This document, which comprises an admission document, required by the rules of Prospects MTF, a market regulated as an MTF and operated by the Malta Stock Exchange (the "MSE" or "Exchange"), has been drawn up in compliance with the Prospects MTF Rules issued by the Exchange. This document does not comprise a document drawn up in terms of the EU Prospectus Directive (2003/71/EC) or for the purposes of the Listing Rules of the Listing Authority. In terms of article 2(3)(b)(ii) of the Companies Act, Chapter 386 of the laws of Malta, this Bond Issue does not constitute an offer of securities to the public and this document does not constitute a prospectus as defined in article 2(i) of the said Act.

a public limited liability company incorporated under the laws of Malta
company registration number C 85987

In respect of an issue of

€8 million 5% Secured Bonds 2028

ISIN: MT0001901207

Guaranteed by*
Luxury Living Technologies Limited
a private limited liability company registered in Malta
company registration number C 74593

*Prospective investors are to refer to the guarantee contained in Annex A of this Company Admission Document for a description of the Guarantee. Reference should also be made to the sections entitled "Risk Factors" contained in this Company Admission Document for a discussion of certain risk factors, which should be considered by prospective investors in connection with the Secured Bonds including but not limited to the guarantee provided by Luxury Living Technologies Limited.

COMPANY ADMISSION DOCUMENT
Dated 3 July 2018

THE MSE HAS AUTHORISED THE ISSUE OF THIS DOCUMENT. THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURITIES OR THE SAFETY OF INVESTING IN SUCH SECURITIES. THE MSE ACCEPTS NO RESPONSIBILITY FOR ACCURACY OR COMPLETENESS OF THIS ADMISSION DOCUMENT 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 THIS ADMISSION DOCUMENT. THE DIRECTORS OF THE ISSUER, ARE THE PERSONS RESPONSIBLE FOR THE INFORMATION CONTAINED IN THIS DOCUMENT. TO THE BEST OF THE KNOWLEDGE AND BELIEF OF THE DIRECTORS (WHO HAVE ALL TAKEN REASONABLE CARE TO ENSURE SUCH IS THE CASE), THE INFORMATION CONTAINED IN THIS DOCUMENT IS IN ACCORDANCE WITH FACTS AND DOES NOT OMIT ANYTHING LIKELY TO AFFECT THE IMPORTANCE OF SUCH INFORMATION. THE DIRECTORS ASSUME FULL RESPONSIBILITY FOR ITS CONTENTS ACCORDINGLY.

THE MSE HAS AUTHORISED THE ADMISSION OF THESE SECURITIES ON PROSPECTS MTF, A MARKET REGULATED AS A MULTILATERAL TRADING FACILITY OPERATED BY THE MALTA STOCK EXCHANGE. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE ADMISSION REQUIREMENTS SET OUT IN THE PROSPECTS MTF RULES. IN PROVIDING THIS AUTHORISATION, THE MSE DOES NOT GIVE ANY CERTIFICATION REGARDING THE POTENTIAL RISKS IN INVESTING IN THE SAID INSTRUMENTS AND SUCH AUTHORISATION SHOULD NOT BE DEEMED OR CONSTRUED AS A REPRESENTATION OR WARRANTY AS TO THE SAFETY OF INVESTING IN SUCH INSTRUMENTS.

INVESTING IN COMPANIES ADMITTED TO PROSPECTS MTF MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES TEND TO BE ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISIONS. THE VALUE OF INVESTMENTS CAN RISE, OR FALL AND PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. IF YOU NEED ADVICE OR ARE REQUIRED UNDER APPLICABLE LEGISLATION TO SEEK ADVICE WITH RESPECT TO THIS SECURITIES ISSUE, YOU SHOULD CONSULT A DULY LICENSED INVESTMENT ADVISOR.

APPROVED BY THE DIRECTORS

____________________	____________________	____________________
Dr Joseph Borg Bartolo on behalf of Mr Jean Paul Busuttil	Dr Joseph Borg Bartolo	Mr William Wait

IMPORTANT INFORMATION

THIS COMPANY ADMISSION DOCUMENT CONTAINS INFORMATION ON LUXURY LIVING FINANCE P.L.C. IN ITS CAPACITY AS ISSUER, LUXURY LIVING TECHNOLOGIES LIMITED IN ITS CAPACITY AS GUARANTOR, THEIR SUBSIDIARIES, AFFILIATES AND THE BUSINESS OF THE GROUP, IN ACCORDANCE WITH THE PROSPECTS MTF RULES ISSUED BY THE MALTA STOCK EXCHANGE.

APPLICATION HAS BEEN MADE TO THE EXCHANGE FOR THE SECURED BONDS TO BE ADMITTED TO TRADING ON PROSPECTS MTF. PROSPECTS MTF IS A MARKET REGULATED AS AN MTF AND OPERATED BY THE MALTA STOCK EXCHANGE DESIGNED PRIMARILY FOR EMERGING AND SMALLER COMPANIES TO WHICH A HIGHER INVESTMENT RISK TENDS TO BE ATTACHED. PROSPECTS MTF SECURITIES ARE NOT ADMITTED TO THE OFFICIAL LIST OF THE MALTA STOCK EXCHANGE.

THE INFORMATION CONTAINED HEREIN IS BEING MADE AVAILABLE IN CONNECTION WITH AN ISSUE BY THE ISSUER OF €8 MILLION SECURED BONDS 2028 OF A NOMINAL VALUE OF €100 EACH. THE BONDS SHALL BE ISSUED AT PAR AND BEAR INTEREST AT THE RATE OF 5% PER ANNUM PAYABLE ANNUALLY IN ARREARS ON 29 JULY OF EACH YEAR UNTIL THE REDEMPTION DATE, WITH THE FIRST INTEREST PAYMENT FALLING DUE ON 29 JULY 2019. THE NOMINAL VALUE OF THE BONDS WILL BE REPAYABLE IN FULL AT MATURITY ON 29 JULY 2028. THE BOND ISSUE IS GUARANTEED BY LUXURY LIVING TECHNOLOGIES LTD.

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

THE MSE ACCEPTS NO RESPONSIBILITY FOR THE COMPLETENESS OR ACCURACY OF THE COMPANY ADMISSION DOCUMENT 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 THIS ADMISSION DOCUMENT.

THE COMPANY ADMISSION DOCUMENT DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR PURPOSES OF, AN OFFER OR INVITATION TO SUBSCRIBE FOR SECURED BONDS 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 COMPANY ADMISSION DOCUMENT 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 COMPANY ADMISSION DOCUMENT AND THE OFFERING, SALE OR DELIVERY OF ANY BONDS MAY NOT BE TAKEN AS AN IMPLICATION: (I) THAT THE INFORMATION CONTAINED IN THE COMPANY ADMISSION DOCUMENT IS ACCURATE AND COMPLETE SUBSEQUENT TO ITS DATE OF ISSUE; OR (II) THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN THE FINANCIAL POSITION OF THE ISSUER AND/OR THE GUARANTOR SINCE SUCH DATE; OR (III) THAT ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE COMPANY ADMISSION DOCUMENT 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.

INVESTING IN COMPANIES ADMITTED TO PROSPECTS MTF MAY PUT AN INVESTOR'S CASH PARTLY OR WHOLLY AT RISK. SECURITIES ISSUED BY SMALL AND MEDIUM SIZED ENTERPRISES ("SMEs") TEND TO BE

ILLIQUID AND CARRY HIGHER RISKS. INVESTORS SHOULD THUS SEEK APPROPRIATE ADVICE AND READ THE WHOLE DOCUMENT BEFORE MAKING ANY INVESTMENT DECISION. A PROSPECTIVE INVESTOR SHOULD ALWAYS SEEK INDEPENDENT FINANCIAL ADVICE BEFORE DECIDING TO INVEST IN ANY FINANCIAL INSTRUMENT. 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 COMPANY ADMISSION DOCUMENT.

IT IS THE RESPONSIBILITY OF ANY PERSON IN POSSESSION OF THIS DOCUMENT AND ANY PERSONS WISHING TO APPLY FOR ANY SECURED 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 INVESTORS FOR ANY SECURITIES THAT MAY BE ISSUED BY THE COMPANY SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS OF SO APPLYING AND OF ANY APPLICABLE EXCHANGE CONTROL REQUIREMENTS AND TAXATION IN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE OR DOMICILE.

NO ACTION HAS BEEN OR WILL BE TAKEN BY THE ISSUER THAT WOULD PERMIT A PUBLIC OFFERING OF THE SECURED BONDS OR THE DISTRIBUTION OF THE COMPANY ADMISSION DOCUMENT (OR ANY PART THEREOF) OR ANY OFFERING MATERIAL IN ANY COUNTRY OR JURISDICTION WHERE ACTION FOR THAT PURPOSE IS REQUIRED.

THE SECURED 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 THE ADMISSION DOCUMENT HAS BEEN SUBMITTED TO THE MSE IN THE CONTEXT OF AN APPLICATION FOR ADMISSION OF THE SECURED BONDS TO PROSPECTS MTF. THE MSE HAS AUTHORISED THE ISSUE OF THIS DOCUMENT. BY SO DOING, THE MSE DOES NOT GIVE ANY CERTIFICATION, REPRESENTATION, WARRANTY OR GUARANTEE REGARDING THE POTENTIAL RISKS INVOLVED IN INVESTING IN THE SAID SECURED BONDS OR THE SAFETY OF INVESTING IN SUCH SECURED BONDS.

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 SECURED BONDS PURSUANT TO THE COMPANY ADMISSION DOCUMENT 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 SECURED BONDS, OR AGREEMENT, ACCEPTANCE OR CONTRACT RESULTING HEREFROM, OR THE COMPANY ADMISSION DOCUMENT AS A WHOLE.

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

ALL ADVISORS TO THE ISSUER AND THE GUARANTOR HAVE ACTED AND ARE ACTING EXCLUSIVELY FOR THE ISSUER AND THE GUARANTOR IN RELATION TO THIS INTERMEDIARIES' 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 COMPANY ADMISSION DOCUMENT, NEITHER SHALL SUCH ADVISORS BE RESPONSIBLE FOR THE CONTENTS OF, AND ANY INFORMATION CONTAINED IN THE ADMISSION DOCUMENT, ITS COMPLETENESS OR ACCURACY OR ANY OTHER STATEMENT MADE IN CONNECTION THEREWITH.

THE ISSUER DISCLAIMS ANY AND ALL RESPONSIBILITY FOR ANY DEALINGS MADE, REPRESENTATIONS GIVEN, PROCESSES ADOPTED, FUNDS COLLECTED OR APPLICATIONS ISSUED BY AUTHORISIED INTERMEDIARIES IN THEIR EFFORT TO PLACE OR RE-SELL THE BONDS SUBSCRIBED BY THEM.

THE DIRECTORS OF THE COMPANY CONFIRM THAT WHERE INFORMATION INCLUDED IN THIS DOCUMENT 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.

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 COMPANY ADMISSION 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 THE SECURED BONDS.

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

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1 DEFINITIONS

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

Act or Companies Act	the Companies Act (Chapter 386 of the laws of Malta);
Acquisition	the acquisition of the Acquisition Projects
Acquisition Projects	the acquisition of three photovoltaic farms situated in Luqa, Qormi and Maghtab, having an installation of 1,656kWp as identified in section 6.2.2.1;
Admission Document or Company Admission Document or Document	this document in its entirety, including all its annexes;
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 Secured Bonds made by an Applicant/s by completing an Application Form/s and delivering same to the Placement Agent, Manager and Registrar in accordance with the terms of this Company Admission Document;
Application Form	the form of application for subscription for Secured Bonds, a specimen of which is contained in Annex F of this Company Admission Document;
Authorised Intermediaries	the licensed stockbrokers and financial intermediaries listed in Annex G of this Company Admission Document;
Bag Investments Co. Ltd	a company registered under the laws of Malta having company registration number C 14189 and registered address situated at Dar Tal-Milorda, Triq Tal-Milord, Bidnija l/o Mosta, Malta;
Bondholder	a holder of Secured Bonds;
Bond Issue	the issue of the Secured Bonds;
Bond Issue Price	the price of €100 per Secured 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;
CAGR	compound annual growth rate;
CET	Central European Time;
Collateral	the following security granted in favour of the Security Trustee for the benefit of Bondholders: (a) the Pledge; and (b) the Guarantee;

Company or Issuer	Luxury Living Finance p.l.c, a company registered under the Laws of Malta with company registration number C 85987 and having its registered office at Greentek Business Complex, New Street in Triq il-Hofor, Qormi, Malta;
Corporate Advisor	Grant Thornton of Level 2, Fort Business Centre, Mriehel By-pass, Mriehel, BKR 3000, Malta, and/or any related entity, and/or affiliate, as duly authorised to act as Corporate Advisor by the MSE, in terms of the Prospects MTF Rules;
CSD	the Central Securities Depository of the MSE authorised in terms of Part IV of the Financial Markets Act (Chapter 345 of the laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;
Develop and Operate Agreement	agreement entered into on 25 April 2018 by virtue of which Bag Investments Co. Limited and Sansuna Estates Co. Limited have jointly appointed the Guarantor as the property operator to take on responsibility for developing and operating the Property for a period of 25 years;
Directors or **Board**	the directors of the Issuer whose names are set out in section 5.1, and 'Director' shall be construed accordingly;
EBIT	earnings before interest and taxation;
EBITDA	earnings before interest, taxation, depreciation and amortisation;
Enemalta	Enemalta plc, a public limited liability company registered under the laws of Malta, having its registered office situated at Triq Belt il-Hazna, Marsa MRS 1571, Malta and company registration number C 65836;
Euro or €	the lawful currency of the Republic of Malta;
Event(s) of Default	event(s) of default as identified in section 22.13;
Exchange, Malta Stock Exchange or MSE	Malta Stock Exchange p.l.c., bearing company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
FIT	feed in tariff established in terms of the Feed-In Tariffs Scheme (Electricity Generated from Solar Photovoltaic Installation) Regulations, Subsidiary Legislation 545.27 of the laws of Malta;
FY	Financial Year;
GOPPAR	gross operating profit per available room;
Green Hostel	a hostel operated in line with environment-friendly policies, with a view of enhancing sustainable development, and promoting a sense of care for the natural environment;
Group or Luxury Living Group	The Guarantor (parent company) and any subsidiary and associated company or entity, including the Issuer, in which the Guarantor has a controlling interest;

Guarantee	the joint and several guarantee dated 3 July 2018 granted by the Guarantor as security for the punctual performance of the Issuer's payment obligations under the Bond Issue, subject to the terms and conditions contained in the Security Trust Deed and as the same is held on trust for the benefit of the Bondholders by the Security Trustee. A copy of the Guarantee and a description of the nature, scope and terms of the Guarantee are appended to the Company Admission Document as Annex A hereto;
Guarantor or Parent or Luxury Living Technologies Limited	Luxury Living Technologies Limited, a company registered under the Laws of Malta with company registration number C 74593 and having its registered office at Greentek Business Complex, New Street in Triq il-Hofor, Qormi, Malta;
IFRS	International Financial Reporting Standards as adopted by the EU;
Interest	the interest payable in connection with the Bonds, being interest from and including 30 July 2018 at the rate of 5% per annum payable annually in arrears on the Interest Payment Date;
Interest Payment Date	annually, on 29 July of each year commencing on 29 July 2019 and ending and including the Redemption Date, 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;
Intermediaries' Offer	shall have the meaning set out in section 22.2 of this Company Admission Document;
IRS	Inland Revenue Services;
Issue Date	3 July 2018;
Issue Period	the period between 08:30 hours (CET) on 3 July 2018 and 12:00 hours (CET) on 27 July 2018 (or such earlier date as may be determined by the Issuer) during which the Secured Bonds are available for subscription;
kW	kilowatt;
kWp	kilowatt peak
Listing Authority	the board of governors, acting as the Listing Authority under the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta);
Listing Rules	the listing rules issued by the Listing Authority, as may be amended from time to time;
Memorandum and Articles of Association or M&As	the memorandum and articles of association of the Issuer in force at the time of publication of the Company Admission Document;
MFSA	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Chapter 330 of the laws of Malta);

MW	megawatt;
Placement Agent, Manager and Registrar	Jesmond Mizzi Financial Advisors Limited, a private limited liability company registered under the Laws of Malta and having its registered address situated at 67, Flat 3, South Street, Valletta, Malta, and bearing company registration number C 30176. Jesmond Mizzi Financial Advisors Limited is authorised to conduct investment services by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370 of the laws of Malta) and is a member of the MSE;
Pledge	the pledge constituted by the Pledge Agreement;
Pledge Agreement	the agreement by means of which the Pledgors constitute a pledge over the shares held in the Guarantor, in favour of the Security Trustee. A copy of the Pledge Agreement is appended to the Company Admission Document as Annex B hereto;
Pledged Shares	the shares pledged in terms of the Pledge Agreement;
Pledgors	Bag Investments Co. Limited and Sansuna Estates Co Limited;
Projects	the projects identified in section 6.2.2.1 and any other projects as may be entered into by the Guarantor;
Property	the property identified in section 6.2.2.2;
Prospects MTF	the market regulated as a multilateral trading facility operated by the MSE providing a venue for start-up and growth small to medium-sized enterprises to float their capital (including equity or debt) on the market;
Prospects MTF List	the list prepared and published by the MSE as its recognised list in accordance with the Prospects MTF Rules;
Prospects MTF Rules	the rules issued by the Board of Directors of the MSE regulating the Prospects MTF market;
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 amended by Directive 2010/73/EU of the European Parliament and of the Council of 24 November 2010, and as may be further amended from time to time;
Redemption Date	29 July 2028;
Redemption Value	the nominal value of each Bond (€100 per Secured Bond);
REWS	the Regulator for Energy and Water Services, established in terms of the Regulator for Energy and Water Services Act (Cap. 545 of the Laws of Malta);
Sansuna Estates Co. Limited	a company registered under the laws of Malta, having company registration number C 33544 and registered address situated at Milorda, Triq Tal-Milord, Bidnija, Mosta, Malta;

Secured Bond(s) or Bond(s) or Securities	the €8 million secured bonds 2028 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 5% per annum.;
Security Trust or Luxury Living Trust	the trust established in virtue of the Security Trust Deed;
Security Trust Deed or Trust Deed	the security trust deed signed between the Issuer, the Guarantor and the Security Trustee on 3 July 2018;
Security Trustee	Cavalier Trust Services Limited, a private limited liability company duly registered and validly existing under the laws of Malta, with company registration number C 24368 and having its registered office at Finance House, First Floor, Princess Elizabeth Street, Ta' Xbiex, duly authorised to act as a trustee or co-trustee in terms of article 43(3) of the Trusts and Trustees Act (Chapter 331 of the laws of Malta);
Sewda Renewable Energies Limited	a company registered under the laws of Malta, having company registration number C 77476 and registered address situated at Milorda, Triq Tal-Milord, Bidnija, Mosta, MST 5054, Malta;
Small and medium sized enterprises or SMEs	an enterprise as defined in Article 2(1) of the Companies Act (Chapter 386 of the laws of Malta) and in line with the Prospects MTF Rules, and 'SMEs' shall be construed accordingly;
Sinking Fund	the sinking fund referred to in Section 22.24 of this Company Admission Document;
Summary	a summary of the salient features of the Document, as contained in the section entitled "Summary";
Terms and Conditions	the terms and conditions of the Secured Bonds which are included in section 24 of this Company Admission Document.

All references in this Company Admission 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;
(d) any reference to a person includes natural persons, firms, partnerships, companies, corporations, associations, organisations, governments, states, foundations or trusts;
(e) any reference to a person includes that person's legal personal representatives, successors and assigns;
(f) any phrase introduced by the terms "including", "include", "in particular" or any similar expression is illustrative only and does not limit the sense of the words preceding those terms;
(g) any reference to a law, legislative act, and/or other legislation shall mean that particular law, legislative act and/or legislation as in force at the time of issue of this Company Admission Document.

2 SUMMARY

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, the Guarantor and the Securities being offered pursuant to this Document. This section is merely a summary and, therefore, should only be read as an introduction to the Company Admission Document. 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 alone in deciding as to whether to invest in the Securities described in this Document. Any decision to invest in the Secured Bonds should be based on consideration of the Company Admission Document as a whole by the investor;

ii. where a claim relating to the information contained in this Company Admission Document is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Company Admission Document before the 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 Company Admission Document, 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 Company Admission Document in connection with the Intermediaries' Offer, prospective investors are hereby informed that:

i. for the purposes of any subscription for Secured Bonds by Authorised Intermediaries pursuant to the Intermediaries' Offer and any subsequent resale, placement or other offering of Secured Bonds by Authorised Intermediaries participating in the Intermediaries' Offer in circumstances where there is no exemption from the requirement to publish a Company Admission Document under the Prospects MTF Rules, the Issuer consents to the use of the Company Admission Document (and accepts responsibility for the information contained herein in accordance with the terms hereof) with respect to any such subsequent resale, placement or other offering of Secured Bonds, provided this is limited only: (a) in respect of Secured Bonds subscribed for in terms of the Intermediaries' Offer by Authorised Intermediaries participating in the Intermediaries' Offer; (b) to any resale, placement or other offering of Secured Bonds subscribed for as aforesaid, taking place in Malta; and (c) to any resale, placement or other offering of Secured Bonds subscribed for as aforesaid, taking place within the period of 60 days from the date of the Company Admission Document;

ii. **in the event of a resale, placement or other offering of Secured Bonds by an Authorised Intermediary subsequent to the Intermediaries' Offer, said Authorised Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such resale, placement or other offering is made; and**

iii. any new information with respect to Authorised Intermediaries unknown at the time of the approval of the Company Admission Document will be made available through a

company announcement which will also be made available on the Prospects MTF website and the Issuer's website www.llt.com.mt.

SECTION B – ISSUER AND GUARANTOR

B.1	The legal and commercial name of the Issuer is Luxury Living Finance p.l.c (company registration number C 85987). The legal and commercial name of the Guarantor is Luxury Living Technologies Limited (registration number C 74593).
B.2	The Issuer was registered in Malta in terms of the Act on 25 April 2018 as a public limited liability company and is domiciled in Malta. The Guarantor was registered in Malta in terms of the Act on 1 March 2016 as a private limited liability company and is domiciled in Malta.
B.3	*The following is an overview of the most significant trends affecting the Issuer and the Guarantor and the markets in which the Luxury Living Group operates* The Issuer has been set up to act as a financing company and its business is limited to the raising of capital and the lending of such capital to the Guarantor, the collection of interest from the Guarantor and the settlement, in turn, of interest payable on capital raised from third parties. The Issuer does not have any substantial assets. Its role is limited to the financing of the Guarantor's operations and it is, accordingly, fully dependent on the cash flows of the Guarantor. The principal objects of the Guarantor relate to providing eco and renewable energy solutions, specialising in installations of photovoltaic units in a variety of domestic, industrial and agricultural locations. The Guarantor's operations comprise the trading, importing and exporting, installing and maintaining of all kinds of merchandise related to renewable energy, especially water softening and purifying systems, solar panels and solar powered devices and similar related products in domestic, industrial and agricultural locations. To date the Group has focused on offering retail customers with eco and renewable energy solutions. It is the Group's intention to strengthen and expand its core business by investing in photovoltaic farms generating less than 1 MW, as well as operate an 80-bed hostel situated in St. Julian's, by virtue of a Develop and Operate Agreement dated 25 April 2018. Without prejudice to the risks identified in this Document, as at the time of publication of the Company Admission Document, the Issuer and the Guarantor consider that generally they shall be subject to the normal business risks associated with the business in which the Group companies operate, and, barring unforeseen circumstances, do not anticipate any particular trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material adverse effect on the upcoming prospects of the Luxury Living Group and its business, at least with respect to the current financial year. However, investors are strongly advised to carefully read the risk factors in the Company Admission Document. The Security Trustee shall hold on trust a pledge over the shares held in the Guarantor, in favour of the Security Trustee as constituted by the Pledge Agreement.in favour of Bondholders. Furthermore, the Guarantor shall grant the Guarantee in favour of the Security Trustee acting in its capacity as trustee for the Bondholders.

The following is a brief synopsis of the significant trends affecting the key areas of operation of the Luxury Living Group

Renewable energy industry

To phase towards a cleaner energy production, as part of the Europe 2020 strategy, the EU set a target that 20% of its gross final energy consumption[1] is to be generated from renewable energy sources by 2020. According to EU legislation, different national targets were set according to the member states' potential. To this end, Malta's target was set at 10% of its gross final energy consumption.

