eesti OŰ (a limited liability company incorporated and registered in Estonia) and Premier Estates Lietuva UAB (a limited liability company incorporated and registered in Lithuania).

The Premier Estates properties are listed in the table below.

Name	Address	Country	Current use
Imanta	3, Kurzemes Prospekts, Riga	Latvia	McDonald's restaurant (including drive-through
Vienibas	115A, Vienibas Ave., Riga	Latvia	McDonald's restaurant (including drive-through)
Ulmana	88, Karla Ulmana Ave., Riga	Latvia	McDonald's restaurant (including drive-through)
Daugavpils	18 Novembra Street 42, Daugavpils	Latvia	Vacant (previously McDonald's restaurant)
Duntes 79	Apt. 79, 9th floor, Duntes 28, Riga	Latvia	Apartment
Duntes 84	Apt 84, 9th Floor, Duntes 28, Riga	Latvia	Apartment
Dainava	Pramones Ave, 8B, Kaunas	Lithuania	McDonald's restaurant (including drive-through)
Svajone	Gedimino Ave. 15, Vilnus	Lithuania	McDonald's restaurant within a building complex (not drive through)
Parnu	74 Tallinna maant, Parnu	Estonia	McDonald's restaurant (including drive-through)

All the properties in the above table are owned freehold except for the Svajone property which is leasehold.

The table below shows a summary of the lease agreements for the Premier commercial properties:

Summary of lease agreements:

Overview of monthly lease rates				
Fixed base rate				**Revenue-based mechanism**
Property	**Base Rent**	**Period of increments**	**Increment amounts**	**% of Monthly Net Turnover**
Imanta, Latvia	€9,200	Annually	Higher of 3% or CPI in Latvia	5%
Vienibas, Latvia	€9,200	Annually	Higher of 3% or CPI in Latvia	5%
Ulmana, Latvia	€8,280	Every 3 years	CPI in Latvia	5%
Dainava, Lithuania	€9,167	Annually	Higher of 3% or CPI in Lithuania	5%
Svajone, Lithuania	€9,167	Annually	Higher of3% or CPI in Lithuania	5%
Parnu, Estonia	€8,333	Every 5 years	At discretion of Lessor	n/a

Source: Lease agreements

The table shows the lease rates for the Premier apartments:

Overview of monthly lease rates	
Property	**Fixed Rate**
Duntes, Apt 79	€500
Duntes, Apt 84	€800

Source: Lease agreements

ii) SIA APEX Investments Properties.

Hili Properties plc owns 100% indirect equity interest in SIA "APEX Investments" (a limited liability company incorporated in Latvia bearing registration number 40003612223). The principal activities of this company are the development and leasing of property.

The SIA APEX Investments properties are listed below.

No	Address	Current Use	Year of constr.	Land area, sq. m	Building area, sq.m	Tenure
1	Nicgales street 2, Riga Latvia	Wholesale and retail trade buildings	1976	9,561	4,616.80	Freehold
2	Augusta Dombrovska street 23, Riga Latvia	Wholesale and retail trade buildings	1983	6,720	7,506.50	Freehold except as per below
3	Vienibas Ave. 95, Riga Latvia	Wholesale and retail trade buildings	2000	6,670	1,461.80	Freehold
4	Kreimenu street 4A, Riga Latvia	Wholesale and retail trade buildings	2005	3,733	1,080.30	Freehold
5	Dzelzavas street, 78, Riga Latvia	Wholesale and retail trade buildings	1989	8,062	1,292.60	Freehold
6	Smilšu street 92B, Daugavpils Latvia	Wholesale and retail trade buildings	2003	2,770	1,065.60	Freehold
7	Viestura street 10, Daugavpils Latvia	Wholesale and retail trade buildings	2005	2,011	3,415.65	Leasehold
8	Spidolas street 17, Aizkraukle, Latvia	Wholesale and retail trade buildings	2006	4,000	1,094.80	Leasehold

All the properties in the above table are owned freehold by SIA APEX INVESTMENTS, except for the three listed below:

i) The 6,720 sqm site of the A. Dombrovska Street Mixed Development/Shopping Centre at Riga, Latvia, is owned freehold except for a 277 sqm portion of the land in the external unbuilt area.

ii) The shopping centre at Viestura Street, Daugavpils, Latvia, was constructed in 2005 on a 2,011 sqm leasehold site. SIA Apex Investments leases the site from Daugavpils Local City Council for a term expiring on the 27th July 2056.

iii) The Spidolas Street Shopping Centre at Aizkraukle, Latvia, was constructed in 2006 on a site of 4,000 sqm owned leasehold by SIA APEX Investments. The land lease contract expires on the 21st May 2034.

iii) Hili Properties plc owns 100% indirect equity interest in SIA Tukuma Projekts (a limited liability company incorporated in Latvia with registration number 40003839145). The principal activity of this company is the development and leasing of property.

The SIA Tukuma Projekts property is detailed below.

No	Address	Current Use	Year of constr.	Land area, sq. m	Building area, sq.m	Tenure
1	Kurzemes Street 46, Tukums, Latvia	DIY Retail centre	2007	13,284	5,306	Freehold

Summary of Lease Agreements for SIA APEX Investments and SIA Tukuma Projekts.

The overall floorspace of the APEX and Tukuma properties comprises approximately 21,091sqm and over 90% is currently rented out. For a gross income of about €2,194,000 p.a. for leases up to 2027, with average built in inflation conditions of around 2% p.a. Detailed tenant lists and tenant lease contracts can be referred to in Appendix 7.

Full details of mortgages and other charges on the properties are contained in Appendix 10, "Rodl & Partner"searches.

PROPERTIES SITUATED IN LITHUANIA

The identification and registration of all registered mortgages and priviliges and other charges, and rights thereon including details of emphyteutical concessions, easements and other burdens were prepared by "Rodl & Partner" for the Issuers and a copy provided to the undersigned for review in the preparation of this valuation. A complete copy of the "Rodl & Partner" searches are included at Appendix 10 to this report.

7) **McDonald's Restaurant Dainava at Pramones Ave. 8B, Kaunas.**

The property consists of a 505sqm purpose built restaurant constructed about 4 years ago on a 3,021sqm plot, with about 22 car parking spaces and landscaping. The site is well located at 8B Pramones in Kaunas, which is in the vicinity of three shopping centres, a petrol station, and good quality residential and commercial buildings. The site is adjacent to a busy two-lane road approximately 7km away from the city centre. The plot is owned on a freehold basis by Premier Estates Lietuva UAB.

Present capital value of property in existing state for existing use on Open Market: One million three hundred and twenty one thousand three hundred Euros (€1,321,300).

8) **McDonald's restaurant Svajone at 15, Gedonimo Ave, Vilnius, Lithuania**

The property consists of ground and a basement level with a net internal area of 580sqm used as a restaurant located within a larger building. The building is constructed on a state-owned land plot located at 15, Gedimino avenue, a favorable and prestigious location in the centre of Vilnius in V Kurika's square. The site is located in an area that enjoys a heavy pedestrian traffic flow and is within a mixed residential and commercial area of high density surrounded by a large number of shops and restaurants. The property is part of a building constructed on land owned by the Vilnius Municipality with a lease expiring on the 16th August 2040 held by Premier Estates Lietuva UAB.

Present capital value of property in existing state for existing use on Open Market: One million five hundred and twenty six thousand Euros (€1,526,000).

PROPERTIES SITUATED IN LATVIA

9) **McDonald's restaurant Imanta at 3, Kurzemes Prospekts, Riga.**

The property consists of a 2,709sqm plot and a purpose built restaurant with a 502sqm footprint constructed about four years ago thereon. The site accommodates 16 car parking spaces and landscaping and is located at 3 Kurzemes Prospekts in Imanta, a residential neighborhood of Riga inhabited by approximately 40,000 residents. Kurzemes Prospekts is a large street with a dual carriageway and a number of supermarkets (Maxima, Prisma and Rimi) located in the vicinity. The property is very well located in a park-land setting with a large residential neighbourhood immediately adjacent. It is located on an important street with good access. It is well accessible by pedestrians and by public transport and motor vehicles. The land is owned on a freehold basis by SIA Premier Estates Limited.

Present capital value of property in existing state for existing use on Open Market: One million five hundred and fifty three thousand Euros (€1,553,000).

10) McDonald's restaurant Vienibas at Vienibas Ave. 115A, Riga.

The property consists of a 3,497sqm plot and a purpose built restaurant with a 552sqm footprint constructed about 3 years ago thereon. The site accommodates 18 car parking spaces and landscaping and is located at 115A Vienibas Ave. which is situated outside the centre of Riga and on one of the busiest exit streets around 7km away from the centre and old town of Riga. The neighborhood is a residential area inhabited by approximately 30,000 residents, with a number of supermarkets (Maxima, Rimi) located within the vicinity. The site is owned on a freehold basis by SIA Premier Estates Limited.

Present capital value of property in existing state for existing use on Open Market: One million five hundred and fourteen thousand Euros (€1,514,000).

11) McDonald's restaurant, Ulmana at 88 Karla Ulmana, Riga.

The property consists of a 2,000sqm plot and a purpose built restaurant with a 417sqm footprint constructed and completed thereon, which became operational in July 2015. The site is located at 88 Karla Ulmana Street, which is situated outside the centre of Riga on one of its busiest exit roads (A10/E22), and is around 8km away from the centre and old town of Riga. Karla Ulmana is a large street with a dual-carriageway and the site has excellent visibility from the road. The site benefits from high traffic volume, particularly due to its close proximity to a number of supermarkets and retails shops, a shopping mall , Riga International Airport and a popular highway leading to the Jurmula sea-side resort. The property is owned on a freehold basis by SIA Premier Estates Limited.

Present capital value of property in existing state for existing use on Open Market: One million two hundred and sixty seven thousand Euros (€1,267,000).

12) Former McDonald's restaurant at 42, 18 Novembra Street, Daugavpils.

The property consists of a 1,692sqm plot and a two floor building with a footprint of 481sqm constructed thereon. The site is located at 42, 18 Novembra Street in Daugavpils and is next to the largest road in the city. The area does not enjoy significant levels of pedestrian traffic. The external area includes 18 car parking spaces and landscaping. Operation by McDonalds ceased in 2013. The property is owned on a freehold basis by SIA Premier Estates Limited.

Present capital value of property in existing state for existing use on Open Market : Three hundred and twenty thousand Euros (€320,000)

13) Apartment 79, Duntes Street, Riga.

The property consists of apartment number 79 in a residential multi-apartment building at 28, Duntes Street, Riga, Latvia and the use of one outside parking space. The large apartment block, set in a neighbourhood on the outskirts of the centre of Riga, comprises 17 floors (16 over ground/1 underground) and a total number of 208 apartments. The property has good accessibility and is within close proximity (200m) to the SKY & MORE shopping mall. The building was completed and approved for residential use in 2006. The property is owned freehold by SIA Premier Estates Limited.

Present capital value of property in existing state for existing use on Open Market: One hundred and fifteen thousand Euros (€115,000)

14) Apartment 84, at Duntes Street, Riga.

The property consists of apartment number 84 in a residential multi-apartment building at Duntes St 28, Riga, Latvia and the use of one outside parking space and one parking space in the basement parking, close to the parking entrance. The large apartment block, set in a neighborhood on the outskirts of the centre of Riga, comprises 17 floors (16 over ground/1 underground) and a total number of apartments of 208. The property has good accessibility and is within close proximity (200m) to the SKY & MORE shopping mall. The building was completed and approved for residential use in 2006. The property is owned freehold by SIA Premier Estates Limited.

Present capital value of property in existing state for existing use on Open Market: Two hundred and thirty thousand Euros (€230,000).

15) M DIY Retails Centre at Kurzemes Street 46, Tukums, Latvia.

The property was built in 2007 and is constructed on a 13,284 sqm plot owned freehold. The gross building area including sheds is 5,306 sqm, purpose built as a DIY centre. The property is located in Tukums, a small city located in Tukuma district with a population of 19,729 inhabitants. The property is located in the north west of Tukums City, and is mainly surrounded by private houses and 2 storey commercial buildings. There are many nearby commercial properties including "Škoda", "Ramirent (construction machinery rentals), "Mājai un dārzam" (home and garden), and "Fēnikss"(slot machines). The surrounding infrastructure is good. The property is owned on a freehold basis by SIA "Tukuma Projekts".

Present capital value of property in existing state for existing use on Open Market: Two million five hundred and eighty five thousand Euros (€ 2,585,000)

16) Wholesale and Retail Trade Building at Nīcgales Street 2, Riga, Latvia.

The property is constructed on a 9,561 sqm plot owned freehold. The property is located in a neighborhood of Riga called Purvciems, on the east bank of the Daugava River. It is surrounded by 5 to 9 storey buildings in a zone provided with a good infrastructure including community requirements, and all services. The property was built in 1976 and occupies a footprint of about 5,162 sqm. The front part of the building facing Nīcgales Street is an 8 metre high building constructed with a reinforced concrete/steel structure on reinforced concrete foundations. The rear part of the building with a footprint of about 1,230 sqm is built 2 floors high in a reinforced concrete structure with partitions and external walls in plastered blockwork. The property is currently used as a retail and shopping centre. The anchor tenant is the "Rimi" supermarket chain, and there are several other tenants at the ground floor. The property is owned on a freehold basis by SIA "APEX Investments".

Present capital value of property in existing state for existing use on Open Market: Four million eight hundred and eighty thousand Euros (€ 4,880,000)

17) Supermarket and Retail Centre at Augusta Dombrovska Street 23, Riga, Latvia.

The property is constructed on a 6,720 sqm plot owned freehold except for an area of 277sqm in the external paved areas. The property is located in a neighborhood of Riga known as Vecmīlgrāvis in the northern part of the city, near the mouth of the Daugava River. The surrounding infrastructure is very good, and there are all community facilities nearby as well as many 9 storey residential apartment blocks. The site enjoys significant footfall. The property was built in 1983 as a robust reinforced concrete frame and masonry/blockwork partition wall structure on concrete foundations and the property is sound and solidly constructed. The site is 2 floors high, excluding the technical rooms above at second floor level. The building is built around a central courtyard which functions mainly as a trucking and delivery area at Melidas Street level, and the entrance to the trucking bay is roofed over by rooms forming part of the A. Dombrovska Street level. There is a basement below the entire building which is not used. The building footprint is 3041 sqm, excluding the central delivery courtyard. Total internal floorspace is about 7,506 sqm. There is only limited parking on the site with about 8 spaces on the periphery of the site. There are about 80 to 90 parking spaces leased from the Riga City Council on the other side of the street. The property, apart from a portion of 277sqm in the external unbuilt area, is owned freehold by SIA "APEX Investments".

Present capital value of property in existing state for existing use on Open Market: Four million three hundred thousand Euros (€4,300,000).

18) Supermarket and Retail Centre at Vienības Gatve 95, Riga, Latvia.

The property is constructed on a 6,670 sqm plot owned freehold. The property is located in Atgāzene in the south of Riga, on the west bank of River Daugava, and is mainly surrounded by 2 to 5 storey private residences. The property is surrounded by a green belt and enjoys excellent exposure. The property was built in 2000 and occupies a footprint of 1,568 sqm. It is constructed as a steel structure on concrete foundation. The net internal area of the building is of 1,416 sqm with a net lettable area of 1,300 s.m. In addition there are about 70 external parking spaces within the property boundary. The property was refurbished in 2013 and is in as new condition. The property is owned freehold by SIA "APEX Investments".

Present capital value of property in existing state for existing use on Open Market: One million five hundred and twenty thousand Euros (€1,520,000).

19) Supermarket and Retail Centre at Kreimeņu Street 4A, Riga, Latvia.

The property is constructed on a 3,733 sqm plot owned freehold. The property is located in Vecmīlgrāvis, a neighborhood in the North of Riga near the mouth of the River Daugava. The building is surrounded by 5 story residential apartment blocks, with good infrastructure, and enjoys excellent exposure. In addition the property includes another portion of land leased from a third party, with the lease expiring on 15 October, 2024. This portion of land with a superficial area of 700 sqm. is split into 2 sub-portions, one of about 450 sqm. used for delivery of goods to the shopping centre, the second one being a green strip. The property was built in 2005 as a steel structure on concrete foundations. The net internal area is 1,080 sqm, and the building is two floor high. In addition there are about 30 parking spaces within the property boundary. The property is owned freehold by SIA "APEX Investments".

Present capital value of property in existing state for existing use on Open Market: One million and sixty nine thousand Euros (€1,069,000).

20) Shopping Centre at Dzelzavas Street 78, Riga, Latvia.

The property is constructed on a 8,062 sqm plot owned freehold. The property is located at Purvciems, in the west of Riga on the east bank of the River Daugava. It is surrounded by 5 to 9 storey residential buildings with good footfall and infrastructure. The property was built in 1989 with the front part as a steel structure on concrete foundation, and the back part in a robust reinforced concrete structure. There is also a shed at the rear of the property built in 2001. The net internal area of the building including the warehouse and the shed is 1,396 sqm. with a net lettable area of 1,228.70 sqm. In addition there are about 35 parking spaces within the property boundary. The property is owned freehold by SIA "APEX Investments".

Present capital value of property in existing state for existing use on Open Market: One million eight hundred and twenty thousand Euros (€1,820,000).

21) Supermarket and Retail Centre at Smilšu Street 92B, Daugavpils, Latvia.

The property is constructed on a 2,770 sqm plot owned freehold. The property is located in the north-east part of the City of Daugavpils, the second largest city in Latvia, about 230 km to the North West of Riga. The building is 1 floor high surrounded by 5 to 9 storey high residential apartment buildings, with good infrastructure, and with the Technical University and the Daugavpils sports administration nearby. The property was built in 2003 as a steel structure on concrete foundations. The net internal area of the building is 1,081 sqm. In addition there are about 80 external parking spaces within the property boundary and immediately adjacent. The property is owned freehold by SIA "APEX Investments".

Present capital value of property in existing state for existing use on Open Market : One million and ninety seven thousand Euros (1,097,000).

22) Hypermarket and Retail Centre at Viestura Street 10, Daugavpils, Latvia.

The property is constructed on a 2,011 sqm plot held on leasehold from Daugavpils City Local Authority. The lease term expires on the 27th July 2056. The property is located in Daugavpils the 2nd largest city in Latvia, 230 km North West of Riga. The property is situated at the centre of the city, surrounded by 5 story residential apartment blocks on 3 sides with the central park to the east. Surrounding infrastructure is excellent. The property was built in 2005 as a reinforced concrete and masonry structure on concrete foundations. The property is a detached block, two floors high with technical rooms at roof and underground floor levels. The bus station is a major generator of footfall to the property from all of Daugavpils. The building footprint including a third party owned part of the property at both floors is about 1,708 sqm. and the net internal area of the two floors is 3,461 sqm of which 3,029 sqm is the SIA APEX INVESTMENTS property. The net rentable area at the 2 floors is about 2,602 sqm. The property is held on leasehold by SIA "APEX Investments" expiring on the 27th July 2056.

Present capital value of property in existing state for existing use on Open Market: Two million three hundred and six thousand Euros (€2,306,000).

23) Supermarket and Retail Centre at Spīdolas Street 17, Aizkraukle, Latvia.

