



a public limited liability company incorporated under the laws of Malta,  
company registration number C 26843

Issue of:

**€40,000,000 4% Unsecured Bonds 2027**

ISIN: MT0000141227

Guaranteed\* by

**Eden Leisure Group Limited**

a private limited liability company incorporated under the laws of Malta,  
company registration number C 4529

*\*Prospective investors are to refer to the guarantee contained in Annex I of the Securities Note forming part of the Prospectus for a description of the scope, nature and term of the guarantee. Reference should also be made to the sections entitled "Risks" or "Risk Factors" contained in this Summary Note, 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 Eden Leisure Group Limited.*

## SUMMARY NOTE

Dated 27 March 2017

This document is a Summary Note issued pursuant to the provisions of Chapter 4 of the Listing Rules of the Listing Authority 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 subsequently amended. This Summary Note should be read in conjunction with the Registration Document containing information about the Issuer and Guarantor dated 27 March 2017 and the Securities Note dated 27 March 2017.

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

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

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

LEGAL ADVISERS TO THE ISSUER

MAMO TCV  
ADVOCATES

SPONSOR & MANAGER

CHARTS  
WEALTH MANAGEMENT • CORPORATE BROKING

REGISTRAR

BOV  
Bank of Valletta

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## IMPORTANT INFORMATION

This Summary Note constitutes part of a prospectus and contains information in relation to the Issuer, Eden Finance p.l.c., and the Guarantor, Eden Leisure Group Limited, and the securities being issued in terms of the Prospectus. This document includes information given in compliance with: (a) the Companies Act (Cap. 386 of the laws of Malta) and Commission Regulation (EC) no. 809/2004 of 29 April 2004 implementing directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended; and (b) the rules and regulations applicable to the admission of securities on the Official List of the Malta Stock Exchange.

No broker, dealer, salesman or other person has been authorised by the Issuer, the Guarantor or their respective directors, to issue any advertisement or to give any information or to make any representations in connection with the 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, the Guarantor or their respective directors or advisers.

The directors of the Issuer confirm that where information included in the 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.

It is the responsibility of any person in possession of this document to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for any securities that may be issued by the Issuer 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.

All the advisers to the Issuer and Guarantor have acted and are acting exclusively for the Issuer and Guarantor in relation to the Prospectus and have no contractual, fiduciary or other obligation or responsibility towards any other person. None of the advisers accept any responsibility to any investor or any other person whomsoever in relation to the contents of, and any information contained in, the Prospectus, its completeness or accuracy or any other statement made in connection therewith.

The contents of the Issuer's and Guarantor's websites or any website directly or indirectly linked to the Issuer's and Guarantor's websites 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 with respect to the Bond Issue, you should consult a licensed stockbroker or an investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta).

A copy of this document has been submitted to the Listing Authority and the Malta Stock Exchange, and has been duly filed with the Registrar of Companies. Application has been made to the Listing Authority for the approval of the Prospectus and for the admission of the Issuer's Bonds on a regulated market. Application has also been made to the Malta Stock Exchange, for the Bonds to be admitted to the Official List of the Malta Stock Exchange.

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. 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 Commission Regulation. Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A – E (A.1– E.7). This summary contains all the Elements required to be included in a summary for this type of security and Issuer.

Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of 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'.

## DEFINITIONS

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

<b>Application/s</b>	the application to subscribe for Bonds made by an Applicant/s by completing an Application Form/s and delivering same to any of the Authorised Financial Intermediaries;
<b>Application Form/s</b>	the forms of application for the subscription for the Bonds;
<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex II of the Securities Note;
<b>Bond(s)</b>	the four per cent (4%) unsecured bonds due 28 April 2027 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of forty million euro (€40,000,000);
<b>Bond Conditions</b>	the terms and conditions applicable to the Bonds a summary of which is set out in section E.3 of this Summary Note;
<b>Bond Exchange Programme</b>	the bond exchange programme a summary of which is set out in section E.3 of this Summary Note;
<b>Bondholder</b>	a holder of the Bonds;
<b>Bond Issue</b>	the issue of the Bonds;
<b>Bond Issue Price</b>	the price of €100 per Bond;
<b>Business Day</b>	any day between Monday and Friday (both days included) on which commercial banks in Malta settle payments and are open for normal banking business;
<b>Commission Regulation</b>	Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in a prospectus and dissemination of advertisements, as subsequently amended;
<b>Companies Act</b>	the Companies Act (Cap. 386 of the laws of Malta);
<b>Company or Issuer</b>	Eden Finance p.l.c., a company registered in Malta with registration number C 26843;
<b>CSD</b>	the Central Securities Depository of the Malta Stock Exchange, having its address at Malta Stock Exchange, Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
<b>Cut-Off Date</b>	close of business on 27 March 2017 (trading session of 23 March 2017);
<b>Eden Group Stakeholders</b>	the shareholders, directors and employees of any company forming part of the Eden Group as at the Cut-Off Date;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;