Malta's share of energy consumed from renewable energy has increased from 0.2% in 2009 to 6% in 2016 of total energy consumption, and therefore Malta is short by four percentage points from its EU2020 energy target (Eurostat).

Due to Malta's topological characteristics, the most viable and robust of all Malta's indigenous renewable energy sources is solar technology. In fact, there has been a sharp increase in the photovoltaic capacity installed between 2011 and 2016. However, despite this growth, non-residential photovoltaic capacity has, on an annual basis, been lagging significantly behind that of the residential sector – thus exposing a potential gap that ought to be addressed, potentially by private enterprises.

Over the past decade there has been significant reduction in the price of photovoltaic panels, driven by greater demand and mass production. This downward price trend was also complemented by an increase in efficiency of each panel.

By 2020, it is estimated that 278.13 GWh of electricity will be generated annually by means of photovoltaic systems. This is equivalent to 47% of the total renewable energy target, or half of Malta's EU2020 energy target. However, to realise this goal, the *National Renewable Energy Action Plan 2015-2020* estimates total photovoltaic capacity in Malta has to grow at a CAGR of 18.1% between 2016 and 2020, reaching 182 MWp by 2020. This translates into a total requirement of 2.7 million square metre of solar farms – equivalent to c. 400 football grounds – which needs to be installed in order for Malta to reach its EU2020 energy target.

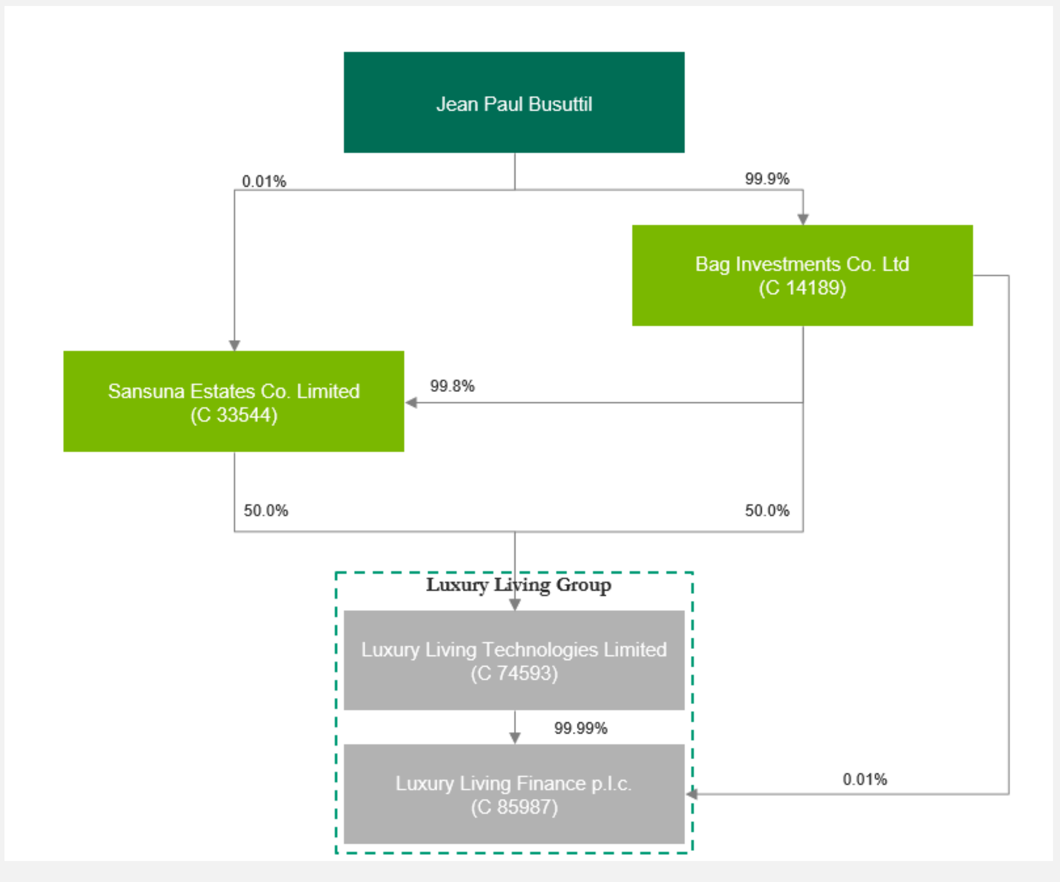
The hospitality industry

The hospitality industry in Malta has welcomed the increase in tourist arrivals throughout the past four years with a complementary increase in performance. Data from the Malta Hotels and Restaurants Association illustrates that over the past four years all hotel categories managed to register year-on-year increases in both occupancy and average daily rate. The improvement in both the average daily rate and occupancy has positively impacted the industry's bottom-line.

[1] This consumption figure includes energy consumed in numerous activities besides energy production, such as transport, heating and cooling.

B.4 The Issuer is, except for one share which is held by Bag Investments Co. Limited, a fully-owned subsidiary of the Guarantor, which latter entity is the parent company of the Luxury Living Group. The Issuer is a special purpose vehicle set up to act as a financing company for the needs of the Group and, as such, it is dependent on the business prospects and operating results of its Parent.

The organisational structure of the Group as at the Company Admission Document is illustrated in the diagram below:



B.5 The Issuer was set up on 25 April 2018 and since incorporation to the date of the Company Admission Document no financial statements have been prepared. There has not been any significant change in the financial or trading position of the Issuer which has occurred since the Company's date of incorporation.

The Guarantor was registered and incorporated on 1 March 2016 and since incorporation to the date of the Company Admission Document only one set of financial statements has been prepared. The Guarantor's historical financial information for the financial year ended 28 February 2017, as audited by Louis Padovani is set out in the audited financial statements of the Guarantor and is available for inspection on the Guarantor's website (www.llt.com.mt) and from the registered office of the Guarantor during office hours.

Except for the Develop and Operate Agreement entered into by the Guarantor on 25 April 2018 there were no significant changes to the financial or trading position of the Guarantor since the end of the financial period to which the Guarantor's afore-mentioned last audited consolidated financial statements relate. Furthermore, the Guarantor hereby confirms that there has been no material change or recent development which could adversely affect

potential investors' assessments in respect of the Secured Bonds, other than the information contained and disclosed in the Company Admission Document.

In 2018, the Group's accounting year end was changed from 28 February to 30 June. Consequently, the financial year ending 30 June 2018 represents a 16 month period from 1 March 2017 to 30 June 2018. Extracts from the historical financial statements of the Guarantor as extracted from the audited financial statements for the financial year ended 28 February 2017 and projections of the Group for the years ending 30 June 2018, 2019, 2020, and 2021 are set out below. The following extracts assume that the bond Interest shall commence on 1 July 2018; that the Acquisition shall take place on 30 June 2018; and that €772k of Bond proceeds as stipulated under section 21.1 are invested in photovoltaic farms..

Extracts from the consolidated income statement for the years ending

€'000	28/02/2017 Actual	30/06/2018 Budget	30/06/2019 Forecast	30/06/2020 Projected	30/06/2021 Projected
Revenue	1,027	1,354	1,987	3,508	3,735
Gross profit	318	433	958	1,860	1,971
Normalised EBITDA	(98)	27	505	1,233	1,329
(Loss)/profit after tax	**(135)**	**(105)**	**(155)**	**73**	**128**

Sources: Luxury Living Technologies Limited audited financial statements for the year ended 28 February 2017; and projections for the years ending 30 June 2018, 2019, 2020 and 2021

Extracts from the consolidated statement of financial position as at

€'000	28/02/2017 Actual	30/06/2018 Budget	30/06/2019 Forecast	30/06/2020 Projected	30/06/2021 Projected
ASSETS					
Non current assets	84	3,520	9,108	10,344	9,602
Current assets	898	1,606	3,176	1,855	2,333
Total assets	982	5,126	12,284	12,198	11,935
EQUITY AND LIABILITIES					
Equity	5	2,691	2,536	2,609	2,737
Total liabilities	977	2,435	9,748	9,590	9,198
Total equity and liabilities	982	5,126	12,284	12,198	11,935

Sources: Luxury Living Technologies Limited audited financial statements for the year ended 28 February 2017; and projections for the years ending 30 June 2018, 2019, 2020 and 2021

Extracts from the consolidated statement of cash flows for the years ending

€'000	28/02/2017 Actual	30/06/2018 Budget	30/06/2019 Forecast	30/06/2020 Projected	30/06/2021 Projected
Net cash (used in)/ generated from operating activities	(921)	(1,383)	635	775	959
Net cash used in investing activites	(101)	(2)	(5,914)	(2,066)	(43)
Net cash generated from/ (used in) financing activities	875	1,065	7,193	(114)	(113)
Net movement in cash and cash equivalents	**(147)**	**(320)**	**1,913**	**(1,406)**	**803**
Cash and cash equivalents at beginning of the year	**-**	**(147)**	**(467)**	**1,446**	**41**
Cash and cash equivalents at the end of the year	**(147)**	**(467)**	**1,446**	**41**	**844**

Sources: Luxury Living Technologies Limited audited financial statements for the year ended 28 February 2017; and projections for the years ending 30 June 2018, 2019, 2020 and 2021

Extracts from the unaudited interim financial information for the Guarantor for the nine months ended 30 November 2016 and 30 November 2017 are set out below:

Extracts from the consolidated income statement for the period ending 30 November

€'000	2016	2017
Revenue	745	286
Gross profit	357	101
Normalised EBITDA	107	(109)
Profit before tax	**107**	**(261)**

Sources: Luxury Living Technologies Limited management accounts for the period ended 30 November 2017

Extracts from the consolidated statement of financial position as at

€'000	28-Feb-17	30-Nov-17
ASSETS		
Non-current assets	84	84
Current assets	898	861
Total assets	**982**	**945**
EQUITY AND LIABILITIES		
Equity	5	(297)
Total liabilities	977	1,242
Total equity and liabilities	**982**	**945**

Sources: Luxury Living Technologies Limited management accounts for the period ended 30 November 2017

Consolidated statement of cash flows for the period ending 30 November

€'000	2016	2017
Net cash (used in)/ generated from operating activities	(890)	(210)
Net cash used in investing activites	(100)	(13)
Net cash generated from/ (used in) financing activities	781	(40)
Net movement in cash and cash equivalents	**(209)**	**(264)**
Cash and cash equivalents at beginning of the period	-	(147)
Cash and cash equivalents at the end of the period	**(209)**	**(410)**

Sources: Luxury Living Technologies Limited management accounts for the period ended 30 November 2017

B.6 The Issuer is not intended to undertake any trading activities itself apart from the raising of capital and the advancing thereof to the Guarantor. Accordingly, the Issuer is economically dependent on the financial and operating performance of the Group.

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company. The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects.

The Guarantor is the parent company of the Group, the operations of which have, to date, been largely the trading, importing and exporting of all kinds of merchandise related to renewable energy, especially water softening and purifying systems, solar panels and solar powered devices.

B.7 The Issuer was set up and established to act as a finance company. In terms of its Memorandum of Association, the main object for which the Issuer is constituted is to carry on the business of a finance company in connection with the ownership, development, operation and financing of the business activities of any related company, whether in Malta

	or overseas, and thereby, to lend or advance money or otherwise give credit to any related company, with or without security, on such terms as the Directors may deem fit; and to invest and deal with the monies of related companies in such manner as the Directors may deem fit. The issue of bonds falls within the objects of the Issuer. Clause 3 of the Memorandum of Association contains the full list of objects of the Issuer. The Guarantor, as the parent company of the Group, is principally engaged in eco and renewable energy solutions, specialising in installations of photovoltaic units in a variety of domestic, industrial and agricultural locations. In terms of its Memorandum of Association, the Guarantor is, amongst other things, empowered to secure and guarantee any debt, liability or obligation of any third party.
B.8	The Issuer's current authorised and issued share capital is €50,000 divided into (i) 49,999 ordinary A shares of €1 each, fully paid up and held by the Guarantor; and (ii) 1 ordinary B share of €1, fully paid up and held by Bag Investments Co. Limited. The Guarantor's current authorised and issued share capital is €2,931,000 divided into (i) 1,465,500 ordinary shares of €1 each, fully paid up and held by Bag Investments Co Limited (company registration number C 14189); and (ii) 1,465,500 ordinary shares of €1, fully paid up and held by Sansuna Estates Co. Limited (company registration number C 33544). The Issuer and the Guarantor are, therefore, ultimately owned 100% by Mr Jean Paul Busuttil.
B.9	For the purposes of the Guarantee, the Guarantor irrevocably and unconditionally guarantees to the Security Trustee, for the benefit of the Bondholders 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 Secured Bonds as and when the same shall become due under any of the foregoing, it will pay on demand the indebtedness to the Security Trustee. The obligations of the Guarantor under the Guarantee shall remain in full force and effect until no sum remains payable to any Bondholder pursuant to the issue of the Secured Bonds.

SECTION C – THE SECURITIES

C.1	The Issuer shall issue an aggregate of €8 million in Secured Bonds 2028 having a nominal value of €100 per Secured Bond, subject to a minimum subscription of €5,000 in Secured Bonds and multiples of €100 thereafter. The Secured Bonds will be issued in fully registered 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 on Prospects MTF, the Secured Bonds will have the following ISIN: MT0001901207. The Secured Bonds shall bear interest at the rate of 5% per annum. The Secured Bonds shall be repayable in full upon maturity unless previously re-purchased and cancelled, provided that the Issuer reserves the right to purchase any Secured Bonds on the secondary market, at the price they would be trading at the time, prior to the Secured Bonds' Redemption Date. The Bond Issue is secured through the Collateral in favour of the Security Trustee acting in its capacity as trustee for the benefit of Bondholders.
C.2	The Secured Bonds are denominated in Euro (€).

C.3	The Secured Bonds are freely transferable and, once admitted to the Prospects MTF, shall be transferable only in whole in accordance with the rules and regulations of the MSE applicable from time to time.
C.4	Investors wishing to participate in the Secured Bonds will be able to do so by duly executing the appropriate Application Form in relation to the Secured Bonds. Execution of the Application Form will entitle such investor to: i. the receipt of interest; ii. the repayment of capital; iii. the benefit of the Collateral through the Security Trustee, as explained in Element E.2(3) below; iv. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and v. enjoy all such other rights attached to the Bonds emanating from the Company Admission Document. Following the issue of the Bonds and application of the proceeds, the Security Trustee for the benefit of Bondholders will have the benefit of a pledge over the shares held by Bag Investments Co. Ltd and Sansuna Estates Co Limited in the Guarantor (the "Pledged Shares"). Also, the Secured Bonds shall be guaranteed, in respect of both the interest and the principal amount due, by the Guarantor in terms of the Guarantee.
C.5	The issue and allotment of the Secured Bonds is conditional upon the Secured Bonds being admitted to the Prospects MTF List of the MSE. The Secured Bonds shall bear interest from and including 30 July 2018 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first interest payment will be affected on 29 July 2019 (covering the period 30 July 2018 to 29 July 2019). For Secured Bonds issued at the Bond Issue Price, the gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Secured Bonds at Redemption Date is 5%. The Bonds will mature on 29 July 2028, unless previously repurchased and cancelled. The Issuer may at any time purchase the Secured Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Secured Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold.
C.6	The MSE has authorised the Secured Bonds as admissible pursuant to the Prospects MTF Rules by virtue of a letter dated 3 July 2018. Application has been made to the MSE for the Secured Bonds to be issued pursuant to the Company Admission Document and to be admitted and traded on its Prospects MTF. The Secured Bonds are expected to be admitted to the MSE with effect from 30 July 2018 and trading is expected to commence on 31 July 2018. Dealing may commence prior to notification of the amount allotted being issued to Applicants.

SECTION D – RISKS

Holding of a Secured 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 Company Admission Document before deciding to acquire the Secured Bonds. Prospective investors are warned that by investing in the Secured 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 Company Admission Document contains statements that are, or may be deemed to be, "forward-looking statements", which relate to matters that are not historical facts and which may involve projections of future circumstances. 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 and Guarantor's respective directors. No assurance is given that the future results or expectations will be achieved.

In so far as prospective investors seek advice from Authorised Intermediaries concerning an investment in the Secured Bonds, Authorised Intermediaries are to determine the suitability of prospective investors' investment in the Bonds in the light of said prospective investors' own circumstances. The Secured Bonds may not be a suitable investment for all investors. In particular, Authorised Intermediaries should determine whether each prospective investor: (i) has sufficient knowledge and experience to make a meaningful evaluation of the Secured Bonds, the merits and risks of investing in the Secured Bonds and the information contained or incorporated by reference in the Company Admission Document or any applicable supplement; (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his/her/its particular financial situation, an investment in the Secured Bonds and the impact the Secured Bonds will have on his/her/its overall investment portfolio; (iii) has sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency; (iv) understands thoroughly the terms of the Secured Bonds and is familiar with the behaviour of any relevant indices and financial markets; and (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.

Below is a summary of the principal risks associated with the Secured Bonds of the Company – there may be other risks which are not mentioned in this Summary and/or in this Company Admission Document. Investors are therefore urged to consult their own financial or other professional advisors with respect to the suitability of investing in the Secured Bonds.

Risks relating specifically to the Issuer

i. The Issuer has the function of acting as a finance company, with its main purpose being that of financing the funding requirements of the Guarantor, and as such, its assets consist of the loans to be issued to the Guarantor, as mentioned hereinafter in Element E.1. Consequently, the Issuer is entirely dependent on receipt of interest and loan repayments from the Guarantor.

ii. The Group is ultimately owned exclusively by Jean Paul Busuttil. Accordingly, the ultimate owner of Luxury Living Group, who is also a Director of the Issuer and the Guarantor, exercises effective control over the Issuer. Jean Paul Busuttil is considered instrumental to the Group and the Issuer and any unexpected dilution, whether by sale

and/or transfer of any of his interest in the Group, or by way of transmission thereof of any other incapacity, in his control or influence over the Issuer and/or Luxury Living Group companies and their business could have an adverse effect on the Issuer. There can be no assurance that such individual will not at any time during the term of the Bonds dispose of any interest, direct or indirect, in the Issuer or the Group.

iii. **This Company Admission Document features projected revenues of the Group. Forecasts are inherently subject to the risks of adverse unexpected events which may affect the revenue streams and profitability of the Group or the Issuer. The forecasts set out in this Company Admission Document are dependent on a number of assumptions and future expectations that may or may not occur. The non-occurrence of those future expectations could have material effects on the financial position and results of the Group and the Issuer.**

Risks relating to the Luxury Living Group: the Group and its Business

i. **The Group may be subject to changing conditions in the renewable energy industry and hospitality industry. Furthermore, the Group is also dependent on the Maltese market and is exposed to economic conditions in Malta.**

ii. **The Group is dependent on its key personnel and employees and the loss of such persons, or difficulties in attracting new employees, may impact the Group's business and ability to implement current and future strategies;**

iii. **Information technology systems failure or disruption could impact the Luxury Living Group's day-to-day operations;**

iv. **Failure to protect customers' confidential information could significantly impact the Group's reputation and expose the Group to litigation;**

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

vi. **The Group shall maintain insurance at levels determined to be appropriate in light of the cost of cover and the risk profiles of its business. Recovering losses from insurers may be difficult and time-consuming, and the Group may be unable to recover the full loss incurred. No assurance can be given that the Group's current insurance coverage would be sufficient to cover all potential losses nor that an appropriate coverage would always be available at acceptable commercial rates.**

vii. **The Group has a material amount of debt and may incur additional debt in connection with its future growth. The Group's indebtedness could adversely affect its financial position as well as its ability to raise further finance in future.**

viii. **The Group may also be subject to increases in operating and other expenses which could impact its financial performance and position.**

ix. **The Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financing position and cash flows.**

x. **The Group is at risk in relation to changes in any applicable laws and regulations, including changes to the interpretation thereof, which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision, change in law, regulation or administrative practice, after the date of this Company Admission Document, on the business and operations of the Group.**

Risks relating to the Group: the Renewable Energy Industry

i. **The Group is subject to comprehensive regulation, both at a national and European level. Given the comparably long development periods, the Group may be affected by changes in applicable regulations and as a result the Group may face difficulties in achieving or maintaining the profitability of existing Projects and challenges to the successful execution of its growth plan. A reduction in, or even abolition of, financial incentives resulting from such laws and regulations as well as failure to comply with any laws and regulations, permits or conditions, or to obtain any necessary permits, including but not limited to regulations of environmental issues, or to extend current permits or registrations upon expiry of their terms, or to comply with any restrictive terms in its current permits or registrations, then the Group may be subject to, among other things, civil, administrative and/or criminal penalties and, in certain circumstances, the temporary or permanent curtailment or shutdown of a part of its operations, which could have a significant adverse effect on its business, prospects, financial results and results of operations of the Group. Moreover, the Group may incur significant costs to comply with, or as a result of, health, safety, environmental and other laws and regulations.**

ii. **The Group may encounter unanticipated costs or delays in the construction and installation of the photovoltaic Projects which would result in a lower financial return than expected. Alternatively, the completion of the Projects may be delayed which may have an adverse effect on the profitability of the Projects, as the Group may lose its entitlement or delays in receiving the FIT.**

iii. **Terrorist attacks, other cases of force majeure or other damaging events, such as malfunctions, material faults or IT control failures could adversely affect the productivity of the installations and therefore the business of the Group. The Group could be seriously harmed by catastrophes, natural disasters, operational disruptions or deliberate sabotage.**

iv. **The Group could be exposed to risks relating to the grid connection and electricity generation. Changes to, or disturbances with, the grid connection could adversely affect the profitability of the Projects.**

v. **The Group has entered or shall enter into agreements securing the use and possession of commercial premises in order to install and operate the photovoltaic farms. Such agreements are set to expire in sixteen to twenty years' time and therefore the Group is reliant on the use of land owned by third parties to operate its photovoltaic farms. There is no guarantee that the land owner may not cancel, revoke or prematurely terminate the rights of use of the land, that the Group will be able to renew the abovementioned agreements on commercially acceptable terms upon their expiry, and if the Group were to be unable to do so, this would have a material adverse effect on the Group's business and results of operations.**

vi. **The output and successful operation of the Projects is dependent on the weather and the climatic conditions as well as the meteorological conditions in Malta. If these are**

less favourable than anticipated, the Group may be unable to achieve expected production levels, which could adversely affect the Group's business, financial condition, results of operations and cash flow.

vii. **The Group is exposed to competitive risks in a market that is subject to technological change and has low market entry barriers. If competitors gain advantages in the rapid development of alternative technologies and/or more efficient technologies, this could affect the competitive position of the Group considerably and present a threat to its profitability, or even its existence. The Group's results of operations may be adversely affected by fluctuations in alternative energy prices, or by reduction in prices of competitors. Resulting potential loss of market shares and increasing price competition with stronger pressure on margins may adversely affect sales and earnings of the Group.**

viii. **The Group may not be able to execute its long-term business strategy, which looks to enhance its presence in the renewable energy industry. There is no assurance that the Group will drive growth and profitability, to the extent desired, through its focus on sales and continuous improvement. The Group's growth projections may, in practice, and potentially for reasons over which it has little or no control, be considerably slower or quicker than anticipated, disrupting the Group's envisioned strategy and the results of its operations.**

ix. **The Group may be subject to cost overruns, or other unanticipated costs and expenses, or delays that could have a material adverse impact on the Group's financial performance. Furthermore, while the FIT revenue is fixed through a long term regulatory framework, the Group may be subject to higher operating costs. This may have a negative impact on the Group's profitability and cash flows.**

x. **The Group obtains the photovoltaic equipment from key suppliers and, if this equipment is damaged or otherwise unavailable, the Group's ability to deliver products and Projects on time will suffer, which in turn could result in loss of revenue.**

xi. **Problems with product quality or product performance, including defects in the Group's products, could result in a decrease in the number of customers and in revenues, expected expenses and loss of market share.**

Risks relating to the Group: the Hospitality Industry

i. **As set out in section 6.2.2.2 of this Company Admission Document, the proceeds of the Bond will partly be used to refurbish and operate a hostel, which will also include the operation of a restaurant. Although the Group has no history in operating a hostel or a restaurant, it is envisaged that a general manager will be employed to run the hostel. Consequently, should the hostel operation be unprofitable, this could have a material adverse effect on its business, results of operations and financial condition.**

ii. **The Group's hospitality operations are subject to external factors that could adversely affect its business, many of which are beyond the Group's control, including:**

- **changes in travel patterns and cutbacks on Malta-bound airline routes;**
- **changes in laws and regulations on employment, the preparation and sale of foods and beverages, health and safety, environmental concerns, fiscal policies, zoning and development, and related costs of compliance;**

- **the impact of increased threats of terrorism, impediments to means of transportation, extreme weather conditions, natural disasters, travel-related accidents, and outbreaks of health concerns; and**
- **increases in operating costs due to inflation, employment costs and healthcare-related costs, utility costs, increased taxes and insurance costs.**

iii. **These factors may adversely impact room rates and occupancy levels at the Group's hostels or reduce its revenue, which could have a material adverse effect on the Group's financial condition and results of operations.**

Furthermore, the success of Luxury Living Group's hospitality operations is dependent on the preferences of customers and its ability to swiftly identify and capitalise on emerging consumer trends. If the Group were to be unable to do so, it could experience reduced rates and occupancy levels, which could have a material adverse effect on the Group's operational results.