The property is constructed on a 4,000 sqm plot held on a lease at €6,000 per annum, expiring on the 21st May, 2034. The property is located at the centre of Aizkraukle, a small city located about 110 km East of Riga and plays a significant role in the everyday trading activity of the city. It is surrounded by multi story residential blocks, with a very good infrastructure all round. The property was built in 2006 as a steel structure on concrete foundation. The net internal area of the building is 1,062 sqm, with a net lettable area of 965 sqm. The property is held on leasehold by SIA "APEX Investments" expiring on the 21st May 2034.

Present capital value of property in existing state for existing use on Open Market: Eight hundred and seventy one thousand Euros (€871,000).

PROPERTY SITUATED IN ESTONIA

24) McDonald's restaurant 74,Tallinna maante, Parnu.

The property consists of a land plot and a building constructed thereon. The site is located at 74, Tallinna maante, Parnu, an area outside the city centre located next to a two-land road at the entrance to Parnu from Tallinn. The site area is in the vicinity of office buildings, a large supermarket and several car dealerships. The area surrounding is located 2.5km from the Parnu city centre. The site consists of a plot of land of 4,417sqm on a freehold basis owned by Premier Estates Eesti OŰ. The property currently operates as a McDonald's drive-through restaurant. A portion of the external space (approximately 2,164sqm) is not required for the operation of the McDonald's drive-through restaurant and is currently a landscaped area. The built-up area on the site comprises a single-story building with concrete walls. The building, which has 21 rooms, was developed approximately five years ago with a total built-up area of 692.4sqm.

Present capital value of property in existing state for existing use on Open Market: One million nine hundred and ninety nine thousand Euros (€1,999,000).

Edward Bencini B.Arch., A&CE
10 September 2015

This document is a Securities Note issued in accordance with the provisions of Chapter 4 of the Listing Rules published by the Listing Authority and in accordance with the provisions of Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as amended by Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012, Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012, Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014. This Securities Note is issued pursuant to the requirements of Listing Rule 4.14 of the Listing Rules and contains information about the Bonds being issued by Hili Properties p.l.c. Application has been made for the admission to listing and trading of the Bonds on the Official List of the Malta Stock Exchange. This Securities Note should be read in conjunction with the most updated Registration Document issued from time to time containing information about the Issuer.

18 September 2015

SECURITIES NOTE

in respect of an Issue of:

€37 million 4.5% Unsecured Bonds 2025

of a nominal value of €100 per Bond issued at par by

HILI PROPERTIES P.L.C.

(a public limited liability company registered under the laws of Malta
with registration number C 57954)
ISIN:- MT0000941204

with the joint and several Guarantee* of

Harbour (APM) Investments Limited and Hili Estates Limited
Both private limited liability companies registered in Malta
with company registration numbers C 58453 and C20513 respectively

*Prospective investors are to refer to the Guarantee contained in Annex III of the Securities Note forming part of this Prospectus for a description of the scope, nature and term of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in this Registration Document and the Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the Guarantee provided by Harbour (APM) Investments Limited and Hili Estates Limited (the "Guarantors").

Manager & Registrar	Legal Counsel	Sponsor
BOV Bank of Valletta	GVTH ADVOCATES	CHARTS WEALTH MANAGEMENT • CORPORATE BROKING

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

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

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

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HILI PROPERTIES

IMPORTANT INFORMATION

THIS SECURITIES NOTE CONTAINS INFORMATION ON AN ISSUE BY HILI PROPERTIES PLC (THE "ISSUER") OF €37 MILLION UNSECURED BONDS 2025 OF A NOMINAL VALUE OF €100, ISSUED AT PAR AND BEARING INTEREST AT THE RATE OF 4.5% PER ANNUM, PAYABLE ANNUALLY ON 16 OCTOBER OF EACH YEAR. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON THE REDEMPTION DATE UNLESS OTHERWISE PREVIOUSLY REPURCHASED FOR CANCELLATION.

THIS SECURITIES NOTE CONTAINS INFORMATION ABOUT THE ISSUER AND THE BONDS IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING RULES, THE ACT AND THE REGULATION, AND SHOULD BE READ IN CONJUNCTION WITH THE REGISTRATION DOCUMENT ISSUED BY THE ISSUER.

NO BROKER, DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS TO ISSUE ANY ADVERTISEMENT OR TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE SALE OF BONDS OF THE ISSUER OTHER THAN THOSE CONTAINED IN THE PROSPECTUS AND IN THE DOCUMENTS REFERRED TO HEREIN, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER OR ITS DIRECTORS OR ADVISORS.

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

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

SAVE FOR THE ISSUE IN THE REPUBLIC OF MALTA, NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE BONDS OR THE DISTRIBUTION OF THE PROSPECTUS (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED. IN RELATION TO EACH MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (OTHER THAN MALTA) WHICH HAS IMPLEMENTED DIRECTIVE 2003/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 4 NOVEMBER 2003 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING OR WHICH, PENDING SUCH IMPLEMENTATION, APPLIES ARTICLE 3.2 OF SAID DIRECTIVE, THE BONDS CAN ONLY BE OFFERED TO "QUALIFIED INVESTORS" (AS DEFINED IN SAID DIRECTIVE) AS WELL AS IN ANY OTHER CIRCUMSTANCES WHICH DO NOT REQUIRE THE PUBLICATION BY THE ISSUER OF A PROSPECTUS PURSUANT TO ARTICLE 3 OF SAID DIRECTIVE.

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

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

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

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

ALL THE ADVISORS TO THE ISSUER NAMED IN THE PROSPECTUS UNDER THE HEADING **"IDENTITY OF DIRECTORS, ADVISORS AND AUDITORS OF THE ISSUER AND THE GUARANTORS"** UNDER SECTION 3 OF THE REGISTRATION DOCUMENT HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER IN RELATION TO THIS ISSUE AND HAVE NO CONTRACTUAL, FIDUCIARY OR OTHER OBLIGATION TOWARDS ANY OTHER PERSON AND WILL ACCORDINGLY NOT BE RESPONSIBLE TO ANY INVESTOR OR ANY OTHER PERSON WHOMSOEVER IN RELATION TO THE TRANSACTIONS PROPOSED IN THE PROSPECTUS.

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

HILI PROPERTIES

1. DEFINITIONS

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

Act	the Companies Act (Cap. 386 of the Laws of Malta);
Applicant/s	a person or persons whose name or names (in the case of joint applicants) appear in the registration details of an Application Form;
Application/s	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Registrar or to any of the Authorised Financial Intermediaries;
Application Form	the forms of application of subscription for Bonds, specimens of which are contained in Annex II of this Securities Note;
Authorised Financial Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex I of this Securities Note;
Bond(s)	the €37 million unsecured bonds due 2025 of a face value of €100 per bond redeemable at their nominal value on the Redemption Date, bearing interest at the rate of 4.5% per annum, as detailed in this Securities Note. The Bonds are guaranteed jointly and severally by Hili Estates Limited and Harbour (APM) Investments Limited;
Bondholder	a holder of Bonds;
Bond Issue or **Issue**	the issue of the Bonds;
Bond Issue Price	the price of €100 per Bond;
Business Day	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
Company or Issuer	Hili Properties p.l.c., a company registered under the laws of Malta with company registration number C 57954 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta;
CSD	the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345, Laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063;
Cut-Off Date	close of business on 11 September 2015 (trading session of 9 September 2015);
Directors or **Board**	the directors of the Company whose names and addresses are set out in section 3.1 ("Directors") of the Registration Document;
European Countries	countries located within the European Economic Area ('EEA') and the European Union ('EU')
Euro or **€**	the lawful currency of the Republic of Malta;
Exchange, Malta Stock Exchange or **MSE**	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta, and bearing company registration number C 42525;

Financial Reporting Date	means 30 June and 31 December in each year as from 31 December 2015;
Group or **HP Group**	the Issuer, its subsidiaries and any affiliates, as further described in section 4.3 of the Registration Document;
Guarantee	the joint and several suretyship of the Guarantors undertaking to effect payment of interest and capital repayments of any amount due by the Issuer to any Bondholder and which remain unpaid by the Issuer after 60 days of the due date for payment thereof. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Securities Note as Annex III thereof;
Guarantors	**(i)**Harbour (APM) Investments Limited, a company registered under the laws of Malta having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta and bearing company registration number C 58453; **(ii)** Hili Estates Limited, a company registered under the laws of Malta having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta and bearing company registration number C 20513;
Hili Ventures Group or **HVL**	Hili Ventures Limited, a company registered under the laws of Malta with company registration number C 57902 and having its registered office at Nineteen Twenty Three, Valletta Road, Marsa MRS 3000, Malta, its subsidiaries and any affiliates;
Hili Ventures Group Bondholders	the holders of 6.8% Premier Capital p.l.c. Bonds 2017-2020 (ISIN: MT0000511205) and 5.1% PTL Holdings p.l.c. Bonds 2024 (ISIN: MT0000841206) as at the Cut-Off Date;
Hili Ventures Group Preferred Applicants	shareholders, directors and employees of any company forming part of the Hili Ventures Group as at the Cut-Off Date;
Interest Payment Date	16 October of each year between and including each of the years 2016 and the year 2025, 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;
Issue Date	expected on 23 October 2015;
Issue Period	the period between 24 September 2015 to 9 October 2015 during which the Bonds are on offer;
Listing Authority	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the Laws of Malta) by virtue of Legal Notice 1 of 2003;
Listing Rules	the listing rules of the Listing Authority;
Memorandum and Articles of Association or **M&As**	the memorandum and articles of association of the Issuer and/or the Guarantors (as may be indicated) in force at the time of publication of the Prospectus;
MFSA	the Malta Financial Services Authority, incorporated in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
Official List	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
Prospectus	collectively the Registration Document, Summary Note and this Securities Note (each as defined in this Securities Note);
Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November, 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as may be amended from time to time;
Redemption Date	16 October 2025;

Redemption Value	the nominal value of each Bond (€100 per Bond);
Registrar	Bank of Valletta p.l.c. of BOV Centre, Cannon Road, Santa Venera SVR 9030, Malta;
Registration Document	the registration document issued by the Issuer dated 18 September 2015, forming part of the Prospectus;
Regulation	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as amended by: Commission Delegated Regulation (EU) No. 486/2012 of 30 March 2012 amending Regulation (EC) No. 809/2004 as regards the format and the content of the prospectus, the base prospectus, the summary and the final terms and as regards the disclosure requirements; Commission Delegated Regulation (EU) No. 862/2012 of 4 June 2012 amending Regulation (EC) No. 809/2004 as regards information on the consent to use of the prospectus, information on underlying indexes and the requirement for a report prepared by independent accountants or auditors; Commission Delegated Regulation (EU) No. 759/2013 of 30 April 2013 amending Regulation (EC) No. 809/2004 as regards the disclosure requirements for convertible and exchangeable debt securities; and Commission Delegated Regulation (EU) No. 382/2014 of 7 March 2014 as regards to regulatory technical standards for publication of supplements to the prospectus;
Securities Note	this document in its entirety;
Sponsor	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, an authorised financial intermediary licensed by the MFSA and a Member of the MSE;
Summary Note	the summary note issued by the Issuer dated 18 September 2015, forming part of the Prospectus;
Terms and Conditions	the terms and conditions of the Bond Issue as contained in section 7 of this Securities Note.

2. RISK FACTORS

2.1 GENERAL

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

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

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

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

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

2.2 FORWARD LOOKING STATEMENTS

This Securities Note may contain "forward looking statements" which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These forward looking statements are subject to a number of risks, uncertainties and assumptions and important factors that could cause actual risks to differ materially from the expectations of the Issuer's Directors. No assurance is given that future results or expectations will be achieved.

2.3 RISKS RELATING TO THE BONDS

- The existence of an orderly and liquid market for the Bonds depends on a number of factors, including but not limited to the presence of willing buyers and sellers of the Issuer's Bonds at any given time and the general economic conditions in the market in which the Bonds are traded. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market, over which the Issuer has no control. Accordingly, there can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell or otherwise trade in the Bonds at or above the Bond Issue Price or at all.

- Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

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

- No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.

- The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantors. Furthermore, subject to the negative pledge clause (section 5.7 of

this Securities Note), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and of the Guarantors, as the case may be, for so long as such security interests remain in effect.

- **The terms and conditions of this Bond Issue are based on Maltese law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change in Maltese law or administrative practice after the date of this Prospectus.**

- **Repayment of interest and capital on the Bonds is being guaranteed jointly and severally by the Guarantors and therefore, Bondholders are entitled to request either or both Guarantors to pay the full amounts due under the Bonds if the Issuer fails to meet any amount. The guarantee also entitles the Bondholders to take action against either or both Guarantors without having to first take action against the Issuer. The level of recoverability by the Bondholders from either or both Guarantors of any amounts due under any of the Bonds is dependent upon the financial strength of the Guarantors and in the case of insolvency of the Guarantors, such level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantors.**

- **In the event that the Issuer wishes to amend any of the Terms and Conditions of Issue of the Bond it shall call a meeting of Bondholders in accordance with the provisions of section 5.14 of this Securities Note. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.**

3. PERSONS RESPONSIBLE

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

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

3.1 CONSENT FOR USE OF PROSPECTUS

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

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

i. in respect of Bonds subscribed for through Authorised Financial Intermediaries listed in Annex I of this Securities Note during the Issue Period;

ii. to any resale or placement of Bonds taking place in Malta;

iii. to any resale or placement of Bonds taking place within the period of 60 days from the date of the Prospectus.

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

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

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

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

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.

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

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

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

4. ESSENTIAL INFORMATION

4.1 REASONS FOR THE ISSUE AND USE OF PROCEEDS

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €36.2 million, will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

(i) an amount of €19.54 million of proceeds shall be used to repay short term bank facilities, which funds were applied for the purpose of part-financing the acquisition consideration and refurbishment cost of a number of properties of the Group. A breakdown of such amount and details of each bank facility is provided in section 5.2 below. The respective properties are described in further detail in section 4.4 of the Registration Document;

(ii) an amount of €6 million shall be applied to part-finance the deposit payable on the promise of share purchase agreement in relation to the acquisition of Harbour (APM) Investments Limited, the company that owns the Benghajsa site; and

(iii)the remaining balance of €10.66 million of the net Issue proceeds will be used for the purpose of part-funding new property acquisitions and/or to further reduce the corporate indebtedness of the Group. For the purpose of identifying such properties, the Issuer shall fully adhere to the parameters established in terms of its business development strategy described in further detail in section 4.7 of the Registration Document. Saving the foregoing, with respect to the aforementioned €10.66 million, the Issuer's Board of Directors shall aim to acquire attractively priced commercial properties located in European Countries. Furthermore, in accordance with the principle of generating sustainable income for the Issuer, the Directors shall select commercial properties that have a high level of tenancy that is broadly similar to the Group's current average occupancy rate of 93%'

As at the date of the Prospectus, the Group was in discussions to acquire commercial properties estimated at *circa* €26.4 million which will contribute to an average portfolio yield of about 8%. Such acquisitions relate to a number of retail outlets in Romania and Greece and logistics distribution and office facilities in Lithuania. The said proposed acquisitions are presently governed by non-disclosure arrangements and are subject to final agreement with the respective counterparties.

In the event that the Bond Issue is not fully subscribed, the Issuer will proceed with the listing of the amount of Bonds subscribed for, and the proceeds from the Bond Issue shall be applied in the manner and order of priority set out above. Any residual

amounts required by the Issuer for the purposes of the uses specified in this section 4.1 which shall not have been raised through the Bond Issue shall be financed from the Group's general cash flow and/or bank financing.

4.2 EXPENSES

Professional fees, and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated to be in the region of €800,000. There is no particular order of priority with respect to such expenses.

4.3 ISSUE STATISTICS

Amount:	€37 million;
Form:	The Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Denomination:	Euro (€);
ISIN:	MT0000941204;
Minimum amount per subscription:	Minimum of €2,000 and multiples of €100 thereafter;
Redemption Date:	16 October 2025;
Plan of Distribution:	The Bonds are open for subscription by all categories of investors, including: Hili Ventures Group Preferred Applicants, Hili Ventures Group Bondholders and the general public;
Preferred Allocations:	(i) Hili Ventures Group Preferred Applicants will be granted preference in their applications for Bonds up to an aggregate amount of €1 million; (ii) Hili Ventures Group Bondholders will be granted preference in their applications for Bonds up to an aggregate amount of €16 million;
Bond Issue Price:	At par (€100 per Bond);
Status of the Bonds:	The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantors;
Listing:	Application has been made to the Listing Authority for the admissibility of the Bonds to listing and to the Malta Stock Exchange for the Bonds to be listed and traded on its Official List;
Application Forms available:	24 September 2015;
Closing date for Applications:	5 October 2015 in the case of Hili Ventures Group Preferred Applicants and Hili Ventures Group Bondholders, and 9 October 2015 for the general public;
Issue Period:	24 September 2015 to 9 October 2015, both days included;
Interest:	4.5% per annum;
Interest Payment Date(s):	Annually on 16 October as from 16 October 2016 (the first interest payment date);
Governing Law of Bonds:	The Bonds are governed by and shall be construed in accordance with Maltese law;
Jurisdiction:	The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Bonds.

4.4 INTEREST OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for the possible subscription for Bonds by Charts Investment Management Service Limited and Bank of Valletta p.l.c., and any fees payable in connection with the Issue to Charts Investment Management Service Limited as Sponsor and Bank of Valletta p.l.c. as Manager & Registrar, so far as the Issuer is aware no person involved in the Issue has an interest material to the Issue.

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

5.1 GENERAL

5.1.1 Each Bond forms part of a duly authorised issue of 4.5% Unsecured Bonds 2025 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €37 million (except as otherwise provided under section 5.13 "Further Issues"). The Bonds are guaranteed jointly and severally by Hili Estates Limited and Harbour (APM) Investments Limited.

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

5.1.3 Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN MT0000941204.

5.1.4 Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the Redemption Date.

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

5.1.6 The Issue Period of the Bonds is between 24 September 2015 and 9 October 2015, both days included.

5.1.7 The expected Issue Date of the Bonds is 23 October 2015.

5.1.8 The Bond Issue is not underwritten.

5.2 RANKING OF THE BONDS

The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantors, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantors. Furthermore, subject to the negative pledge clause set out in section 5.7 of this Securities Note, third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer and of the Guarantors, as the case may be, for so long as such security interests remain in effect.

The following sets out a summary of the indebtedness of the Group (which includes Hili Estates Limited (a Guarantor)) as at 10 September 2015, in aggregate amounting to €38.94 million, and which comprises of bank loans. An aggregate amount of €19.54 million of bank loans shall be repaid from Bond Issue proceeds in accordance with section 4.1 above. The bank borrowings listed below are secured by the pledges and mortgages described below. The indebtedness being created by the Bonds ranks after these bank borrowings. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a pledge, mortgage, privilege and/or a hypothec.