<b>Exchange, Malta Stock Exchange or MSE</b>	the 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;
<b>Exchangeable Bonds</b>	the €13,984,000 6.6% bonds 2017-2020 (ISIN: MT0000141219) issued by the Issuer pursuant to a prospectus dated 10 May 2010;
<b>Existing Bondholder/s</b>	existing holders of the Exchangeable Bonds as held on the Cut-Off Date;
<b>Group or Eden Group</b>	the Guarantor and the subsidiary companies of the Guarantor and the term “Group Company” shall be construed accordingly;
<b>Guarantee</b>	the corporate guarantee given by the Guarantor;
<b>Guarantor</b>	Eden Leisure Group Limited, a company registered in Malta with registration number C 4529;
<b>Interest Payment Date</b>	28 April of each year, between and including each of the years 2018 and 2027, provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day;
<b>Listing Authority</b>	the Malta Financial Services Authority, as appointed in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
<b>Listing Rules</b>	the listing rules issued by the Listing Authority;
<b>Offer Period</b>	the period between 30 March 2017 and 19 April 2017 during which time the Bonds are on offer for Existing Bondholders and the period between 3 April 2017 and 19 April 2017 during which time the Bonds are on offer for Eden Group Stakeholders;
<b>Official List</b>	the list prepared and published by the Malta Stock Exchange as its official list in accordance with the Malta Stock Exchange Bye-Laws;
<b>Placement Agreements</b>	the agreements dated 17 March 2017 between the Issuer and each of Charts Investment Management Service Limited, Calamatta Cuschieri & Co Ltd and Bank of Valletta p.l.c. to subscribe for Bonds;
<b>Prospectus</b>	collectively this Summary Note, the Registration Document and the Securities Note, all dated 27 March 2017, as such documents may be amended, updated, replaced and supplemented from time to time;
<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading and amending Directive 2001/34/EC, as subsequently amended;
<b>Redemption Date</b>	28 April 2027;
<b>Redemption Value</b>	the nominal value of each Bond;
<b>Registration Document</b>	the registration document issued by the Issuer dated 27 March 2017, forming part of the Prospectus;
<b>Securities Note</b>	the securities note issued by the Issuer dated 27 March 2017, forming part of the Prospectus;
<b>Summary Note</b>	this document in its entirety.

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## SECTION A - INTRODUCTION AND WARNINGS

- A.1** This Summary Note forms part of the Prospectus containing information concerning the Issuer, Guarantor and the Bonds. This summary is intended to briefly convey the essential characteristics of, and risks associated with, the Issuer, Guarantor and the Bonds. You should carefully take into consideration the following criteria for evaluation of this summary:
- The summary should be read as merely an introduction to the Prospectus;
  - Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole;
  - Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
  - Civil liability attaches to the Issuer which has tabled this summary as part of the Prospectus but only if the summary is shown to be misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the Bonds.
- A.2** The Issuer and its directors consent to the use of this Prospectus (and accept responsibility for the information contained therein) with respect to any subsequent resale or final placement of Bonds by any Authorised Financial Intermediaries, in circumstances where there is an offer of securities to the public which requires the publication of a prospectus in terms of the Prospectus Directive, provided this is limited only:
- i. to any resale or final placement of Bonds taking place in Malta; and
  - ii. to any resale or final placement of Bonds taking place within the period of 60 days from the date of the Prospectus.

**In the event of a resale or final placement 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 or final placement at the time such is made.**

Any new information with respect to Authorised Financial Intermediaries unknown at the time of the approval of the Prospectus will be made available through a company announcement which will also be made available on the Issuer's website: [www.edenleisure.com](http://www.edenleisure.com)

## SECTION B - THE ISSUER AND GUARANTOR

- B.1 (B.19)** The legal and commercial name of the Issuer is Eden Finance p.l.c. (registration number C 26843). The legal and commercial name of the Guarantor is Eden Leisure Group Limited (registration number C 4529).
- B.2 (B.19)** The Issuer is incorporated and domiciled in Malta, and is a public limited liability company duly registered in terms of the Companies Act. The Guarantor is incorporated and domiciled in Malta, and is a private limited liability company duly registered in terms of the Companies Act. Both the Issuer and Guarantor operate under the Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta.
- B.4b (B.19)** The Issuer is dependent on the business prospects of the Eden Group and, therefore, the trend information of the Guarantor (detailed below) has a material effect on its financial position and prospects.