The Group's hospitality operations are susceptible to increasing competition, which may negatively impact the Group's sales revenue and profitability in the hospitality sector. In addition, many of the Group's current and potential competitors may have greater name recognition, a larger customer base and more resources than the Group. A decline in the competitive strength of the Group could adversely affect the Group's results of operations. In particular, Luxury Living Group may be compelled, by the strength of its competitors that are able to supply services at lower prices, to reduce its own prices. The ability of the Group to maintain or increase its profitability will be dependent on its ability to offset such decreases in the prices and margins of its accommodation and services.

Risks relating to the Group: Real estate

i. **The value of rights acquired by virtue of the Develop and Operate Agreement 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.**

ii. **The Group plans to initiate redevelopment of the Property upon receipt of the Bond proceeds. Consequently, the Group will be subject to a number of specific risks normally encountered in similar developments, including: the risk of delays in obtaining the necessary planning permissions; the risk of cost overruns; and the risk of insufficiency of resources to complete.**

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

An investment in the Secured Bonds involves certain risks, including those set out below in this Element. In deciding whether to make an investment in the Secured Bonds, prospective investors are advised to carefully consider, with their own independent financial and other (including tax, 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 Company Admission Document:

i. **Prior to the Bond Issue, there has been no public market nor trading record of the Secured Bonds within or outside Malta. Due to the absence of any prior market for the Secured Bonds, there can be no assurance that the Bond Issue Price will correspond to**

the price at which the Secured Bonds will trade in the market subsequent to the Bond Issue;

ii. **Only upon successful admission, may the Secured Bonds be traded on Prospects MTF but will NOT be traded on any regulated market. Hence, the market for the Secured Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Secured Bonds. The existence of an orderly and liquid market 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 Secured Bonds at all;**

iii. **Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Secured Bonds;**

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

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

vi. **The Issuer is entitled to issue Secured Bonds bearing a fixed rate of interest. Investment in such fixed rate Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Secured Bonds. Investors should also be aware that the price of the fixed rate bonds moves adversely to changes in interest rates;**

vii. **The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Secured Bonds will be repayable in full upon maturity on the Redemption Date unless the Secured Bonds are previously re-purchased and/or cancelled;**

viii. **Application has been made to the MSE for the Secured Bonds to be admitted and traded on Prospects MTF once the Secured Bonds are authorised as admissible by the MSE. Prospects MTF is a market regulated as a multilateral trading facility and operated by the MSE and provides a venue for SMEs to float their securities. Consequently, this market is designed primarily for companies to which a higher risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor;**

ix. **Even after the Secured Bonds are admitted to trading on Prospects MTF, the Issuer is required to remain in compliance with certain requirements relating, *inter alia,* to the free transferability, clearance and settlement of the Secured Bonds in order to remain eligible to trade on Prospects MTF in terms of the Prospects MTF Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Secured Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MSE may discontinue the trading of the Secured Bonds on Prospects MTF. Any such trading suspension or listing revocations/discontinuance could have a material adverse effect on the liquidity and value of the Secured Bonds;**

x. **The Secured Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer, shall be guaranteed in respect of both the interest due and the principal amount under said Secured Bonds by the Guarantor, and are further secured by means of the Pledge. The Secured Bonds shall at all times rank *pari passu*, without any priority or preference among themselves. In view of the fact that the Secured Bonds are being guaranteed by the Guarantor on a joint and several basis, the Security Trustee, for the benefit of the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Secured Bonds if the Issuer fails to meet any amount, when due in terms of the Company Admission Document.**

The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer. The strength of this undertaking on the part of the Guarantor and therefore, the level of recoverability by the Security Trustee from the Guarantor of any amounts due under any of the Secured Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor. The Guarantee is further supported by the Pledge. Whilst this grants the Security Trustee a right of preference and priority in relation to the Pledged Shares, there can be no guarantee that the Pledge over the term of the Secured Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Secured Bonds. This may be caused by a number of factors not least of which general economic factors that could have an adverse impact on the value of the Pledged Shares. If such circumstances were to arise or subsist at the time when the Pledge is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Secured Bonds.

Notwithstanding that the Bonds constitute the general, direct and unconditional obligations of the Issuer and the Guarantor, there can be no guarantee that privileges afforded by law in specific situations will not arise during the course of the business of each of the Issuer and the Guarantor which may rank with priority or preference to the Collateral

xi. **The issue and allotment of the Secured Bonds is conditional upon the Secured Bonds being admitted to the Prospects MTF List.**

xii. **The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Bonds;**

xiii. **In the event that the Issuer wishes to amend any of the Terms and Conditions of the Secured Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 22.16 of the Company Admission Document. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority;**

xiv. **The Secured Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Prospects MTF Rules, the Companies Act and applicable regulations in effect as at the date of the Company Admission Document. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Company Admission Document.**

xv. **The repayment obligations of the Issuer under this Company Admission Document are secured by means of a pledge over the Guarantee and the shares held in the Guarantor. The pledge entails a security constituted over the shares held in the Guarantor and not a particular asset of the Guarantor. This may lead to circumstances where the value of the shares held in the share capital of the Guarantor by the Pledgors is not sufficient to cover the total value of the obligations owed by the Issuer towards Bondholders in terms of this Company Admission Document. The assets of the Group will be recognised at cost and therefore it is highly unlikely that they will be impaired.**

xvi. **The funds or assets constituting the Sinking Fund (as described in section 22.24 of the Company Admission Document) shall be managed by the Issuer and administered by the Board of Directors in line with the treasury management policy. In accordance with Section 302 of the Act, in the event of winding up of the Issuer, where the assets are insufficient to meet the liabilities, the right of secured (which include the Bondholders) and unsecured creditors and the priority and ranking of their debts shall be regulated by the law for the time being in force.**

SECTION E – SECURITIES

E.1 The proceeds from the Bond Issue, which net of issue expenses are expected to amount to approximately €7,870,000. will be used by the Issuer for the following purposes in the following order of priority, and should the amount not be utilised in full, such additional proceeds will cascade to the following order of priority:

A. A maximum amount of €3,770,000 of the proceeds from the secured bonds will be advanced under title of loan to the guarantor to be utilised for the purchase of photovoltaic panels to be installed as part of the Projects including any required capital expenditure in order to install the photovoltaic panels as part of the Projects;

B. A maximum amount of €500,000 of the net proceeds from the Secured Bonds will be advanced under title of loan to the Guarantor to be utilised in order to redevelop the Property;

C. A maximum amount of €584,000 of the proceeds from the Secured Bonds will be advanced under title of loan to the Guarantor to be utilised in order to repay the €584,000 loan outstanding with Sewda Renewable Energies Limited;

D. A maximum amount of €2,244,000 of the proceeds from the Secured Bonds will be advanced under title of loan to the Guarantor to be finance the Acquisition;

E. The remaining balance of the net Bond Issue proceeds in an amount of €772,000 shall be either used for the Group's general corporate funding requirements, including operational costs and/or to further its renewable energy business and/or to further its hospitality business.

In the event that the Issuer does not receive subscriptions for the full €8.0 million in Secured Bonds, the Issuer will proceed with the admission of the amount of Secured Bonds subscribed for, however, should the amount of Secured Bonds subscribed for be less than €5.0 million, the Issuer may return the amount of Secured Bonds subscribed for, to Bondholders. Any residual amounts required by the Issuer for the purposes of the uses specified in this section which shall not have been raised through the Bond Issue, subject that the amount of Secured Bonds subscribed for is

not returned to Bondholders, shall be financed from the Group's general cash flow and/or bank financing.

The issue and allotment of the secured bonds is conditional upon the secured bonds being admitted to the Prospects MTF list.

E.2	The Bonds are open for subscription by Authorised Intermediaries through an Intermediaries' Offer. The total amount of the Secured Bond is being reserved for subscription by Authorised Intermediaries participating in the Intermediaries' Offer. In this regard, the Issuer may enter into conditional subscription agreements with a number of Authorised Intermediaries for the subscription of Secured Bonds, whereby it will bind itself to allocate the Secured Bonds thereto up to the total amount of €8 million as aforesaid during the Intermediaries' Offer. In terms of each subscription agreement entered into with an Authorised Intermediary, the Issuer will be conditionally bound to issue, and each Authorised Intermediary will conditionally bind itself to subscribe for, a number of Secured Bonds as indicated therein subject to the Secured Bonds being admitted to trading on the Prospects MTF. Authorised Intermediaries subscribing for Secured Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to distribute any portion of the Secured Bonds subscribed for upon commencement of trading. Applications for subscriptions to the Secured Bonds may be made through the Placement Agent, Manager and Registrar during the Issue Period on a first-come-first-served basis. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. It is expected that notification of allotment will be announced to Bondholders within five (5) Business Days from the closing of the Issue Period. The following is a synopsis of the general Terms and Conditions applicable to the Secured Bonds. A Bondholder is deemed to have invested only after having received, read and understood the contents of the Company Admission Document, including the full terms and conditions contained therein and in the annexes thereto: 1. Form, Denomination and Title The Secured Bonds will be issued in fully registered form in denominations of any integral multiple of €100 provided that on subscription the Bonds will be issued for a minimum of €5,000 per individual Bondholder. Authorised Intermediaries subscribing to the Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client. 2. Redemption and purchase Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Secured Bonds will be redeemed at their nominal value (together with interest accrued to the date fixed for redemption) on 29 July 2028. Subject to the provisions of this paragraph, the Issuer may at any time purchase Secured Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike. All Secured Bonds so purchased will be cancelled forthwith and may not be re-issued or re-sold. 3. Payments Payment of the principal amount of the Secured Bonds will be made within 7 days of the Redemption Date 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. Payment of Interest on a Secured Bond will be made to the person in whose name such Bond is registered at the close of business 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 7 days of the Interest Payment Date.

4. Interest and Yield

The Secured Bonds shall bear interest at the rate of 5% per annum payable annually on 29 July of each year. Interest shall accrue as from 30 July 2018. The first Interest Payment Date following the issuance of this Company Admission Document shall be 29 July 2019. 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 Secured Bonds at Redemption Date, is 5%

5. Status of the Secured Bonds

The Secured Bonds shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves. The Secured Bonds shall be guaranteed in respect of both the interest due and the principal amount under said Secured Bonds by the Guarantor in terms of the Guarantee. The Secured Bonds shall rank with priority in relation to the Pledged Shares.

6. Events of Default

Section 22.13 sets out a list of events of default the occurrence of which would result in the Secured Bonds becoming immediately due and repayable at their principal amount, together with accrued interest.

7. Transferability of the Secured Bonds

The Secured Bonds are freely transferable and once admitted to the Prospects MTF, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of Prospects MTF and the MSE applicable from time to time. If the Secured Bonds are transferred in part, such an attempted partial transfer will not be cleared and the transferee thereof will not be registered as a Bondholder or become entitled to claim from the Issuer any purported benefit therefrom.

8. Register of Bondholders

Certificates will not be delivered to Bondholders in respect of the Secured Bonds in virtue of the fact that the entitlement to Secured 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, registration numbers and MSE account numbers of the Bondholders and particulars of the Secured 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.

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 Secured 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 Secured Bonds), or upon such terms as the Issuer may determine at the time of their issue, provided that no issue may be made that would rank with priority over the Secured Bonds in respect of the Pledged Shares..

9. Meetings of Bondholders

The Terms and Conditions of the Secured Bonds may be amended or waived with the approval of the Bondholders at a meeting called for that purpose by the Issuer through the Security Trustee.

10. Governing Law and Jurisdiction

The Secured Bonds have been created, and the Bond Issue relating thereto is being made, in terms of the Act. The Secured Bonds, and all contractual arrangements arising therefrom, shall be governed by and shall be construed in accordance with Maltese law. Any legal action, suit or proceedings against the Issuer and/or the Guarantor arising out of or in connection with the Secured Bonds and/or the Company Admission Document shall be brought exclusively before Maltese courts and the Bondholder shall be deemed to acknowledge that it is submitting to the exclusive jurisdiction of such courts.

11 Sinking Fund

The Issuer undertakes that as from the financial year ending 30 June 2024 it shall, over a period of four years, build a Sinking Fund the value of which will by the Redemption Date be equivalent to 50% of the value of the issued Bonds.

The Issuer shall make periodic payments for the purpose of building up the Sinking Fund. The following table sets out the minimum amounts to be paid by the Issuer for this purpose:

Sinking fund contribution as at

€'000	30/06/2024 Projected	30/06/2025 Projected	30/06/2026 Projected	30/06/2027 Projected	30/06/2028 Projected
Annual contribution	750	750	1,250	1,250	-
Cumulative balance	750	1,500	2,750	4,000	4,000

The Sinking Fund shall have the Issuer as primary beneficiary, whereas the Security Trustee, in its capacity as trustee of the Luxury Living Trust, shall be identified as a secondary beneficiary. Upon the occurrence of any of the Events of Default, the secondary beneficiary shall be granted priority rights over the Sinking Fund.

12. Security Trust

The Secured Bonds are secured and Bondholders shall have the benefit of the following security:

(a) the Pledge; and
(b) the Guarantee.

The security shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the CSD.

The Issuer and the Guarantor have entered into a Security Trust Deed with the Security Trustee which consists of the covenants of the Issuer and the Guarantor to pay the principal amount under the Secured Bonds on the Redemption Date and interest thereon in terms of the Company Admission Document and the Guarantee, , the rights under the Pledge Agreement and all the rights and benefits under the Security Trust Deed. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Secured Bonds.

The Security Trustee's role includes holding of the Collateral for the benefit of the Bondholders and the enforcement of the said Collateral upon the occurrence of certain events. The Security Trustee shall have no payment obligations to Bondholders under the Secured Bonds which remain exclusively the obligations of the Issuer, or, in the case of default by the Issuer, of the Guarantor.

The Pledgors have agreed to grant the Pledge for the benefit of the Bondholders, as Primary Beneficiaries and in terms of a trust deed constituting the Luxury Living Trust, and to instruct the Security Trustee to hold the property under trust (identified below and in terms of the Luxury Living Trust), whilst the Guarantor has agreed to grant the Guarantee in favour of the Security Trustee in its capacity as trustee for the benefit of Bondholders, as security for the outstanding amount due to the Bondholders in terms of the Company Admission Document in relation to the Secured Bonds, together with amounts of interest and charges thereon. The initial Security Trustee is Cavalier Trust Services Limited.

The property held under trust shall include the following:

i. initial property being the Pledge, by Bag Investments Co. Limited and Sansuna Estates Co. Limited, jointly as Pledgors, in favour of the Security Trustee, over 2,931,000 ordinary shares, having a nominal value of €1 each in Luxury Living Technologies Limited, and the Guarantee granted by the Guarantor in relation to the repayment of both Interest and the principal amount due under the Secured Bonds; and

ii. future property which shall be settled into the Luxury Living Trust, at any time during the term of the Luxury Living Trust including the interests of secondary beneficiary over the assets of the Sinking Fund" as this is mentioned in the above section "Sinking Fund".

Without prejudice to other powers and discretions of the Security Trustee in terms of the Luxury Living Trust, the Security Trustee shall have the discretion to enforce the Collateral on its own accord or upon receiving notice from the Bondholders that any of the Events of Default has occurred in accordance with the provisions of the Company Admission Document.

E.3 Jesmond Mizzi Financial Advisors Limited will hold clients' money on their behalf in clients' accounts.

Save for the subscription for Secured Bonds by the Authorised Intermediaries (which include the Placement Agent, Manager and Registrar) and any fees payable to Jesmond Mizzi Financial Advisors Limited as Placement Agent, Manager and Registrar in connection with the Bond Issue, to the best of the Issuer's knowledge no person involved in the Issue has an interest material to the Bond Issue.

E.4	Professional fees and costs related to publicity, advertising, printing, registration, selling commission and other miscellaneous costs incurred in connection with this Bond Issue are estimated not to exceed €130,000 and shall be borne by the Issuer.
E.5	**Expected Timetable**

1.	Application Forms Available	3 July 2018
2.	Issue Period	3 July 2018 to 27 July 2018
3.	Commencement of interest on Secured Bonds	30 July 2018
4.	Expected date of constitution of the Collateral	3 July 2018
5.	Expected date of Admission of the Secured Bonds to Prospects MTF	30 July 2018
6.	Expected date of commencement of trading in the Secured Bonds	31 July 2018

The Issuer reserves the right to close the offer of the Secured Bonds before the 27 July 2018 at 12:00 CET in the event that the Secured Bonds are fully subscribed prior to the said date and time. In such an eventuality, the events set out in steps three (3) to six (6) above shall be brought forward although the number of working days between the respective events shall not be also altered.

COMPANY ADMISSION DOCUMENT: PART ONE

3 RISK FACTORS

AN INVESTMENT IN THE SECURED 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 THIS COMPANY ADMISSION DOCUMENT, BEFORE DECIDING TO MAKE ANY INVESTMENT DECISION WITH RESPECT TO THE ISSUER AND/OR THE GUARANTOR. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND NEITHER THE ISSUER NOR THE GUARANTOR ARE IN A POSITION TO EXPRESS A VIEW ON THE LIKELIHOOD OF ANY SUCH CONTINGENCIES OCCURRING. THE SEQUENCE IN WHICH THE RISKS BELOW ARE LISTED IS NOT INTENDED TO BE INDICATIVE OF ANY ORDER OF PRIORITY OR OF THE EXTENT OF THEIR CONSEQUENCES.

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER AND/OR GUARANTOR TO FULFILL THEIR RESPECTIVE OBLIGATIONS UNDER THE SECURITIES ISSUED BY THE ISSUER FROM TIME TO TIME. THE RISKS AND UNCERTAINTIES DISCUSSED BELOW ARE THOSE IDENTIFIED AS SUCH BY THE DIRECTORS OF THE ISSUER AND THE GUARANTOR AS AT THE DATE OF THE COMPANY ADMISSION DOCUMENT, BUT THESE RISKS AND UNCERTAINTIES MAY NOT BE THE ONLY ONES THAT THE ISSUER AND GUARANTOR MAY FACE. ADDITIONAL RISKS AND UNCERTAINTIES, INCLUDING THOSE WHICH THE ISSUER'S AND/OR GUARANTOR'S DIRECTORS ARE NOT CURRENTLY AWARE OF, MAY WELL RESULT IN A MATERIAL IMPACT ON THE FINANCIAL CONDITION AND OPERATIONAL PERFORMANCE OF THE ISSUER AND/OR GUARANTOR.

NEITHER THIS COMPANY ADMISSION DOCUMENT NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH THE SECURED 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 GUARANTOR OR THE CORPORATE ADVISOR OR THE PLACEMENT AGENT, MANAGER AND REGISTRAR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE COMPANY ADMISSION DOCUMENT, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY SECURITIES ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS IN THIS DOCUMENT.

3.1 Forward-looking statements

The Company Admission Document and the documents incorporated therein by reference or annexed thereto contain forward-looking statements that include, among others, statements concerning the Issuer's and/or Guarantor's strategies and plans relating to the attainment of its objectives, capital requirements and other statements of expectations, beliefs, future plans and strategies, anticipated developments and other matters that are not historical facts and which may, accordingly, involve predictions of future circumstances. Prospective investors can generally identify forward-looking statements by the use of terminology such as "may", "will", "expect", "intend", "plan", "estimate", "forecast", "anticipate", "believe" or similar phrases. Such forward-looking statements are inherently subject to a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and/or Guarantor's control.

Important factors that could cause actual results to differ materially from the expectations of the Issuer's and/or Guarantor's directors include those risks identified under this heading "Risk Factors" and elsewhere in the Company Admission Document. If any of the risks described were to materialise, they could have a material adverse effect on the Issuer's and/or Guarantor's financial results, trading prospects and the ability of the

Issuer and/or Guarantor to fulfil their respective obligations under the securities to be issued in terms of the Company Admission Document.

Accordingly, the Issuer and/or Guarantor caution prospective investors that these forward-looking statements are subject to risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied by such statements, that such statements do not bind the Issuer and/or Guarantor with respect to future results and no assurance is given that the projected future results or expectations covered by such forward-looking statements will be achieved.

Prospective investors are advised to read the Company Admission Document in its entirety and, in particular, the sections entitled "Risk Factors" for a further discussion of the factors that could affect the Issuer's and/or Guarantor's future performance. In the light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in the Company Admission Document may not occur. All forward-looking statements contained in the Company Admission Document are made only as at the date hereof. Subject to the Prospects MTF Rules, the Issuer, Guarantor and their respective Directors expressly disclaim any obligations to update or revise any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

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

3.2 Risks relating specifically to the Issuer

3.2.1 Risks relating specifically to the Issuer's reliance on the Guarantor

The Issuer was established on 25 April 2018 and, accordingly, has no trading record or history of operations. Furthermore, the Issuer itself does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company solely for the needs of the Group and, as such, its assets are intended to consist primarily of a loan issued to the Guarantor.

The Issuer is dependent on the business prospects of the Group and, consequently, the operating results of the Group have a direct effect on the Issuer's financial position. Therefore, the risks intrinsic in the business and operations of the Group companies have a direct effect on the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of Interest on the Secured Bonds and repayment of principal when due. Accordingly, the risks of the Issuer are indirectly those of the Group and, in turn, all risks relating to the Group are the risks relevant to the Guarantor.

Specifically, the Issuer is principally dependent, including for the purpose of servicing the Interest payments on the Secured Bonds and the repayment of the principal amount on Redemption Date, on the receipt of interest payments and loan repayments from the Guarantor.

The interest payments and loan repayments to be effected by the Guarantor are subject to certain risks. More specifically, the ability of the Guarantor to effect payments to the Issuer will depend on the cash flows and earnings of the Guarantor, which may be restricted by changes in applicable laws and regulations; by the terms of agreements to which they are or may become party; or by other factors

beyond the control of the Issuer and/or Guarantor. The occurrence of any such factor could, in turn, negatively affect the ability of the Issuer and the Guarantor to meet their respective obligations in connection with the payment of Interest on the Secured Bonds and repayment of principal when due.

3.2.2 Concentration of shareholding

The parent company of the Group is owned exclusively by Jean Paul Busuttil. Accordingly, the ultimate owner of Luxury Living Group, who is also a Director of the Issuer and the Guarantor, exercises effective control over the Issuer. Jean Paul Busuttil is considered instrumental to the Group and the Issuer and any unexpected dilution, whether by sale and/or transfer of any of his interest in the Group, or by way of transmission, in his control or influence over the Issuer and/or Luxury Living Group Companies and their business could have an adverse effect on the Issuer. There can be no assurance that such individual will not at any time during the term of the Bonds dispose of any interest, direct or indirect, in the Issuer or the Group.

3.2.3 Issuer's potential exposure to certain financial risks

The Issuer's activities are potentially exposed to a variety of financial risks, including interest rate risk. The Issuer may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financing position and cash flows.

3.2.4 Risks inherent in forecasts

This Company Admission Document features projected revenues of the Group. Forecasts are inherently subject to the risks of adverse unexpected events which may affect the revenue streams and profitability of the Group or the Issuer. The forecasts set out in this Company Admission Document are dependent on a number of assumptions and future expectations that may or may not occur. The non-occurrence of those future expectations could have material effects on the financial position and results of the Group and the Issuer. The said forecasts are therefore merely an illustration of a possible future outcome which may or may not occur and the Issuer, its directors, officers and advisers make no representation as to their accuracy or likelihood of occurrence.

3.3 Risks relating to the Group and its business

3.3.1 General

Given the Issuer's recent incorporation, it does not itself have any trading history. The Group, through the Guarantor has a trading history in trading, importing, exporting and maintaining goods related to renewable energy. The business model remains primarily reliant on offering its customers with eco and renewable energy solutions either through trading, importing, exporting and maintaining goods related to renewable energy or operating and maintaining solar farms across the renewable energy sector. In addition the Group shall also diversify its business by operating a hostel in St. Julian's. Consequently, the Group is dependent on the renewable energy industry, hospitality industry and property market in Malta. Accordingly, the Group's prospects should be considered in the light of the risks and difficulties encountered by companies operating in similar markets and industry sectors in Malta.