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Borrower	Lender	Description of facility	Amount Outstanding €	Repayment with Bond Proceeds €	Balance post Bond Issue €	Security
Hili Properties p.l.c.	HSBC Bank Malta p.l.c.	To finance the acquisition of property in Malta and Latvia and meet capital expenditure for the refurbishment of Group's Head office in Marsa and Office in Sta Venera	16,000,000	16,000,000	-	Company guarantee of €6.6M given by: - Hili Ventures Ltd, - Harbour (APM) Investments Ltd Letter of undertaking by Hili Ventures and Harbour (APM) Investments Ltd. First general hypothec for €16.3M on loan basis over all assets present and future to be given by Hili Properties p.l.c. First general hypothec for €16.3M on loan basis over all assets present and future to be given by Harbour (APM) Investments Ltd. Special hypothec over APCO Building B'Kara (property of principal debtor) Special hypothec over portions of land at Benghajsa (property of surety Harbour (APM) Investments Limited); Special hypothec over property at Tigne', Sliema (property of surety Premier Estates Limited); Special hypothec over Tower Business Centre B'Kara (property of surety Hili Properties (Swatar) Limited)
Premier Estates Ltd	HSBC Bank Malta p.l.c.	To acquire property at 21, Tigne' Seafront Sliema	3,579,119	1,000,000	2,579,119	First general hypothec €4,620,000 over all assets present and future by Premier Estates Ltd, First special hypothec €4,620,000 by Premier Estates Ltd over Tigne' Seafront Sliema, Company guarantee for €4,620,000 by Premier Restaurants Malta, Company guarantee for €2,000,000 by Hili Company Ltd., First pledge by Premier Estates Ltd over insurance

SIA Premier Estates Ltd	AS DnB NORD Banka	Acquisition of 6 land plots, construction of restaurants	2,207,426	550,000	1,657,426	First rank commercial pledge on all property First mortgage on real estate Suretyship of SIA Premier Restaurants Latvia Financial pledge over all deposits Insurance of tangibles pledged in the favour of the bank
SIA Premier Estates Ltd	Nordea Bank Finland Plc	Purchase of real estate (flat 84 & 79 Duntes street, Riga)	195,698	-	195,698	Mortgage over the real estate Guarantee Agreement with SIA Premier Restaurants Latvia
Premier Estates Lietuva UAB	Swedbank AB	Financing investments & construction of new restaurants	1,907,959	550,000	1,357,959	Mortgage on all real estate (including buildings & land) Pledge on shares Surety of Premier Restaurants UAB Surety of Premier Capital p.l.c. Pledge on all rights to payments between Premier Restaurants UAB and Premier Estates Lietuva UAB
APEX Investments SIA / Tukuma Projekti SIA	Swedbank AS	To finance the acquisition of the Apex investment and Tukuma Projekts retail pool and to repay current liabilities of Apex investments and Tukuma projekts	15,048,611	1,438,000	13,610,611	First ranking mortgages in Real Estate properties (9 retail centres), Commercial pledge of the Borrower's assets and shares
TOTAL			**38,938,813**	**19,538,000**	**19,400,813**	

Details of the indebtedness of Harbour (APM) Investments Limited (a Guarantor) as at 10 September 2015 of €1.73 million is included hereunder. The indebtedness being created by the Bonds ranks after this bank loan. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a pledge, mortgage, privilege and/or a hypothec.

Borrower	Lender	Description of facility	Amount Outstanding €	Repayment with Bond Proceeds €	Balance post Bond Issue €	Security
Harbour (APM) Investments Limited	HSBC Bank Malta p.l.c.	Business commitments	1,732,772	-	1,732,772	General hypothec, special hypothec over various portions of land at Benghajsa Security

5.3 RIGHTS ATTACHED TO THE BONDS

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

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

5.4 INTEREST

5.4.1 The Bonds shall bear interest from and including 16 October 2015 at the rate of 4.5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be effected on 16 October 2016 (covering the period 16 October 2015 to 15 October 2016). Any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. In terms of article 2156 of the Civil Code (Cap. 16 of the Laws of Malta), the right of Bondholders to bring claims for payment of interest and repayment of the principal on the Bonds is barred by the lapse of five years.

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

5.5 YIELD

The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Bonds at Redemption Date is 4.5%.

5.6 REGISTRATION, FORM, DENOMINATION AND TITLE

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

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

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

5.6.4 Any person in whose name a Bond is registered may (to the fullest extent permitted by applicable law) be deemed and treated at all times, by all persons and for all purposes (including the making of any payments), as the absolute owner of such Bond. Title to the Bonds may be transferred as provided below under the heading ”Transferability of the Bonds” in section 5.12 of this Securities Note.

5.7 NEGATIVE PLEDGE

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

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

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

"Permitted Security Interest" means: (A) any Security Interest arising by operation of law; (B) any Security Interest securing temporary bank loans or overdrafts in the ordinary course of business; (C) any other Security Interest (in addition to (A) and (B) above) securing Financial Indebtedness of the Issuer or the Guarantors, in an aggregate outstanding amount not exceeding 70% of the difference between the value of the unencumbered assets of the Issuer and Guarantors and the aggregate principal amount of Bonds outstanding at the time.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer and Guarantors being less than 104.5% of the aggregate principal amount of the Bonds still outstanding;

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

5.8 GUARANTORS' COVENANT

So long as any Bond remains outstanding, the Guarantors shall collectively ensure that their aggregate net asset value will amount to not less than €37 million on each Financial Reporting Date.

"net asset value" means the value of an entity's assets minus the value of its liabilities.

5.9 PAYMENTS

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

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

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

5.9.4 All payments with respect to the Bonds are subject in all cases to any applicable fiscal or other laws and regulations prevailing in Malta. In particular, but without limitation, all payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made net of any amount which the Issuer is compelled by law to deduct or withhold for or on account of any present or future taxes, duties, assessments or other government charges of whatsoever nature

imposed, levied, collected, withheld or assessed by or within the Republic of Malta or any authority thereof or therein having power to tax.

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

5.10 REDEMPTION AND PURCHASE

5.10.1 Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 16 October 2025.

5.10.2 Subject to the provisions of this section 5.10, the Issuer may at any time purchase Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

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

5.11 EVENTS OF DEFAULT

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

5.11.1 the Issuer or, in the event of default by the Issuer, the Guarantors, shall fail to pay any interest on any Bond when due and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer and Guarantors by any Bondholder; or

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

5.11.3 the Guarantors shall be in breach of their obligation contained in section 5.8 above under the heading "Guarantors' Covenant" and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer and Guarantors by any Bondholder; or

5.11.4 an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer and/or any Guarantor; or

5.11.5 the Issuer or, in the event of default by the Issuer, the Guarantors, stops or suspends payments (whether of principal or interest) with respect to all or any class of its respective debts or announces an intention to do so or ceases or threatens to cease to carry on its respective business or a substantial part of its respective business; or

5.11.6 the Issuer or, in the event of default by the Issuer, the Guarantors, is unable, or admits in writing its inability, to pay its debts as they fall due or otherwise becomes insolvent; or

5.11.7 there shall have been entered against the Issuer and/or any Guarantor a final judgment by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of €5 million or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or

5.11.8 any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined above) of the Issuer and/or any Guarantor in excess of €5 million or its equivalent at any time.

5.12 TRANSFERABILITY OF THE BONDS

5.12.1 The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.

5.12.2 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of a Bondholder may, upon such evidence being produced as may from time to time properly be required by the Issuer or the CSD, elect either to be registered himself as holder of the Bond or to have some person nominated by him registered as the transferee thereof. If

the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the CSD a notice in writing signed by him stating that he so elects. If he shall elect to have another person registered he shall testify his election by transferring the Bond, or procuring the transfer of the Bond, in favour of that person.

5.12.3 All transfers and transmissions are subject in all cases to any pledge (duly constituted) of the Bonds and to any applicable laws and regulations.

5.12.4 The cost and expenses of effecting any registration of transfer or transmission, except for the expenses of delivery by any means other than regular mail (if any) and except, if the Issuer shall so require, the payment of a sum sufficient to cover any tax, duty or other governmental charge or insurance charges that may be imposed in relation thereto, will be borne by the Issuer.

5.12.5 The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds.

5.13 FURTHER ISSUES

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

5.14 MEETINGS OF BONDHOLDERS

5.14.1 The Issuer may from time to time call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of obtaining the consent of Bondholders on matters which in terms of the Prospectus require the approval of a Bondholders' meeting.

5.14.2 A meeting of Bondholders shall be called by the Directors by giving all Bondholders listed on the register of Bondholders as at a date being not more than thirty (30) days preceding the date scheduled for the meeting, not less than fourteen (14) days' notice in writing. Such notice shall set out the time, place and date set for the meeting and the matters to be discussed or decided thereat, including, if applicable, sufficient information on any amendment of the Prospectus that is proposed to be voted upon at the meeting and seeking the approval of the Bondholders. Following a meeting of Bondholders held in accordance with the provisions contained hereunder, the Issuer shall, acting in accordance with the resolution(s) taken at the meeting, communicate to the Bondholders whether the necessary consent to the proposal made by the Issuer has been granted or withheld. Subject to having obtained the necessary approval by the Bondholders in accordance with the provisions of this section 5.14 at a meeting called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

5.14.3 The amendment or waiver of any of the provisions of and/or conditions contained in this Securities Note, or in any other part of the Prospectus, may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

5.14.4 A meeting of Bondholders shall only validly and properly proceed to business if there is a quorum present at the commencement of the meeting. For this purpose at least two (2) Bondholders present, in person or by proxy, representing not less than 50% in nominal value of the Bonds then outstanding, shall constitute a quorum. If a quorum is not present within thirty (30) minutes from the time scheduled for the commencement of the meeting as indicated on the notice convening same, the meeting shall stand adjourned to a place, date and time as shall be communicated by the Directors to the Bondholders present at that meeting. The Issuer shall within two (2) days from the date of the original meeting publish by way of a company announcement the date, time and place where the adjourned meeting is to be held. An adjourned meeting shall be held not earlier than seven (7) days, and not later than fifteen (15) days, following the original meeting. At an adjourned meeting: the number of Bondholders present, in person or by proxy, shall constitute a quorum; and only the matters specified in the notice calling the original meeting shall be placed on the agenda of, and shall be discussed at, the adjourned meeting.

5.14.5 Any person who in accordance with the Memorandum and Articles of Association of the Issuer is to chair the annual general meetings of shareholders shall also chair meetings of Bondholders.

5.14.6 Once a quorum is declared present by the chairman of the meeting, the meeting may then proceed to business and address the matters set out in the notice convening the meeting. In the event of decisions being required at the meeting, the directors or their representative shall present to the Bondholders the reasons why it is deemed necessary or desirable and appropriate that a particular decision is taken. The meeting shall allow reasonable and adequate time to Bondholders to present their views to the Issuer and the other Bondholders present at the meeting. The meeting shall then put the matter as proposed by the Issuer to a vote of the Bondholders present at the time at which the vote is being taken, and any Bondholders taken into account for the purpose of constituting a quorum who are no longer present for the taking of the vote shall not be taken into account for the purpose of such vote.

5.14.7 The voting process shall be managed by the Company Secretary under the supervision and scrutiny of the auditors of the Issuer.

5.14.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least 65% in nominal value of the Bondholders present at the meeting at the time when the vote is being taken, in person or by proxy, shall have voted in favour of the proposal.

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

5.15 AUTHORISATIONS AND APPROVALS

The Board of Directors of the Issuer authorised the Bond Issue pursuant to a board of directors' resolution passed on 20 August 2015.

5.16 NOTICES

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

6. TAXATION

6.1 GENERAL

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

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

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

6.2 MALTA TAX ON INTEREST

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

income as special rules may apply.

This withholding tax is considered as a final tax and a Maltese resident individual Bondholder need not declare the interest so received in his income tax return. No person shall be charged to further tax in respect of such income. However where the Bondholder is a Maltese resident individual, he is still entitled to declare the gross interest in the tax return and the tax so deducted will be available as a credit against the individual's tax liability or for a refund as the case may be.

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

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

6.3 EUROPEAN UNION SAVINGS DIRECTIVE

Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU Member State is reported on an annual basis to the Director General Inland Revenue, Malta, who will in turn exchange the information with the competent tax authority of the Member State where the recipient of interest is resident. This exchange of information takes place in terms of the EU Savings Directive 2003/48/EC.

6.4 MALTESE TAXATION ON CAPITAL GAINS ON TRANSFER OF THE BONDS

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

6.5 DUTY ON DOCUMENTS AND TRANSFERS

In terms of article 50 of the Financial Markets Act (Cap. 345 of the Laws of Malta) as the Bonds constitute financial instruments of a company quoted on a regulated market Exchange, as is the MSE, redemptions and transfers of the Bonds are exempt from Maltese duty.

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

7. TERMS AND CONDITIONS OF THE BOND ISSUE

7.1 EXPECTED TIMETABLE OF THE BOND ISSUE

1	Applications Forms mailed to Hili Ventures Group Bondholders as at the Cut-Off Date	22 September 2015
2	Application Forms available	24 September 2015
3	Closing date for Applications to be received from Hili Ventures Group Preferred Applicants and Hili Ventures Group Bondholders	5 October 2015
4	Opening and closing of subscription lists, respectively	7 October 2015 to 9 October 2015, both days included
5	Commencement of interest on the Bonds	16 October 2015
6	Announcement of basis of acceptance	16 October 2015
7	Refunds of unallocated monies	23 October 2015
8	Expected dispatch of allotment advices	23 October 2015
9	Expected date of admission of the securities to listing	23 October 2015
10	Expected date of commencement of trading in the securities	26 October 2015

The Issuer reserves the right to close the Issue of Bonds before 9 October 2015 in the event of over-subscription, in which case, the events set out in steps 6 to 10 above shall be brought forward, although the number of workings days between the respective events shall not also be altered.

7.2 TERMS AND CONDITIONS OF APPLICATION

7.2.1 The issue and allotment of the Bonds is conditional upon the Bonds being admitted to the Official List of the MSE. In the event that the Bonds are not admitted to the Official List of the MSE any Application monies received by the Issuer will be returned without interest by direct credit into the Applicant's bank account indicated by the Applicant on the relative Application Form.

7.2.2 Hili Ventures Group Preferred Applicants, Hili Ventures Group Bondholders and the general public may subscribe for Bonds by submitting Application Form 'A', Application Form 'B' and Application Form 'C' respectively. Application Form 'A' and Application Form 'B' are to be completed and submitted by not later than 14:00 hours on 5 October. Subscription lists, in relation to the general public offer, will open at 08:30 hours on 7 October 2015 and will close thereafter as may be determined by the Issuer, but in any event no later than 16:00 hours on 9 October 2015.

7.2.3 The contract created by the Issuer's acceptance of an Application filed by a prospective bondholder shall be subject to all the terms and conditions set out in this Securities Note and the Memorandum and Articles of Association of the Issuer. It is the responsibility of investors wishing to apply for the Bonds to inform themselves as to the legal requirements of so applying including any requirements relating to external transaction requirements in Malta and any exchange control in the countries of their nationality, residence or domicile.

7.2.4 If an Application Form is signed on behalf of another party or on behalf of a corporation or corporate entity or association of persons, the person signing will be deemed to have duly bound his principal, or the relative corporation, corporate entity, or association of persons, and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions on their behalf. Such representative may be requested to submit the relative power of attorney/resolution or a copy thereof duly certified by a lawyer or notary public if so required by the Issuer and the Registrar, but it shall not be the duty or responsibility of the Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form.

7.2.5 In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each of the joint Applicants, and liability therefor is joint and several. The person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or first-named in the register of Bondholders shall, for all intents and purposes, be deemed to be such nominated person by all those joint holders whose names appear in the field entitled "Additional

Applicants" in the Application Form or joint holders in the register, as the case may be. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Bond/s so held.

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

7.2.7 Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or the legal guardian/s and accompanied by a Public Registry birth certificate of the minor in whose name and for whose benefit the Application Form is submitted. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption monies payable to the parents / legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption monies shall be paid directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

7.2.8 The Bonds have not been and will not be registered under the Securities Act of 1933 of the United States of America and accordingly may not be offered or sold within the United States or to or for the account or benefit of a U.S. person.

7.2.9 No person receiving a copy of the Prospectus or an Application Form in any territory other than Malta may treat the same as constituting an invitation or offer to such person nor should such person in any event use such Application Form, unless, in the relevant territory, such an invitation or offer could lawfully be made to such person or such Application Form could lawfully be used without contravention of any registration or other legal requirements.

7.2.10 It is the responsibility of any person outside Malta wishing to make any Application to satisfy himself/herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

7.2.11 Subject to all other terms and conditions set out in the Prospectus, the Issuer reserves the right to reject, in whole or in part, or to scale down, any Application, including multiple or suspected multiple Applications, and to present any cheques and/or drafts for payment upon receipt. The right is also reserved to refuse any Application which in the opinion of the Issuer is not properly completed in all respects in accordance with the instructions or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted.

7.2.12 The Bonds will be issued in multiples of €100. The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000.

7.2.13 The Bond Issue shall close on the earlier of: (i) the date on which the aggregate amount of Applications received reaches €37 million, provided such date shall not be prior to 7 October 2015; or (ii) on 9 October 2015. Within 5 business days from closing of the subscription lists, the Issuer shall announce the result of the Issue and shall determine, and issue a company announcement setting out, the basis of acceptance of applications and allocation policy to be adopted.

7.2.14 In the event that an Applicant has not been allocated any Bonds or has been allocated a number of Bonds which is less than the number applied for, the Applicant shall receive a full refund or, as the case may be, the balance of the price of the Bonds applied for but not allocated, without interest, by credit transfer to such account indicated in the Application Form, at the Applicant's sole risk within five Business Days from the date of final allocation. The Issuer shall not be responsible for any charges, and any loss or delay in transmission.

7.2.15 The completed Application Forms 'A', 'B' and 'C' are to be lodged with any of the Authorised Financial Intermediaries.

7.2.16 All Application Forms must be accompanied by the full price of the Bonds applied for in Euro. Payment may be made either in cash or by cheque payable to **"The Registrar – Hili Properties Bond Issue"**. In the event that cheques accompanying Application Forms are not honoured on their first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

7.2.17 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations 2008 as amended from time to time, all appointed Authorised Financial Intermediaries are under a duty to communicate, upon request, all information about clients as is mentioned in Articles 1.2(d) and 2.4 of the "Code of Conduct for Members of the Malta

Stock Exchange" appended as Appendix IV to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised Financial Intermediaries are Malta Stock Exchange Members or not. Such information shall be held and controlled by the Malta Stock Exchange in terms of the Data Protection Act (Cap. 440 of the Laws of Malta) for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published from time to time.