At the time of publication of this Summary Note, the Guarantor considers that generally the Group will be subject to the normal business risks associated with the entertainment and hospitality industries in Malta 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 Group, at least with respect to the current financial year.

The Eden Cinemas is one of the leading cinema venues in Malta in terms of the number of screens and admissions. The Group aims to maintain its position as a leading operator of multiplex cinemas in Malta through the on-going investment in the latest technology and by being innovative in

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seeking alternative revenue streams. The Eden Cinemas expect box office revenue and bar income to progressively increase in the near term.

The Eden SuperBowl is a steady business venture which consistently shows satisfactory results year-on-year. The Group plans to focus on the underperforming food and beverage operations by looking for a partner to operate a quality establishment which can adequately service bowling patrons and also attract new clients.

Bay Radio operates in a market which comprises 15 national stations and a number of community stations, and has been consistently voted most popular station by reach in October 2014, October 2015 and October 2016. Management's strategy is to continue to broadcast relevant and up-to-date content using the latest available technology, to be innovative and to recruit and train quality presenters in order to increase its edge over competition, and in turn grow its listener base and advertising revenue.

The number of health and fitness facilities that compete with Cynergi has gradually been increasing over the last years. However, management believes that the recent investment in equipment and design is expected to allow Cynergi to outpace competition.

The Eden Group expects that the Eden Car Park will continue to grow its earnings in view of its strategic location within a busy commercial and tourism hub. Furthermore, the Eden Car Park will continue to play an important role in supporting the various entities of the Eden Group by providing parking facilities to their respective patrons.

Tourism in Malta has in recent years been performing at a strong level and this trend continued in 2016 as inbound tourist trips reached a record 1.99 million, an increase of 10.2% when compared to a year earlier. This positive trend was also witnessed at the InterContinental Malta, where over the past few years there has been significant year-on-year growth both in revenue streams and profitability, even though operations were partly hampered by construction works in neighbouring properties and at the hotel between 2014 and 2016. As such, given that construction works were substantially completed and operations at the InterContinental Malta fully restored by end 2016, management anticipates that the hotel should achieve further growth in earnings during the current financial year (2017). Moreover, the Eden Group expects to benefit further from the expansion of the local tourism industry with the opening of the Holiday Inn Express in 2017.

**B.5**  
**(B.19)** The Issuer is a subsidiary company of the Guarantor and forms part of the Eden Group. The Guarantor is the parent holding company of the Eden Group and is ultimately dependent upon the operations and performance of its subsidiaries and associated entities. The subsidiary companies of the Eden Group, apart from the Issuer, comprise: Eden Entertainment Limited (C 26701), Eden SuperBowl Limited (C 26700) and Eden Hospitality Limited (C 35719). Furthermore, the Guarantor holds a 50% shareholding in Axis Limited (C 9959), 33.33% in Sunny Resorts Limited (C 194) and 25% in CLL Limited (in dissolution) (C 58906).

**B.9** Not applicable: The Prospectus does not contain any profit forecasts or estimates.

**B.10**  
**(B.19)** Not applicable: The audit reports on the audited historical financial statements of the Issuer and Guarantor, described in Element B.12 below, do not contain qualifications.

**B.12** The historical financial information for the three financial years ended 31 December 2014, 31 December 2015 and 31 December 2016 as audited by VCA Certified Public Accountants is set out in the annual statutory financial statements of the Issuer and the annual statutory consolidated financial statements of the Guarantor. The aforesaid 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 Guarantor since the date of the latest published audited financial statements.

There were no significant changes to the financial or trading position of the Issuer and Guarantor since 31 December 2016, being the end of the financial year to which the last audited financial statements of the Issuer and Guarantor relate.

Extracts of the above-mentioned historical financial information are set out below:

**Eden Finance p.l.c.**

**Key Financial Information**

**for the year ended 31 December**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Total comprehensive income	18	17	15
Total assets	16,185	16,205	16,230
Equity and reserves	1,567	1,584	1,599
Total liabilities	14,618	14,621	14,631

**Eden Leisure Group Limited**

**Condensed Consolidated Statement of Comprehensive Income**

**for the year ended 31 December**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Revenue	26,440	28,197	31,310
EBITDA <sup>1</sup>	6,173	6,398	8,367
Profit after tax	723	1,318	3,293
Revaluation surplus, net of deferred tax	-	29,523	14,479
Total comprehensive income	723	30,841	17,772

<sup>1</sup>EBITDA - Earnings before Interest, Tax, Depreciation and Amortisation.