3.3.2 Risks relating to the political, economic and social environment in which the Group operates

The Group's assets and operations are all situated in Malta. Accordingly, the Group is generally exposed to the economic and political conditions which are prevalent in Malta from time to time, thereby rendering the Group's operations overly exposed to the social, political and economic stability in Malta, which, in the event of downward trend could have a material adverse impact on the

operations of the Group. Such over-exposure to the Maltese market could render investment in the Group riskier than investments in more geographically diversified operations.

Consequently, the Group is highly susceptible to the economic trends that may from time to time be felt in Malta and internationally, including fluctuations in consumer demand, financial market volatility, inflation, the property market, interest rates, exchange rates, direct and indirect taxation, wage rates, utility costs, government spending and budget priorities and other general market, economic and social factors. Any future expansion of the Group's operations into other markets would further increase its susceptibility to adverse economic developments and trends affecting such other markets.

Negative economic factors impacting both local and foreign markets, particularly those having an effect on consumer demand, could have a material impact on the business of the Group generally, and may adversely affect revenues and results of operations and the ability of the Issuer to meet its obligations under the Bonds.

3.3.3 The Group's dependence on its Chief Executive Officer and other skilled personnel

The Group's growth since inception is, in part, attributable to the efforts and abilities of the Chief Executive Officer. The Group's future success will also depend, among other things, on its future directors and management. If the Chief Executive Officer is unable or unwilling to continue in his present position, he may not be replaceable within the short term, which could have an adverse effect on the Group's business, financial condition and results of operations. Consequently, there is no guarantee that these objectives will be achieved to the degree expected should the Chief Executive Officer no longer be employed by the Group.

The ability to compete effectively in the markets in which the Group operates depends upon the ability to identify, hire, train, motivate and retain personnel and skilled specialist employees, particularly in the areas of engineering, technical support, project management and operating a hostel. The market for qualified personnel is competitive and the Group may not succeed in attracting, developing and retaining the right calibre of staff in line with the rapid growth of its business, or it may fail to effectively replace personnel who depart with qualified or effective successors. The failure of the Group to recruit and retain personnel and skilled specialist employees who can understand the value chain and provide the required expertise across the entire spectrum of the Group's operations, or to integrate new talent to supplement the existing team could adversely impact its sales performance, increase its wage costs, and adversely affect the Group's business, results of operations and financial condition.

3.3.4 Reliance on non-proprietary software systems and third-party IT providers:

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

3.3.5 Failure to protect customers' confidential information could significantly impact the Group's reputation and expose the Group to litigation

The Luxury Living Group must comply with restrictions on the use of customer data and ensure that confidential information (including financial and personal data) is transmitted in a secure manner over public networks. Despite controls to ensure the confidentiality, availability and integrity of customer

data, the Group may inadvertently breach restrictions or may be subject to attack from computer programs that attempt to penetrate the network security and misappropriate confidential information. Due to advances in these programs, computing capabilities and other developments, there is no guarantee that the Group's security measures will be sufficient to prevent breaches. Any such breach or compromise of security could adversely impact the Group's reputation with current and potential customers, lead to litigation or fines, and as a result, have a material adverse effect on its business, results of operations and overall financial condition.

3.3.6 Regulation regarding the use of personal customer data

The Group will process sensitive personal customer data (including possibly name, address, age, bank details and identification details) as part of its business and therefore will be required to comply with strict data protection and privacy laws and other regulatory restrictions, including industry standards and limitations. Such laws will restrict the ability of the Group to collect and use personal information including the marketing use of that information. The Group relies on third party contractors and employees to maintain databases and seek to ensure that procedures are in place to comply with the relevant data protection regulations. Notwithstanding such efforts, the Group is exposed to the risk that this data could be wrongfully appropriated, lost or disclosed, or processed in breach of data protection regulations, by or on behalf of the Group. If the Group, or any of the third party service providers on which the Group relies, fails to transmit customer information and online payment details in a secure manner, or if any such loss of personal customer data were otherwise to occur, the Group could face liability under data protection laws. This could also result in the loss of the goodwill of customers and deter new customers from the Group's products which would have a material adverse effect on the Group's businesses, financial condition and results of operations.

The Group's failure to keep apprised of, and comply with, privacy, data use and security laws, standards and regulations could result in the limitation, suspension or termination of services or the imposition of administrative, civil or criminal penalties, including fines which may result after the General Data Protection Regulation (GDPR) becomes applicable in May 2018. In addition, such failure or non-compliance may cause existing or potential customers to be reluctant to do business with the Group, and could damage the Group's reputation and brand. Customer and regulator attitudes towards privacy and data protection are evolving, and there could be adverse changes or developments in customer or regulatory concerns regarding the extent to which business and personal information and data are stored, processed or shared with advertisers or other third parties. In addition, to the extent more restrictive laws, rules or industry security requirements relating to business and personal information and data are adopted in the future or by specific industry bodies, such changes could have an adverse impact on the Group by increasing its costs or imposing restrictions on its business processes. Accordingly, the Group's failure to keep apprised of, and comply with, privacy, data use and security laws, standards and regulations, and any adverse changes or developments regarding user or regulatory concerns towards privacy and data protection or otherwise in the regulatory or legal landscape could have a material adverse effect on the Group's reputation, business, financial condition, results of operations and prospects. The Group's financial exposure to any actual or alleged breach of such regulations or standards may either not be insured against or not fully covered through any insurance maintained by the Group.

Furthermore, although a number of basic existing principles will remain the same, the GDPR introduces new obligations on data controllers and rights for data subjects, including, among others:

- accountability and transparency requirements, which will require data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing;
- enhanced data consent requirements, which includes "explicit" consent in relation to the processing of sensitive data;

- obligations to consider data privacy as any new products or services are developed and limit the amount of information collected, processed, stored and its accessibility;
- limitation on using data to profile data subjects;
- providing data subjects with personal data in a useable format on request and erasing personal data in various circumstances; and
- reporting of breaches without undue delay, at times within 72 hours.

The GDPR also introduces new fines and penalties for a breach of requirements, including fines for serious breaches of up to the higher of 4% of annual worldwide turnover or €20m and fines of up to the higher of 2% of annual worldwide turnover or €10m (whichever is highest) for other specified infringements.

The implementation of the GDPR may require amendments to the Group's procedures and policies. The changes could adversely impact the Group's business by increasing its operational and compliance costs. Further, there is a risk that the measures will not be implemented correctly or that individuals within the business will not be fully compliant with the new procedures. If there are breaches of these measures, the Group could face significant administrative and monetary sanctions as well as reputational damage, as pointed out above, which may have a material adverse effect on its operations, financial condition and prospects.

3.3.7 Risk of litigation:

Since the Luxury Living Group operates in industries which involve the continuous provision of goods and services to customers and consumers, and such operations necessarily require continuous interaction with suppliers, employees, lessors and regulatory authorities, the Group is exposed to the risk of litigation from its customers, actual and potential partners, suppliers, employees, regulatory authorities and/or lessors. Consequently, the Group is subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation and dispute resolution process, there can be no assurance that the resolution of any particular legal proceeding or dispute will not have a material adverse effect on the Group's future cash flow, results of operations or financial condition.

3.3.8 The Luxury Living Group's insurance policies

The Group shall seek to take out an insurance policy covering accidental damage to property and an erection all risks insurance policy in respect of its most important assets. However, the Group cannot guarantee that cost incurred as a result of any natural disaster or other unforeseeable events (such as fire, flood, deluge, windstorm, hailstorm, etc.) would not have an adverse effect on its assets and/or economic and financial situation, as the Group's insurance does not fully cover any and all risks associated with assets owned by the Issuer.

There is the risk that the existing insurance coverage is not sufficient, especially in view of the business operations of the affiliated companies of the Issuer. In particular there is the risk that failures and losses arise exceeding the extent of the existing insurance coverage. In addition to this there is the risk that there is no adequate insurance coverage available for certain risks, or at least not available under proper conditions. If a loss against which there is no or only inadequate insurance coverage, should be inflicted on the Issuer and/or any Group companies, such loss can have an adverse effect on the financial situation, status and results of the Group and/or the Issuer.

3.3.9 Highly leveraged capital structure

As set out in further detail in section 8 of this Company Admission Document, the Group's gearing is expected to be 27.1% as at 30 June 2018 but is projected to increase to 77.1% by 30 June 2019, following the Bond Issue. Gearing is then projected to decrease as the retained earnings levels improve the shareholder equity base and as borrowings decrease over time.

This represents a high level of gearing in the initial years, which gives rise to all the risks typically associated with such highly leveraged capital structures. The principal risk in this respect is the fact that the debt service obligations resulting from such a capital structure will absorb a significant portion of cash generation. Should the Group not manage to achieve its projected operating results, this will adversely impact gearing levels. Adverse changes to the Group's projected cash flows will reduce the projected level of debt service cover and may, therefore, adversely affect its ability to meet its debt service obligations.

3.3.10 The Group's indebtedness could adversely affect its financial position:

The Group has a material amount of debt and may incur additional debt in connection with its future growth. A portion of the cash flow generated from the Group's operations is utilised to repay debt obligations. This gives rise to a reduction in the amount of cash available for funding the Group's working capital, capital expenditure, development costs or other general corporate costs. A decrease in operating cash flow may limit further available cash for working capital purposes and other purposes, which may have an adverse material effect on the financial condition and results of the Group.

In addition, the agreements regulating the Group's bank debt impose guarantees and hypothecs on the Group as well as on assets which do not belong to the Group. In relation to new indebtedness banks may impose operating restrictions and financial covenants on the Group which could limit the Group's ability to obtain future financing, to make capital expenditure, to withstand a future downturn in business or economic conditions generally or could otherwise inhibit the ability of the Group to conduct necessary corporate activities.

3.3.11 Operating expenses:

A portion of Luxury Living Group's costs are fixed and operating results are vulnerable to short-term changes in its revenues. The Group's fixed operating expenses are not easily reduced to react to changes in its revenue by reducing its operating expenses, which could have a material adverse effect on its business, financial condition and results of operations.

3.3.12 Financing strategy:

The Group may not be able to secure sufficient financing for its current and future investments. No assurance can be given that sufficient financing will be available on commercially reasonable terms or within the timeframes required by the Group, also taking into account the need from time to time for the Group's hostel and solar farms to undergo renovation, refurbishment or other improvements in the future. Any weakness in the capital markets may limit the Group's ability to raise capital for completion of projects that have commenced or for development of future properties. Failure to obtain, or delays in obtaining, the capital required to complete current or future developments and investments on commercially reasonable terms, including increases in borrowing costs or decreases in loan availability, may limit the Group's growth and materially and adversely affect its business, financial condition, results of operations and prospects.

3.3.13 Certain financial markets risk:

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

3.3.14 Exposure to certain financial risks, including interest rate risk

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

Interest rate risk refers to the potential changes in the value of financial assets and liabilities in response to changes in the level of interest rates and their impact on cash flows. The Group may be exposed to the risks associated with the effects of fluctuations in the prevailing levels of the market interest rates on its financial position and cash flows.

3.3.15 Exchange rate risk:

The Group can be impacted by transaction risk, which is the risk that the currency of costs and liabilities fluctuates in relation to the Euro, being its reporting currency, which fluctuation may adversely affect its operating performance. Unfavourable exchange rates may lead to higher costs or lower sales than expected at the time of signing the relative contract and may reduce margins. Such risks are beyond the control of the Issuer.

3.3.16 Changes to laws and regulation:

The Group is subject to a variety of laws and regulations, including taxation, environmental and health and safety regulations. The Group is at risk in relation to changes in the laws and regulations and the timing and effects of changes in the laws and regulations to which it is subject, including changes to the interpretation thereof, which cannot be predicted. No assurance can be given as to the impact of any possible judicial decision, change in law, regulation or administrative practice, after the date of this Company Admission Document, on the business and operations of the Group.

3.3.17 Risks relating to taxation:

The amount of taxation charged on the Luxury Living Group's activities is subject to changes in tax laws and their practical application.

3.4 Risks relating to the renewable energy industry

3.4.1 Legal and Regulatory risk

Photovoltaic projects are subject to comprehensive regulation, both at a national and a European level. The Group is exposed to risks related to compliance costs, as well as general changes in legislation and the regulatory framework. Generally, these regulations are subject to change based on the current and future economic and political conditions. The implementation of new regulations or the modification of existing regulations affecting the industries in which the Group operates could lead to delays on the constructions or development of additional photovoltaic panels and/or farm projects and/or adversely impair its ability to acquire and develop economic projects, generate adequate internal returns from operating projects and continue operating in current markets.

Uncertainties include, but are not limited to, change in renewable energy policies, changes in taxation policies, environmental regulation and/or the regulatory environment. These uncertainties, all of which are beyond the Group or the Issuer's control, could have a material adverse effect on the Group's operations and financial performance.

The Group cannot predict the impact of new or changed laws or regulations or changes in the ways that such laws or regulations are administered, interpreted or enforced. The requirements to be met, as well as the technology and length of time available to meet those requirements, continue to develop and change. To the extent that any of these requirements impose substantial costs or constrain the Group's ability to expand or change its processes, the Group's business, prospects, financial results and results of operations could suffer.

If the Group fails to comply with any laws and regulations, permits or conditions, or to obtain any necessary permits, including but not limited to regulations of environmental issues, or to extend current permits or registrations upon expiry of their terms, or to comply with any restrictive terms in its current permits or registrations, then the Group may be subject to, among other things, civil, administrative and/or criminal penalties and, in certain circumstances, the temporary or permanent curtailment or shutdown of a part of its operations, which could have a significant adverse effect on its business, prospects, financial results and results of operations of the Group.

3.4.2 Risk of dependence on support of photovoltaics in Malta and dependence on existing and future framework regulatory conditions and the FIT:

The Group is subject to a wide array of laws and regulations including but not limited to: Feed-In Tariffs Scheme (Electricity Generated from Solar Photovoltaic Installations) Regulations (S.L. 545.27); Electricity Market Regulations (S.L. 545.13); Electricity Supply Regulations (S.L. 423.01); Enemalta Network Code; Directive 2009/72/EC Concerning Common Rules For The Internal Market In Electricity and repealing Directive 2003/54/EC; Directive 2005/89/EC Concerning Measures to Safeguard Security of Electricity Supply and Infrastructure Investment; Directive 2009/28/ On The Promotion Of The Use Of Energy From Renewable Sources And Amending And Subsequently Repealing Directives 2001/77/EC And 2003/30/EC; Directive 2014/94/EU; Directive 2014/94/EU On The Deployment Of Alternative Fuels Infrastructure.

Given the comparably long development periods, the Group may be affected by changes in applicable regulations which can exercise a significant influence on the demand for electricity generated from photovoltaics in Malta. The rate of the FIT contracted could be subject to significant change, or not be guaranteed, in the event that the Group breaches any of the applicable conditions of authorisation and/or encounters delays in the implementation of the Projects. It is possible that the FIT is reviewed by a competent court and as such be regarded as being against the law or reduced or abolished for some other reason. Issued consent could be revoked or the realisation of planned legislation aimed at supporting photovoltaic power generating farms may not be implemented. In addition, the introduction of changes to the FIT with retroactive effect cannot be fully ruled out. Should the Group encounter any delays in implementation of the Projects, this could result in the Group losing its entitlement or delays in receiving the FIT, which would adversely affect the profitability of the Projects in question since it would lead to a loss of earnings. Moreover, there is the risk that certain deadlines which are relevant for the receipt of the necessary authorisations, and possibly the FIT, will be missed and that the FIT will be reduced or withdrawn as a consequence. This in turn may result in an increase in costs of crucial resources for product development in order to meet such deadlines. In the case of the abandonment of a Project, some advance payments may be lost under certain circumstances. Furthermore, the FIT as stipulated by REWS based on LN200 of 2017 and LN338 of 2017 extended by LN381 of 2017 for residential and non residential consumers for photovoltaic panels approved between 3 July 2017 and 29 June 2018 is €0.145/kWh. There is therefore the risk that through subsequent legislation, the FIT will be reduced for photovoltaic panels approved following 29 June 2018. All of the aforementioned risks would result in a loss of revenue for the Group and hence have a significantly adverse effect in the asset, financial and earnings position of the Group.

Moreover, it cannot be ruled out that the income from electricity production will no longer suffice to cover the ongoing costs, in particular the financing costs, so the Group could be forced to make up the

resulting difference or to sell off the Projects, or any of them, at a price below the acquisition price. This would materially adversely affect the Group's business, financial condition and results of operations profits being lower than planned or even non-existent.

3.4.3 Risk arising from any delay or cancellation of Project implementation

The risks arising from the operation of the facilities are based on the photovoltaic farm technology and maintenance. The receipt of FIT by the Group may also be affected by delays in Project completion, cases of temporary suspension of operations of the photovoltaic farms for various reasons including but not limited to natural disasters, grid failure, complaints or lawsuits, third party defaults, mechanical defects, unplanned maintenance, lack of adequate maintenance and upkeep and/or harm or vandalism caused by third parties. The risks arising from the operation of the facilities are based on the photovoltaic farm technology and maintenance. The photovoltaic facilities are exposed to various strains as well as to climate and environmental influences during their operations. This can result in unplanned maintenance expenses. Moreover, there is a risk that the photovoltaic facilities or parts thereof will not achieve the predicted service life. Downtime due to technical maintenance or for other reasons may lead to losses of earnings which are not covered by any guarantees or insurance.

3.4.4 Risk of lack, withdrawal and/or ineffectiveness of permits and/or authorisations vital for operation

For the business activity of the Group it is necessary that both the photovoltaic farms as well as the customers have various permits, authorisations, concessions and/or licenses, depending on the various regulations and applicable regulatory bodies, in order to be allowed to build, construct, install and operate photovoltaic systems in compliance with the applicable legislation. The grant of permits authorisations, concessions and/or licenses is usually accompanied with conditions and/or requirements to maintain the permits authorisations, concessions and/or licenses. It is possible that the permits, authorisations, concessions and/or licenses are not received for Projects identified, or if received, these can be revoked, cancelled or altered in case of breach of the said conditions. Should any of this occur, this would result in abandonment of the Projects, delays in implementation of the Projects, interruption, limitation and/or prohibiting of the business activity of the Group and consequently would have a very negative impact on the financial situation, status and results of the Group, particularly if the Projects identified in section 6.2.2.1 are abandoned as alternative projects would need to be identified which could result in loss of revenue for the Group. Moreover, a third party or other authority could claim the ineffectiveness of the granted permits, for example because of procedural errors, or it could be the case that requirements emerge that would limit the business activity of the Group and/or call for costly measurers to be implemented by the Group. This would then also have a negative impact on the financial situation, status and results of the Group.

3.4.5 Technological development of renewable energy production

The technology of renewable energy generation, including photovoltaic plants, advances at a very fast pace. This requires the Group to be constantly aware of the technological development and to respond quickly to any changes to the technology employed by the Group in its photovoltaic plants. If the Group were to be unable to do so, this would have a material adverse effect on the Group's business and results of operations.

3.4.6 Term of Agreements

The Group has entered or shall enter into agreements securing the use and possession of commercial premises in order to install and operate the photovoltaic farms. Such agreements are set to expire in sixteen to twenty years' time and therefore the Group is reliant on the use of land owned by third parties to operate its photovoltaic farms. There is no guarantee that the land owner may not cancel,

revoke, or prematurely terminate the rights of use of the land, or that the Group will be able to renew the abovementioned agreements on commercially acceptable terms upon their expiry, and if the Group were to be unable to do so, this would have a material adverse effect on the Group's business and results of operations.

3.4.7 Meteorological risk, loss of revenue, and risk associated with fluctuation of revenue during a year

The performance and the earnings position of the Group are dependent upon the meteorological conditions. Certain revenues for a generated kilowatt hour of energy are established on the basis of the applicable rules and legislation regulating the FIT; however, the volume of the generated energy depends on the period of sunshine and the sun's radiance and wind conditions. Although certain hours of sunshine can be guaranteed to occur in Malta, it cannot be ruled out that climatic conditions will not change in the future and that the predicted weather patterns will occur or that the number of sunshine hours and wind conditions included in the forecasts will prove to be incorrect. Should this occur, the electricity generation of the Projects will remain below the expected level and this would have an adverse effect on the liquidity and the assets, financial and earnings position of the Group.

In addition, the Group's business is subject to seasonal fluctuations in the weather. As such, the earnings are highest in spring, but decrease in the winter months. As a result of this seasonality, results during any interim financial period cannot be used as an accurate indicator of the Group's annual results. Any factors negatively affecting the second financial quarter of any year, including unfavourable weather conditions, could have a disproportionately adverse effect on the Group's financial performance or results of operations for the entire year.

3.4.8 Risk of competition with production of electricity generated or with supply of electricity from other sources

Electricity generation from solar energy may be in competition with other renewable means of electricity generation or supply as in the case of electricity supplied over the interconnector grid with Italy. Such other methods of generation or supply could exert a high degree of competitive pressure on photovoltaics, for example if they prove themselves to be more economical due to technical advances or if they receive stronger regulatory support on the basis of political considerations. This could affect the further growth of the photovoltaic business or could also lead to a fall in the demand for solar electricity.

Moreover, electricity generation using solar energy is also generally in competition with conventional energy sources, such as, among others, electricity generation through heavy fuel oil or natural gas, which can generate more economical electricity which could also affect the demand for solar electricity. A reduction in the market price for conventional energy sources could also make energy generation in photovoltaic power plants seem less economically attractive and lead to a fall in demand for electricity made using photovoltaic. This could lead to significant pricing pressure and reduce the market's sales volumes.

All of the aforementioned factors could have a significantly adverse effect on the financial and earnings positions of the Group.

3.4.9 Risk of competition with other market players

The Group is exposed to competitive risks in a market that is subject to technological change and has low market entry barriers. Many of Luxury Living Group's current and potential competitors may have greater name recognition, a larger customer base, may have longer operating histories, better access to skilled personnel, better access to research and development partners, and significantly greater

financial, technical and other resources than the Group. In particular, the Luxury Living Group may be compelled, by the strength of its competitors that are able to install photovoltaic panels at lower prices, to reduce its own prices. The ability of the Group to maintain or increase its profitability will be dependent on its ability to offset such decreases in the prices and margins of its photovoltaic panels.

Furthermore, the Group also competes with other entities in attempting to secure equipment necessary for the installation of photovoltaic Projects. Such equipment may be in short supply from time to time. In addition, equipment and other materials necessary to install, construct, operate and maintain the Projects, as well as when supplying photovoltaic panels to customers, may be in short supply from time to time. There is no assurance that the Group will be able to successfully compete against its competitors. The failure by the Group to successfully compete against its competitors could have a material adverse effect on the Group's and the Issuer's business and results of operations.

3.4.10 Growth strategy:

The Group's growth plans envisage the optimisation of the Group's operations, with a business strategy that looks to enhance the Group's mainstream business, with a primary focus on expansion in the renewable energy industry locally by developing its photovoltaic farm portfolio and acquiring the Acquisition Projects, as well as diversifying into the hospitality industry.

When implementing its growth strategy by means of the development of its photovoltaic power plant portfolio, the Group is dependent on being able to acquire and realise sufficiently lucrative projects in order to be able to generate a sustainable revenue flow from the photovoltaic farms. There is a risk that the Group may not be able to execute its long-term business strategy due to delays in meeting deadlines, difficulty in finding adequate sites which meet a number of criteria (such as availability of grid connection and sufficient sunlight) in order to generate an adequate return, change in applicable rules and regulations and/or unforeseen legal and contractual constraints or development policy constraints, among others. The competition for attractive projects has become stronger with the growing number of market participants. As such, there is a risk that the Group does not undertake part or any of the Projects as well not being able to complete the Acquisition. There is no assurance that the Group will be able to drive growth to the extent desired through its focus of efforts and resources on its sales or to enhance profitability to the extent desired through continuous improvement. Further, the Group's theoretical growth projections may, in practice, and potentially for reasons over which it has little or no control, such as those described in section 3.3.2 of this Company Admission Document, be considerably slower or quicker than anticipated, in turn disrupting the Group's envisioned strategy and consequently the results of its operations.

3.4.11 Risk associated with the due diligence process within the framework of the selection of future projects

During the Acquisition as well as acquisition of additional businesses and/or projects, provision is made for the realisation of legal, economic, tax, and technical due diligence, whereby external advisors shall be used for this at least to some extent. There is the risk that something will be incorrectly identified or falsely assessed or that other errors may occur during the due diligence. For example, technical risks concerning the grid connection may not be identified or authorisation requirements may be overlooked. Under certain circumstances, errors in the due diligence process or delays in the due diligence can have a significantly adverse effect on the realisation of a project, may lead to significantly extra time requirements and/or additional costs or may lead to the commenced realisation of the project being cancelled and/or delayed. There is no guarantee of the appropriate recourse in the case of an error on the part of an external advisor. All of the aforementioned risks could have a significantly adverse effect in the asset, financial earnings position of the Group.