7.2.18 By completing and delivering an Application Form the Applicant:

a. agrees and acknowledges to have had the opportunity to read the Prospectus and to be deemed to have had notice of all information and representations concerning the Issuer and the issue of the Bonds contained therein;

b. warrants that the information submitted by the Applicant in the Application Form is true and correct in all respects and in the case where an MSE account number is indicated in the Application Form, such MSE account number is the correct account of the Applicant. In the event of a discrepancy between the personal details (including name and surname and the Applicant's address) appearing on the Application Form and those held by the MSE in relation to the MSE account number indicated on the Application Form, the details held by the MSE shall be deemed to be the correct details of the Applicant;

c. authorises the Issuer and the MSE to process the personal data that the Applicant provides in the Application Form, for all purposes necessary and subsequent to the Bond Issue applied for, in accordance with the Data Protection Act (Cap. 440 of the Laws of Malta). The Applicant has the right to request access to and rectification of the personal data relating to him/her as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to the Issuer at the address indicated in the Prospectus. The requests must further be signed by the Applicant to whom the personal data relates;

d. confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer or the issue of the Bonds other than what is contained in the Prospectus and accordingly agree/s that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information or representation;

e. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta) and regulations made thereunder, and that such monies will not bear interest;

f. agrees to provide the Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;

g. warrants, in connection with the Application, to have observed all applicable laws, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with his/her Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Bond or his/her Application;

h. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;

i. represents that the Applicant is not a U.S. person (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended) as well as not to be accepting the invitation set out in the Prospectus from within the United States of America, its territories or its possessions, or any area subject to its jurisdiction (the "United States") or on behalf or for the account of anyone within the United States or anyone who is a U.S. person;

j. agrees that Charts Investment Management Service Limited will not, in their capacity of Sponsor, treat the Applicant as their customer by virtue of such Applicant making an Application for the Bonds, and that Charts Investment Management Service Limited will owe the Applicant no duties or responsibilities concerning the price of the Bonds or their suitability for the Applicant;

k. agrees that all documents in connection with the issue of the Bonds will be sent at the Applicant's own risk and may be sent by post at the address (or, in the case of joint Applications, the address of the first named Applicant) as set out in the Application Form;

l. renounces to any rights the Applicant may have to set off any amounts the Applicant may at any time owe the Issuer against any amount due under the terms of these Bonds.

7.3 PLAN OF DISTRIBUTION AND ALLOTMENT

The Bonds are open for subscription to all categories of investors, which may be broadly split as follows:

i. The Issuer has reserved an aggregate amount of Bonds amounting to €1 million for subscription by Hili Ventures Group Preferred Applicants;
ii. The Issuer has reserved an aggregate amount of Bonds amounting to €16 million for subscription by Hili Ventures Group Bondholders;
iii. The remaining balance of €20 million in Bonds shall be made available for subscription by the general public. In the event that the aggregate amount of €17 million reserved for the Hili Ventures Group Preferred Applicants and Hili Ventures Group Bondholders (detailed in clauses (i) and (ii) above) is not fully taken up, such unutilised portion/s shall also become available for allocation to the general public.

In the event that subscriptions exceed the reserved portions referred to in clauses (i) and (ii) above of €1 million and €16 million respectively, the unsatisfied excess amounts of such Applications will automatically participate in the amount of Bonds available to the general public.

The minimum subscription amount of Bonds that can be subscribed for by Applicants is €2,000 and subscription amounts shall be in multiples of €100. Subscriptions may be made through any of the Authorised Financial Intermediaries.

It is expected that an allotment advice will be dispatched to Applicants within five (5) Business Days of the announcement of the allocation policy. The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid.

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

7.4 PRICING

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

7.5 ALLOCATION POLICY

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

i. Up to an aggregate amount of €1 million shall be allocated to Hili Ventures Group Preferred Applicants in accordance with the allocation policy as determined by the Issuer and Registrar. In the event that subscriptions exceed the reserved portion of €1 million, the unsatisfied excess amount of such Applications will be considered for allocation purposes with the Applications submitted by the general public without priority or preference;

ii. Up to an aggregate amount of €16 million shall be allocated to Hili Ventures Group Bondholders in accordance with the allocation policy as determined by the Issuer and Registrar. In the event that subscriptions exceed the reserved portion of €16 million, the unsatisfied excess amount of such Applications will be considered for allocation purposes with the Applications submitted by the general public without priority or preference.

Applications received by the general public, including such unsatisfied excess amounts detailed in clauses (i) and (ii) above, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar.

Any amounts which were reserved for the Hili Ventures Group Preferred Applicants and Hili Ventures Group Bondholders (detailed in clauses (i) and (ii) above) but not fully taken up, will be taken into consideration by the Issuer and the Registrar in formulating the allocation policy for the general public portion.

7.6 ADMISSION TO TRADING

7.6.1 The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 September 2015.

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

7.6.3 The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 23 October 2015 and trading is expected to commence on 26 October 2015.

ANNEX I – AUTHORISED FINANCIAL INTERMEDIARIES

Name	Address	Telephone
APS Bank Ltd	APS Centre, Tower Road, Birkirkara BKR 4012	25603000
Bank of Valletta p.l.c.	BOV Centre, Cannon Road, St Venera SVR 9030	22751732
Calamatta Cuschieri & Co Ltd	Fifth Floor, Valletta Buildings, South Street, Valletta VLT 1103	25688688
Charts Investment Management Service Ltd	Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913	21224106
Crystal Finance Investments Ltd	Allcare Building, University Roundabout, Msida MSD 1751	23479380
Curmi & Partners Ltd	Finance House, Princess Elizabeth Street, Ta' Xbiex XBX 1102	21347331
Financial Planning Services Ltd	4, Marina Court No. 1, G. Calì Street, Ta' Xbiex XBX 1421	21344244
FINCO Treasury Management Ltd	Level 5, The Mall Complex, The Mall, Floriana FRN 1470	21220002
GlobalCapital Financial Management Ltd	Testaferrata Street, Ta'Xbiex XBX 1403	21342342
Growth Investments Ltd	Customer Service Centre, Pjazza Papa Giovanni XXIII, Floriana FRN 1420	25909357
Hogg Capital Investments Ltd	Ferris Building, Level 4, 1, St Luke's Road, Gwardamangia, Pieta PTA 1020	21322872
HSBC Bank Malta p.l.c.	116, Archbishop Street, Valletta VLT 1444	23802381
Jesmond Mizzi Financial Advisors Ltd	1/2, St Joseph High Street, Hamrun, HMR 1019	23265690
Lombard Bank Malta p.l.c.	67, Republic Street, Valletta VLT 1117	25581806
Mediterranean Bank plc	10, St Barbara Bastion, Valletta VLT 1961	25574400
MFSP Financial Management Ltd	220, Immaculate Conception Street, Msida MSD 1838	21332200
Michael Grech Financial Investment Services Ltd	The Brokerage, Level O A, St Marta Street, Victoria, Gozo VCT 2550	21554492
MZ Investment Services Ltd	55, MZ House, St Rita Street, Rabat RBT 1523	21453739
Rizzo, Farrugia & Co (Stockbrokers) Ltd	Airways House, Third Floor, High Street, Sliema SLM 1549	22583000

HILI PROPERTIES

ANNEX II - SPECIMEN APPLICATION FORMS

HILI PROPERTIES

Hili Properties plc
€37,000,000 4.5% Unsecured Bonds 2025
Guaranteed by Harbour (APM) Investments Limited and Hili Estates Limited
APPLICATION FORM 'A'

THIS APPLICATION FORM IS NOT TRANSFERABLE AND IS TO BE COMPLETED ONLY BY SHAREHOLDERS, DIRECTORS AND EMPLOYEES OF ANY COMPANY FORMING PART OF HILI VENTURES GROUP. Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.

APPLICANT/S (see notes 2 to 7)

A

☐ Shareholder ☐ Director ☐ Employee

☐ Non-Resident ☐ Minor (under 18) ☐ Body Corporate / Body of Persons

B

TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME / REGISTERED NAME	
ADDRESS / REGISTERED OFFICE		POST CODE
MSE A/C NO. (if applicable)	I.D. CARD / PASSPORT / COMPANY REG NO.	TEL NO. / MOBILE NO.

C

ADDITIONAL (JOINT) APPLICANTS (see note 3)

(please use an additional Application Form 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 4)

(to be competed 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 and 9)

AMOUNT IN FIGURES	AMOUNT IN WORDS
€	

Hili Properties plc 4.5% Unsecured Bonds 2025 (minimum of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 18 September 2015 (the "Prospectus"), payable in full upon application under the Terms and Conditions specified in the Prospectus.

F

RESIDENT - WITHHOLDING TAX DECLARATION (see note 10)

(to be completed ONLY if the Applicant is a resident of Malta)

☐ I/We elect to have final withholding tax deducted from my/our interest.

☐ I/We elect to receive interest gross (i.e. without deduction of withholding tax).

G

NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 11)

(to be completed ONLY if the Applicant is a non-resident)

TAX COUNTRY	CITY OF BIRTH	COUNTRY OF BIRTH	
PASSPORT / NATIONAL I.D. CARD NO.	T.I.N. (Tax Identification Number)	COUNTRY OF ISSUE	ISSUE DATE

☐ I/We am/are NOT resident in Malta but I/we am/are resident in the European Union.

☐ I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union.

H

INTEREST, REFUND AND REDEMPTION MANDATE (see note 12)

(completion of this panel is mandatory)

BANK	IBAN

I

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 subject to the Terms and Conditions as contained therein which I/we fully accept.

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

Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

ANNEX II - SPECIMEN APPLICATION FORMS

Notes on how to complete this application form and other information

The following notes are to be read in conjunction with the Prospectus dated 18 September 2015 (the "Prospectus") regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions contained in Section 7 of the Securities Note dated 18 September 2015 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. The Application Form is to be completed in BLOCK LETTERS and entitles you to a preferential treatment as shareholder, director or employee of any company forming part of the Hili Ventures Group.

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 Bonds. Interest, redemption proceeds and any refund payments will be issued in the name of such Bondholder (vide note 7 below).

4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by 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 being submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

5. Applicants who are non-resident in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.

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, the relative box in Panel A must also be marked appropriately. Applications must be signed by the duly authorised representatives indicating the capacity in which they are signing.

7. **APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MALTA STOCK EXCHANGE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MSE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**

8. Applications must be for a minimum of €2,000 (and in multiples of €100 thereafter).

9. Payment must be made in Euro, in cleared funds, to **'The Registrar -Hili Properties plc Bond Issue'**. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Registrar reserves the right to invalidate the relative Application.

10. Only Applicants who hold a valid official Maltese identity card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15% deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but he/she will be obliged to declare interest so received on his/her return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive Interest gross. In terms of Section 6.2 of the Securities Note, unless the Issuer is otherwise instructed by Bondholder, or if the Bondholder does not fall within the definition of 'Recipient' in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such persons net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest pursuant to Article 33 of the Income Tax Act.

11. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the applicant's permanent residential address is in a EU Member State or is in a country to which the Directive applies (called a "specified territory") then the interest paid will be reported as aforementioned.

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

12. If any Application is not accepted, or is accepted for fewer Bonds 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 Applicant's bank account as indicated in Panel H. Applicants will receive their interest and redemption proceeds directly in a bank account held locally in Euro as indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.

13. Application Forms 'A' may be accepted by latest 14:00 on 5 October 2015. Subscriptions may be made during office hours through any of the Authorised Financial intermediaries listed in Annex I of the Prospectus. The Issuer reserves the right not to accept any Application which appears to be in breach of the Terms and Conditions of the Issue as contained in the Prospectus. Any Applications received by the Registrar after the subscription lists close will be rejected. Any remittances by post are at the sole risk of the Applicant and the Issuer disclaims all responsibility for such remittances not received by the closing of the subscription lists.

14. By completing and delivering an Application Form you (as the Applicant(s)):
    a. acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection (Cap. 440 of the Laws of Malta);
    b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    c. acknowledge that you, as the Applicant(s), have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The requests must be signed by you, as the applicant(s) to whom the personal data relates.

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

HILI PROPERTIES

ANNEX II - SPECIMEN APPLICATION FORMS

HILI PROPERTIES

Hili Properties plc
€37,000,000 4.5% Unsecured Bonds 2025
Guaranteed by Harbour (APM) Investments Limited and Hili Estates Limited
APPLICATION FORM 'B'

THIS APPLICATION FORM IS NOT TRANSFERABLE AND ENTITLES YOU TO A PREFERENTIAL TREATMENT AS HOLDER OF 6.8% PREMIER CAPITAL PLC BONDS 2017/2020 AND/OR 5.1% PTL HOLDINGS PLC UNSECURED BONDS 2024. Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.

A APPLICANT/S (see notes 2 to 7)

MSE A/C NO.	I.D. CARD / PASSPORT / COMPANY REG NO.	TEL NO.	MOBILE NO.

B I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 and 9:)

AMOUNT IN FIGURES	AMOUNT IN WORDS
€	

Hili Properties plc 4.5% Unsecured Bonds 2025 (minimum of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 18 September 2015 (the "Prospectus"), payable in full upon application under the Terms and Conditions specified in the Prospectus.

C RESIDENT - WITHHOLDING TAX DECLARATION (see note 10) (to be completed ONLY if the Applicant is a resident of Malta)

☐ I/We elect to have final withholding tax deducted from my/our interest.
☐ I/We elect to receive interest gross (i.e. without deduction of withholding tax).

D NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 11) (to be completed ONLY if the Applicant is a non-resident)

TAX COUNTRY	CITY OF BIRTH	COUNTRY OF BIRTH	
PASSPORT / NATIONAL I.D. CARD NO.	T.I.N. (Tax Identification Number)	COUNTRY OF ISSUE	ISSUE DATE

☐ I/We am/are NOT resident in Malta but I/we am/are resident in the European Union.
☐ I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union.

E INTEREST, REFUND AND REDEMPTION MANDATE (see note 12) (completion of this panel is mandatory)

BANK	IBAN

F **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 subject to the Terms and Conditions as contained therein which I/we fully accept.**

_____ _____

Signature/s of Applicant/s — Date

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

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

ANNEX II - SPECIMEN APPLICATION FORMS

Notes on how to complete this application form and other information

The following notes are to be read in conjunction with the Prospectus dated 18 September 2015 (the "Prospectus") regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions contained in Section 7 of the Securities Note dated 18 September 2015 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. The Application Form is to be completed in BLOCK LETTERS and entitles you to a preferential treatment as a holder of the Premier Capital p.l.c. 6.8% Bonds 2017-2020 and/or PTL Holdings plc 5.1% Unsecured Bonds 2024 as at the close of business on 11 September 2015.

3. The first-named person is Panel A shall, for all intents and purposes, be deemed to be the registered holder of the Bonds. Interest, redemption proceeds and any refund payments will be issued in the name of such Bondholder (vide note 7 below).

4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by the legal guardian/s. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

5. Applicants who are non-resident in Malta for tax purposes, must complete Panel D.

6. In the case of a body corporate, Applications must be signed by the duly authorised representatives indicating the capacity in which they are signing.

7. **APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MSE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**

8. Applications must be for a minimum of €2,000 (and in multiples of €100 thereafter).

9. Payment must be made in Euro, in cleared funds, to **'The Registrar - Hili Properties plc Bond Issue'**. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Registrar reserves the right to invalidate the relative Application.

10. Only Applicants who hold a valid official Maltese identity card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15% deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but he/she will be obliged to declare interest so received on his/her return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund (having indicated their status in the appropriate box in Panel A) will have final withholding tax, currently 10%, deducted from interest payments. In terms of Section 6.2 of the Securities Note, unless the Issuer is otherwise instructed by Bondholder, or if the Bondholder does not fall within the definition of 'Recipient' in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such persons net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest pursuant to Article 33 of the Income Tax Act.

11. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the applicant's permanent residential address is in a EU Member State or is in a country to which the Directive applies (called a "specified territory") then the interest paid will be reported as aforementioned.

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

12. If any Application is not accepted, or is accepted for fewer Bonds 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 Applicant's bank account as indicated in Panel E. Applicants will receive their interest and redemption proceeds directly in a bank account held locally in Euro as indicated in Panel E or as otherwise amended by the Bondholder/s during the term of the Bond.

13. Application Forms 'B' may be accepted by the latest 14:00 on 5 October 2015. Subscriptions may be made during office hours through any of the Authorised Financial intermediaries listed in Annex I of the Prospectus. The Issuer reserves the right not to accept any Application which appears to be in breach of the Terms and Conditions of the Issue as contained in the Prospectus. Any Applications received by the Registrar after the subscription lists close will be rejected. Any remittances by post are at the sole risk of the Applicant and the Issuer disclaims all responsibility for such remittances not received by the closing of the subscription lists.

14. By completing and delivering an Application Form you (as the Applicant(s)):
    a. acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection (Cap. 440 of the Laws of Malta);
    b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    c. acknowledge that you, as the Applicant(s), have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The requests must be signed by you, as the applicant(s) to whom the personal data relates.

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

HILI PROPERTIES

ANNEX II - SPECIMEN APPLICATION FORMS

HILI PROPERTIES

Hili Properties plc
€37,000,000 4.5% Unsecured Bonds 2025
Guaranteed by Harbour (APM) Investments Limited and Hili Estates Limited
APPLICATION FORM 'C'

Please read the notes overleaf before completing this Application Form. Mark 'X' if applicable. Unless otherwise indicated, each of the panels below is to be completed.

A APPLICANT/S (see notes 2 to 7)

☐ Non-Resident ☐ Minor (under 18) ☐ Body Corporate / Body of Persons ☐ CIS-Prescribed Fund

B

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

ADDRESS / REGISTERED OFFICE

POST CODE

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

C ADDITIONAL (JOINT) APPLICANTS (see note 3)

(please use an additional Application Form 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 4)

(to be competed ONLY if the Applicant is a minor)

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

E I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 and 9)

AMOUNT IN FIGURES	AMOUNT IN WORDS
€	

Hili Properties plc 4.5% Unsecured Bonds 2025 (minimum of €2,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Prospectus dated 18 September 2015 (the "Prospectus"), payable in full upon application under the Terms and Conditions specified in the Prospectus.

F RESIDENT - WITHHOLDING TAX DECLARATION (see note 10)

(to be completed ONLY if the Applicant is a resident of Malta)

☐ I/We elect to have final withholding tax deducted from my/our interest.
☐ I/We elect to receive interest gross (i.e. without deduction of withholding tax).

G NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 11)

(to be completed ONLY if the Applicant is a non-resident)

TAX COUNTRY	CITY OF BIRTH	COUNTRY OF BIRTH	
PASSPORT / NATIONAL I.D. CARD NO.	T.I.N. (Tax Identification Number)	COUNTRY OF ISSUE	ISSUE DATE

☐ I/We am/are NOT resident in Malta but I/we am/are resident in the European Union.
☐ I/We am/are NOT resident in Malta and I/we am/are NOT resident in the European Union.

H INTEREST, REFUND AND REDEMPTION MANDATE (see note 12)

(completion of this panel is mandatory)

BANK	IBAN

I

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 subject to the Terms and Conditions as contained therein which I/we fully accept.

Signature/s of Applicant/s

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

Date

AUTHORISED FINANCIAL INTERMEDIARY'S STAMP	AUTHORISED FINANCIAL INTERMEDIARY'S CODE	APPLICATION NUMBER

ANNEX II - SPECIMEN APPLICATION FORMS

Notes on how to complete this application form and other information

The following notes are to be read in conjunction with the Prospectus dated 18 September 2015 (the "Prospectus") regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions contained in Section 7 of the Securities Note dated 18 September 2015 forming part of the Prospectus. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Prospectus.

2. The Application Form is to be completed in BLOCK LETTERS.

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 Bonds. Interest, redemption proceeds and any refund payments will be issued in the name of such Bondholder (vide note 7 below).