**Eden Leisure Group Limited**

**Condensed Consolidated Balance Sheet**

**as at 31 December**

	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>ASSETS</b>			
Non-current assets	98,110	139,811	159,201
Current assets	5,639	5,616	6,295
<b>Total assets</b>	<b>103,749</b>	<b>145,427</b>	<b>165,496</b>
<b>EQUITY</b>			
Equity and reserves	44,218	76,648	92,620
<b>LIABILITIES</b>			
Non-current liabilities	43,262	49,512	52,012
Current liabilities	16,269	19,267	20,864
	59,531	68,779	72,876
<b>Total equity and liabilities</b>	<b>103,749</b>	<b>145,427</b>	<b>165,496</b>

Revenue in 2016 amounted to €31.3 million, an increase of €3.1 million (+11%) when compared to the prior year (FY2015: €28.2 million). The hospitality segment of the Group contributed to the major part of this growth, whereby revenue increased by €2.3 million (+11%) from €20.9 million in FY2015 to €23.2 million. The InterContinental Malta continued to perform positively, principally due to a favourable trend in tourism in Malta. The remaining balance of revenue was derived from Entertainment & Other Related Operations and amounted to €8.1 million, an increase of €0.8 million (+12%) over FY2015.

During the financial year under review, the Group's EBITDA increased significantly by €2.0 million (+31%) from €6.4 million in FY2015 to €8.4 million, mainly as a result of the above-mentioned growth registered at the InterContinental Malta, the increase in business at the InterContinental Arena & Conference Centre and the commencement of rental income generated from the casino property of *circa* €0.5 million. Overall, profit after tax in FY2016 amounted to €3.3 million, a year-on-year increase of €2.0 million (FY2015: €1.3 million). In FY2016, the Group revalued its property by €14.5 million (net of deferred tax) and as such, total comprehensive income amounted to €17.8 million (FY2015: €30.8 million).

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**B.13** Not applicable: no recent events particular to the Issuer and Guarantor are to a material extent  
**(B.19)** relevant to the evaluation of the Issuer's and/or Guarantor's solvency.

**B.14** The Issuer is a special purpose vehicle set up to raise finance for the business of the Eden Group. As  
**(B.19)** a subsidiary company, it is mainly dependent on the Guarantor's business prospects. The Guarantor is the holding company of the Eden Group and is ultimately dependent upon the operations and performance of its subsidiaries and associated entities.

**B.15** The principal object of the Issuer is to carry on the business of a finance and investment company.  
**(B.19)** The Guarantor is primarily engaged, directly or through subsidiaries and/or associated entities, in the ownership of a varied portfolio of business entities within the hospitality and entertainment industries in Malta, principally the ownership of the InterContinental Malta.

**B.16** The Issuer is a wholly owned subsidiary of the Guarantor. The issued share capital of the Guarantor  
**(B.19)** amounts to €60,000,000 and is divided into 12,057,600 voting 'A' Ordinary Shares of €2.50 each and 11,942,400 non-voting 'B' Ordinary Shares of €2.50 each. The issued share capital is subscribed for, allotted and taken up as fully paid up shares as follows:

<b>Shareholder</b>	<b>'A' Voting Ordinary Shares</b>	<b>'B' Non-Voting Ordinary Shares</b>
Capitola Inv. Limited (C 15543)	5,911,810	5,790,857
Cedar Investments Ltd (C 63943)	5,911,810	5,790,857
Ian De Cesare (787950M)	116,990	180,343
Kevin De Cesare (344659M)	116,990	180,343
	<b>12,057,600</b>	<b>11,942,400</b>

**B.17** Not applicable: The Issuer has not sought the credit rating of an independent rating agency, and  
there has been no assessment by any independent rating agency of the Bonds issued by the Issuer.

**B.18** For the purposes of the Guarantee, the Guarantor hereby stands surety jointly and severally with the  
Issuer and irrevocably and unconditionally undertakes to effect the due and punctual performance of all the payment obligations undertaken by the Issuer under the Bonds if the Issuer fails to do so and, without prejudice to the generality of the foregoing, undertakes to pay on an on-going basis, interest which may become due and payable during the term of the Bonds and the principal amount of the Bonds on the Redemption Date should the Issuer default in paying the Bondholders under the Bonds.