3.4.12 Risk of integration and operation of acquired businesses

The integration and operation of businesses or additional projects that may be acquired in the future may disrupt the Group's business and create additional expenses and the Group may not achieve the anticipated benefits of any such acquisitions and expansion. Such transactions involve significant challenges and risks, including, the transaction failing to achieve the Group's business strategy; the Group not realising a satisfactory return on the investment; the potential occurrence of difficulties in integrating business systems and technology; or the transaction diverting management's attention from the Group's other businesses.

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

3.4.13 Risk represented by cost uncertainty and increasing operating expenses

The Group may on certain projects participate on all consecutive levels; developing, construction and operation of the photovoltaic farms. In relation to the Projects, or projects which the Group will undertake in the future, the Group may be subject to the risk of cost overruns or other unanticipated costs and expenses, or delays that could have a material adverse impact on the Group's financial performance. Furthermore, while the FIT revenue is fixed through a long term regulatory framework, the operating cost base is exposed to the markets of the respective inputs, such as manpower, and may increase in the future. This may have a negative impact on the Group's profitability and cash flows.

3.4.14 Risk associated with the installation and construction of photovoltaic farms

The Group will install, construct, manage and operate the photovoltaic farms. The Group will procure the components, including the photovoltaic panels and any other material or product required for their installation and maintenance, from third party suppliers. Components, including the photovoltaic panels, are usually subject to a contractually agreed warranty period. There is a risk that defects in the photovoltaic farms, the photovoltaic panels, and/or in the components used during the installation will only arise after the expiry of the guarantee period or the guarantee itself and that no guarantee claims will therefore be able to be validly made against the supplier and/or manufacturer. Moreover, it cannot be ruled out that the claim recipient will not be willing or will not be in a position to comply with the guarantee claim which can lead to costly and time consuming legal disputes under certain circumstances. In the case of the insolvency of the claim recipient, any eventual guarantee claims may remain unsatisfied due to the third party's insolvency. Even in the case of a manufacturer's guarantee, there is a risk that the guarantee may not be able to be implemented due to the manufacturer's insolvency or for any other legal and/or practical reasons.

The installation of photovoltaic farms is also associated with the risk that, despite careful planning and advance payments, the connection to the grid will not succeed or will be delayed. The error may occur during the project development or later during the technical implementation. In this case, there is a risk that any claims for compensation of damages made against the third party or third parties who made the error will not be enforceable or will not be able to be enforced in full.

The occurrence of one or more of the aforementioned risks could have a significantly adverse effect on the asset, financial and earnings position of the Group.

3.4.15 Risk of natural disasters

No industry is immune from natural disasters that may be devastating for operations of all companies. This includes, but is not limited to, meteorological, geological, or other disasters that could damage photovoltaic plants owned by the Group. Should a natural disaster occur that results in damage to the Projects, the Group's ability to fulfil its liabilities under the Bonds may be considerably impaired, particularly if the given damage is, for some reason, not covered by insurance policies and/or the Group does not receive the relevant insurance benefits and/or there is a delay in the receipt of the insurance benefits.

3.4.16 Technical risk

Only limited empirical data is available with regard to the long-term performance of the solar modules. Manufacturers usually give performance guarantees for a specific period of time; however, these usually only guarantee a specific percentage of the total operating life time (for example 80% after 20 years). There is a risk that the degradation will not occur in a linear fashion, but that the performance will fall to the lowest guaranteed value during the first couple of years, which will result in a significant worsening of the average performance of the module without the guarantee having been breached or any claim being able to be made against the manufacturer. The corresponding reduced electricity generation would result in negative consequences for the financial and earnings position of the Group and the Issuer.

The service life of the technical components, in particular solar modules and inverters, is limited. It is therefore necessary to expect a breakdown or replacement of the essential components during the operating period of a photovoltaic farm. In this case, there is a risk that the corresponding expenses and/or losses of earnings caused by this, will not be covered by the guarantees or that the appropriate third party suppliers and/or manufacturers will not be able to fulfil their obligations.

The occurrence of one or more of the aforementioned risks could have a significantly adverse effect on the financial and earnings position of the Group and the Issuer.

3.4.17 Risk represented by the quality of the photovoltaic panels and farms

The Group's photovoltaic panels and farms as well as components thereof, must meet stringent quality requirements, but may contain defects that are not detected until the completion of their installation, construction and subsequent operation because the Group and/or subcontractors cannot test for all possible scenarios or applications. Although the Group has back-to-back warranties with its suppliers, these defects could cause the Group to incur significant replacement costs or re-engineering costs, divert the attention of its engineering personnel from development efforts, and significantly affect its customer relations and business reputation. If the Group constructs defective photovoltaic panels and/or farms or if there is a perception that its photovoltaic panels and/or farms are defective, this could impact the Group's market reputation, reduce its market share and cause a decline of construction projects. Although a defect in the Group's photovoltaic panels and/or farms may be caused by defects in products delivered by the Group's suppliers which are incorporated into the Group's products, there can be no assurance that the Group will be entitled to or successful in claiming reimbursement, repair, replacement or damages from its suppliers relating to such defects. If the Group is not able to achieve satisfactory quality in the design, engineering and construction of its products, it could adversely affect the Group's business, prospects, financial results and results of operations.

3.4.18 Risk of reliance on third-party contractors and suppliers

The Group's photovoltaic panels and farms and/or components thereof, rely on the supply of services and equipment subcontracted from third party suppliers. Such services and/or equipment may be paramount for the fulfilment of the Group's obligations under any relative permits, licenses and/or authorisations. Many of the relationships between the Group and its suppliers are not based on long-term supply contracts and, in some instances, are not even governed by a written contract. As a consequence, relationships may be varied or terminated with little or no notice. The Group's operations may be adversely affected by the interruption or restriction of the supply of stock whether through supplier choice, or external factors, significant changes in terms imposed by these suppliers (e.g. credit terms) or the termination of any key product supplier arrangement. Any breakdown or change in the Group's relationships with product suppliers could have a material adverse effect on the Group's business, results of operations and financial condition.

The delivery of products or services which are not in compliance with the requirements of the subcontract, or the late supply of products and services, can cause the Group to be in default under agreements, permits, licenses and/or authorisations. To the extent that the Group is not able to transfer all of the risk or be fully indemnified by the relative third party suppliers and/or contractors, the Group may be subject to claims, revocation and/or termination of agreements, permits, licenses and/or authorisations as a result of a problem caused by a third party that could have a material adverse effect on the Group's reputation, business, results of operations, financial condition and cash flows.

Although the largest part of the payment of the suppliers will often be aligned with the supplier's delivery of goods and/or services, the suppliers will often demand that an advance payment is made before delivery takes place. While some suppliers issue a guarantee that covers the risk of the advance payment, most suppliers do not and if the suppliers become financially distressed the advance payment may be lost. Additionally, there are no guarantees that the supplier does not default on its deliveries or is not delayed. If that occurs, it may impact negatively on the construction process which could result in the Group not being able to meet its contractual obligations.

The Group is also exposed to counterpart risks during the operating phase of its assets, as the servicing and/or management of the assets are being carried out by third party suppliers. While any financial exposure is limited due to the fact that the suppliers of these services are usually not paid in advance, a defaulting supplier could result in an interruption to the operations of a plant until a replacement supplier has been found.

3.4.19 Changes to, or withdrawals of, credit insurance provided to the Group's suppliers could have a material adverse effect on the Group's business, results of operations and financial condition

The Group's business is dependent on the sale of photovoltaic panels supplied to it by third parties. The Group's working capital funding is typically a mixture of funding between its credit facilities and credit from its suppliers. The Group believes that third party suppliers in the renewable energy market have traditionally taken out credit insurance to protect these receivables against the risk of bad debt, insolvency or protracted default of their buyers, including the Group. Credit levels remain dependent on the general economic environment and the Group's financial position.

If there is a significant decrease in the availability or the withdrawal in its entirety of credit insurance to the Group's suppliers, and the suppliers are unwilling or unable to take credit risk themselves or find alternative credit sources, they may choose to take actions to reduce their credit exposure to the Group, including seeking to change their credit terms. Any of these actions could have a material adverse impact on the Group's cash position and lead to an increase in the Group's indebtedness,

which could have a material adverse effect on its business, trading, reputation, financial condition and results of operations.

3.4.20 The Group's operations are exposed to credit risk on its receivables

Credit risk is the risk of loss arising from a failure by a customer to meet the terms of any contract with Luxury Living Group's credit services operations. Credit losses are influenced by general business and economic conditions, including employment rates, bankruptcy filings and other factors that negatively affect household incomes, as well as contract terms, customer credit profiles and the renewable energy market. Negative changes in general business, economic or market factors may have an additional adverse impact on the Group's business credit losses and future earnings.

3.4.21 Counterparty risk

The Group will be exposed to counterparty risk in several instances, including, without limitation, with respect to suppliers and/or contractors who may be engaged to construct or operate assets held by the Group, property owners who are providing ground space to the Group for the locating of assets, banks which may provide guarantees of the obligations of other parties or which may commit to provide leverage to the Group at a future date, insurance companies which may provide coverage against various risks applicable to the Group's assets, and other third parties with whom the Group may have engagements with. If, for any reason, any of the counterparties to these contracts are unable or unwilling to fulfil their related contractual obligations or if they otherwise terminate such agreements prior to the expiration thereof, the Group's assets, liabilities, business, financial condition, results of operations and cash flows could be materially and adversely affected. Furthermore, there is still a risk of legislative or other political action that may impair the said third party's contractual performance.

3.4.22 Risk represented by bureaucratic or executive errors and inefficiencies

The operation of the photovoltaic farms includes from time to time exchange of information with relevant authorities and counterparties. Such exchange and verification of documents may take some time. This may influence the Group's ability to execute its business without delays. It may further happen that administrative procedures in the management of the Group are subject to inefficiencies or errors which may generate cost or loss, due to improper planning or execution of work flows. All of the aforementioned could have a negative adverse effect on the Group's operations.

3.4.23 Impairment of asset values

The fair market value of the assets Projects, may increase or decrease depending on a number of factors, including:

- general economic and market conditions affecting the photovoltaic industry, including competition from other photovoltaic companies;
- supply and demand for parts for photovoltaic plant installations and equipment;
- cost of photovoltaic panels;
- the prevailing level of electricity prices;
- changes in incentive programs for renewable energy;
- government laws and regulations, including but not limited to environmental protection laws and regulations and such laws becoming more stringent due to, inter alia, accidents; and
- technological advances

If the book value of any of the Group's assets exceeds the fair market value, the Group may suffer impairment of the book value of its assets and consequently suffer a loss. Further, an impairment may

cause a breach of the Group's equity level and equity ratio under the financial covenants of certain of its financing arrangements. Also, should the Group sell any assets when prices have fallen, the sale may be at a loss.

3.4.24 Corruption and unethical practices

While the Group is committed to conduct business in a legal and ethical manner, there is a risk that the Group's employees or agents or those of its affiliates may take actions that violate applicable anti-corruption regulations. These actions could result in the termination of permits, licenses and/or authorisations held by the Group could damage the Group's reputation and, therefore, its ability to do business. In addition, there is also a risk that the Group will not be able to ensure that its internal control policies and procedures will protect the Group from fraud or other criminal acts committed by the Group's employees or agents or those of its affiliates. All of the aforementioned may have a material adverse effect on the Group's operations.

3.4.25 Dependency on key suppliers

The Group has one key supplier for the provision of equipment, technology and/or other services required for the operation of the photovoltaic business. The Group therefore relies on the retention of this key business relationship and the loss of such supplier may have a material adverse effect on the Group's revenues.

In addition, certain of the Group's suppliers provide long-term warranties with respect to the performance of their products or services. If any of these suppliers cannot perform under the related warranty obligations, the Group may need to resort to the marketplace to provide or repair these products and/or services, which may have a material adverse effect on the performance of the Group.

3.4.26 Inconsistent quality of products sold

The success of the Group depends upon the positive image that its customers have of its product offerings. A lack of consistency in the quality of the products sold whether occurring accidentally or through deliberate third party action, or a perceived issue with the quality of products purchased from its suppliers, could harm the integrity and reputation of both the Group and its customers, which would ultimately adversely affect the Group's sales, results of operations or cash flows. The amount of any costs, including fines or payment of damages, that the Group might incur in respect of any liability or perceived liability for poor quality products, could substantially exceed any insurance coverage of the Group.

3.4.27 Risk posed by hazardous materials handled by the Group

The renewable energy business often puts employees, subcontractors and others in close proximity with large pieces of mechanised equipment, high building structures and moving vehicles. The Group is responsible for safety and, accordingly, must implement safe practices and safety procedures, which are also applicable to on-site subcontractors. If the Group fails to design and implement such practices and procedures or if the practices and procedures implemented are ineffective or if suppliers do not follow them, employees and others may become injured and the Group's and others' property may become damaged.

Unsafe work sites also have the potential to increase employee turnover, increase the cost of a project or the operation of a photovoltaic farm, and raise the Group's operating costs. Any of the foregoing could result in financial losses, which could have a material adverse effect on our business, financial condition, results of operations and cash flows of the Group. In addition, the Group's renewable energy business can involve the handling of hazardous and other highly regulated materials, which, if

improperly handled or disposed of, could subject the Group to civil, administrative and/or criminal claims and/or liabilities.

The Group is also subject to regulations dealing with occupational health and safety. The failure to comply with applicable occupational health and safety regulations could subject the Group to liability. In addition, the Group may incur liability based on allegations of illness or disease resulting from exposure of employees or other persons to hazardous materials that the Group may handle or are present in the workplace.

3.5 Risks relating to the hospitality industry

3.5.1 No history in operating a hostel:

As set out in section 6.2.2.2 of this Company Admission Document, the proceeds of the Bond will partly be used to refurbish and operate a hostel, which will also include operating a restaurant. Although the Group has no history in operating a hostel or a restaurant, it is envisaged that a general manager will be employed to run the hostel. Consequently, should the hostel operation be unprofitable, this could have a material adverse effect on its business, results of operations and financial condition.

3.5.2 General risks associated with the hospitality industry

The Group will be subject to a number of external factors that could adversely affect its business once the hostel commences operations, many of which are common to the hospitality industry and beyond the Group's control, including the following:

- changes in travel patterns, any increase in or the imposition of new taxes on air travel and fuel, and cutbacks and stoppages on Malta-bound airline routes;
- changes in laws and regulations on employment, the preparation and sale of foods and beverages, health and safety, alcohol licensing, environmental concerns, fiscal policies, zoning and development, and the related costs of compliance;
- the impact of increased threats of terrorism or actual terrorist events, impediments to means of transportation (including airline strikes and border closures), extreme weather conditions, natural disasters, travel-related accidents, outbreaks of diseases and health concerns, or other factors that may affect travel patterns and reduce the number of business and leisure travellers; and
- increases in operating costs due to inflation, employment costs, workers' compensation and healthcare related costs, utility costs, increased taxes and insurance costs.

The impact of any of these factors (or a combination of them) may adversely impact room rates and occupancy levels at the Group's hostel, or otherwise cause a reduction in its revenue, which could have a material adverse effect on the Group's business, financial condition and results of operations.

Furthermore, the hospitality industry is subject to rapidly evolving consumer trends, the success of Luxury Living Group's hospitality operations is dependent upon the priorities and preferences of customers, whether local or foreign, and its ability to swiftly anticipate, identify and capitalise upon emerging consumer trends. If the Group were to be unable to do so, it could experience reduced rates and occupancy levels, which could have a material adverse effect on the Group's operational results.

The Group's hospitality operations are also susceptible to strong and increasing local and global competition, influenced by a variety of determining factors including accommodation rates, packages variety, quality, availability, reliability, after-sales service and logistics, and the fluctuations in demand for private and shared accommodation alternatives. The level of competition is subject to increase, and

such increase or even saturation in the supply of accommodation may negatively impact the Group's sales revenue and profitability in the hospitality sector.

In addition, many of Luxury Living Group's current and potential competitors may have greater name recognition, a larger customer base and greater financial and other resources than the Group. In particular, Luxury Living Group may be compelled, by the strength of its competitors that are able to supply accommodation and services at lower prices, to reduce its own prices. The ability of the Group to maintain or increase its profitability will be dependent on its ability to offset such decreases in the prices and margins of its accommodation and services.

3.5.3 Relations with suppliers

The Group's profitability of its hospitality activities depends in part on its ability to anticipate and react to changes in the cost of its supplies, and on its dependence on frequent and timely deliveries by its suppliers. The Group may not be able to acquire suitable products in sufficient quantities and/or on terms acceptable to it in the future. Any deterioration or change in the Group's relationships with its suppliers (including supplying on less favourable terms) could have an adverse effect on the Group.

3.5.4 Complaints and litigious claims

In any event where the Group operates a restaurant, or otherwise, it may be subject to complaints or claims from customers alleging food related illnesses, injuries suffered on premises operated by Luxury Living Group, or other food quality, health or operations concerns. Adverse publicity from such allegations may materially affect sales revenue generated by Luxury Living Group's hospitality establishments, regardless of whether such allegations are true or whether Luxury Living Group is ultimately held liable.

In addition, other litigation, including but not limited to disputes with its employees based on claims of, amongst others, discrimination, harassment or wrongful termination, may divert financial and management resources that would otherwise be used to benefit the future performance of Luxury Living Group's operations.

All litigation is expensive, time consuming and may divert management's attention away from the operation of the business. In addition, the Group cannot be certain that its insurance coverage will be sufficient to cover one or more substantial claims. Furthermore, it is possible that if complaints, claims or legal proceedings such as the aforementioned were to be brought against a direct competitor of the Group, the latter could also be affected due to the adverse publicity brought against, and concerns raised in respect of the industry in general.

3.5.5 Regulatory compliance

The Group is subject to various laws and regulations affecting its business. Operating a hostel is subject to licensing and regulation by a number of governmental authorities, which may include alcoholic beverage control, smoking laws, health and safety measures, disability access requirements and fire safety requirements. Difficulties in obtaining or maintaining the required licences or approvals, or the loss thereof, could adversely affect Luxury Living Group's business and results of its operations. Various bodies also have the power to conduct inspections of, and possibly close down, the hostel if it fails to comply with the relevant laws and regulations.

No assurance can be given that claims based on these laws will not be brought against Luxury Living Group in the future.

3.6 Risks relating to real estate

3.6.1 Develop and Operate Agreement valuation may not reflect actual market values:

The valuation of property and property-related assets is inherently subjective. The Develop and Operate Agreement in relation to the St. Julian's hostel has been valued by Grant Thornton and a copy of the valuation report dated 25 April 2018 is included in Annex D of this Company Admission Document. Grant Thornton is a firm of certified public accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act (Chapter 281 of the Laws of Malta), and is a member of Grant Thornton International. In providing the market value of the Develop and Operate Agreement, the independent valuer has made certain assumptions which ultimately may cause the actual value to be materially different from any future value that may be expressed or implied by such forward-looking statements or anticipated on the basis of historical trends as reality may not match the assumptions. There can be no assurance that such valuation of development and operational rights will reflect actual market values.

3.6.2 Property market and economic conditions generally

The Group shall be developing the Property through an extensive refurbishment, and may from time to time seek other opportunities for property development projects. There are a number of factors that commonly affect the real estate market generally, many of which are beyond the control of the Group, and which could adversely affect the economic performance and value of any property under development. Such factors include:

- changes in general economic conditions;
- general industry trends, including the cyclical nature of the real estate market;
- changes in local market conditions, such as over-supply of similar properties, a reduction in demand for real estate or change of local preferences and tastes;
- possible structural and environmental problems;
- acts of nature, such as earthquakes and floods, that may damage the property or delay its development;
- increase in competition in the market segment in which Luxury Living Group is undertaking property market development may lead to an over-supply of commercial or residential properties in such markets, which could lead to a lowering of prices and a corresponding reduction in revenue;
- political developments;
- introduction or changes to regulation, policy or tax law;
- interest rate fluctuations;
- inflation; and
- the availability or otherwise of financing and alternative yields of investment.

Any of the factors described above could have a material adverse effect on the Group's business, its financial condition and prospects and accordingly on the repayment of the Secured Bonds and interest thereon.

3.6.3 Development risk

The Group may be subject to risks associated with the development of the real estate, including the risk relating to project financing, planning permits, delays, cost over-run, risk of insufficiency of resources, risk of licensing transactions not being effected at the prices and timeframes envisaged, higher interest costs, erosion of revenue generation, risk of suspension of works from any applicable authority or administrative body, and the possibility of legal disputes. If these risks were to materialise,

they could have an adverse and material effect on the Group's financial condition and the results of its operations.

In addition, for the timely completion of development projects, the Group may place certain reliance on counterparties such as architects, engineers, contractors and sub-contractors, engaged in the demolition, excavation, construction and finishing of developments. Such counterparties may fail to perform or default on their obligations due to the Group, whether due to insolvency, lack of liquidity, economic or market downturn, operational failure or other reasons, all of which are beyond the Group's control. Failure of such counterparties to perform their obligations owed to the Group could, in turn, materially adversely affect the financial condition of the Group and its future prospects. In addition, the inability of the Group to develop and maintain relationships with highly skilled, competent and reliable counterparties could have a material adverse effect on the Group's development projects.

3.6.4 Environmental and other regulatory liabilities

Laws and regulations, which may be amended from time to time, impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials of substances from a real estate development, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injuries or other damages.

In view of these obligations, in connection with any prospective property development project, the Group may become liable for the costs of removal, investigation or remediation of any such substances, including hazardous or toxic substances that may be located on or in, or which may have migrated from, a property owned or occupied by it, which costs may be substantial. The Group may also be required to remove or remediate any such substances or materials that it causes or knowingly permits at any property that it owns or may in the future own.

In addition to environmental constraints, any activity the Group undertakes to carry out in the property development sector in the future will be subject to extensive regulations, including national and local regulation and administrative requirements and policies which relate to, among other things, planning, developing, land use, local urban regeneration strategy, fire, health and safety, and others. Laws and regulations, which may be amended over time, may also impose liability for the presence of certain materials or substances or the release of certain materials or substances into the air, land or water or the migration of certain materials or substances from a real estate investment, including asbestos, and such presence, release or migration could form the basis for liability to third parties for personal injury or other damages. These regulations often provide broad discretion to the relevant authorities and non-compliance may adversely affect Luxury Living Group.

3.6.5 Risk of injuries or fatalities in construction and damage to reputation

There are inherent risks to health and safety arising from the nature of property development, which accordingly require a developer to adopt and maintain a rigorous health and safety programme. A health and safety track record is critical to the success and reputation of the Group's prospective property development operations. Any failure in health and safety performance may result in penalties for non-compliance with the relevant regulatory requirements, and a failure which results in a major or significant health and safety incident, such as injury to, or fatality of, members of the construction workforce or bystanders, may be costly in terms of potential liabilities arising as a result, as well as the generation of adverse publicity having a negative impact on Luxury Living Group's reputation.

3.6.6 Costs incurred when proposed property investment is aborted

The Group may at times incur significant costs in connection with the assessment of potential property investment opportunities. These may involve costs associated with property surveys, valuation reports, title and environmental investigations. If a proposed real estate investment were not to proceed to completion after such costs have been incurred, Luxury Living Group will be unable to recoup same directly from that investment, which could have a negative impact on profitability.

4 PERSONS RESPONSIBLE

This Company Admission Document includes information prepared in compliance with the Prospects MTF Rules for the purpose of providing Bondholders with information about the Issuer and Guarantor. The Directors, whose names appear in section 5.1, hereunder accept responsibility for the information contained in the Company Admission Document and the accuracy thereof. 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 Company Admission Document is true and fair, and is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

As at the date of this Company Admission Document there are no other facts or matters omitted from the Company Admission Document which were or are necessary to enable investors and their investment advisors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Bonds.

5 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT, ADVISORS AND AUDITORS OF THE ISSUER AND GUARANTOR

This document includes information given in compliance with the Prospects MTF Rules for the purpose of giving information with regards to the Issuer.