4. Applications in the name and for the benefit of minors shall be allowed provided that they are signed by both parents or by 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 being submitted. The relative box in Panel A must also be marked appropriately. Any Bonds allocated pursuant to such an Application shall be registered in the name of the minor as Bondholder, with interest and redemption proceeds payable to the parents or legal guardian/s signing the Application Form until such time as the minor attains the age of eighteen (18) years, following which all interest and redemption proceeds shall be payable directly to the registered holder, provided that the Issuer has been duly notified in writing of the fact that the minor has attained the age of eighteen (18) years.

5. Applicants who are non-resident in Malta for tax purposes, must indicate their passport number in Panel B and complete Panel G. The relative box in Panel A must also be marked appropriately.

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, the relative box in Panel A must also be marked appropriately. Applications must be signed by the duly authorised representatives indicating the capacity in which they are signing.

7. **APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MALTA STOCK EXCHANGE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED BY THE MSE IN THE MSE ACCOUNT NUMBER QUOTED ON THE APPLICATION FORM EVEN IF THE DETAILS OF SUCH MSE ACCOUNT NUMBER, AS HELD BY THE MSE, DIFFER FROM ANY OR ALL OF THE DETAILS APPEARING OVERLEAF. A SEPARATE REQUEST BY THE APPLICANT TO CHANGE THESE DETAILS AS RECORDED AT THE MSE WILL HAVE TO BE EFFECTED.**

8. Applications must be for a minimum of €2,000 (and in multiples of €100 thereafter).

9. Payment must be made in Euro, in cleared funds, to **'The Registrar - Hili Properties plc'**. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Registrar reserves the right to invalidate the relative Application.

10. Only Applicants who hold a valid official Maltese identity card or companies registered in Malta will be treated as resident in Malta. In such a case the Applicant may elect to have final withholding tax, currently 15% deducted from interest payments in which case such interest need not be declared in the Applicant's income tax return. The Applicant may elect to receive the interest gross (i.e. without deduction of final withholding tax), but he/she will be obliged to declare interest so received on his/her return. Interest received by non-resident Applicants is not taxable in Malta and non-residents will receive interest gross. Authorised entities applying in the name of a prescribed fund (having indicated their status in the appropriate box in Panel A) will have final withholding tax, currently 10%, deducted from interest payments. In terms of Section 6.2 of the Securities Note, unless the Issuer is otherwise instructed by Bondholder, or if the Bondholder does not fall within the definition of 'Recipient' in terms of Article 41(c) of the Income Tax Act (Cap. 123 of the laws of Malta), interest shall be paid to such persons net of a final withholding tax, currently at the rate of 15% of the gross amount of the interest pursuant to Article 33 of the Income Tax Act.

11. European Council Directive 2003/48/EC on the Taxation of Savings Income in the form of interest payments requires all payors established in the EU which pay interest to an individual resident in another EU Member State, to report the interest payment to the tax authorities of the Member State in which the payor is established. If the applicant's permanent residential address is in a EU Member State or is in a country to which the Directive applies (called a "specified territory") then the interest paid will be reported as aforementioned.

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

12. If any Application is not accepted, or is accepted for fewer Bonds 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 Applicant's bank account as indicated in Panel H. Applicants will receive their interest and redemption proceeds directly in a bank account held locally in Euro as indicated in Panel H or as otherwise amended by the Bondholder/s is during the term of the Bond.

13. Subscriptions will open at 08:30 hours on 7 October 2015 and close at 16:00 hours on 9 October 2015. The Issuer reserves the right, however, to close the Issue before 9 October 2015, in the event of over-subscription. Subscriptions may be made during office hours through any of the Authorised Financial intermediaries listed in Annex I of the Prospectus. The Issuer reserves the right not to accept any Application which appears to be in breach of the Terms and Conditions of the Issue as contained in the Prospectus. Any Applications received by the Registrar after the subscription lists close will be rejected. Any remittances by post are at the sole risk of the Applicant and the Issuer disclaims all responsibility for such remittances not received by the closing of the subscription lists.

14. By completing and delivering an Application Form you (as the Applicant(s)):
    a. acknowledge that the Issuer may process the personal data that you provide in the Application Form in accordance with the Data Protection (Cap. 440 of the Laws of Malta);
    b. acknowledge that the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    c. acknowledge that you, as the Applicant(s), have the right to request access to and rectification of the personal data relating to you, as processed by the Issuer. Any such requests must be made in writing and addressed to the Issuer. The requests must be signed by you, as the applicant(s) to whom the personal data relates.

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

ANNEX III - THE GUARANTEE

To All Bondholders:

Reference is made to the issue of the €37 million 4.5% Unsecured Bonds 2025 by Hili Properties p.l.c. (the **"Issuer"**) pursuant to and subject to the terms and conditions contained in the Securities Note to be dated 18 September 2015 (the **"Bonds"**).

Now therefore by virtue hereof we, Harbour (APM) Investments Limited and Hili Estates Limited, hereby stand surety jointly and severally with the Issuer and irrevocably and unconditionally guarantee the due and punctual performance of all the obligations undertaken by the Issuer under the Bonds and, without prejudice to the generality of the foregoing, undertake to pay all amounts of principal and interest which become due and payable by the Issuer to Bondholders under the Bonds, within 60 days from the date such amount falls due and remains unpaid by the Issuer.

All terms used in this guarantee shall, unless the context otherwise requires, have the same meaning assigned to them in the Prospectus.

This guarantee shall be governed by the laws of Malta.

Signed and executed on this the 21 day of August 2015, after approval of the respective Boards of Directors of Hili Estates Limited and Harbour (APM) Investments Limited in the meetings of the 20 day of August 2015.

Richard Abdilla Castillo
Director
For and on behalf of
Harbour (APM) Investments Limited

Richard Abdilla Castillo
Director
For and on behalf of
Hili Estates Limited

NATURE, SCOPE AND TERMS OF THE GUARANTEE

1. NATURE OF THE GUARANTEE

The offering of Bonds that will be made by the Issuer pursuant to a Securities Note to be published by the Issuer, dated 18 September 2015, will be made with the benefit of the joint and several corporate Guarantee of the Guarantors, the full terms of which are set out in clause 4 below.

2. SCOPE OF THE GUARANTEE

The Guarantee is unconditional and shall cover all payments that may be due to Bondholders pursuant to the Securities Note. The Guarantee binds the Guarantors to pay to Bondholders any amount of interest or capital under the Bonds that may have become due under the terms of issue of a Bond.

The Guarantors have the power to veto any changes to the rights and terms of the Bonds which are issued with the benefit of its Guarantee.

3. INFORMATION ABOUT THE GUARANTORS

Any information about the Guarantors which may be required pursuant to the Listing Rules and the Regulation may be found in the Registration Document.

4. TERMS OF THE GUARANTEE

4.1 Guarantee

For the purposes of the Guarantee, the Guarantors irrevocably and unconditionally guarantee to each holder of the Bonds described in the Prospectus ("Bondholder") that if for any reason the Issuer fails to pay any sum payable by it to such Bondholder pursuant to the terms of the Bonds detailed in the Securities Note as and when the same shall become due under any of the foregoing, the Guarantors will pay to such bondholder on demand the amount payable by the Issuer to such bondholder.

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

This Guarantee shall apply to all Bonds issued on or after 16 October 2015 in accordance with the terms of the Securities Note.

4.2 Guarantors as Joint and Several Sureties

The Guarantors will be liable under this Guarantee as joint and several sureties with the Issuer.

4.3 Guarantors' Continuing Obligations

The Guarantors' obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable to any Bondholder pursuant to the issue of the Bonds.

4.4 Repayment to the Issuer

If any payment received by a Bondholder is, on subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of the Guarantors, and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.

4.5 Indemnity

As a separate and alternative stipulation, the Guarantors unconditionally and irrevocably agree that any sum expressed to be payable by the Issuer pursuant to the terms of the Bonds but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantors or any Bondholder) not recoverable from the Guarantors, will nevertheless be recoverable from them as if they were the sole principal debtors and will be paid by them to the Bondholder on demand. This indemnity constitutes a separate and independent obligation from the other obligations in this Guarantee, gives rise to a separate and independent obligation from the other obligations in this Guarantee and gives rise to a separate and independent cause of action.

4.6 Status of Guarantee

The obligation of the Guarantors under this Guarantee constitutes a general, direct and unsecured obligation of the Guarantors and ranks equally with all their other existing and future unsecured obligations, except for any debts for the time being preferred by law.

4.7 Net asset value covenant

The Guarantors undertake that so long as any Bond remains outstanding, the Guarantors shall collectively ensure that their aggregate net asset value will amount to not less than €37 million on each Financial Reporting Date (being 30 June and 31 December in each year as from 31 December 2015).

4.8 Power to execute

The Guarantors hereby warrant and represent with each Bondholder that they each have all corporate power, and have each taken all necessary corporate or other steps, to enable them to execute, deliver and perform this Guarantee, and that this Guarantee constitutes a legal, valid and binding obligation of each of the Guarantors in accordance with the terms laid out in this clause 4.

4.9 Deposit and Production of the Guarantee

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

4.10 Subrogation

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

4.11 Governing Law and Jurisdiction

This Guarantee is governed by and shall be construed in accordance with Maltese Law, and any disputes which may arise out of or in connection with this Guarantee are to be settled by the Courts of Malta, whose decision on the dispute shall be conclusive and binding.

ANNEX IV – FINANCIAL ANALYSIS SUMMARY

Hili Properties p.l.c.

Financial Analysis Summary

18 September 2015

CHARTS
WEALTH MANAGEMENT • CORPORATE BROKING

The Directors
Hili Properties p.l.c.
Nineteen Twenty Three
Valletta Road
Marsa MRS 3000

18 September 2015

Dear Sirs

Hili Properties p.l.c. Financial Analysis Summary

In accordance with your instructions, and in line with the requirements of the Listing Authority Policies, we have compiled the 2015 Financial Analysis Summary set out on the following pages and which is being forwarded to you together with this letter.

The purpose of the financial analysis is that of summarising key financial data appertaining to Hili Properties p.l.c. (the "**Group**" or the "**Company**"), and Harbour (APM) Investments Limited and Hili Estates Limited (the "**Guarantors**"). The data is derived from various sources or is based on our own computations as follows:

(a) Historical financial data for the period 23 October 2012 to 31 December 2013 and for the year ended 31 December 2014 has been extracted from the audited consolidated financial statements of Hili Properties p.l.c.
(b) Historical financial data for the period 4 December 2012 to 31 December 2013 and for the year ended 31 December 2014 has been extracted from the audited financial statements of Harbour (APM) Investments Limited.
(c) Historical financial data for the years ended 31 December 2013 and 31 December 2014 has been extracted from the audited financial statements of Hili Estates Limited.
(d) The forecast data of the Company and Guarantors for the years ending 31 December 2015 and 31 December 2016 has been provided by management of the respective companies.
(e) Our commentary on the results of the Company and the Guarantors, and on their respective financial position is based on the explanations provided by the Company.
(f) The ratios quoted in the Financial Analysis Summary have been computed by us applying the definitions set out in Part 4 of the Analysis.
(g) Relevant financial data in respect of the companies included in Part 3 has been extracted from public sources such as websites of the companies concerned, financial statements filed with the Registrar of Companies or websites providing financial data.

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

Yours faithfully,

Wilfred Mallia
Director

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PART 1

1. KEY ACTIVITIES

THE COMPANY

The principal object of Hili Properties p.l.c. (the **"Company"** or the **"Group"**) is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, both locally and overseas. The Company was registered on 23 October 2012 as a private limited liability company and was subsequently converted into a public limited liability company on 22 June 2015. It is a wholly-owned subsidiary of Hili Ventures Limited and is the parent company of the property division of the Hili Ventures Group.

The Company's strategy is to create a property portfolio consisting primarily of commercial and retail property in Europe, to deliver income and capital growth through active asset management. The Company relies on active asset management to maximise operating efficiency and profitability at the property level. At present, the Company holds, directly and indirectly through subsidiary companies, *circa* 46,900m^2 of rentable real estate, of which, approximately half consists of real estate area that is rented out to companies within the Hili Ventures Group.

THE GUARANTORS

Harbour (APM) Investments Limited (**"HIL"**) was registered on 4 December 2012 as a private limited liability company. It is a wholly-owned subsidiary of APM Holdings Company Limited. The principal object of HIL is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, both locally and overseas.

HIL owns one property which comprises a parcel of land measuring *circa* 92,000m^2 in Benghajsa, Malta. In virtue of a promise of share purchase agreement entered into by and between APM Holdings Limited, the Company and Hili Ventures Limited on 25 August 2015, the Company agreed to acquire from APM Holdings Limited all of the ordinary shares held by APM Holdings Limited in HIL, in consideration of the total price of €25 million. The final deed of acquisition of the shares in question is to be executed by not later than three (3) years from the date of such agreement.

Hili Estates Limited (**"HEL"**) was registered on 30 August 1996 as a private limited liability company and forms part of the Group. The principal object of HEL is to purchase or otherwise acquire, under any title whatsoever, to hold and manage, by any title, movable and immovable property or other assets, both locally and overseas.

HEL owns and manages one property, the Hili Building situated in Luqa, Malta, and includes *circa* 5,015m^2 of office and warehouse space. The property is fully leased to companies forming part of the Hili Ventures Group and other related parties.

2. DIRECTORS AND KEY EMPLOYEES

THE COMPANY

The Company is managed by a Board consisting of seven directors entrusted with its overall direction and management.

Board of Directors

Margrith Lütschg-Emmenegger	Chairperson and independent non-executive Director
Karl Naudi	Executive Director
Carmelo *sive* Melo Hili	Non-executive Director
Richard Abdilla Castillo	Non-executive Director
Victor Tedesco	Non-executive Director
David Aquilina	Independent non-executive Director
Martin Xuereb	Independent non-executive Director

The executive Director of the Issuer is entrusted with the Company's day-to-day management and is also a director or officer of other companies within the Hili Ventures Group. He is supported in this role by several consultants and benefits from the know-how gained by members and officers of the HP Group.

Senior Management

Karl Naudi	Managing Director
Daniel Mangion	Chief Financial Officer

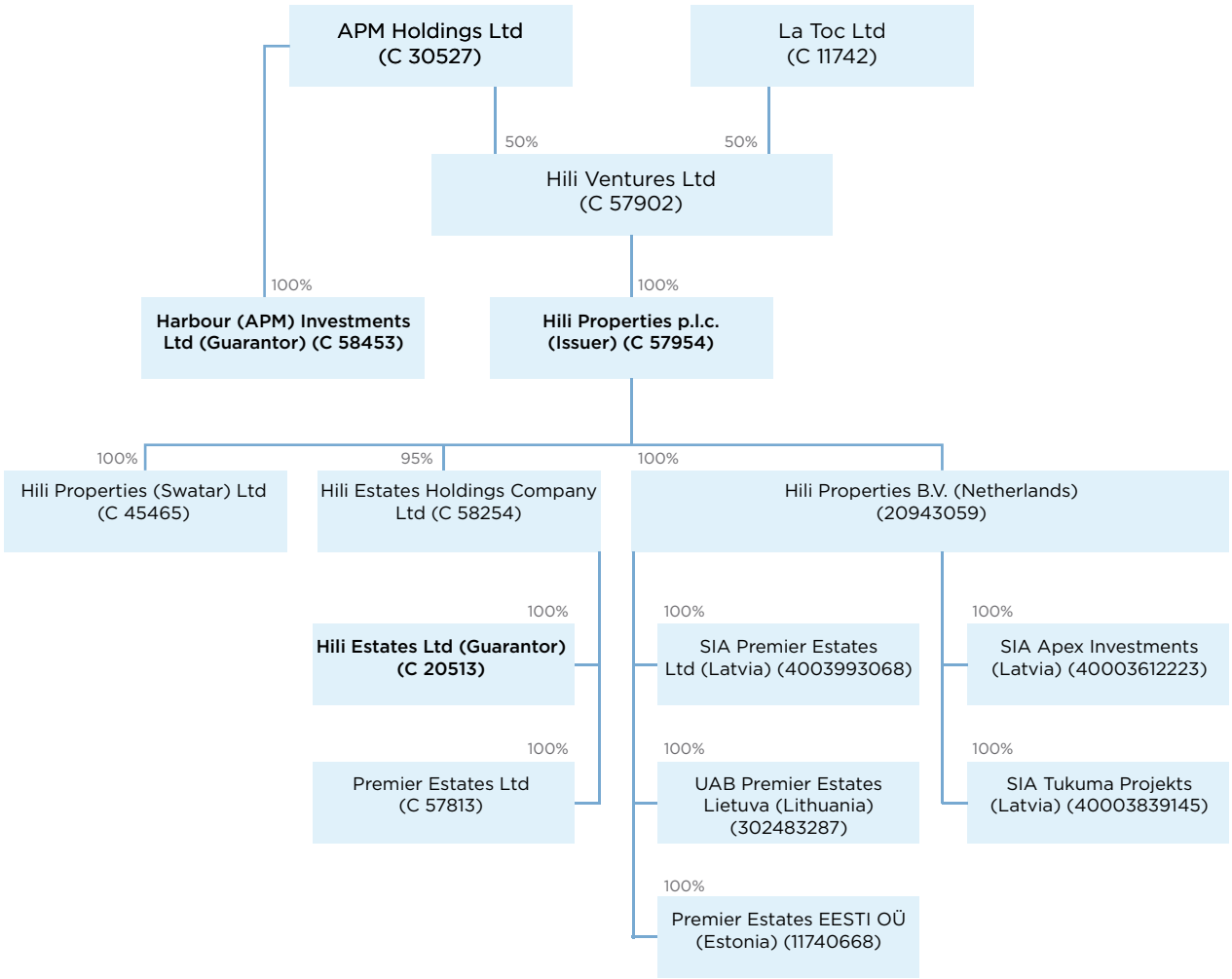
THE GUARANTORS

Each of the Guarantors is managed by a Board consisting of two directors entrusted with its overall direction and management.

Karl Naudi	Executive Director
Richard Abdilla Castillo	Non-executive Director

3. ORGANISATIONAL STRUCTURE

The organisational structure of the group is illustrated in the diagram below:



A summary table of properties held by the respective companies is provided in section 4 of this report.

4. REAL ESTATE PORTFOLIO

The Company (Including Hili Estates Limited)

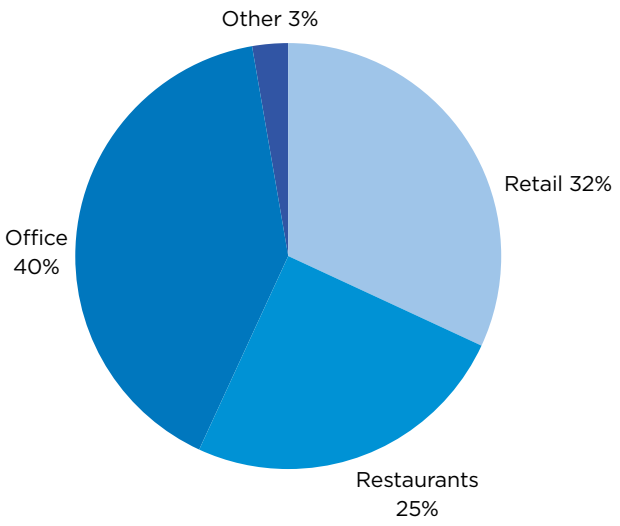
The table below provides an overview of the 24 properties held by the Group (including the Company and Hili Estates Limited) as at the date of this report, valued at €64.9 million (46,900m^2 of rentable space). A number of properties were acquired in 2015 (detailed in section 5 "Investments" below) and therefore a full year of rental income in relation to the Group's current property portfolio is expected to be generated as from 2016. Aggregate rental income for the aforesaid financial year is projected at €4.8 million.