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## SECTION C - SECURITIES

**C.1** The Issuer is issuing an aggregate principal amount of €40,000,000 having a nominal value of €100 per Bond, subject to a minimum subscription of €2,000 in Bonds and integral multiples of €100 thereafter. 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 ISIN MT0000141227. The Bonds shall bear interest at the rate of 4% per annum and shall be repayable in full upon maturity unless they are previously repurchased and cancelled.

**C.2** The Bonds are denominated in euro (€).

**C.5** The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of the MSE applicable from time to time.

**C.8** There are no special rights attached to the Bonds other than those arising from the Bond Conditions which, in summary, include but are not limited to: the payment of capital and interest; the negative pledge; attending, participating in and voting at meetings of Bondholders; and enjoying all such other rights attached to the Bonds emanating from the Prospectus.

The Bonds shall constitute the general, direct, unconditional and, subject to a negative pledge clause, unsecured obligations of the Issuer and shall be guaranteed in respect of both the interest and the principal amount under said Bonds by the Guarantor. The Bonds shall rank *pari passu* without any priority or preference among themselves and with other unsecured and unsubordinated debt of the Issuer and Guarantor, present and future. They shall rank subsequent to any other prior ranking indebtedness of the Issuer, if any.

As at 31 December 2016 the Group's indebtedness amounted to €49.4 million, comprising of bank loans, corporate bonds and other borrowings from related parties. The Group's bank borrowings are secured by general and special hypothecs, privileges and other security.

Bond Issue proceeds amounting to *circa* €14.9 million shall be used to reduce the balance of bank loans of €31.0 million to *circa* €16.1 million, and as such, the indebtedness being created by the Bonds ranks after secured bank borrowings of €19.6 million. 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 accrue interest at the rate of 4% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date, the first Interest Payment Date being 28 April 2018 (covering the period 28 April 2017 to 27 April 2018), provided that any Interest Payment Date which falls on a day other than a Business Day will be carried over to the next following day that is a Business Day. 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%. Redemption shall take place on 28 April 2027.

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 27 March 2017.

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.

The Bonds are expected to be admitted to the Malta Stock Exchange with effect from 9 May 2017, and trading is expected to commence on 10 May 2017.

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## SECTION D - RISKS

D.2 The Issuer is merely a special purpose vehicle and is therefore mainly dependent on the business prospects of the Guarantor and the Eden Group. As such, the operating results of the Eden Group have a direct effect on the Issuer's financial position. Accordingly, the risks of the Eden Group are indirectly those of the Issuer.

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

1. The Group owns the InterContinental Malta which in turn is operated by InterContinental Hotels Corporation. As such, the Group's operations and the results of its operations are subject to a number of external factors that could adversely affect the Group's business, many of which are common to the hotel industry and beyond the Group's control.
2. The value of the Group's property portfolio may be adversely affected by a number of factors, including, 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.
3. The Group is susceptible to certain risks inherent in real estate development and which could adversely affect the economic performance and value of the Group's real estate properties under development. Furthermore, the Group relies upon third-party service providers for the construction and completion of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the Group's expectations and in accordance with their contractual obligations.
4. Eden Cinemas' film product is sourced from one local company. Should this single supplier company not be able or willing to provide film product to Malta, then alternatives would need to be set up, which may have a negative impact on the Group's financial performance.
5. A lack of motion picture availability and poor performance of motion pictures would have a negative effect on film attendance.
6. An increase in the use of alternative film distribution channels, such as home theatre video and the internet, and other competing forms of entertainment may drive down movie theatre attendance and limit ticket prices.
7. Demand for cinema and bowling can be subject to changes in public tastes and preferences.
8. The Group's key senior personnel and management have been and remain material to its growth.
9. The Group's ability to implement its business strategies is dependent upon, among other things, its ability to generate sufficient funds internally and to access continued bank financing at acceptable costs.
10. Currency fluctuations may have a material adverse effect on the Group's business, financial condition and results of operations.
11. A portion of the Group's operating expenses are fixed, which allow for limited reaction to changes in its revenue.
12. Environmental and/or health and safety compliance costs and liabilities may have a material adverse effect on the Group's financial condition and operations.
13. 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.
14. The hospitality, entertainment and leisure industries are characterised by strong and increasing competition. There can be no assurance that the Group will successfully maintain its market share in each of its businesses in the future.
15. The Group is susceptible to the effects of increases in operating expenses that may not be offset by increased revenues.
16. Advertising revenue is cyclical. Characterised within times of economic turmoil, advertising revenues tend to be reduced, which in turn can affect the revenue streams of the Group until such time as increased competition drives advertising budgets higher.