5.1 Board of Directors of the Issuer

As at the date of this Company Admission Document, the Board of Directors of the Issuer is constituted by the following persons:

Mr Jean Paul Busuttil	Executive Director
Dr Joseph Borg Bartolo	Non-Executive Director and Chairman
Mr William Wait	Independent, non-Executive Director

All three Directors, serve on the Board of the Issuer. Mr Jean Paul Busuttil serves in the capacity of an executive director, whilst Dr Joseph Borg Bartolo and Mr William Wait serve in the capacity of non-executive directors. Mr William Wait is considered as independent Director since he is free of any business, family, or other relationship with the Issuer that could create a conflict of interest such as to impair his judgement.

The business address of the Directors is Greentek Business Complex, New Street in Triq il-Hofor, Qormi, Malta.

The company secretary and compliance officer in terms of the Prospects MTF Rules of the Issuer is Mr Silvio Camilleri.

The following are the respective *curriculum vitae* of the Directors and other officers of the Issuer:

Mr Jean Paul Busuttil
Executive Director and Chairman

Jean Paul Busuttil was educated at De La Salle, Malta. He commenced his career at Francis Busuttil and Sons, whereby throughout his 13-year employment he occupied varies posts including that of a General Manager. In 2003 he took over The Food House, an import and export company of frozen and chilled food provisions. The company diversified into fresh meat manufacturing and retailing and was sold in 2006. Over the next decade Jean Paul set up a turnkey contractor business, where he bought, refurbished and sold houses of character and later commenced acting as a broker in food supplies provisions to Libya. In 2016 he founded Luxury Living Technologies Limited whereby he holds the post of chairman and director, and director of Luxury Living Finance p.l.c. Jean Paul presently serves as a director in various companies including: Bag Investments Co Limited, Agricentre Malta Limited, FBS (Maritime Investments) Limited, Sewda Renewable Energies Limited, T&L Holdings Limited, B&S Contractors Limited, B&S Exports Limited, B&S Manufacturing Limited, Sunrise Solutions Co Limited and Sansuna Estates Co Limited.

Dr Joseph Borg Bartolo
Non-executive Director

Joseph Borg Bartolo is a lawyer by profession, and since 1993 has been in private practice. He is currently a partner at the law firm Mamo TCV Advocates. Joseph also heads the Mamo TCV's insurance practice and is also involved in the firm's general commercial practice. He is also involved in dispute resolution as well as several immovable property transactions on a continuous basis, mainly in the commercial property sector.

Mr William Wait
Independent, non-executive Director

William Wait is a warranted accountant. Prior to his appointment as chairman of Malta Enterprise in July 2016, he held various senior executive roles including deputy chairman of Malta Enterprise, executive chairman of Water Services Corporation, executive chairman of Projects Malta Limited, group director and deputy CEO of the Toly Group International ApS. William also chaired the investment and audit committee of Malta Enterprise and presently serves as a director in various Maltese and foreign companies including: Projects Plus Limited, Malta Life Sciences Centre Limited, Malta Digital Hub Limited, European Commercial Water Solutions (ECWS) Limited, Acceleration Limited, DAGO International Ltd, Union Casting (Malta) Limited, Bloomtree Limited, Marlow Investments Limited, Sea Panther Shipping Limited, Toly Group International ApS, Neopack Enterprise Private Limited, Wilton Development Partnership, Monza Limited, Lucerne Investments Limited and Sha Tin Limited. He also serves as director on AST Group p.l.c. and chairs its audit committee. William also serves as a Governor to the Lands Authority and chairman to Central Business District Foundation and as company secretary to several companies.

Mr Silvio Camilleri
Company secretary and compliance officer

Silvio Camilleri graduated with a Bachelors of Education (Honours) from the University of Malta in 1995. He commenced his career as an IT teacher at St Augustine College and was later promoted to Head of Department. Over the next eighteen years, he then held various roles at San Anton School including computer studies teacher, head of department, events coordinator and logistic manager. Since 2017, Silvio has worked as Chief Executive Officer of Luxury Living Technologies. He also founded and was president of Mgarr volleyball club until 2014.

5.2 Board of Directors of the Guarantor

As at the date of this Company Admission Document, the board of directors of the Guarantor is constituted by the following persons:

Mr Jean Paul Busuttil	Executive director
Mr William Wait	Independent, Non-executive director
Mr Carlo Mifsud	Independent, Non-executive director

The company secretary of the Guarantor is Mr Silvio Camilleri.

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

Mr Jean Paul Busuttil
Executive Director

The *curriculum vitae* of Mr Jean Paul Busuttil is set out in section 5.1 above.

Mr William Wait
Independent, non-executive Director

The *curriculum vitae* of Mr William Wait is set out in section 5.1 above.

Mr Carlo Mifsud
Independent, non-executive Director

Carlo Mifsud is specialised in finance, business systems and general management. In 2015, Carlo graduated from Henley Business School, University of Reading with merit, obtaining a Master of Business Administration. He also holds an Advanced Diploma in Accounting and Business from ACCA and is PRINCE2 certified whereby he acted as a project manager on a number of different projects both locally and abroad.

Carlo currently holds the post of Managing Consultant at 137Advisory and prior to that he held the position of Chief Executive Officer at Lands Authority. At present, Carlo is also assisting in the creation of the new authority that will operate within the ministry and regulate the construction industry with the aim of having one regulator which holds within it the functions currently held by the BICC (Building Industry Consultative Council), the BRO (Building Regulations Office), BRB (Building Regulations Board) and the Masons Board. Throughout his career he held various roles within the private and public sector both in Malta and abroad. Between 2001 and 2008 he lived in the UK where he was based in London working with major consultancy firms in implementing a number of systems across a number of different industries such as financial services, not for profit, housing associations, betting and casinos, hotels, entertainment, construction, oil and gas, telecoms and various others. He also held various finance roles in a number of different organisations in his career, more recently as the Chief Financial Officer of the Malta Gaming Authority where he was responsible for the overall finance, IT and administration functions and previously as Financial Controller and Accountant for a number of companies within one of Malta's largest family owned businesses.

5.3 Senior management of the Luxury Living Group

Mr Jean Paul Busuttil
Chairman

The *curriculum vitae* of Mr Jean Paul Busuttil is set out in section 5.1 above.

Mr Silvio Camilleri
Chief Executive Officer

The *curriculum vitae* of Mr Silvio Camilleri is set out in section 5.1 above.

5.4 Advisors to the Issuer

Corporate Advisor and Reporting Accountant

Name: Grant Thornton
Address: Fort Business Centre, Mriehel Bypass, Birkirkara, BKR 3000, Malta

Placement Agent, Manager and Registrar

Name: Jesmond Mizzi Financial Advisors Limited
Address: 67, Level 3, South Street, Valletta, Malta

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

Save for the subscription for Secured Bonds by the Placement Agent, Manager and Registrar and any fees payable to the Placement Agent, Manager and Registrar in connection with the Bond Issue, to the best of the Issuer's knowledge no person involved in the Issue has an interest material to the Bond Issue.

5.5 Auditor of the Issuer

Name: Louis Padovani (Warrant Number: 19203)
Address: 'Kyle', Apartment 4, Triq il-Mediterran, St. Julians, STJ 1870, Malta

The Issuer was set up on 25 April 2018 and since incorporation to the date of the Company Admission Document no financial statements have been prepared.

5.6 Auditor of the Guarantor

Name: Louis Padovani (Warrant Number: 19203)
Address: 'Kyle', Apartment 4, Triq il-Mediterran, St. Julians, STJ 1870, Malta

5.7 Security Trustee

Name: Cavalier Trust Services Limited
Address: Finance House, First Floor, Princess Elizabeth Street, Ta' Xbiex

Cavalier Trust Services Limited are licensed trustees qualified to act as such under the Trusts and Trustees Act (Chapter 331 of the laws of Malta).

6 INFORMATION ABOUT THE ISSUER AND THE GUARANTOR

6.1 Historical development of the Issuer

Full legal and commercial name of the Issuer:	Luxury Living Finance p.l.c
Registered address:	Greentek Business Centre, New Street in Triq il-Hofor, Qormi
Place of registration and domicile:	Malta
Company registration number:	C 85987
Date of registration:	25 April 2018
Legal form:	The Issuer is lawfully existing and registered as a public limited company in terms of the Act
Telephone numbers:	+356 2099 6609
Email:	info@llt.com.mt
Website:	www.llt.com.mt

The Issuer is, except for one share which is held by Bag Investments Co. Limited, a fully-owned subsidiary of the Guarantor, which latter entity is the parent company of the Group.

The Issuer was registered as Luxury Living Finance p.l.c. on 25 April 2018 registered in terms of the Companies Act, with company registration number C 85987. The Issuer is domiciled in Malta, having its registered office at Greentek Business Centre, New Street in Triq il-Hofor, Qormi, Malta. As at the date of the Company Admission Document, the Issuer has an authorised and issued share capital of €50,000, divided into 50,000 ordinary shares of €1 each, all fully paid up. At present, the shares in the Issuer are subscribed to and held as indicated in section 10.1 of this Admission Document.

The principal objects of the Issuer relate to carrying on the business of a finance company. Furthermore, the issue of bonds falls within the objects of the Issuer, however, to date the Issuer has no track record in raising finance from capital markets.

The Issuer does not intend to undertake any trading activities itself apart from the raising of capital and the advancing thereof to the Guarantor. Accordingly, the Issuer is economically dependent principally on the financial and operating performance of the business of providing eco and renewable energy solutions, specialising in installations of photovoltaic units in a variety of domestic, industrial and agricultural locations as well as operating a hostel once it commences operations.

The Issuer does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company. The Issuer is, therefore, intended to serve as a vehicle through which the Group will continue to finance its future projects, principally and in the immediate future.

The Issuer is managed by a Board of Directors (refer to section 5.1), which is entrusted with the overall direction, administration and management of the Issuer.

The Issuer has set up a website (www.llt.com.mt) which includes an "Investor Information" section from which investors can obtain current information on the Company. The said section shall include all electronic communications for all information required to be disclosed under the Rules and/or applicable law to all holders of Secured Bonds.

The Issuer operates exclusively in and from Malta.

6.2 Historical development of the Guarantor and overview of the Group's business

6.2.1 Introduction

Full legal and commercial name of the Guarantor:	Luxury Living Technologies Limited
Registered address:	Greentek Business Complex, New Street in Triq il-Hofor, Qormi
Place of registration and domicile:	Malta
Company registration number:	C 74593
Date of registration:	1 March 2016
Legal form:	The Issuer is lawfully existing and registered as a private limited company in terms of the Act
Telephone numbers:	+356 2099 6609
Email:	info@llt.com.mt
Website:	www.llt.com.mt

The Guarantor is a private limited liability company incorporated and registered in Malta with company registration number C 74593, having its registered office at New Street in Triq il-Hofor, Qormi, Malta. The Guarantor is the parent company of the Luxury Living Group, holding shares in Luxury Living Finance p.l.c., a company registered in Malta.

The main activity of the Guarantor is that of providing eco and renewable energy solutions, specialising in installations of photovoltaic units in a variety of domestic, industrial and agricultural locations.

As at the date of the Company Admission Document the Guarantor has an authorised and issued share capital of 2,931,000 ordinary shares of €1 each, all fully paid up and subscribed to and held as indicated in section 10.2 of this Admission Document.

6.2.2 Principal activities of the Guarantor and overview of the Luxury Living Group's business

As stated above, the Guarantor is the parent company of the Group, which is principally engaged in Malta, in the trading, importing and exporting, installing and maintaining of all kinds of merchandise related to renewable energy, especially water softening and purifying systems, solar panels and solar powered devices and similar related products in domestic, industrial and agricultural locations.

To date the Group has focused on offering retail customers with eco and renewable energy solutions. It is the Group's intention to strengthen and expand its core business as well as operate a hostel situated in St. Julian's as explained further in section 6.2.2.1 and 6.2.2.2 respectively.

6.2.2.1 Renewable energy solutions

Between FY2017 and FY2018 the Group focused on trading, importing, and exporting of goods related to renewable energy to retail and commercial customers. This was principally achieved through the sale of photovoltaic panels to residential households and commercial clients as well as maintenance services of these products.

It is the Group's intention to expand its current operations by investing in photovoltaic farms generating less than 1 Megawatt (<1MW). This shall be achieved by acquiring rights over the unutilised commercial roofs and/or spaces from third parties in order to build, construct, install, operate and maintain the photovoltaic panels, which in turn benefit from the FIT generated by the photovoltaic farms. This will create an operational avenue for the Group to scale up its renewable energy business

by leveraging on its current expertise. Although as per Legal Notice 200 of 2017 and Legal Notice 338 of 2017 (extended by Legal Notice 381 of 2017) the Group is entitled to a rate of €0.145/kWh for the Projects, given that it has received an authorisation letter issued by REWS on all Projects, which is valid for a year from date of authorisation. Despite this, as set out in section 3.4.2, the Group may be subject to changes in FIT.

As at the date of this Company Admission Document, the Guarantor has already identified six sites (the Projects) and entered into the respective agreements, as set out in the table hereunder:

Site location	Owned by	Agreement date	Term of agreement (years) [2]	Expected no. of panels to be installed	kWp	Return on Capital Employed
Mriehel	Related party[3]	25/05/2018	20	1,759	510	
Hal-Far	Third party	04/11/2016	20	767	222	
Mellieha	Related party[4]	25/05/2018	20	1,723	500	
Hal-Far	Third party	20/12/2017	20	2,861	830	
Siggiewi	Third party	01/11/2017	20	3,406	988	
Paola	Third party	23/02/2018	20	586	170	
Total				11,102	3,220	12%

The Guarantor has obtained grants of authorisation for all the Projects from REWS. This entitles the Guarantor to the receipt of the FIT once the Projects are operational, and, subject to adherence by the Guarantor, to all applicable rules and regulations, the Guarantor shall be entitled to the payment of the FIT, which is set at a pre-established rate of €0.145/kWh, which is fixed and guaranteed for twenty (20) years.

Subject to the attainment of prior approval from REWS, the Guarantor may assign its rights to receive the FIT from the Projects to a third party. Hence, should the Pledge become enforceable, the Security Trustee, after taking control of the Guarantor through the enforcement of the said Pledge, may proceed to seek to monetise the Projects by selling the rights held in virtue of the authorisations in place as granted by REWS, should it deem such an action to be in the best interests of Bondholders.

Furthermore, the agreements in place enabling the Guarantor to make use of and install the PV panels on the various designated roof spaces or other property, grant the following rights, among others, to the Guarantor:

(i) the Guarantor has a right to sub-lease, lease, assign and/or transfer its rights under the said agreements, after notifying or obtaining prior approval from the lessor;

(ii) the lessor is restricted from entering into any arrangements with third parties which are of a similar nature to the one with the Guarantor related to the property in question;

[2] Subject that all required permits are issued within two years from date of agreement
[3] Owned by the ultimate beneficial owner
[4] Owned by the ultimate beneficial owner

(iii) the lessor is bound to co-operate in all respects with the Guarantor as may be deemed necessary or desirable, as well as being bound to safeguard the Guarantor's interests as required;

(iv) the Guarantor enjoys a right of first refusal should the lessor wish to transfer his title to the property;

(v) where, for any circumstance, the lessor transfers his title to third parties, the lessor is under an obligation to subject such third parties to the terms of the agreement with the Guarantor.

On 15 June 2018, the Guarantor reached an agreement to acquire 100% of the Acquisition Projects for €2.2 million:

Site location	Owned by	Agreement date	Term of agreement (years)	kWp
Luqa	Third party	18/03/2015	20	1,006
Qormi	Third party	15/05/2017	20	350
Maghtab	Third party	26/03/2015	20	300

The sale is subject to a technical and legal due diligence exercise which is to be finalised within six weeks from the signing of the promise of sale, whereby the technical due diligence comprises an inspection of all hardware forming part of the Projects and all or any hardware, whilst the legal due diligence comprises of an investigation into all contractual, commercial and ancillary legal relations including, but not limited to, all contracts and commercial agreements relating to the Projects, and a review of the corporate governance structure;

The agreed price of €2.2 million is to revised in a manner reflecting the true state of affairs of the Projects, if the technical and legal due diligence exercise identifies any discrepancies which do not meet the definition of "Major Discrepancies" as defined in the promise of sale. Should the due diligence exercise identify "Major "Discrepancies" as defined in the promise of sale, the Guarantor is free to withdraw from the agreement without consequence.

The promise of sale is subject to:

(i) the Issuer raising the necessary funds to finance the Acquisition;

(ii) the due diligence being carried out by the Guarantor and no "Major Discrepancies" as defined in the promise of sale have resulted from same;

(iii) That on the date of signature of the agreement, any and all data, documents, information, keys, property, assets, whether movable or immovable, in the possession of the seller which is or may reasonably be considered to be related to, associated with or concerning the Projects, shall be passed on and provided by the seller to the Guarantor and is certified by the seller as being true to fact;

(iv) That by the completion date or such later date agreed to by and between the parties, the Maghtab project shall be connected to the Enemalta national grid, and if not twenty-one per cent (21%) of the agreed price of €2.2 million shall be withheld by the Guarantor and shall only be paid if and when the Maghtab project shall have been connected to the Enemalta national grid;

(v) That the Projects including any and all assets and movable and immovable property relating thereto, are free and unencumbered and are not subject to any rights, claims and/or pretentions from any third party;

(vi) That all licences, authorisations, orders, grants, confirmations, consents, permissions and approvals from third parties and any documentation and agreements, including but not limited to all necessary rental and surface usage agreements providing all requisite rights and servitudes are transferred to the Guarantor;

(vii) That the seller shall continue to receive from Enemalta the FIT, currently being paid to it in connection with the Projects until the date of execution of the Projects transfer agreement and the Projects transfer completion documents;

(viii) That the seller warrant/s upon execution of the Projects transfer agreement and the Projects transfer completion documents that it has and shall have no right or interest, direct or indirect, in any business which is, or is likely to become, competitive with the business relating to the Projects.

(ix) In respect of all assets currently used in relation to the products which have been manufactured and supplied to the seller by third parties, the seller shall pass on to the Guarantor the benefit of any warranty given to the seller and/or in any way relating to the Projects, by such third parties or other and will on request supply to the Guarantor details of the terms and conditions of such warranty and copies of any relevant product information sheets, technical data sheets or product leaflets issued by such third parties.

6.2.2.2 Hostel operations

In terms of the Guarantor's memorandum of association, the Guarantor, may, *inter alia*, acquire by any title whatsoever, directly or through subsidiary companies, and take on lease or sub-lease and dispose of, grant and/or lease and hold or manage property of any kind, whether movable or immovable for the purposes of its business, and construct, develop and enter into arrangements with contractors and other service providers in connection with properties under its management.

Jean Paul Busuttil has legal title, in full ownership, to a property located in Casa Busa, 129, Main Street, St Julian's, STJ 1011, which is set over three main floors interconnected through a main internal staircase, and has a total footprint of 160sqm (the Property).

The Property is located between two properties currently used as BNF Bank branch and Saddles bar in the same Main Street, St. Julian's. The building does not require any major structural works, however it is currently not being utilised due to the poor level of finishing and furnishing. Through PA/00852/17, on 25 August 2017, the Planning Authority approved internal alteration to existing pre 1967 property, and change of use from existing residential to Class 3A Hostel and Class 4D at basement level including proposed signage.

Bag Investments Co. Limited and Sansuna Estates Co. Limited acquired property management rights, by virtue of a Property Management Agreement dated 25 April 2018 as set out in section 9.1.4.

By virtue of a Develop and Operate Agreement dated 25 April 2018, Bag Investments Co. Limited and Sansuna Estates Co. Limited jointly agreed with the Guarantor that:

i. Bag Investments Co. Limited and Sansuna Estates Co. Limited will jointly grant development and operational rights of the Property in favour of the Guarantor for a period of 25 years (the Develop and Operate Agreement) in exchange for 2,831,000 ordinary shares with a nominal value of €1 per share in the Guarantor;

ii. The Guarantor shall develop the Property into a Green Hostel and subsequently operate the Property as a Green Hostel for a specified period of 25 years, during which term any and all expenses incurred (including ordinary and extraordinary maintenance) and revenues generated in connection with the operation of the Property shall be at Guarantor's own risk and benefit respectively; and

iii. Upon expiry of the said 25-year term, the Develop and Operate Agreement is terminated and the Guarantor is under the obligation to transfer the operation of the Property to Bag Investments Co. Limited and Sansuna Estates Co. Limited, and from that point in time

the benefit of revenues generated and the risks associated with the running of the Property shall be transferred to Bag Investments Co. Limited and Sansuna Estates Co. Limited.

It is the intention of the Group that €0.5 million of the Bond proceeds will be utilised to convert the Property into an 80-bed hostel operating on a bed and breakfast (B&B) basis.

The Guarantor in its capacity as developer and operator of the Property, has been irrevocably appointed to design, finance, develop and operate the Property. The Guarantor also acquired the exclusive right, authority and discretion to take all the necessary actions to develop and operate the Property.

Save for a declaration by a competent court at law in relation to the Develop and Operate Agreement's lack of enforceability or impinging on its validity, the Develop and Operate Agreement including all the rights emanating therefrom for the benefit of the Guarantor, may not be terminated by Bag Investments Co. Ltd and/or Sansuna Estates Co Limited, before the expiration of the term of the said agreement, which is set at twenty five (25) years.

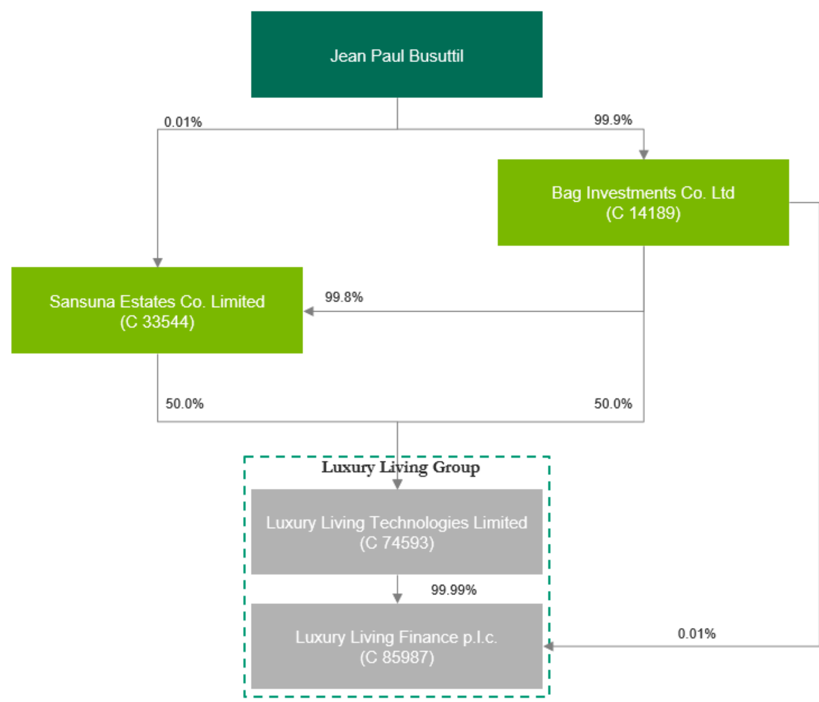
By virtue of the Develop and Operate Agreement, the Guarantor, or any assignees, will enjoy the possession of the Property in line with the terms and conditions of the said Develop and Operate Agreement for a twenty five (25) year period. In the case of default, there shall be no restriction on the Guarantor or its assignees to assign the rights acquired through the Develop and Operate Agreement onto third parties and therefore monetise these contractual rights.

6.2.3 Principal markets

The Luxury Living Group operates exclusively in and from Malta.

6.2.4 Organisational structure

The organisational structure of the Group as at the Company Admission Document is illustrated in the diagram below:



6.2.5 Group dependencies

As the Issuer itself does not carry on any trading activities, the Issuer is economically dependent on the business prospects of the Parent/Guarantor. More specifically, the Issuer is dependent on the receipt of interest income from the Parent/Guarantor in relation to the Bond proceeds advanced by the Issuer to its Parent/Guarantor. It is the intention of the Issuer to advance the funds and such advances will be documented through a loan agreement entered into between the two parties. In principle, the loan agreement shall provide that the funds will be advanced at agreed rates of interest, on an arms' length basis for a ten-year duration which will be repaid in line with a repayment schedule.

The Issuer is also dependent on employees of the Living Luxury Group for administrative support.