Name of Property	Location	Description	Rentable Area (m^2)	Valuation as at 12.08.15 (€'000)	Annualised Rent (€'000)	Occupancy rate (%) as at 31.08.15	WALT (In years)	Contracted rental yield,gross %	Ownership
Imanta Restaurant	Riga, Lativa	McDonald's restaurant (with drive thru)	2,709	1,553	126	100	16.2	8.1	Freehold
Vienibas Restaurant	Riga, Lativa	McDonald's restaurant (with drive thru)	3,497	1,514	121	100	16.6	8.0	Freehold
Ulmana Restaurant	Riga, Lativa	McDonald's restaurant (with drive thru)	2,000	1,267	99	100	19.8	7.8	Freehold
Daugavpils Restaurant	Daugavpils, Latvia	Vacant (previously a McDonald's restaurant)	1,692	320	42	0	n/a	13.1	Freehold
Apartment 79, Duntes	Riga, Lativa	Apartment	65	115	6	100	n/a	5.2	Freehold
Apartment 84, Duntes	Riga, Lativa	Apartment	131	230	10	100	n/a	4.3	Freehold
Dainava Restaurant	Kaunas, Lithuania	McDonald's restaurant (with drive thru)	3,021	1,321	121	100	15.4	9.2	Freehold
Svajone Restaurant	Vilnius, Lithuania	McDonald's restaurant (in a building complex)	580	1,526	124	100	15.7	8.1	Land is leased, building is freehold
Parnu Restaurant	Parnu, Estonia	McDonald's restaurant (with drive thru)	1,803	1,999	105	100	14.7	5.3	Freehold
M DIY Rentails Centre	Tukums, Latvia	Retail	3,370	2,585	306	100	1.7	11.8	Freehold
Wholesale & Retail Trade Building	Nicgales Street 2, Riga, Lativa	Retail	3,680	4,880	527	98	3.8	10.8	Freehold
Supermarket and Retail Centre	Augusta Dombrovska Street 23, Riga, Lativa	Retail	4,211	4,300	472	95	5.7	11.0	Freehold (277m^2 is leased)
Supermarket and Retail Centre	Vienibas Ave. 95, Riga, Lativa	Retail	1,300	1,520	137	96	7.6	9.0	Freehold
Supermarket and Retail Centre	Kreimeņu Street 4A, Riga, Latvia	Retail	952	1,069	111	100	3.9	10.4	Freehold
Shopping Centre	Dzelzavas Street 78, Riga, Lativa	Retail	1,230	1,820	169	100	2.5	9.3	Freehold

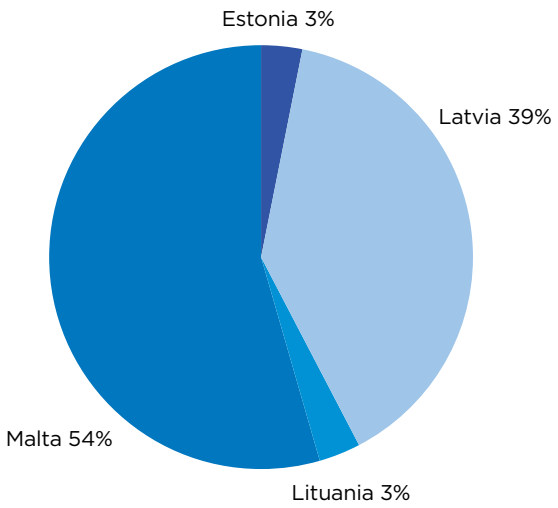
Name of Property	Location	Description	Rentable Area (m^2)	Valuation as at 12.08.15 (€'000)	Annualised Rent (€'000)	Occupancy rate (%) as at 31.08.15	WALT (In years)	Contracted rental yield,gross %	Ownership
Supermarket and Retail Centre	Smilšu Street, 92B Daugavpils, Latvia	Retail	1,068	1,097	111	100	7.6	10.1	Freehold
Hypermarket and Retail Centre	Viestura Street, 10 Daugavpils, Latvia	Retail	2,602	2,306	248	100	4.3	10.8	Leased
Supermarket and Retail Centre	Spidolas Street, Aizkraukle, Latvia	Retail	964	871	113	100	0.7	13.0	Leased
Hili Building	Luqa, Malta	Office space/ Warehousing facilities	5,015	13,500	677	100	11.0	5.0	Freehold
APCO Building	B'Kara, Malta	Office space	415	720	63	100	7.8	8.8	Freehold ($71m^2$ is subject to ground rent)
Tower Business Centre	Swatar B'Kara, Malta	Office space	4,630	10,250	598	100	4.0	5.8	Freehold
McDonald's Sliema	Sliema, Malta	Restaurant/ Office space	1,065	6,800	413	50	18.0	6.1	Freehold
Transport House	Floriana, Malta	Office space	900	1,750	70	0	n/a	4.0	Freehold
Villa Marika	Madliena, Malta	Private residence	n/a	1,600	n/a	n/a	n/a	n/a	Freehold
	TOTAL		**46,900**	**64,913**	**4,769**	**93**	**8.0**	**7.3**	

The portfolio is diversified by geography and by asset type (as analysed below). Occupancy was 93% as at 31 August 2015, with a weighted average unexpired lease term (WALT) of 8.0 years and a current gross rental yield of 7.3%. From an annualised rent of €4.8 million, an amount of €2.0 million (*circa* 41%) is generated from Hili Ventures Group companies and other related parties.

Split of fair value by asset type



Geographical split of fair value



A brief description of each property is included hereunder:

(i) McDonald's Imanta, Riga, Latvia

The Imanta property consists of a land plot and a building constructed thereon. The site is located in Kurzemes Prospekts, Imanta, a residential neighbourhood of Riga inhabited by approximately 40,000 residents. Kurzemes Prospekts is a large street with a dual carriageway and a number of supermarkets (Maxima, Prisma and Rimi) located in the vicinity. The building is provided with six guest and staff entrances and has an internal seating capacity of 98 persons. The external areas within the site consist of an external terrace with a seating capacity of 44 persons and a car park with the capacity to hold 16 motor vehicles.

(ii) McDonald's Vienibas, Riga, Latvia

The Vienibas property consists of a land plot and a building constructed thereon. The site is located at 115A Vienibas Avenue, which is situated outside the centre of Riga and on one of the busiest exit streets (A8/E77), and is around 7km away from the centre and old town of Riga. The neighbourhood is a residential area inhabited by approximately 30,000 residents, with a number of supermarkets (Maxima and Rimi) located in the vicinity. The building comprises six entrances and has an internal seating capacity of 105 persons. The external areas within the site consist of an external seating space with a capacity of 48 persons and a parking area with the capacity to hold 18 motor vehicles.

(iii) McDonald's Ulmana, Riga, Latvia

The Ulmana property consists of a land plot and a building constructed thereon. The site is located at 88, Karla Ulmana Street, which is situated outside the centre of Riga and on one of the busiest exit streets (A10/E22), and is around 8km away from the centre and old town of Riga. Karla Ulmana is a large street with a dual-carriageway and the site has excellent visibility from the road. The site benefits from high traffic volume, particularly due to its close proximity to a number of supermarkets and retail shops, a shopping mall (2km), Riga International Airport (4km) and a popular highway leading to the Jurmula sea-side resort. The restaurant commenced its operations on 2 July 2015. The building provides an internal seating capacity of 78 persons, whilst the external area provides seating space for an additional 40 persons, as well as an area with the capacity to hold 16 motor vehicles.

(iv) Former McDonald's Daugavpils, Latvia

The Daugavpils property consists of a land plot and a building constructed thereon. The site is located at 42, 18, Novembra Street, Daugavpils and is next to the largest road in the city. However, the area does not enjoy significant levels of pedestrian traffic. The permitted use of the land is designated as commercial development territory whilst the permitted use of the building is designated as a restaurant building. Since the discontinuation of the operation of McDonald's drive-thru restaurant in December 2013, the property has remained vacant.

(v) Apartments 79 and 84, Duntes Street, Riga, Latvia

The properties are located in a residential multi-apartment building located at 28, Duntes Street, Riga, Latvia. The large apartment block, set in a neighbourhood on the outskirts of the centre of Riga, comprises 17 floors and a total number of 208 apartments.

(vi) McDonald's Dainava, Kaunas, Lithuania

The Dainava property consists of a land plot, a building structure constructed thereon and an ancillary building that operates as a car park. The site is located in Pramones Ave. 8B, Kaunas, which is in the vicinity of three shopping centres, a petrol station, and a fast food restaurant. Furthermore, the site is adjacent to a busy two-lane road approximately 7km away from the city centre. The building comprises of five entrances and has an internal seating capacity of 130 persons. The external areas within the site consist of external seating space with a capacity of 44 persons as well as a car park with the capacity to hold 22 motor vehicles.

(vii) McDonald's Svajone, Vilnius, Lithuania

The Svajone property consists of a property located within a larger building complex with the intended use of providing catering services. The building is constructed on a state-owned land plot and is located at 15, Gedimino Avenue, a favourable and prestigious location in the centre of Vilnius in V. Kurika's square. The property is in the heart of the city and in close proximity to Lithuania's Government Building, the National opera and Ballet Theatre and other important state institutions. The site is located in an area that enjoys a heavy pedestrian traffic flow and within a mixed residential and commercial area of high density, surrounded by a large number of shops and restaurants. The restaurant has an

internal seating capacity of 128 persons, whilst the external areas consist of external seating space with a capacity for an additional 12 persons, and there is also a take away window to the sidewalk. The building enjoys exclusive views of one of the main streets of Vilnius.

(viii) McDonald's Parnu, Estonia

The Parnu property consists of a land plot and a building constructed thereon. The property is located at 74, Tallinna Maante, Parnu, an area outside the city centre next to a two-lane road at the entrance to Parnu from Tallinn. The restaurant is in the vicinity of office buildings, a large supermarket and several car dealerships. The building comprises six entrances and has an internal seating capacity of 130 persons, whilst the external areas consist of external seating space with a capacity for an additional 30 persons and a car park with a capacity to hold 16 motor vehicles.

(ix) M DIY Retails Centre, Tukums, Latvia

The property is constructed on a 13,284m^2 plot and is rented out to one anchor tenant, Rautakesko AS (the single tenant). The property is located in Tukums, a small city located in Tukama district with a population of 19,729 inhabitants. The main use of the land, buildings or parts thereof for this site, is commercial including retail and service buildings.

(x) Wholesale & retail trade building, Nicagles Street, Riga, Latvia

The property is constructed on a 9,561m^2 plot. The property is located in a zone of Riga called Purvciems, on the east bank of the Paugava River. The property is currently used as a retail and shopping centre. The anchor tenant is a major supermarket chain, occupying 71% of the total leasable areas. Other tenants occupy 27% of the lettable areas with 2% currently vacant.

(xi) Supermarket and Retail Centre, Augusta Dombrovska Street, Riga, Latvia

The property is constructed on a 6,720m^2 plot. The property is located in a part of Riga known as Vecmīlgravīs in the northern part of the city, near the mouth of the Daugava River. The property is currently used as a retail and shopping centre with 33 tenants and enjoys significant footfall. The anchor tenant is a high profile supermarket chain, occupying 38% of the total leasable areas. Other tenants occupy 57% of the lettable areas with 5% currently vacant.

(xii) Supermarket and Retail Centre, Vienibas Street, Riga, Latvia

The property is constructed on a 6,670m^2 plot. The property is located in Atgāzene in the south of Riga, on the west bank of the Daugava River. The property was refurbished in 2013 and is currently used as a supermarket and retail centre. The anchor tenant is a high profile supermarket chain, occupying 86% of the total leasable areas. The remaining floor space is leased to another 5 tenants apart from small units like ATM's. The occupancy rate of this property is 100%.

(xiii) Supermarket and Retail Centre, Kreimeņu Street, Riga, Latvia

The property is constructed on a 3,733m^2 plot. The property is located in Vecmīlgrāvis, a town in the North of Riga near the mouth of the Daugava River. The building consists of one floor, and 81% thereof is rented out to an anchor tenant being a high profile supermarket chain in the Baltics. The remaining area is rented out to a second tenant gambling hall.

(xiv) Shopping Centre, Dzelzavas Street, Riga, Latvia

The property is constructed on an 8,062m^2 plot. The property is located in Purvciems, in the west of Riga on the east bank of the Daugava River. The property is 100% leased out to three tenants, of which a high profile supermarket chain occupies 91% of the lettable area, whilst the remaining area is occupied by two other tenants.

(xv) Supermarket and Retail Centre, Smilšu Street, Daugavpils, Latvia

The property is constructed on a 2,770m^2 plot. The property is located in the north-east part of the city of Daugavpils, the second largest city in Latvia, about 230km to the North West. The property is 100% leased out to a well-established hypermarket chain that occupies 71% of the lettable area whilst another three tenants occupy the remaining area.

(xvi) Hypermarket and Retail Centre, Viestura Street, Daugavpils, Latvia

The property is constructed on a 2,011m^2 plot. The property is located in the centre of Daugavpils. This property has an occupancy rate of 100% - the anchor tenant is a well-established hypermarket chain which rents and occupies 28% of the area at ground floor level, with 10 other tenants taking up the remaining rental area.

(xvii) Supermarket and Retail Centre, Spidolas Street, Aizkraukle, Latvia

The property is constructed on a 4,000m^2 plot. The property is located in the centre of Aizkraukle, a small city located about 110km East of Riga and plays a significant role in the daily trading activity of the city. This property is 100% leased out. The anchor tenant of the property is a well-renowned hypermarket chain which rents and occupies 70%, and 6 other tenants taking up the remaining rental area.

(xviii) Hili Building, Nineteen Twenty Three, Valletta Road, Luqa, Malta

The property, built on a plot area of 2,585m^2, is developed mainly as an office block with part of the premises at ground and intermediate levels used as a warehouse/storage area. The building is sited at the periphery of the industrial park in Luqa/Marsa. The property is 100% leased out, predominantly to a number of subsidiary companies forming part of the Hili Ventures Group.

(xix) APCO Building, 213, Psaila Street, Birkirkara, Malta

The property is centrally located in Psaila Street, Birkirkara built on a site of *circa* 210m^2. The building includes one basement level with three overlying floors currently used as office space. Two floors are rented out to APCO Limited, a company forming part of the Hili Ventures Group, and the remaining two floors are leased to a third party company.

(xx) Tower Business Centre, Tower Street, Swatar, Birkirkara, Malta

The property is located within a prime commercial and office area in Swatar, in the vicinity of Mater Dei Hospital and the University of Malta. The business centre is an office block with six floors comprising underground parking, a semi-basement level used as a training centre with some office space, and three floors and the penthouse level utilised as office space.

(xxi) McDonald's Restaurant and overlying office, ix- Xatt ta' Tigne', Sliema, Malta

The property in Sliema is leased as a McDonald's outlet at ground and mezzanine levels, and the first floor is completed for office use. The latter area is currently vacant, but is in a finished state ready for immediate occupation. The premises form part of a development block overlooking two streets, namely The Strand, Sliema at the waterfront and Sqaq il-Fawwara, Sliema at the back of the property.

(xxii) Transport House, Triq San Frangisk, Floriana, Malta

The property is located in a central area in Floriana and comprises of a three storey building, a receded penthouse, and two interconnected apartments at the first and second floors, all for use as office space. The property is currently vacant.

(xxiii) Villa Marika, High Ridge, Madliena

The property consists of a fully detached bungalow located at a prime location at High Ridge, Madliena with a superficial area of *circa* 1,250m^2. The site is developed with a detached bungalow including a basement garage and external soft and hard landscaping including a swimming pool. The bungalow is laid out in two unequal wings on either side of the entrance hall which overlooks the swimming pool. This property is held for resale.

HARBOUR (APM) INVESTMENTS LIMITED (GUARANTOR)

Harbour (APM) Investments Limited owns land at Benghajsa, Malta, valued at *circa* €25 million. The property comprises a number of sites at Benghajsa and is flanked by the Freeport and its service road to the Northeast, by Hal Far Road to the Northwest, by the new LPG depot & Fort Benghajsa to the South and by agricultural fields, Benghajsa Village and Hal Far Industrial Estate beyond to the South. The sites mainly consist of undeveloped agricultural fields having a cumulative total area of approximately 92,000m^2. No income is currently generated from the aforementioned land and as such the company is ultimately dependant on the support provided by its shareholder.

PLANNING CONSIDERATIONS AND SITE POTENTIAL

The sites at Benghajsa are predominantly located within the 'Reserved Area' area in accordance to the respective Marsaxlokk Bay Local Plan. The strategy for this zone as outlined in the respective local plan issued in 1995 is detailed as follows:

"The area between Hal Far and the Freeport was designated as a Primary Development Area in the sixties for possible eventual industrial use. The Structure Plan confirms the designation subject however to Policy IND1 which delays the use of this land until needs arise which cannot be accommodated elsewhere. On available evidence, it is unlikely that the area will be required for such purpose within the ten-year period of the Local Plan. It is therefore proposed that the current status of the area is retained and is also to be referred to as a Reserved Area."

From research undertaken by Architects Bencini & Associates (valuation report dated 10 September 2015), it appears that over the past 20 years since the issue of the above mentioned Local Plan the footprint of the Freeport has generally been developed to its full capacity with respect to its key activities that comprise the container terminal, the oil terminal and the ancillary warehousing facilities. The location of the Benghajsa sites that fall within this 'Reserved Area', particularly those contiguous to the Freeport, form a natural extension of the Freeport area as envisaged by both the Structure & Local Plans. Architects Bencini & Associates also noted that an LPG terminal has since been developed within the said 'Reserved Area' duly covered by Malta Environment & Planning Authority ("MEPA") permit PA 867/09, while outline applications for the development of an Oil Tanking & Warehousing Facility along the Freeport access road have also been submitted to MEPA (PA 1504/10 & PA 2071/10).

A number of the Benghajsa sites are situated within the boundaries of the aforesaid outline applications (that are pending processing by MEPA). During the course of the above mentioned applications a Tender for the 'Preparation of an Action Plan for Benghajsa' was issued with the scope of considering the said 'Reserved Area' for the following:

- Provide sufficient expansion space for Freeport Activities;
- Provide for long term expansion of the Hal Far Industrial Estate;
- Provide for the warehousing/distribution depots for both the local and transhipment markets;
- Provide for fuel storage facilities and ancillary services that are required or may be required considering the country's economic development;
- Promote financial investment in the private sector;
- Generate employment opportunities.

Considering the above, Architects Bencini & Associates conclude that, while currently schemed as a 'Reserved Area', the Benghajsa sites offer significant medium to long term commercial/investment opportunities.