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D.3 An investment in the Bonds involves certain risks including, but not limited to those described below:

1. There can be no assurance that an active secondary market for the Bonds will develop or, if it develops, that it will continue. Nor can there be any assurance that an investor will be able to re-sell his Bonds at or above the Bond Issue Price or at all. A public trading market depends on a number of factors over which the Issuer has no control.
2. Investment in the Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.
3. The Bonds are based on applicable laws and regulations 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 law or administrative practice after the date of this Prospectus.
4. The Bond Conditions contain provisions for calling meetings of Bondholders in the event that the Issuer wishes to amend any of the Bond Conditions. These provisions permit defined majorities to bind all Bondholders.
5. The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer, guaranteed by the Guarantor, and shall at all times rank *pari passu*, without any priority or preference among themselves and with other unsecured debt of each of the Issuer and Guarantor. 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 Guarantor, as the case may be, for so long as such security interests remain in effect.
6. In view of the fact that the Bonds are being guaranteed by the Guarantor, Bondholders are entitled to request the Guarantor to pay both the interest due and the principal amount under said Bonds if the Issuer fails to meet any amount, when due. The strength of this undertaking on the part of the Guarantor and, therefore, the level of recoverability by the Bondholders from the Guarantor of any amounts due under any of the Bonds is dependent upon and directly linked to the financial position and solvency of the Guarantor, such that the level of recoverability is further dependent upon the existence or otherwise of any prior ranking claims over the assets of the Guarantor.

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## SECTION E - OFFER

**E.2b** The proceeds from the Bond Issue, net of expenses, are expected to amount to *circa* €39,450,000. However, the value of Bonds acquired by Existing Bondholders by virtue of the Bond Exchange Programme will not be paid in cash. The net proceeds will be used by the Issuer for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of up to €13,984,000 of the net proceeds, less the value of Bonds acquired through the Bond Exchange Programme, shall be used for the purpose of redeeming any Exchangeable Bonds remaining in issue as at 16 June 2017, being the first early date of redemption of the Exchangeable Bonds;
- (ii) the amount of *circa* €14,900,000 shall be used to repay bank facilities granted by HSBC Bank Malta as to *circa* €13,000,000 and Lombard Bank Malta as to *circa* €1,900,000, which funds were applied for the purpose of part-financing the Group's capital expenditure, including the acquisition of the property intended for the development of the Holiday Inn Express, the construction of 30 upmarket suites and the total conversion of the existing 24 hotel suites, and the development of the InterContinental Arena & Conference Centre;
- (iii) the amount of *circa* €7,400,000 shall be used to part finance various redevelopment and refurbishment works relating to the Group's properties including the completion of the Holiday Inn Express; and
- (iv) the remaining balance of €3,166,000 shall be used for general corporate funding purposes of the Group.

**E.3** The following is a synopsis of the general terms and conditions applicable to the Bonds.

**A Bondholder is deemed to have invested in the Bonds only after having received, read and understood the contents of these Bond Conditions and the Prospectus and therefore only after having full knowledge of the information contained in these Bond Conditions and the Prospectus and is accordingly deemed to have accepted all the terms and conditions set out in the Bond Conditions and the Prospectus.**

On 17 March 2017, the Issuer entered into a conditional placement agreement with each of Charts Investment Management Service Limited, Calamatta, Cuschieri & Co Ltd and Bank of Valletta p.l.c. for the subscription of an aggregate amount of €24 million in the Bonds on 21 April 2017. Furthermore, the Issuer has reserved an aggregate amount of Bonds amounting to €1 million for subscription by Eden Group Stakeholders during the period 3 April 2017 and 19 April 2017, and €15 million for subscription by Existing Bondholders during the period 30 March 2017 and 19 April 2017.

### **Bond Exchange Programme**

Existing Bondholders applying for Bonds may elect to settle all or part of the amount due on the Bonds that they apply for by transferring to the Issuer part or all of the Exchangeable Bonds held by them as at the Cut-Off Date, at par value, subject to a minimum holding of €2,000 in Bonds. Any Existing Bondholders whose holding in Exchangeable Bonds is less than €2,000 shall be required to pay the difference together with the submission of their Application Form 'A' ("**Cash Top-Up**").

Existing Bondholders transferring all of the Exchangeable Bonds held by them as at the Cut-Off Date may apply for an amount of Bonds in excess of the amount of Exchangeable Bonds being transferred. In such case the holders of Exchangeable Bonds may subscribe for additional Bonds, in multiples of €100, by completing the appropriate section of their Application Form 'A'.