6.2.6 Business development strategy

Luxury Living Group's business strategy focuses on achieving positive and sustainable financial results. It is the Group's intention to build on Malta's commitment to reach 10% of its gross final energy consumption from renewable energy sources by 2020. Consequently, in the execution of the Group's strategy, management aims to consistently provide high quality products and solutions to its customers, as well as building on its experience and track record. To this end, the principle strategic ambitions of the Group are to:

a) strengthen the core business by supplying renewable energy products (mainly solar powered devices) to residential and commercial customers;

b) expand its core business by investing in photovoltaic farms through: (i) obtaining unutilised commercial roofs and/or spaces from third parties to build, construct, install, operate and maintain photovoltaic farms; and (ii) acquiring the Acquisition Projects, in order to continue scaling the business. In this respect, it is the Group's intention to continuously invest in photovoltaic farms in the future by raising further funds from the capital markets;

c) invest in the Property, and operate it as a hostel since it allows the Group to diversify its operations.

7 TREND INFORMATION AND FINANCIAL PERFORMANCE

7.1 Trend information of the Issuer

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

There has been no material adverse change in the prospects of the Issuer since its incorporation. . It should be noted that the Issuer has never published audited financial statements yet as it was incorporated shortly prior to the date of this Company Admission Document.

7.2 Trend information of the Guarantor

The core business of the Guarantor is largely dependent on the nations requirement and necessity to slowly phase towards a cleaner energy production, principally through renewable energy. The attractiveness of renewable energy is dependent on a number of factors, namely: Government schemes and policies, the cost of the initial investment and the efficiency of the technology. A detailed trend analysis on the renewable energy industry, focusing on solar energy consumption in Malta is set out in section 7.2.1.

By virtue of a Develop and Operate Agreement, it is the Guarantor's intention to convert and operate the Property into an 80-room hostel operating on a B&B basis. In this regard, section 7.2.2. sets out an overview of the hospitality industry in Malta, focusing on three-star accommodation.

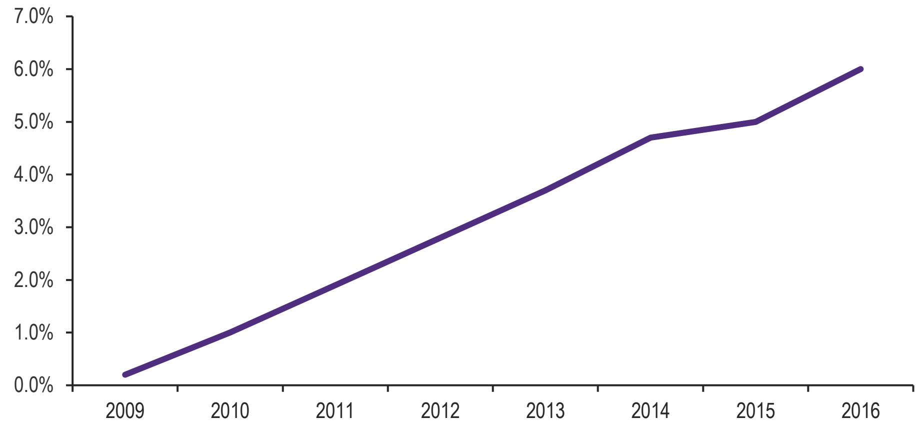
7.2.1 Overview of the renewable energy industry

7.2.1.1 Energy consumption from renewable energy – comparison to EU member states

To phase towards a cleaner energy production, as part of the Europe 2020 strategy, the EU set a target that 20% of its gross final energy consumption[5] is to be generated from renewable energy sources by 2020. According to the EU Directive, different national targets were set according to the member states' potential. To this end, Malta's target was set at 10% of its gross final energy consumption.

As set out in the table below, Malta's share of energy consumed from renewable energy has increased from 0.2% in 2009 to 6% in 2016 of total energy consumption (Eurostat).

Malta's share of energy consumption from renewable sources (2009-2016)

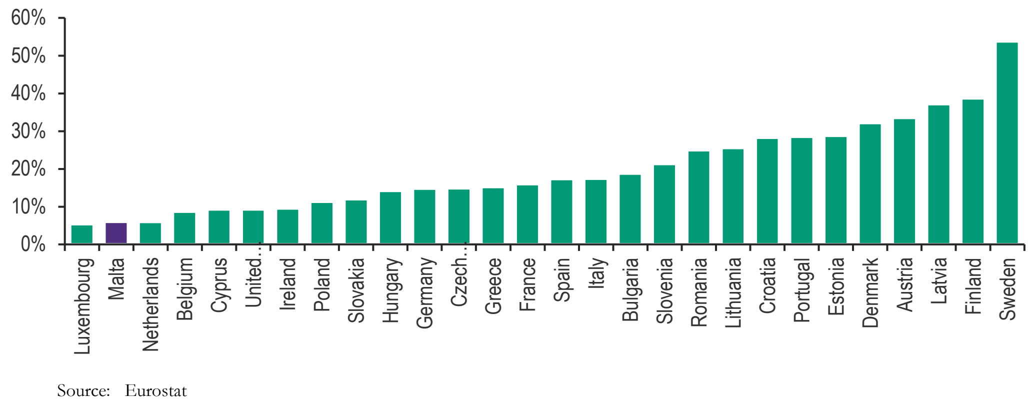


Source: Eurostat

Despite this increase, as set out in the table below, there is a significant disparity between Malta and its European counterparts, when comparing the share of gross energy production that is sourced from renewable means amongst the EU-28 countries in 2016. However, although Malta ranks second from last, with just 6% of total energy production being generated from renewable sources in 2016, Malta is only short by four percentage points from its EU2020 energy target (Eurostat). Despite this, among the 28 EU member states, eleven have already reached the level required to meet their national 2020 targets: Bulgaria, the Czech Republic, Denmark, Estonia, Croatia, Italy, Lithuania, Hungary, Romania, Finland and Sweden. Moreover, Austria and Slovakia are about one percentage point from their 2020 targets. At the opposite end of the scale, the Netherlands (8.2 percentage points from reaching its national 2020 objective), France (7.8 percentage points from reaching its national 2020 objective), Ireland and the United Kingdom (both 6.8 percentage points from reaching their national 2020 objective) and Luxembourg (6.0 percentage points from reaching its national 2020 objective) are the furthest away from their targets.

[5] This consumption figure includes energy consumed in numerous activities besides energy production, such as transport, heating and cooling.

Comparison of EU-28's share of energy consumption from renewable sources



Source: Eurostat

7.2.1.2 A historic overview of Malta's energy consumption from renewable energy

Due to Malta's topological characteristics, it is evident that the most viable and robust of all Malta's indigenous renewable energy sources is solar technology. In fact, although Malta employs two broad categories of renewable energy production, which are solar thermal and photovoltaic systems, and biomass and renewable wastes, solar thermal and photovoltaic systems account for c. 62% of all gross renewable energy consumption (or 15.2 thousand tonnes of oil equivalent) (Eurostat).

As a result, there has been a sharp increase in the photovoltaic capacity installed between 2011 and 2016, as illustrated in the figure below. The rapid growth in this market has been largely based on regulatory framework conditions and the FIT established by governmental authorities. The renewable energy market would not be as competitive without government incentives, especially in comparison with the use of conventional energy sources, such as natural gas, heavy fuel oil and other fossil fuels. In fact, several incentives were offered over the past decade including: the European Regional Development Fund (ERDF) co-financed grants and the European Agricultural Fund for Rural Development (EAFRD) funds, attractive FIT, and the decreasing price of the technology, which increased the attractiveness of the investment.

According to REWS, the total cumulative installed capacity increased by a CAGR of 77.5% from 5.3 MWp as at December 2011 to 93.4 MWp as at December 2016.

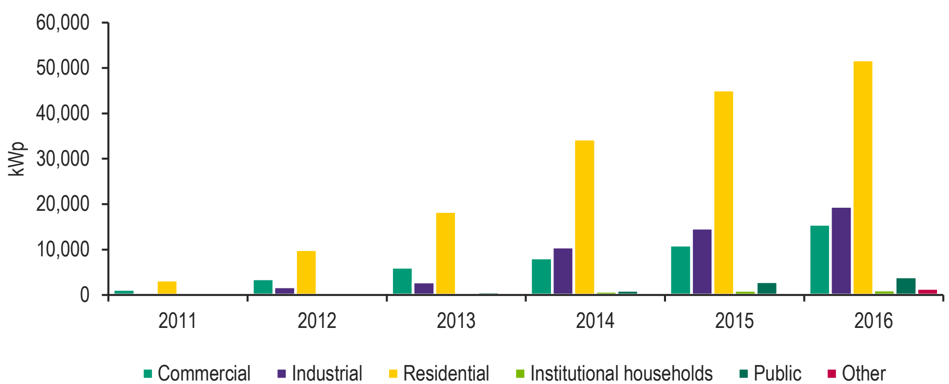
Total photovoltaic capacity installed

Date	Increase in capacity over previous year	Total cumulative installed capacity
By December 2011	4.6 MWp	5.3 MWp
By December 2012	10.3 MWp	15.6 MWp
By December 2013	12.8 MWp	28.4 MWp
By December 2014	26.4 MWp	54.8 MWp
By December 2015	19.2 MWp	74.0 MWp
By December 2016	19.4 MWp	93.4 MWp

Source: The uptake of solar systems in Malta (status as at the end of the year 2016), REWS

The above data can be further analysed by sector. As set out in the chart and table below, differentiating between residential investment in photovoltaic systems and non-residential (that is, industrial, commercial, public and institutional) further reveals a gap between the two categories of investment. The non-residential photovoltaic capacity has, on an annual basis, been lagging significantly behind that of the residential sector – thus exposing a potential gap that ought to be addressed, potentially by private enterprises.

Total photovoltaic capacity installed



Source: The uptake of solar systems in Malta (status as at the end of the year 2016), REWS

Number of systems connected by sector

	2011	2012	2013	2014	2015	2016
Commercial	68	162	281	370	564	624
Industrial	25	54	73	105	146	167
Residential	1,846	5,078	11,566	13,789	17,222	19,032
Institutional households	3	7	13	64	77	85
Public	17	64	64	105	148	170
Other	0	0	0	0	3	119
Total	**1,959**	**5,365**	**11,997**	**14,433**	**18,160**	**20,197**

Source: The uptake of solar systems in Malta (status as at the end of the year 2016), REWS

7.2.1.3 Projected photovoltaic capacity in Malta

The *National Renewable Energy Action Plan 2015-2020* sets out the expected degree to which each kind of renewable energy technology will be contributing to Malta's EU2020 energy target. It is clear from the below table that the majority of Malta's renewable energy target will be achieved through efforts directed at enhancing the island's photovoltaic system capabilities and capacity, largely due to geographical and logistical factors endemic to the Maltese Islands.

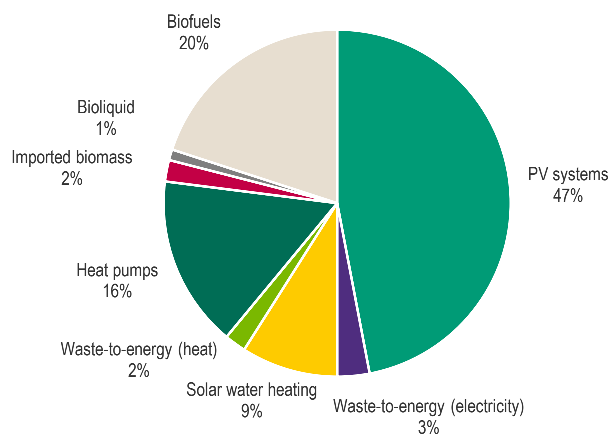
Renewable Energy Sources (RES) contribution by technology and share

	GWh	% of total energy 2020
RES – Electricity		
Photovoltaic (PV) systems	278.13	4.7%
Micro-wind	0.06	0.0%
Waste-to-energy (electricity)	16.00	0.3%
Total RES – Electricity		**5.0%**
RES – heating & cooling		
Solar water heating (SWH)	54.18	0.9%
Waste-to-energy (heat)	11.91	0.2%
Heat pumps	89.93	1.6%
Imported biomass	**11.19**	**0.2%**
Bioliquid used in industry	3.70	0.1%
Total RES – heating & cooling		**3.0%**
RES – transport		
Biofuels	124.29	2.1%
Renewable electricity in transport	0.59	0.0%
Total RES – transport		**2.1%**
Overall total		**10.0%**

Sources: The National Renewable Energy Action Plan 2015-2020, Office of the Prime Minister

In fact, the largest sources of clean energy are projected to come from photovoltaic systems (47%), followed by biofuels (20%) and heat pumps (16%).

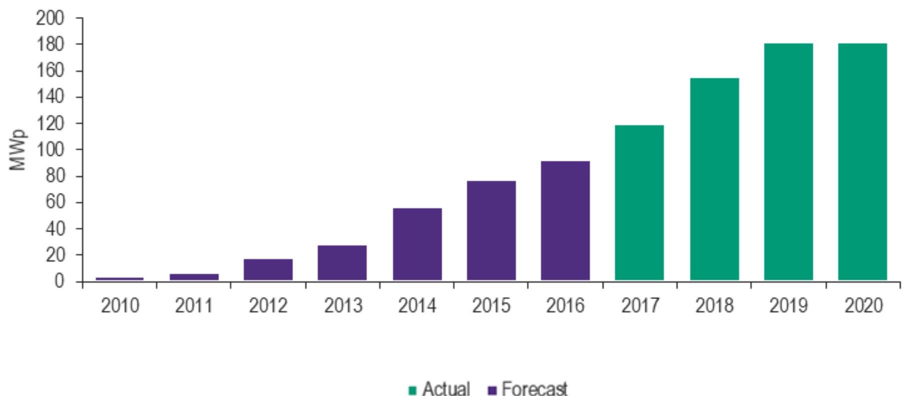
Contribution by technology as a percentage share of the overall target



Sources: The National Renewable Energy Action Plan 2015-2020, Office of the Prime Minister

By 2020, it is estimated that 278.13 GWh of electricity will be generated annually by means of photovoltaic systems. This is equivalent to 47% of the total renewable energy target, or half of Malta's EU2020 energy target. However, to realise this goal, the *National Renewable Energy Action Plan 2015-2020* estimates total photovoltaic capacity in Malta has to grow at a CAGR of 18.1% between 2016 and 2020, reaching 182 MWp by 2020. This translates into a total requirement of 2.7 million square metre of photovoltaic farms – equivalent to c. 400 football grounds – which needs to be installed in order for Malta to reach its EU2020 energy target.

Projected photovoltaic capacity in Malta (2010-2016 actual, 2017-2020 projected)

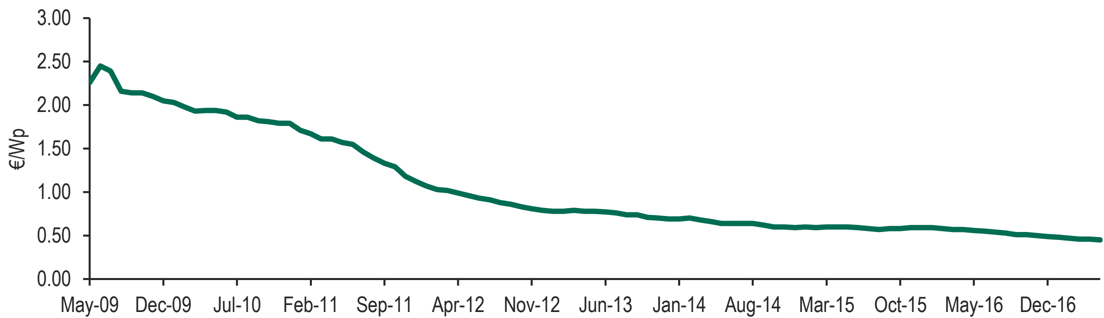


Source: The National Renewable Energy Action Plan 2015-2020, Office of the Prime Minister

7.2.1.4 Cost and efficiency of photovoltaic panels

Over the past decade there has been significant reduction in the price of photovoltaic panels, driven by greater demand and mass production. This is likely to continue, albeit at a slower pace. In fact, as set out in the table below, the price of electricity generation through solar panels in Euro per Watts peak (€/Wp) . decreased from €2.45/Wp in May 2009 to €0.45/Wp in May 2017 (prices listed on the European Spot Market). This translates to an 80% decrease in cost over eight years.

Photovoltaic panel price trend (May 2009 – May 2017)



Sources: www.solarserver.com/service/pvx-spot-market-price-index-solar-pv-modules.html

This downward price trend was also complemented by an increase in efficiency of each panel. According to Photovoltaics Report (February 2018) in the last 10 years, the efficiency of the average commercial wafer-based silicon modules increased from about 12% to 17% (21% in the case of super-mono). At the same time, Cadmium telluride photovoltaics module efficiency increased from 9% to 16% over the same period.

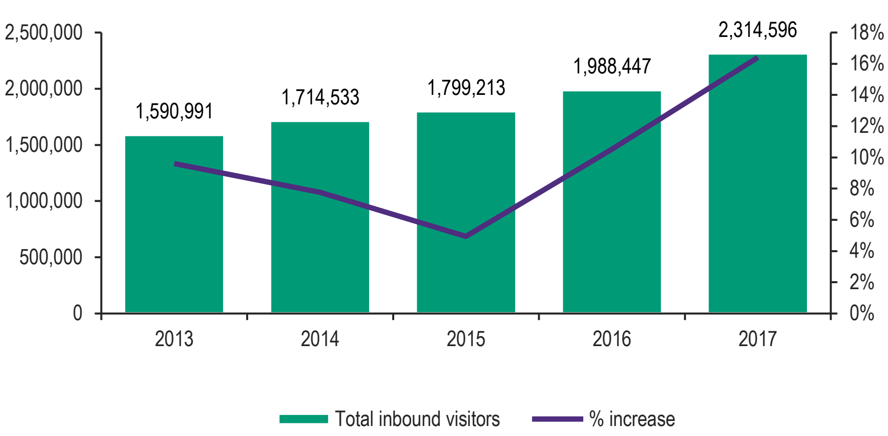
7.2.2 Overview of the hospitality industry

7.2.2.1 The overall tourism performance in Malta

The Maltese tourism industry has, in recent years, been renowned for its unabated growth, with each passing year yielding new record highs of inbound tourists visiting the island. Indeed, the tourism industry is considered to be a crucial pillar of the economy as, directly and indirectly, it is estimated to account for 29% of Malta's GDP (National Tourism Policy 2015-2020).

The resilient performance in the tourism sector observed over the past few years has persisted during 2017 in terms of inbound tourists. NSO data for 2017, revealed that the influx for the year stood at 2.3 million tourists – representing an increase of 16.4% over the previous year. Over the past 5 years (2013-2017), there has been an average increase of 9.8% per annum. According to the NSO, this improvement was mostly driven by an increase in the number of leisure tourists. The below diagram illustrates the development of the Maltese tourism industry over the past 5 years, showing both percentage growth as well as growth in absolute terms.

Malta inbound tourism growth over the past 5 years



Sources: National Statistics Office

Along with the substantial increase in tourist head count over recent years came a complimentary increase in the aggregate level of tourist expenditure in each year. According to NSO statistics, total tourist expenditure in Malta between January and December 2017 reached €1.9 billion, representing an increase of 13.9% and 4.3% over the total expenditure in 2016 and 2015 respectively. However, the expenditure per capita (which consists of air/sea fares, accommodation and other expenditure) has gradually decreased over time. This decrease in expenditure per capita was partly due to the fact that air/sea fares have decreased as well as a decrease in the average length of stay, as an increasing number of tourists opted to visit Malta for shorter breaks.

Malta tourism expenditure over the past 5 years

Year	Total expenditure (€000)	Expenditure per capita (€)
2013	1,440,379	910
2014	1,528,765	905
2015	1,639,067	919
2016	1,708,952	869
2017	1,946,894	856

Sources: National Statistics Office

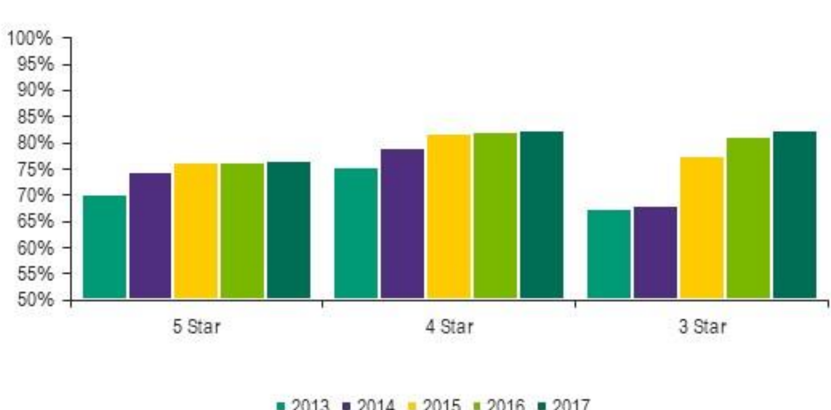
The United Kingdom and Italy are Malta's main tourism source, accounting for 25% and 16% of inbound tourists in 2017 respectively. These markets followed by Germany and France with each accounting for around 8% of total inbound tourists.

Going forward, the prospects of the local tourism industry continue to look positive. The unstable socio-political economic situations of some of Malta's closest competitors around the Mediterranean, as well as the continuing upgrading of the local tourism product in general are set to remain drivers of growth. Furthermore, Valletta's journey towards the European Capital City of Culture in 2018 continue to attract additional visitors to Malta. On the downside, competition from other Mediterranean countries is likely to remain strong. Efforts by the Malta Tourism Authority have been aimed to attract more visitors from new markets, as this strategy aims to ensure that the Maltese hospitality industry remains competitive and sustainable in the years to come.

7.2.2.2 The hospitality industry in Malta

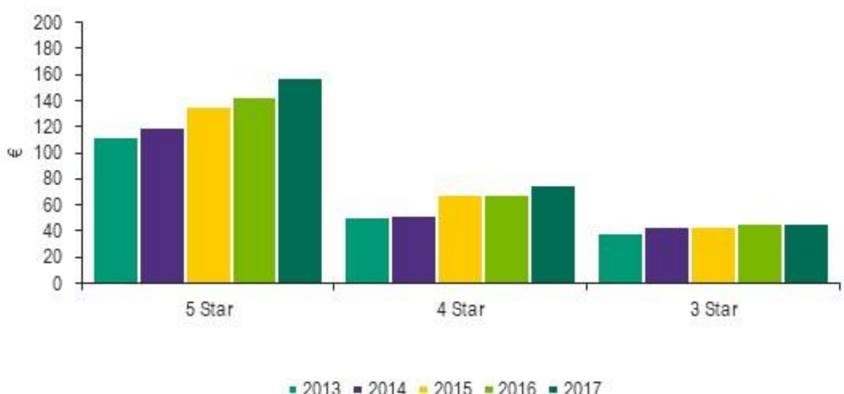
The hospitality industry in Malta has welcomed the increase in tourist arrivals throughout the past four years with a complementary increase in performance. Data from the Malta Hotels and Restaurants Association illustrates that over the past four years all hotel categories managed to register year-on-year increases in both occupancy and average daily rate. The improvement in both the average daily rate and occupancy has positively impacted the industry's bottom-line. In fact, as set out below, over the past four years, the Gross Operating Profit per Available Room (GOPPAR) of all hotel categories increased by 89.8%, 98.9%, and 61.7% in the 5-star, 4-star, and 3-star respectively.

Occupancy



Sources: Malta Hotels and Restaurants Association

Average daily rates



Sources: Malta Hotels and Restaurants Association

Gross Operating Profit per Available Room

Sources: Malta Hotels and Restaurants Association

8 HISTORICAL FINANCIAL INFORMATION

8.1 Financial information on the Issuer

The Issuer was set up on 25 April 2018 to issue the Secured Bonds and lend the proceeds to Group companies. The Issuer has not conducted any business and has no trading record. Since incorporation to the date of this Admission Document, no financial statements have been prepared in respect of the Issuer.

There has not been any significant change in the financial or trading position of the Issuer, which has occurred since the Issuer's date of incorporation.

8.2 Financial information of the Guarantor

The Guarantor was registered and incorporated on 1 March 2016 and since incorporation to the date of the Company Admission Document only one set of financial statements has been prepared. The Guarantor's historical financial information for the financial year ended 28 February 2017, as audited by Louis Padovani of 'Kyle', Apartment 4, Triq il-Mediterran St. Julian's, STJ 1870, Malta, are available for inspection on the Guarantor's website (www.llt.com.mt) and from the registered office of the Guarantor during office hours.

Except for the Develop and Operate Agreement entered into by the Guarantor on 25 April 2018, there were no significant changes to the financial or trading position of the Guarantor or the Group since the end of the financial period to which the Guarantor's aforementioned last audited consolidated financial statements relate.