5. INVESTMENTS

During the current financial year ending 31 December 2015, the Group carried out the following investment transactions:

(a) In January 2015, the Group concluded the acquisition of two Latvian companies: SIA Apex Investments and SIA Tukuma Projekts (see section 4 above for details on the respective properties). The said companies between them own nine shopping centres in Latvia. The transaction was principally funded through bank borrowings totalling €22.1 million;

(b) In May 2015, the Group acquired Tal-Herba Developments Ltd, a company which owns the Tower Business Centre in Swatar, Malta (further information is provided in section 4 above). Subsequent to the transaction, the name of the company was changed to Hili Properties (Swatar) Limited. The acquisition was funded through an €8 million bank loan;

(c) On 25 August 2015, APM Holdings Limited, the Company and Hili Ventures Limited entered into a promise of share purchase agreement, whereby the Company agreed to acquire from APM Holdings Limited 100% shareholding of HIL (currently held by APM Holdings Limited) for the sum of €25 million. HIL is the company that owns the land at Benghajsa described in section 4 above. The share purchase agreement provides for a 50% deposit payable in 2015, which will be funded as to €6 million from Bond Issue proceeds and €6.5 million through an increase in share capital. The remaining balance of €12.5 million will be settled by 2018 through equity. It is the intention of the Group to sell the property in the near to medium term so as to fund further investment in rental-yielding properties in accordance with the Group's strategy. As at the date of the Prospectus, such prospective acquisitions have not been identified.

6. BUSINESS DEVELOPMENT STRATEGY

It is the objective of the Group to continue to act as the property holding vehicle of the Hili Ventures Group. In this regard, the Group aims to continue to manage existing properties, and to acquire and dispose of properties as necessary to meet the needs of the Group's business operations. The rents chargeable by the Group to the Hili Ventures Group companies are based on commercial rental rates and respective lease agreements are entered into on an arms-length basis.

With respect to the remaining portfolio, the Group's strategy is to create a property portfolio consisting primarily of attractively-located, institutional and high quality, income-producing investment properties in, inter alia, Malta, Estonia, Latvia, Lithuania and other developed countries (the "Target Countries") to deliver income and capital growth through active asset management. Although the Company's current investment properties as well as the identified future property acquisitions as described in Section 4.1 paragraph (iii) of the Securities Note are all located within European countries, the Board of Directors shall particularly seek to focus its development strategy on property markets that develop and offer the most attractive investment opportunities which may be located outside the European market. As at the date of this Prospectus the Company has not identified specific investment opportunities in Target Countries outside Europe however it may consider to expand its property portfolio to countries outside Europe whilst fully adhering to the parameters set out in Section 4.7 of the Registration Document.

The Company believes that its Board of Directors, with the support of external advisors and property experts, has distinct knowledge of and competence within, the immovable property markets of the Target Countries, thereby placing the Company in an appropriate position to capitalise on the opportunities presented by current and expected market conditions. The Company intends to source its investment opportunities primarily through the Board of Directors' extensive network of relationships within the immovable property markets of the Target Countries, which include the corporate and private landlords, brokers, domestic banks and others. The Board of Directors expects to create both sustainable income and strong capital returns for the Group.

In carrying out its functions, the Board of Directors aims to focus its investment decisions on the acquisition of primarily investment properties in the Target Countries with some of the following characteristics:

- Retail properties in city centres and certain suburban areas (shopping centres and high street retail outlets);
- Office properties that the Board of Directors expects to be in demand by high demand tenants;
- Other selected commercial real estate properties, for example, warehousing, industrial and distribution facilities;
- Such other specialist building or property that the Board of Directors considers will give attractive investor return;
- In line with the current property portfolio available for rent which presently reflects an overall average occupancy rate of 93%, the Board of Directors shall aim to maintain a similar high level of occupancy rates for future investment properties.

When investing in property, the Board of Directors shall concentrate on assets priced at significant discounts to fair value or assets with active asset management opportunities, for example through repositioning, rental extension or rental optimisation, and adopt a conservative approach with regard to development opportunities in the context of the whole portfolio as the Company's primary focus is on cash flow and active asset management.

The intention of the Board of Directors is, where appropriate, to improve income profiles and add value to the Group's property portfolio through asset management techniques which include:

- Renegotiating or surrendering leases;
- Improving lease terms/duration and tenant profile;
- Undertaking physical improvements when and where considered appropriate;
- Improving layouts and space efficiency of specific assets;
- Changing the tenant mix of certain properties;
- Maintaining dialogue with tenants to assess their requirements;
- Taking advantage of planning opportunities where appropriate; and
- Repositioning and upgrading assets.

In the implementation of the above strategy, the Company shall seek to use prudent levels of leverage to enhance equity returns over the long-term. The indicative aggregate borrowing as a percentage of gross asset value of the Group is expected not to exceed 70%. The Group may modify the leverage policy from time to time in light of then-current economic conditions, the relative costs of debt and equity capital, the fair value of the Group's assets, growth and acquisition opportunities or other factors it deems appropriate.

7. PROPERTY MARKET

European Commercial Property[1]

After a year of tentative economic growth in 2014, the first quarter of 2015 brought increased optimism for Europe as Eurozone GDP grew by 0.4%. Economic activity improved, aided by low oil prices, the European Central Bank's quantitative easing programme and the weak Euro, which has boosted the competitiveness of European exports. However, the Eurozone's modest economic recovery suffered a setback in Q2 as Eurozone GDP slowed to 0.3% (from 0.4% in Q1). Consensus forecasts suggest that the single currency area will see annual growth of around 1.3% in 2015.

The improving economic outlook has provided further support for the European investment market. The market maintained its positive momentum in Q1 2015, with a total of €50.1 billion invested in commercial real estate across Europe. This was a 44% increase compared with Q1 2014 and the strongest first quarter since 2007.

Investors continue to display an increased willingness to explore opportunities across a wide range of geographies and sectors, and investment volumes have remained on an upward trend in many secondary cities and peripheral markets. Given the healthy start to the year, 2015 is set to be another strong year for the investment market, and transaction volumes may approach the levels seen during the 2006/07 market peak. The ECB's QE programme should help to preserve favourable conditions for property investment throughout the year, and the weak Euro will boost the attractiveness of European property prices to many overseas buyers, particularly US Dollar denominated investors.

Latvian Real Estate Investment Market[2]

In 2014, the real estate investment market continued to be active. The year closed with a total investment volume of €316.9 million, compared to €331.5 million in 2013. The total number of investment deals closed during 2014 amounted to 112, exceeding the 2013 level by 19%.

The key players responsible for the major part of 2014 annual investment volume can be divided into three general groups: Nordic investors, investors from CIS countries and Russia in particular, and local Baltic investors. Each group has its own investment preferences and targets specific investment properties. Nordic investors are mostly represented by investment funds and fund managers, which target cash flow yielding properties with long term income potential and tend to place investments not only on a single asset transaction base but also on a cross Baltic portfolio base. Investors from CIS countries and Russia aim at more risky projects, compared to institutional investors, as well as considering properties with development opportunities.

An improving investment climate and positive market expectations contributed to slight yield compression in 2014. The prime yield to industrial properties remained on the 2013 level of 9%, while prime retail and office yields experienced a decline to 7.5% and 7.75% respectively. In 2015, the investment market is expected to remain active with investment volumes remaining on the 2014 level. Office and retail commercial properties will become the main investment focus of 2015, while activity in the mixed-use and residential segment is expected to decrease. Prime yields are expected to remain stable in 2015.

Lithuanian Real Estate Investment Market[2]

After the improvement in investment market activity registered in Lithuania in 2013, the performance in 2014 was even more positive. The situation was encouraged not only by a positive performance from the Lithuanian economy, with growing internal consumption and the retail trade, but also by increased activity from Shared Service Centres and ICT companies, which have been actively expanding in the country. Besides, positive expectations related to Euro integration in 2015 gave an additional impulse to attract investment in the Lithuanian property market. Despite some speculation about the negative impact of the Russia – Ukraine conflict in terms of attracting investment in Lithuania, especially from Russia, those fears have not materialised and investors from Russia have remained interested in the Lithuanian real estate investment market.

During 2014 investment volume in Lithuania reached €298 million, an increase of 24.8% compared to 2013. The majority of investment deals were executed in the office segment (45%), but activity in the retail segment was also strong at 22.4% of total deals transacted. In 2014, the market was dominated by investors from the Baltic and Nordic countries, and Russia.

[1] *European Quarterly Commercial Property Outlook Q1 2015 (Knight Frank), Eurostat*
[2] *Real Estate Market Overview 2015 (Colliers International, Sorainen, PricewaterhouseCoopers)*

Market stabilisation during 2013 – 2014, with a decrease of uncertainty and a positive performance by the Lithuanian economy, gradually compressed investment yields. In 2014, prime investment yields in Vilnius ranged between 7.5% (for prime retail and office properties) and 9% (in the industrial segment). Other Lithuanian cities remained quite inactive in terms of investment in real estate due to weak regional economies and lower levels of business concentration. A possible exception is the industrial segment in Kaunas and Klaipeda where several deals were concluded.

After integration with the Euro Zone, Lithuania is expected to become even more attractive to investors not only from the usual regions, but also from Western countries. Main investment targets are expected to remain office and retail properties located in Vilnius with strong cash flow and core locations.

Estonian Real Estate Investment Market[2]

Total 2014 investment volume stood at €240 million, thus surpassing the previous year level by more than 12%, and showing strongest results in terms of investment turnover since 2008. Nordic investors, investors from the CIS countries and Russia in particular, together with local Baltic investors continue to dominate the investment market in Estonia. Domestic spend made up one third of acquisitions, while Russian capital represented more than 36% of invested volume in 2014.

Notable yield compression by 50 bps was recorded in Estonia in 2014. Low-cost financing, shortage of investment grade properties, positive performance by corresponding sectors, and strengthening demand from both highly capitalised and smaller investors resulted in tougher competition and thus lower prime yield levels.

In 2015, the investment market will continue to be active as investors are well capitalised and are constantly looking for good quality cash flow properties. Willingness to take increased risks can be observed among some investors due to the scarcity of investment grade properties. The office and retail sectors will remain the more favoured by investors, international and local alike. Prime yields are expected to remain stable in 2015.

Maltese Real Estate Investment Market

National statistics relating to commercial property in Malta is currently not captured and therefore is more difficult to gauge the health of this sector. Notwithstanding the lack of such data, general business sentiment and the continued drive to promote Malta as a regional hub for the provision of business related services, notably in the financial, i-gaming, back-office services, information technology, aircraft registration and maritime has continued to generate a positive trend in the commercial property sector, in particular office space. In addition, Malta's highly skilled and competitive labour costs have also been vital in sustaining this success. This view is substantiated when assessing the lack of availability of large office and commercial space, as well as, the number of projects earmarked for development and set to commence in the near future.

[2] *Real Estate Market Overview 2015 (Colliers International, Sorainen, PricewaterhouseCoopers)*

PART 2

8. COMPANY PERFORMANCE REVIEW

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

The following financial information is extracted from the audited consolidated financial statements of Hili Properties p.l.c. (the **"Company"**) for the financial periods ended 31 December 2013 and 2014. The financial information for the years ending 31 December 2015 and 31 December 2016 has been provided by Group management.

8.1 GROUP INCOME STATEMENT

Consolidated Income Statement For the year ended 31 December Amounts in €'000s	2016 (12 months) Projection	2015 (12 months) Forecast	2014 (12 months) Actual	2013 (14 months) Actual
Revenue	**7,270**	**4,293**	**1,678**	**1,717**
Net Operating Expenses	(1,725)	(1,314)	(760)	(287)
EBITDA	**5,545**	**2,979**	**918**	**1,430**
Depreciation and amortisation	(5)	(5)	(6)	(9)
Net investment income/(losses)	1,860	1,741	(149)	(1,801)
Finance costs	(3,057)	(1,875)	(687)	(743)
Profit/(loss) before tax	**4,343**	**2,840**	**76**	**(1,123)**
Taxation	(819)	(944)	113	(333)
Profit/(loss) after tax	**3,524**	**1,896**	**189**	**(1,456)**

The key accounting ratios are set out below:

	FY2016	FY2015	FY2014	FY2013
Revenue growth *(Revenue FY1/Revenue FY0)*	69%	156%	-2%	
Operating Profit Margin *(EBITDA/revenue)*	76%	69%	55%	83%
Interest Cover (times) *(EBITDA/net finance cost)*	1.8	1.6	1.3	1.9
Net profit margin *(Profit after tax/revenue)*	48%	44%	11%	-85%
Return on equity *(Profit after tax/shareholders' equity)*	12%	7%	1%	-11%
Return on capital employed *(Operating profit/total assets less current liabilities)*	5%	3%	3%	4%
Return on assets *(Profit after tax/total assets)*	3%	2%	1%	-4%

Source: Charts Investment Management Service Limited

The Company was incorporated on 23 October 2012 and therefore, the initial reportable financial period covered the 14 months from incorporation to 31 December 2013. During the historical financial period under review (23 October 2012 to 31 December 2014), the Group generated rental income from 11 investment properties located in Malta, Latvia, Lithuania and Estonia, the majority of which are leased to related parties. The said investment properties comprise the assets detailed in section 4 above, but exclude those properties which were acquired during the current financial year (2015) and which are described in section 5.

At 31 December 2014, the Company owned the following properties which did not yield any rental income:

- Ulmana restaurant in Latvia – this was under construction until June 2015. Thereafter, the property commenced yielding a rent of €99,000 annually;
- Transport House, Floriana – management is in the process of concluding a lease agreement with a prospective tenant based on a rental of *circa* €70,000 per annum;
- Madliena property – this villa is being held for resale.

In 2015, the Company is expected to generate rental income of €4.3 million, an increase of €2.6 million when compared to 2014. During the said year (FY2015), the Issuer commenced earning income from the newly acquired properties through the acquisition of SIA Tukuma Projekts, SIA Apex Investments and Hili Properties (Swatar) Limited. Revenue for FY2016 is projected to increase by €3.0 million to €7.3 million mainly as a result of further acquisitions assumed to take effect in Q1 2016.

Net investment losses in 2013 mainly comprised a write-down in the cost of acquisitions amounting to €2.9 million, which was partly off-set by an increase in fair value of investment property of €1.1 million. The amount of €0.1 million registered in 2014 related to a net impairment in the fair value of its properties. As for 2015 and 2016, it is assumed that the valuation of the property portfolio will increase by €1.7 million and €1.9 million respectively.

Finance costs represent interest payable on bank loans, related party borrowings and Bonds (as from 16 October 2015). Overall, the Company is projecting to achieve a net profit of €1.9 million and €3.5 million in 2015 and 2016 respectively (2014: €0.2 million).

8.2 GROUP BALANCE SHEET

Statement of Financial Position Amounts in €'000s	31 Dec'16 Projection	31 Dec'15 Forecast	31 Dec'14 Actual	31 Dec'13 Actual
ASSETS				
Non-current assets				
Property, plant and equipment	28	28	12	15
Investment property	94,025	65,513	33,217	32,965
Other financial assets	12,500	12,500	-	-
Deferred tax assets	584	1,125	532	407
Total non-current assets	**107,137**	**79,166**	**33,761**	**33,387**
Current assets				
Property held for sale	-	-	150	805
Trade and other recivables	1,697	1,617	2,737	3,058
Current tax asset	750	237	7	-
Cash and cash equivalents	186	10,910	92	895
Total current assets	**2,633**	**12,764**	**2,986**	**4,758**
Total assets	**109,770**	**91,930**	**36,747**	**38,145**

Total assets of the Group as at 31 December 2014 amounted to €36.7 million (2013: €38.1 million) and primarily comprise: investment property (€33.2 million, 2013: €33.0 million), deferred tax assets (€0.5 million, 2013: €0.4 million), and receivables (€2.7 million, 2013: €3.1 million). As at 31 December 2015, investment property will increase by €32.3 million to €65.5 million, as a result of the acquisitions detailed in section 5 above. Furthermore, the deposit of €12.5 million settled upon signing of the share purchase agreement in relation to the Benghajsa transaction is recorded as 'other financial assets'. Cash balances is projected to increase to €10.9 million, being the balance of net Bond proceeds earmarked to part finance new property acquisitions in Q1 2016.

Statement of Financial Position Amounts in €'000s	31 Dec'16 Projection	31 Dec'15 Forecast	31 Dec'14 Actual	31 Dec'13 Actual
EQUITY AND LIABILITIES				
Equity	**30,407**	**25,983**	**13,733**	**13,544**
LIABILITIES				
Non-current liabilities				
Bank loans	34,326	22,364	10,804	13,525
Other financial liabilities	36,313	36,233	5,919	5,115
Deferred tax liability	2,842	2,565	1,560	1,560
Total non-current liabilities	**73,481**	**61,162**	**18,283**	**20,200**
Current liabilities				
Trade and other payables	2,883	2,851	791	337
Other financial liabilities	-	-	1,125	2,569
Bank loans	2,999	1,934	2,815	1,421
Taxation	-	-	-	74
Total current liabilities	**5,882**	**4,785**	**4,731**	**4,401**
Total liabilities	**79,363**	**65,947**	**23,014**	**24,601**
Total equity and liabilities	**109,770**	**91,930**	**36,747**	**38,145**

Total liabilities of the Group principally include bank borrowings amounting to €13.6 million (2013: €14.9 million), amounts due to related parties of €7.0 million (2013: 7.7 million), and deferred tax liabilities amounting to €1.6 million (2013: €1.6 million).

As a result of property acquisitions in 2015 and those projected for 2016, total liabilities are expected to increase from €23.0 million (FY2014) to €79.4 million (FY2016), which will principally consist of bank loans and Bonds. On 19 May 2015, the share capital of the Company was increased through an issue of 100,000 shares of €1 each at a premium of €39 per share. The amount of €4 million was settled by way of capitalisation of shareholders' loans. Furthermore, on 27 August 2015, the issued share capital of the Company was increased by €6,500,000 to €21,600,000 by the capitalisation of shareholders' loans.

The key accounting ratios are set out below:

	FY2016	FY2015	FY2014	FY2013
Gearing ratio (%) *(Net debt/net debt + shareholders' equity)*	70.19%	64.96%	41.94%	43.39%
Value to loan ratio (times) *(Investment property/net debt)*	1.28	1.32	2.46	2.35
Liquidity ratio (times) *(Current assets/current liabilities)*	0.45	2.67	0.63	1.08

Source: Charts Investment Management Service Limited

The gearing ratio demonstrates the degree to which capital employed in a business is funded by external borrowings as compared to shareholders' funds. A company with high leverage tends to be more vulnerable when its business goes through a slowdown. At a projected leverage of 65% and 70% in FY2015 and FY2016 respectively, the Company's capital will be funded to a higher degree from external debt as opposed to shareholders' funds. This gearing level is broadly in accordance with the business development strategy of the Company detailed in section 6 of this document.

The value to loan ratio of the Company is projected at 1.32 times in FY2015. As such, the forecast fair value of the property portfolio, as at 31 December 2015, is expected to be 32% higher than the outstanding borrowings of the Company.

Other than equity, the Group is principally financed through bank loans and Bonds. The Group's bank borrowings are secured by general hypothecs, pledges and guarantees provided by Group companies, by companies forming part of the Hili Ventures Group and by the Company's ultimate shareholders. The Bonds constitute unsecured obligations of the Company, and rank equally without priority or preference with all other present and future unsecured and unsubordinated obligations of the Company.