By virtue of the submission of the duly completed and signed Application Form, Existing Bondholders shall indicate their agreement to settle the consideration for the Bonds by surrendering in the Issuer's favour for cancellation all or part of the Exchangeable Bonds together with the payment of such additional amount in cash as may be required, and such Application Form shall be deemed:

- (i) to confirm that all or part (as the case may be) of the said Exchangeable Bonds as indicated in the Application Form 'A' are to be transferred in the Issuer's favour for cancellation; and
- (ii) as an irrevocable mandate to the Issuer to engage the services of such brokers or intermediaries as may be necessary to fully and effectively carry out all procedures necessary and to fully and effectively vest title in the appropriate number of Bonds in the Existing Bondholder.

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The Bond Exchange Programme shall be without prejudice to the rights of the holders of Exchangeable Bonds to receive interest on the Exchangeable Bonds up to and including 15 June 2017. The Issuer will settle the difference between the interest rate applicable to the Exchangeable Bonds (6.6%) and the interest rate of 4% applicable to the Bonds, from 28 April 2017 up to and including 15 June 2017, being the day prior to the Exchangeable Bonds Redemption Date, to all persons holding Exchangeable Bonds who would have submitted their Application Form 'A' by not later than 12.00 hours on 19 April 2017 and, consequently, exercising their option to subscribe for Bonds and settle the consideration for Bonds by transferring their Exchangeable Bonds to the Issuer as mentioned above.

#### **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 €13,984,000 shall be allocated to Existing Bondholders applying for Bonds by way of the Bond Exchange Programme, subject to a minimum amount of €2,000, and in multiples of €100 thereafter;
- (ii) Up to an amount equivalent to €15,000,000 less the value of the Bonds allocated by way of the Bond Exchange Programme pursuant to (i) above, shall be allocated to Existing Bondholders in respect of any additional Bonds applied for over and above their entitlement under the Bond Exchange Programme without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar. Any unsatisfied excess amounts relative to such Applications will, following scaling down by the Issuer (acting through the Registrar) of the relative Applications, be returned by direct credit to the account number indicated on Application Form 'A' within five (5) Business Days from the date of final allocation;
- (iii) Up to an aggregate amount of €1,000,000 shall be allocated to Eden Group Stakeholders, without priority or preference and in accordance with the allocation policy as determined by the Issuer and Registrar. Any unsatisfied excess amounts relative to such Applications will, following scaling down by the Issuer (acting through the Registrar) of the relative Applications, be returned by direct credit to the account number indicated on Application Form 'B' within five (5) Business Days from the date of final allocation;
- (iv) The amount equivalent to €7,000,000 together with any amounts which were reserved for Existing Bondholders and Eden Group Stakeholders (detailed in para (i), (ii) to (iii) above) but which were not fully taken up, shall be allocated to Charts Investment Management Service Limited pursuant to the conditional placement agreement;
- (v) The amount equivalent to €6,000,000 and €11,000,000 shall be allocated to Calamatta Cuschieri & Co Ltd and Bank of Valletta p.l.c. respectively pursuant to the conditional placement agreement.

The Issuer will announce the allocation policy for the allotment of the Bonds through a company announcement within five (5) Business Days of the closing of the placing arrangements.

#### **General**

Each bond forms part of a duly authorised issue of 4% Unsecured Bonds due 2027 having a nominal value of €100 each of the Issuer for an aggregate principal amount of €40,000,000.

#### **Registration, Form, Denomination, Title and Pricing**

The Bonds will be issued without interest coupons in denominations of integral multiples of €100 provided that on subscription they will be issued for a minimum of €2,000. On subscription, the Bonds are being offered at par, that is, at €100 per Bond.

The Bonds will be issued in dematerialised form and shall accordingly be evidenced by a book-entry in the register of Bondholders held by the CSD of the Malta Stock Exchange or as may be stipulated by the MSE Bye-Laws from time to time. A person in whose name a Bond shall be registered shall (to the fullest extent permitted by law) be treated at all times and for all purposes as the absolute owner of such Bond regardless of any notice of ownership or trust.

#### **Status**

The status of the Bonds is described in Element C.8 of this Summary Note.

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### **Guarantee**

The guarantee is described in Element B.18 of this Summary Note.

### **Negative Pledge**

The Issuer and Guarantor 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, other than a Permitted Security Interest, upon the whole or any part of its present or future assets or revenues to secure any Financial Indebtedness of the Issuer and Guarantor, 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.

### **Interest**

Details of interest payable on the Bonds are provided in Element C.9 of this Summary Note.

### **Payments**

Payment of the principal amount (with interest accrued to the due date for redemption) as well as payment of any instalment of interest of the Bonds 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 due date for redemption or fifteen (15) days prior to the Interest Payment Date (as the case may be) by direct credit to an account which is denominated in Euro and held with any licensed bank in Malta as specified by the Bondholder. The Issuer shall not be responsible for any loss or delay in transmission. Such payment shall be effected within seven (7) days of the due date for redemption or the Interest Payment Date (as the case may be).

### **Redemption and Purchase**

Unless previously purchased and cancelled, the Bonds will be redeemed at their nominal value (together with interest accrued to the due date for redemption) on 28 April 2027 (the "**Redemption Date**"). All Bonds purchased by the Issuer during the term of the Bonds will be cancelled forthwith and may not be reissued or resold.

### **Events of Default**

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

- (i) the Issuer or, in the event of default by the Issuer, the Guarantor, shall fail to pay any interest on any Bond when due and such failure shall continue for thirty (30) days after written notice thereof shall have been given to the Issuer and/or the Guarantor, as the case may be, by any Bondholders; or
- (ii) the Issuer and/or the Guarantor duly fails to perform or shall otherwise be in breach of any other material obligation contained in the Bond Conditions and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer and/or the Guarantor by any Bondholder; or
- (iii) an order is made or resolution passed or other action taken for the dissolution, termination of existence, liquidation, winding-up or bankruptcy of the Issuer and/or the Guarantor; or
- (iv) the Issuer and/or the Guarantor stop or suspend payments (whether of principal or interest) with respect to all or any class of their debts or announce an intention to do so or cease or threaten to cease to carry on their business or a substantial part of their business; or
- (v) the Issuer and/or the Guarantor are unable, or admit in writing their inability, to pay their debts as they fall due or otherwise become insolvent; or
- (vi) there shall have been entered against the Issuer and/or the 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 two million Euro (€2,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgment without its having been satisfied or stayed; or
- (vii) any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness of the Issuer and/or the Guarantor in excess of two million Euro (€2,000,000) or its equivalent at any time.

### Replacement, Transfer and Exchange

The Bonds are freely transferable and, once admitted to the Official List of the MSE, shall be transferable only in whole in multiples of €100 in accordance with the rules and regulations of the MSE applicable from time to time. 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 exchange or registration of transfer or transmission except for the expenses of delivery by 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 Bondholder. The Issuer will not register the transfer or transmission of Bonds for a period of fifteen (15) days preceding the due date for any payment of interest on the Bonds or the due date for redemption.

### Resolutions and Meetings of Bondholders

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 meeting of Bondholders and to effect any change to the applicable Bond Conditions, including any change to a material term of issuance of the Bonds or the Prospectus. The procedure to be followed is laid out in the Securities Note.

### Further Issues

The Issuer may, from time to time, without the consent of the Bondholders, create and issue further bonds, debentures or any other debt securities either having the same terms and conditions as the Bonds in all respects (except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the Bonds or otherwise upon such terms and conditions as the Issuer may determine.

### Governing Law and Jurisdiction

The Bonds are governed by and shall be construed in accordance with Maltese law. Any legal action, suit or proceeding against the Issuer arising out of or in connection with the Bonds shall be brought exclusively before the Maltese Courts and the Bondholders shall, upon and by submitting an Application, acknowledge that they are submitting to the exclusive jurisdiction of the Maltese Courts as aforesaid.

- E.4** Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which includes Bank of Valletta p.l.c. and Charts Investment Management Service Limited), and any fees payable in connection with the Bond Issue to Bank of Valletta p.l.c. as Registrar and Charts Investment Management Service Limited as Sponsor & Manager, so far as the Issuer is aware no person involved in the Issue has an interest material to the Bond Issue.
- E.7** Professional fees, costs related to publicity, advertising, printing, listing and registration, selling commission, as well as sponsor, manager and registrar fees and other miscellaneous expenses in connection with this Bond Issue, are estimated not to exceed €550,000 and shall be borne by the Issuer.

## EXPECTED TIMETABLE

1.	Application Forms mailed to Existing Bondholders as at the Cut-Off Date	29 March 2017
2.	Application Forms available to Eden Group Stakeholders as at the Cut-Off Date	3 April 2017
3.	Closing date for applications to be received from Existing Bondholders and Eden Group Stakeholders	12.00 hours on 19 April 2017
4.	Private placements	21 April 2017
5.	Commencement of interest on the Bonds	28 April 2017
6.	Expected date of announcement of basis of acceptance	28 April 2017
7.	Refunds of unallocated monies	8 May 2017
8.	Expected date of notification of registration	8 May 2017
9.	Expected date of admission of the Bonds to listing	9 May 2017
10.	Expected date of commencement of trading in the Bonds	10 May 2017