8.3 GROUP CASH FLOW STATEMENT

Consolidated Statements of Cash flows For the year ended 31 December Amounts in €'000s	2016 (12 months) Projection	2015 (12 months) Forecast	2014 (12 months) Actual	2013 (14 months) Actual
Cash flows from operating activities	4,983	2,803	933	722
Cash flows from investing activities	(26,656)	(30,780)	233	(8,657)
Cash flows from financing activities	10,949	38,842	(2,016)	8,830
Net movement in cash and cash equivalents	**(10,724)**	**10,865**	**(850)**	**895**
Opening cash balance	10,910	45	895	-
Closing cash balance	**186**	**10,910**	**45**	**895**

Net cash flows from operating activities principally relate to the receipt of rental income and operating expenses of the Company. Such cash flows are expected to increase substantially as from FY2015 reflecting the expansion in the Group's property portfolio.

In investing activities, the Group used €10.2 million in FY2013 and €1.9 million in FY2014 to acquire properties and investments. On the other hand, cash inflows due to sale of properties and investments amounted to €1.6 million and €2.1 million in FY2013 and FY2014 respectively. As for the projected years, cash outflows relating to the purchase of investment properties are expected to total €55.9 million.

In 2014, net cash used in financing activities related to repayments of €2.0 million to banks and related parties. In comparison, the Group raised a net amount of €8.8 million in the prior year through bank loans and related party borrowings. Financing activities in FY2015 and FY2016 will principally comprise the receipt of Bond proceeds, net movements in bank and related party borrowings, and interest payable.

9. HARBOUR (APM) INVESTMENTS LIMITED - PERFORMANCE REVIEW

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

The following financial information is extracted from the audited financial statements of HIL for the financial periods ended 31 December 2013 and 2014. The financial information for the years ending 31 December 2015 and 31 December 2016 has been provided by Group management.

Income Statement For the year ended 31 December Amounts in €'000s	2016 (12 months) Projection	2015 (12 months) Forecast	2014 (12 months) Actual	2013 (13 months) Actual
Administrative expenses	(8)	(4)	(7)	(2)
Investment gain	-	5,747	-	-
Finance costs	(72)	(49)	(103)	-
Profit/(Loss) before tax	**(80)**	**5,694**	**(110)**	**(2)**
Taxation	-	(1,994)	-	-
Profit/(Loss) before tax	**(80)**	**3,700**	**(110)**	**(2)**

Statement of Financial Position Amounts in €'000s	31 Dec'16 Projection	31 Dec'15 Forecast	31 Dec'14 Actual	31 Dec'13 Actual
ASSETS				
Non-current assets				
Investment property	24,921	24,921	19,174	18,483
Total non-current assets	**24,921**	**24,921**	**19,174**	**18,483**
Current assets				
Loans and other receivables	**1,891**	**1,891**	**92**	**91**
Cash and cash equivalents	10	7	1	1
Total current assets	1,901	1,898	93	92
Total assets	**26,822**	**26,819**	**19,267**	**18,575**
EQUITY AND LIABILITIES				
Equity	**22,880**	**22,960**	**(111)**	**(1)**
LIABILITIES				
Non-current liabilities				
Other financial liabilities	1,053	1,342	19,370	18,574
Deferred tax liability	1,994	1,994	-	-
Total non-current liabilities	**3,047**	**3,336**	**19,370**	**18,574**
Current liabilities				
	606	234	8	2
Other payables Bank loans	289	289	-	-
Total current liabilities	**895**	**523**	**8**	**2**
Total liabilities	**3,942**	**3,859**	**19,378**	**18,576**
Total equity and liabilities	**26,822**	**26,819**	**19,267**	**18,575**

Statement of Cash Flows For the year ended 31 December Amounts in €'000s	2016 (12 months) Projection	2015 (12 months) Forecast	2014 (12 months) Actual	2013 (13 months) Actual
Cash flows from operating activities	(8)	(4)	(3)	(1)
Cash flows from financing activities	11	10	3	2
Net movement in cash and cash equivalents	**3**	**6**	**-**	**1**
Opening cash balance	6	-	1	-
Closing cash balance	**9**	**6**	**1**	**1**

The company is the owner of land at Benghajsa, Malta which does not generate an income stream. As at 31 December 2014 the property had a book value of *circa* €19 million.

As detailed in section 5 of this document, the above property was subject to a share purchase agreement in 2015 whereby the Company undertook to acquire HIL for €25 million by 2018. In view of this transaction, the fair value of the property was increased to €24.9 million. Furthermore, the share cappital of HIL was increased on 24 August 2015 to €22,331,200 through the capitalisation of shareholder's loans, revaluation reserves and retained earnings of €18,574,351, €3,753,441 and €2,208 respectively. No significant activities are being projected for FY2016.

10. HILI ESTATES LIMITED - PERFORMANCE REVIEW

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

The following financial information is extracted from the audited financial statements of HEL for the financial years ended 31 December 2013 and 2014. The financial information for the years ending 31 December 2015 and 31 December 2016 has been provided by Group management.

Income Statement For the year ended 31 December Amounts in €'000s	2016 Projection	2015 Forecast	2014 Actual	2013 Actual
Revenue	**723**	**677**	**650**	**695**
Net Operating expenses	(10)	79	(24)	(40)
EBITDA	**713**	**756**	**626**	**655**
Investment income/(losses)	274	(448)	-	1,115
Finance costs	-	(156)	(241)	(247)
Profit/(loss) before tax	**987**	**152**	**385**	**1,523**
Taxation	(22)	480	(29)	(354)
Profit/(loss) after tax	**965**	**632**	**356**	**1,169**

During the period under review, HEL was principally engaged in the management of one property – the Hili Building in Luqa, Malta. As such, its revenue relates to the generation of rental income (2014: €0.65 million, 2013: €0.70 million).

Finance costs represent interest payable on bank loans.

It is projected that revenue will increase by 4% in 2015 to €677,000 and a further 7% in 2016 to €723,000. Overall, profit is expected to amount to €965,000 in FY2016 (FY2015: €632,000), partly as a result of a projected increase in fair value of the property of €274,000 (FY2015: loss of €448,000).

Statement of Financial Position Amounts in €'000s	31 Dec'16 Projection	31 Dec'15 Forecast	31 Dec'14 Actual	31 Dec'13 Actual
ASSETS				
Non-current assets				
Investment property	13,874	13,601	13,351	13,531
Total non-current assets	**13,874**	**13,601**	**13,351**	**13,531**
Current assets				
Loans and other receivables	2,166	2,166	1,629	2,508
Current tax asset	-	-	21	-
Cash and cash equivalents	469	-	83	147
Total current assets	**2,635**	**2,166**	**1,733**	**2,655**
Total assets	**16,509**	**15,767**	**15,084**	**16,186**
EQUITY AND LIABILITIES				
Equity	**15,248**	**14,283**	**5,609**	**5,253**
LIABILITIES				
Non-current liabilities				
Bank overdraft and loans	-	-	3,786	5,796
Deferred tax liability	1,110	1,088	1,560	1,560
Total non-current liabilities	**1,110**	**1,088**	**5,346**	**7,356**
Current liabilities				
Trade and other payables	151	152	242	161
Other financial liabilities	-	-	1,877	2,890
Bank overdraft and loans	-	244	2,010	483
Current tax liabilities	-	-	-	43
Total current liabilities	**151**	**396**	**4,129**	**3,577**
Total liabilities	**1,261**	**1,484**	**9,475**	**10,933**
Total equity and liabilities	**16,509**	**15,767**	**15,084**	**16,186**

Total assets of HEL as at 31 December 2014 amounted to €15.1 million (2013: €16.2 million) and primarily comprise: investment property (€13.4 million, 2013: €13.5 million), and loans and receivables (€1.6 million, 2013: €2.5 million).

FY2014 total liabilities principally included bank borrowings which amounted to €5.8 million (2013: €6.3 million), amounts due to related parties of €1.9 million (2013: €2.9 million), and deferred tax liabilities of €1.6 million (2013: €1.6 million).

On 16 September 2015, HEL issued €8,051,340 4.5% redeemable preference shares through the capitalisation of related party loans. The said shares were fully allotted as fully paid up preference shares to the Company.

Statement of Cash Flow For the year ended 31 December Amounts in €'000s	2016 Projection	2015 Forecast	2014 Actual	2013 Actual
Cash flows from operating activities	713	791	1,522	(544)
Cash flows from investing activities	-	(902)	180	(646)
Cash flows from financing activities	-	(216)	(1,766)	1,322
Net movement in cash and cash equivalents	**713**	**(327)**	**(64)**	**132**
Opening cash balance	(244)	83	147	15
Closing cash balance	**469**	**(244)**	**83**	**147**

The primary movements in the cash flows statement refer to movements in working capital (in operating activities) and movements in bank borrowings and financial liabilities (in financing activities).

11. THE BOND GUARANTEE

For the purposes of the Guarantee, the Guarantors irrevocably and unconditionally guarantee to each Bondholder that if for any reason the Company fails to pay any sum payable by it to such Bondholder pursuant to the terms and conditions of the Bonds as and when the same shall become due under any of the foregoing, the Guarantors will pay to such Bondholder on demand the amount payable by the Company to such Bondholder. The obligations of the Guarantors 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.

The Guarantors undertake that so long as any Bond remains outstanding, the Guarantors shall collectively ensure that their aggregate net asset value (being the value of an entity's assets minus the value of its liabilities) will amount to not less than €37 million on each Financial Reporting Date (being 30 June and 31 December in each year as from 31 December 2015). As at 16 September 2015, the aggregate net asset value of the Guarantors amounted to €37.0 million.

12. RELATED PARTY DEBT SECURITIES

Hili Properties p.l.c. is a member of the Hili Ventures Group. Within the same group, Premier Capital p.l.c. and PTL Holdings p.l.c., both sisters company of Hili Properties p.l.c., have the following outstanding debt securities:

Security ISIN	Amount Listed	Security Name	Currency
MT0000511205	24,641,000	6.80% Premier Capital plc Bonds 2017-2020[1]	EUR
MT0000841206	36,000,000	5.10% PTL Holdings plc Unsecured Bonds 2024[1]	EUR

[1] *Debt securities listed on the Malta Stock Exchange*

PART 3

13. COMPARABLES

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

Comparative Analysis	Nominal Value (€'000)	Yield to Maturity (%)	Interest Cover (times)	Total Assets (€'million)	Net Assets Value (€'million)	Gearing Ratio (%)
5.8% IHI plc 2023	10,000	4.05	2.21	1,012.04	594.81	50.31
5.3% United Finance plc 2023	8,500	4.47	1.14	21.69	2.69	79.86
6.0% AXI plc 2024	40,000	4.09	2.80	188.38	102.17	65.05
6.0% IHG Holdings plc 2024	35,000	4.45	2.65	149.76	40.37	201.23
5.3% Mariner Finance plc 2024	35,000	3.81	4.23	60.03	20.91	62.25
5.0% Tumas Investments plc 2024	25,000	3.60	3.34	281.07	95.10	137.46
5.0% Hal Mann Vella plc 2024	30,000	3.52	0.51	77.29	30.14	55.04
5.1% PTL Holdings plc 2024	36,000	3.68	1.00	72.48	6.13	86.37
5.1% 6PM Holdings plc 2025	13,000	4.00	10.3	9.12	4.12	36.63
4.5% Hili Properties plc 2025	**37,000**	**4.50**	**1.6**	**91.89**	**25.94**	**64.96** *19 August 2015*

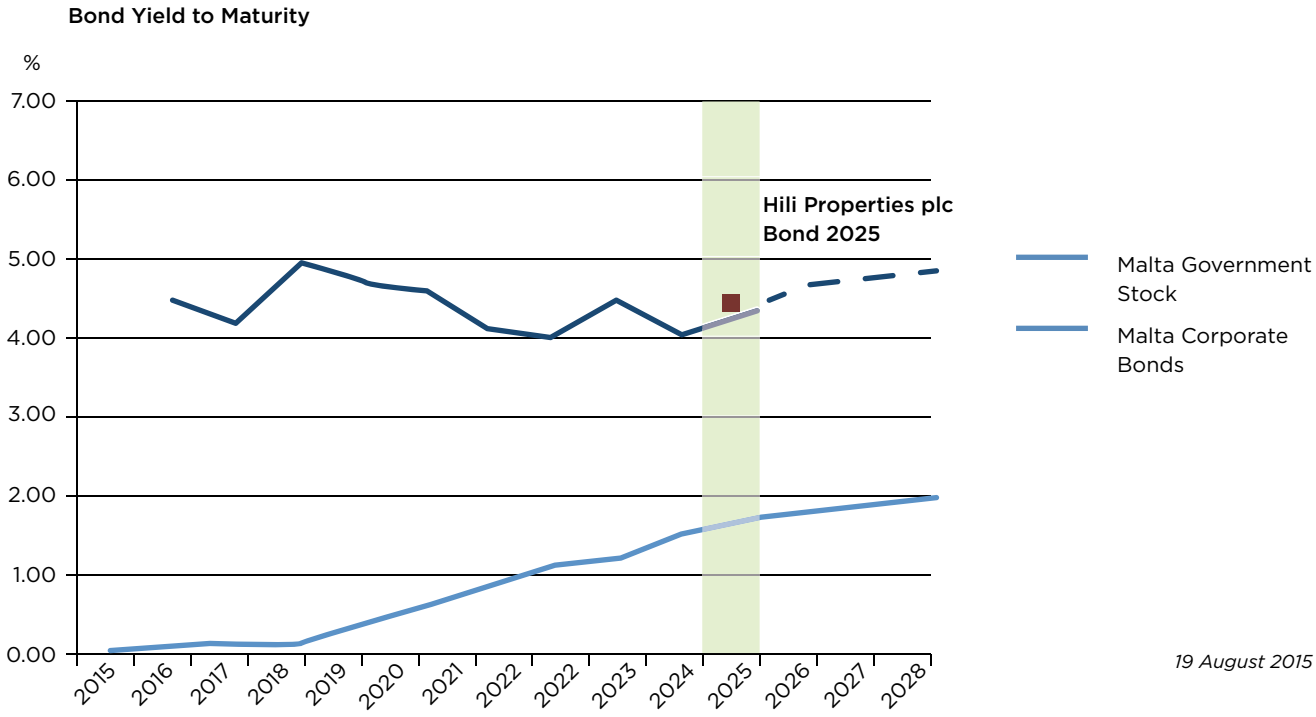
Source: Malta Stock Exchange, Charts Investment Management Service Limited

Annual Accounts: Tumas Group Company Ltd (YE 31/12/2013), International Hotel Investments plc (YE 31/12/2014), Island Hotels Group Holdings plc (YE 31/10/2014), AX Holdings Ltd (YE 31/10/2014), Mariner Finance plc (YE 31/12/2014), PTL Holdings plc (YE 31/12/14), Hal Mann Vella Group plc (YE 31/12/14), 6PM Holdings plc (YE 31/12/14), United Finance plc (YE 31/12/14); Hili Properties plc (Forecast YE 31/12/15)

The interest cover ratio determines the ability of a company to pay interest on its outstanding borrowings. For the financial year ended 31 December 2014, the Group's earnings before depreciation, interest and taxes was 1.3 times above interest expense for the year. Such ratio is expected to improve to 1.6x in FY2015 and 1.8x in FY2016 as a result of additional revenue generated from newly acquired commercial properties in FY2015.

The debt to equity ratio or gearing ratio demonstrates the degree to which the capital employed in a business is funded by external borrowings as compared to shareholders' funds. A company with high leverage tends to be more vulnerable when its business goes through a slowdown. The gearing ratio of the Group is forecasted to reach 65% by end FY2015, which is in line with management's business development strategy to maintain gearing at 70% or below.

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



To date, there are no corporate bonds which have a redemption date beyond 2025 and therefore a trend line has been plotted (denoted in the above chart by the dashed line). The Malta Government Stock yield curve has also been included since it is the benchmark risk-free rate for Malta. The premium over Malta Government Stock has been assumed at 287 basis points, which is the average premium for medium term corporate bonds. The Hili Properties plc Bond has been priced at 282 basis points above Malta Government Stock and broadly equal to listed corporate bonds.

PART 4

14. EXPLANATORY DEFINITIONS

Income Statement	
Revenue	Total revenue generated by the Group from its business activities during the financial year, including rent receivable and related services.
Net operating expenses	Net operating expenses include the direct expenses and administrative costs.
EBITDA	EBITDA is an abbreviation for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.
Profit after tax	Profit after tax is the profit made by the Group during the financial year both from its operating as well as non-operating activities.
Profitability Ratios	
Operating profit margin	Operating profit margin is operating income or EBITDA as a percentage of total revenue.
Net profit margin	Net profit margin is profit after tax achieved during the financial year expressed as a percentage of total revenue.
Efficiency Ratios	
Return on equity	Return on equity (ROE) measures the rate of return on the shareholders' equity of the owners of issued share capital, computed by dividing profit after tax by shareholders' equity.
Return on capital employed	Return on capital employed (ROCE) indicates the efficiency and profitability of a company's capital investments, estimated by dividing operating profit by capital employed.
Return on Assets	Return on assets (ROA) is computed by dividing profit after tax by total assets
Equity Ratios	
Earnings per share	Earnings per share (EPS) is the amount of earnings per outstanding share of a company's share capital. It is computed by dividing net income available to equity shareholders by total shares outstanding as at balance sheet date.
Cash Flow Statement	
Cash flow from operating activities	Cash generated from the principal revenue-producing activities of the Company.
Cash flow from investing activities	Cash generated from the activities dealing with the acquisition and disposal of long-term assets and other investments of the Company.

Cash flow from financing activities	Cash generated from the activities that result in change in share capital and borrowings of the Company.
Balance Sheet	
Non-current assets	Non-current asset are the Group's long-term investments, which full value will not be realised within the accounting year. Such assets of the Group principally comprise of investment properties
Current assets	Current assets are all assets of the Group, which are realisable within one year from the balance sheet date. Such amounts include accounts receivable, and cash and bank balances.
Current liabilities	All liabilities payable by the Group within a period of one year from the balance sheet date, and include accounts payable and short-term debt.
Net debt	Borrowings before unamortised issue costs less cash and cash equivalents
Non-current liabilities	The Group's long-term financial obligations that are not due within the present accounting year. The Group's non-current liabilities include bank borrowings and bonds.
Total equity	Total equity includes share capital, reserves & other equity components, and retained earnings.
Financial Strength Ratios	
Liquidity ratio	The liquidity ratio (also known as current ratio) is a financial ratio that measures whether or not a company has enough resources to pay its debts over the next 12 months. It compares a company's current assets to its current liabilities.
Interest cover	The interest coverage ratio is calculated by dividing a company's EBITDA of one period by the company's interest expense of the same period.
Gearing ratio	The gearing ratio indicates the relative proportion of shareholders' equity and debt used to finance a company's assets, and is calculated by dividing a company's net debt by net debt plus shareholders' equity. For the purposes of calculating gearing, related party balances have been treated as equity.
Value to loan ratio	The value to loan ratio is calculated by dividing the fair value of the Group's properties by the borrowings used to finance such properties.

NOTES

NOTES