During 2018, the Group's accounting year end was changed from 28 February to 30 June. Consequently, the financial year ending 30 June 2018 represents a 16 month period from 1 March 2017 to 30 June 2018. Section 8.2.1 to section 8.2.4 sets out the consolidated audited financial statements for year ended 28 February 2017 and the projections for the financial years ending 30 June 2018, 2019, 2020 and 2021. Section 8.4 sets out the interim consolidated unaudited financial statements for the period ending 30 November 2017. The following extracts assume that the bond Interest shall commence on 1 July 2018; that the Acquisition shall take place on 30 June 2018 and that €772k of Bond proceeds as stipulated under section 21.1 are invested in photovoltaic farms.

8.2.1 Income statement

Consolidated income statement for the years ending

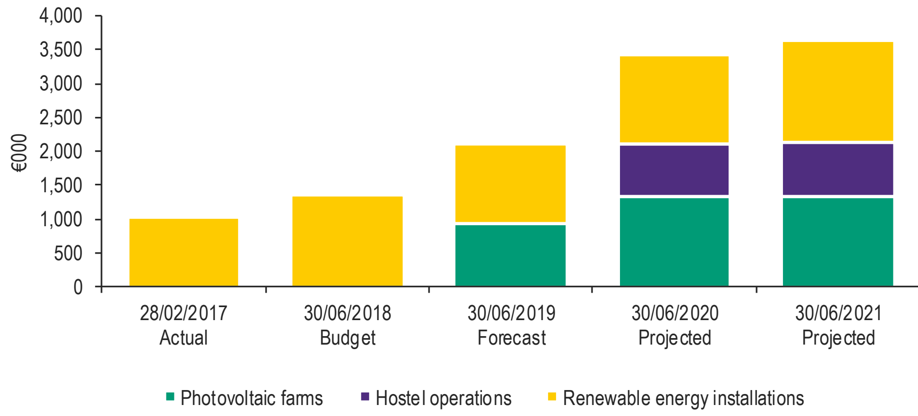
€'000	28/02/2017 Actual	30/06/2018 Budget	30/06/2019 Forecast	30/06/2020 Projected	30/06/2021 Projected
Revenue	1,027	1,354	1,987	3,508	3,735
Total cost of sales	(709)	(921)	(1,028)	(1,648)	(1,764)
Gross profit	318	433	958	1,860	1,971
General administrative overheads	(347)	(389)	(428)	(602)	(617)
Selling and marketing expenses	(69)	(17)	(25)	(25)	(25)
Normalised EBITDA	(98)	27	505	1,233	1,329
Bad debts written off	-	(118)	-	-	-
EBITDA	(98)	(90)	505	1,233	1,329
Depreciation and amortisation	(17)	(18)	(295)	(598)	(608)
EBIT	(115)	(108)	211	635	721
Finance costs	(19)	(54)	(463)	(457)	(453)
Profit before tax	(135)	(162)	(252)	178	268
Tax for the year	-	57	97	(105)	(140)
(Loss)/profit after tax	**(135)**	**(105)**	**(155)**	**73**	**128**

Sources: Luxury Living Technologies Limited audited financial statements for the year ended 28 February 2017; and projections for the years ending 30 June 2018, 2019, 2020 and 2021

Turnover

Through the Bond Issue, the Luxury Living Group is projecting to expand its core business by investing in photovoltaic farms and diversify its business by operating a hostel. It is for this reason that the Luxury Living Group's principal strategic ambition is to provide a successful and sustainable business model, by building on Malta's commitment to reach 10% of its gross final energy consumption from renewable energy sources by 2020. As a result of the Luxury Living Group's strategy, its revenue is expected to increase at a CAGR of 38% between FY2017 and FY2021, reaching €3.7 million in FY2021, as set out in the below chart.

Luxury Living Group revenue by product



Sources: Management information

It is expected that 37% of FY2021 revenues will be generated from the installation and operation of photovoltaic farms. The projections assume that the Acquisition shall take place on 30 June 2018 and

that the Group shall build, construct, install and operate the six Projects identified in section 6.2.2.1. The projections also assume that the photovoltaic farms shall yield 1,600 kWh/kWp and generate an FIT of €0.145/kWh for twenty years, based on the current legislation in place, except for the photovoltaic farms acquired through the Acquisition which assume an average FIT of €0.1575/kWh based on the contracted FIT. Revenue from operating the photovoltaic farms is expected to gradually decline as a result of the photovoltaic panels' degradation, which is assumed at 0.7% per annum.

The Group expects to carry out all development works relating to the hostel during FY2019 and therefore revenue from the hostel operation is expected to commence as from FY2020. Revenue is expected to total €0.9 million per annum, equivalent to 25% of FY2021 revenue, and is based on an 80-bed hostel, 82% occupancy and average daily rate of €35 per bednight, as well as the generation of rental revenue from leasing out the restaurant floor to third party operators.

The expected growth in turnover from current operations is based on the experience gained by the directors of Luxury Living Technologies Limited over the years and their understanding of the industry in which Luxury Living Technologies Limited operates. Therefore, the projections assume that no significant change to the existing competitive landscape will materialise.

Cost of sales

Historically, cost of sales comprised the purchase cost of the products sold and the associated transport cost. However, the introduction of the photovoltaic farms and hostel operations shall result in additional operating expenses including but not limited to rental costs of the photovoltaic farms which are expected to average €7-8/sqm, maintenance of €9 per photovoltaic panel installed, cost of breakfast, direct wages and commissions paid to online travel agencies.

The Group achieved a gross profit margin of c. 30% during FY2017 and FY2018. The trading of renewable energy products is expected to remain in line with the margins achieved to date, however gross profit margin is expected to increase to 50% as from FY2016 as the addition of the photovoltaic farms and hostel operations will enable the Group to register improved profitability.

Administrative, selling and distribution expenses

During FY2017 the Group's administrative, selling and distribution expenses totalled €415k, as the Group incurred €70k in marketing and advertising costs in order to launch its operations. As the Luxury Living Group's operations are expected to grow substantially over the next three years, an increase in overhead expenses will be required in order to support this growth. Consequently, administrative, selling and distribution expenses are expected to increase from €406k in FY2018 to €642k in FY2021. The increase in administration, selling and distribution expenses is principally due to the introduction of additional staff members, especially in the new business lines that the Group will operate in, accounting, professional and legal fees, rental costs, insurance costs and ongoing bond issue costs.

During FY2018 the Guarantor wrote off a bad debt of €118k, which was of a non recurring nature. As a result, normalised EBITDA is expected to total €27k in FY2018 and reach €1.3 million in FY2021, reflecting the expected growth in the Luxury Living Group's operations.

Depreciation and amortisation

Depreciation and amortisation cost is projected to total €377k in FY2019 and stabilise at c. €600k per annum as from FY2020. Depreciation and amortisation cost includes the deprecation on property, plant and equipment as well as the amortisation of the Develop and Operate Agreement and Bond Issue costs.

Finance costs

Historical finance costs included interest on the APS bank loan as well as an overdraft facility with APS Bank Limited. Going forward, the Luxury Living Group's finance costs are expected to consist of the above-mentioned facilities with APS Bank Limited as well as interest on the Bond. Finance costs are expected to stabilise as from FY2019 at c. €450k.

The Luxury Living Group's profit after tax is expected to improve and reach break-even by FY2020. Thereafter, continuous profits are expected to be generated as a result of the growth expected over the next few years. The Luxury Living Group shall not be distributing any dividends to its shareholders in the first three years of the Bond, and thereafter shall not distribute more than 50% of the net profit of the year in line with the Guarantor's memorandum and articles of association, unless unanimous approval of the Guarantor's board of directors is obtained.

8.2.2 Statement of financial position

Consolidated statement of financial position as at

€'000	28/02/2017 Actual	30/06/2018 Budget	30/06/2019 Forecast	30/06/2020 Projected	30/06/2021 Projected
ASSETS					
Non-current assets					
Intangible assets	-	2,831	2,831	2,713	2,595
Property, plant and equipment	84	68	5,701	7,300	6,866
Deferred tax	-	57	154	48	-
Trade and other receivables	-	564	423	282	141
	84	3,520	9,108	10,344	9,602
Current assets					
Inventories	443	934	408	461	511
Trade and other receivables	436	639	822	952	978
Cash and cash equivalents	19	33	1,946	441	844
	898	1,606	3,176	1,855	2,333
Total assets	**982**	**5,126**	**12,284**	**12,198**	**11,935**
EQUITY AND LIABILITIES					
Equity					
Share capital	100	2,931	2,931	2,931	2,931
Shareholders' loan	40	-	-	-	-
Retained earnings	(135)	(240)	(395)	(322)	(194)
Total equity	**5**	**2,691**	**2,536**	**2,609**	**2,737**
Liabilities					
Non-current liabilities					
Borrowings	735	1,163	8,931	8,831	8,726
	735	1,163	8,931	8,831	8,726
Current liabilities					
Borrowings	166	1,177	614	513	118
Trade and other payables	76	95	202	245	262
Current taxation	-	-	-	-	91
	242	1,272	817	758	472
Total liabilities	**977**	**2,435**	**9,748**	**9,590**	**9,198**
Total equity and liabilities	**982**	**5,126**	**12,284**	**12,198**	**11,935**

Sources: Luxury Living Technologies Limited audited financial statements for the years ended 28 February 2017; and projections for the years ending 30 June 2018, 2019, 2020 and 2021

The Luxury Living Group's financial position is expected to strengthen as a result of the growth expected between FY2018 and FY2021.

The Group's non-current assets are expected to reach €3.5 million as at 30 June 2018 and primarily include the value of the Develop and Operate Agreement, property, plant and equipment and trade and other receivables, and are expected to increase to €9.0 million as at 30 June 2019 following the acquisition, construction and installation of the photovoltaic panels on the photovoltaic farms.

Based on the agreement entered into on 25 April 2018, Bag Investments Co. Ltd and Sansuna Estates Co Ltd transferred to Luxury Living Technologies Limited the development and operational rights of the Property, by way of a Develop and Operate Agreement on the said Property, in exchange for shares in the Guarantor. As a result, the value of the Development and Operate Agreement was valued as an intangible asset of €2.8 million as at 25 April 2018. The intangible asset is being amortised over a 25 year period, being the term of the Develop and Operate Agreement.

Property, plant and equipment is expected to total €5.6 million as at 30 June 2019 following the Group's investment in photovoltaic farms, and undertaking the required refurbishment related to the Property in order to convert it into an 80-bed hostel.

Trade and other receivables are expected to reach €1.2 million by 30 June 2018 as in January 2018 the Group signed an agreement with a commercial customer whereby the Guarantor shall install photovoltaic panels on the customer's premises' roof at its own cost by 30 June 2018, with a total value of €0.9 million, and contractually agreed with the other party to receive compensation equivalent to the amount of FIT to be received by the said other party until the FIT income received equates the invoiced amount, plus 18 months of FIT over and above the amount invoiced. This was a one-off type of sale and going forward, the Group will not be investing in such type of credit sales. Going forward, current assets, which primarily consist of inventory, trade receivables and cash and cash equivalents are expected to increase in line with the growth in sales.

Trade and other payables are expected to increase from €76k in FY2017 to €262k in FY2021, in line with the growth in sales and new business lines, with payable days expected to stabilise at 60 days.

The Group expects that by 30 June 2018 it shall avail of all its facilities, and hence it expects that its borrowings shall total €2.3 million as at 30 June 2018, consisting of: €1,256k bank loans with APS Bank Limited, overdraft facility of €500k with APS Bank Limited, and a related party loan of €584k. The related party loan shall be repaid from the Bond proceeds, and therefore, as at 30 June 2019, the Group's borrowings are expected to total €9.5 million, consisting of the €8.0 million Bond issue, €1.0 million in bank facilities with APS Bank Limited and €0.5 million overdraft facility with APS Bank Limited.

Total equity of the Group is expected to be €2.7 million as at 30 June 2018, following the new issue of shares €2.8 million to the Guarantor in consideration for the Develop and Operate Agreement, net of retained losses of €0.2 million. As a result, the Group's gearing is expected to peak at 78.1% as at 30 June 2020, decreasing thereafter.

8.2.3 Statement of cash flow

Consolidated statement of cash flows for the years ending

€'000	28/02/2017 Actual	30/06/2018 Budget	30/06/2019 Forecast	30/06/2020 Projected	30/06/2021 Projected
Cash flows from operating activities					
EBITDA	(98)	(90)	505	1,233	1,329
Working capital adjustments					
Changes in inventories	(443)	(491)	526	(54)	(49)
Changes in receivables	(436)	(767)	(41)	10	115
Changes in payables	76	19	107	43	17
Operating cash flow	(901)	(1,329)	1,097	1,232	1,412
Interest paid	(19)	(54)	(463)	(457)	(453)
Net cash (used in)/ generated from operating activities	**(921)**	**(1,383)**	**635**	**775**	**959**
Cash flow from investing activities					
Payments to acquire property, plant and equipment	(101)	(2)	(5,914)	(2,066)	(43)
Net cash used in investing activites	**(101)**	**(2)**	**(5,914)**	**(2,066)**	**(43)**
Cash flow from financing activities					
Issue of share capital	100	-	-	-	-
Advances from/(repayments to) shareholders	40	(40)	-	-	-
Advances from/(repayments to) related parties	-	584	(584)	-	-
Band drawdown and repayment of bank loans	735	521	(93)	(114)	(113)
Bond proceeds	-	-	8,000	-	-
Payment of issue costs	-	-	(130)	-	-
Net cash generated from/ (used in) financing activities	**875**	**1,065**	**7,193**	**(114)**	**(113)**
Net movement in cash and cahs equivalents	**(147)**	**(320)**	**1,913**	**(1,406)**	**803**
Cash and cash equivalents at beginning of the year	-	(147)	(467)	1,446	41
Cash and cash equivalents at the end of the year	**(147)**	**(467)**	**1,446**	**41**	**844**

Sources: Luxury Living Technologies Limited audited financial statements for the years ended 28 February 2017; and projections for the years ending 30 June 2018, 2019, 2020 and 2021

Between FY2017 and FY2018, the Luxury Living Group invested significantly in its working capital requirements, as a result of the growth experienced in its operations. This was further heightened by the €0.9 million credit sale, payment of which is expected to be received over a six year period. As the Group will not be investing in such type of credit sales going forward, operating cash flows are expected to turn positive as from FY2019.

The Bond proceeds, net of issue costs, will be fully invested in non-current assets which will be employed by the Group to increase and diversify its revenue. With the €8 million bond issue, the Group is planning to:

- build, construct and operate the six photovoltaic farms identified in section 6.2.2.1;
- refurbish the Property and convert it into an 80-bed hostel;
- repay the related party loan, proceeds of which had been used to acquire photovoltaic panels; and
- acquire the Acquisition Projects;

Furthermore the projections are based on the assumption that the €772k Bond proceeds will be invested in photovoltaic farms.

The cash and cash equivalents balance consists of the cash available to the Group, inclusive of the overdraft facility. It is expected that during the next three years the Group shall avail of its €500k overdraft facility, however by FY2021 the Group is expected to have a cash balance, exclusive of the overdraft facility of €844k.

8.3 Capital resources

The following table sets out the projected capitalisation and indebtedness of the Group as at 30 June 2018 and the estimate after reflecting the issue of the Secured Bonds:

Projected indebtedness of the Luxury Living Group as at 30 June 2018 and after bond issue

	€'000
Bank and other borrowings	2,340
Less: cash and cash equivalents	(33)
Projected net third party debt as at 30 June 2018	2,307
Funding	
Bond isue	8,000
Net debt after bond issue	**10,307**
Equity	
Projected equity as at 30 June 2018	2,691
Equity	**2,691**
Gearing ratio after bond issue (net debt / net debt + equity)	**79%**

Sources: Luxury Living Technologies Limited unaudited financial statements for the period ending 30 November 2017and management information

Gearing was calculated as net debt after Bond Issue divided by the aggregate equity and net third party debt.

8.4 Guarantor's interim financial results

Extracts from the unaudited interim consolidated financial information for the Guarantor for the nine months ended 30 November 2016 and 30 November 2017 are set out below:

8.4.1 Statement of comprehensive income

Extracts from the consolidated income statement for the period ending 30 November

€'000	2016	2017
Revenue	745	286
Gross profit	357	101
EBITDA	107	(109)
Profit before tax	**107**	**(261)**

Sources: Luxury Living Technologies Limited unaudited financial statements for the period ended 30 November 2017

8.4.2 Statement of financial position

Extracts from the consolidated statement of financial position as at

€'000	28-Feb-17	30-Nov-17
ASSETS		
Non-current assets	84	84
Current assets	898	861
Total assets	**982**	**945**
EQUITY AND LIABILITIES		
Equity	5	(297)
Total liabilities	977	1,242
Total equity and liabilities	**982**	**945**

Sources: Luxury Living Technologies Limited unaudited financial statements for the period ended 30 November 2017

8.4.3 Statement of cash flows

Consolidated statement of cash flows for the period ending 30 November

€'000	2016	2017
Net cash (used in)/ generated from operating activities	(890)	(210)
Net cash used in investing activites	(100)	(13)
Net cash generated from/ (used in) financing activities	781	(40)
Net movement in cash and cash equivalents	**(209)**	**(264)**
Cash and cash equivalents at beginning of the period	-	(147)
Cash and cash equivalents at the end of the period	**(209)**	**(410)**

Sources: Luxury Living Technologies Limited unaudited financial statements for the period ended 30 November 2017

9 MANAGEMENT AND ADMINISTRATION

9.1 The Issuer

9.1.1 The Board of Directors of the Issuer

The Memorandum of Association of the Issuer provides that the affairs of the Issuer shall be managed and administered by a Board of Directors to be composed of not less than three (3) and not more than seven (7) Directors, who are appointed by the shareholders.

Directors of the Issuer are appointed by means of an ordinary resolution in general meeting. Accordingly, the Guarantor is empowered to appoint the Directors of the Issuer, thereby putting it in a position to appoint an absolute majority of the Directors of the Issuer and, accordingly, have control over the management and operations of the Issuer.

The Issuer is currently managed by a Board of three (3) Directors, who are responsible for the overall direction and management of the Issuer. The Board currently consists of one executive Director, who is entrusted with the Issuer's day-to-day management and 2 non-executive Directors, one of which is independent of the Issuer, whose main functions are to monitor the operations of the executive Director. 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. All of the Directors of the Issuer were elected by the shareholders upon the Issuer's incorporation and no Directors have been removed and no further Directors have been elected and appointed since the Issuer's inception.

As at the date of the Company Admission Document, the Board of the Issuer is composed of the individuals listed in section 5.1 of this Company Admission Document.

None of the Directors of the Issuer have been:

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

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

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

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

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

9.1.2 Non-Executive Directors

The non-executive Directors' main functions are to monitor the operations of the executive Directors and their performance, as well as to review any proposals tabled by the executive Directors.

The Non-Executive Directors are Dr Joseph Borg Bartolo and Mr William Wait.

9.1.3 Directors' service contracts

None of the directors have a service contract with the Issuer.

9.1.4 Conflict of interest

Mr Jean Paul Busuttil and Mr William Wait, in addition to sitting on the Board of Directors of the Issuer, also act as directors of the Guarantor.

Additionally, Mr Jean Paul Busuttil owns the Property. Through a Property Management Agreement dated 25 April 2018, Mr Jean Paul Busuttil transferred the property management rights on the Property to Bag Investments Co. Limited and Sansuna Estates Co Limited for 25 years, whereby Mr Busuttil delegated the responsibility to identify a developer to develop and operate the said Property as a hostel and to return the Property at the end of the 25 year period in a form which would enable him to viably operate it as a hostel without any exceptional capital expenditure required. Consequently, Bag Investments Co. Limited and Sansuna Estates Co Limited appointed the Guarantor to develop and operate the Property, in exchange for shares in the Guarantor. Consequently, through the Develop and Operate Agreement the development and operational rights over the Property were transferred to the Guarantor. Moreover, Mr Jean Paul Busuttil is ultimately the holder of legal rights over the Projects situated in Mellieha and Mriehel.

In light of the foregoing, such Directors are susceptible to conflicts between the potentially diverging interest of the Issuer, the Guarantor and Mr Jean Paul Busuttil, as the case may be, in transactions entered into, or proposed to be entered into, between them. The Audit Committee of the Issuer and Guarantor have the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by directors are handled in the best interest of the Issuer, the Guarantor and the Luxury Living Group and according to law. The fact that the Audit

Committee of the issuer is constituted in its majority by non-executive Directors, one of which is also independent of the Group, and that the Audit Committee of the Guarantor is constituted in its majority by independent, non-executive Directors, provides an effective measure to ensure that transactions vetted by the Audit Committee are determined on an arm's length basis.

Additionally, the Audit Committees have, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer, the Guarantor and all any other entity comprising the Group on a quarterly basis. To this effect, the Issuer, the Guarantor and any other entity forming part of the Group are to submit to the Audit Committees quarterly accounts, as well as comparisons of actuals against projections.

To the extent known or potentially known to the Issuer and the Guarantor, as at the date of the Company Admission Document, there are no other potential conflicts of interest between any duties of the Directors of the Issuer and the Guarantor and their private interests and/or their other duties which require disclosure in terms of the Prospects MTF Rules.

9.1.5 Loans to Directors

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

9.1.6 Removal of Directors

In terms of the Issuer's Articles of Association, unless appointed for a longer or shorter period, or unless they resign or are removed, Directors shall hold office for a period of one (1) year. Provided that no appointment may be made for a period exceeding three (3) years. Provided further that an election of Directors shall take place every year. All Directors shall retire from office every year, but shall be eligible for re-election. The Directors of the Issuer currently in office are expected to remain in office at least until the next annual general meeting of the Issuer.

The present directors shall remain in office until they resign, retire or are removed at any time by the shareholders.

9.1.7 Powers of Directors

By virtue of the provisions 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. Specifically, 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.

Directors may not vote on any contract, arrangement or investment in which they have a personal material interest, whether direct or indirect.

In terms of the Memorandum and Articles of Association, the Board of Directors may exercise all the powers of the Issuer to borrow money and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligations of the Issuer or of any third party as it thinks fit, subject to any limit as may be established in the Articles of Association and the overriding authority of the shareholders in general meeting to change, amend, restrict and/or otherwise modify such limit and the Directors' borrowing powers.

The Non-Executive directors' main functions are to monitor the Group operations as well as ensure that the interests of the Bondholders are upheld at all times.

9.1.8 Aggregate emoluments of Directors

Pursuant to the Issuer's Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are approved by the shareholders in general meeting.

The remuneration of Directors is a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.

For the financial year ending on the 30 June 2019 it is expected that the Issuer will pay an aggregate of €12,000 to its Directors.

9.1.9 Employees

The Issuer does not have any employees of its own and is, therefore, reliant on the resources which are made available to it by other Group entities. As at the date of this Company Admission Document, the Group has a total of 8 employees.

9.1.10 Working capital

As at the date of the Company Admission Document, the Directors of the Issuer and the directors of the Guarantor are of the opinion that the working capital available to the Issuer and the Guarantor respectively, is sufficient for the attainment of their objects and the carrying out of their respective business for the next twelve (12) months of operations.

9.2 The Guarantor

9.2.1 The Board of Directors of the Guarantor

The Memorandum of Association of the Guarantor provides that the board of directors shall be composed of not less than two (2) and not more than six (6) directors. As at the date of the Company Admission Document, the board of directors of the Guarantor is composed of two directors as listed in section 5.2 of this Company Admission Document.

9.2.2 Directors' service contracts

None of the directors have a service contract with the Issuer.

9.2.3 Removal of the Guarantor's directors

A director of the Guarantor may, unless he resigns, be removed by an ordinary resolution of the shareholders as provided by Article 140 of the Act. The directors of the Guarantor currently in office are expected to remain in office at least until the next annual general meeting of the Guarantor.

9.2.4 Loans to the directors

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

9.2.5 Aggregate emoluments of the Guarantor's directors

Pursuant to the Guarantor's Articles of Association, the maximum annual aggregate emoluments that may be paid to the Directors are approved by the shareholders in general meeting.

The remuneration of directors is a fixed amount per annum and does not include any variable component relating to profit sharing, share options or pension benefits.

For the financial year ending on the 30 June 2019 it is expected that the Guarantor will pay an aggregate of €6,000 to its directors.

10 MAJOR SHAREHOLDERS

10.1 Major shareholders of the Issuer

The Issuer has an authorised and issued share capital of €50,000 divided into 50,000 ordinary shares of a nominal value of €1 each which are subscribed to and allotted as fully paid shares, as follows:

Name of shareholder	Number of shares held
Luxury Living Technologies Limited	49,999 ordinary A shares
Bag Investments Co. Limited	1 ordinary B share

To the best of the Issuer's knowledge there are no arrangements in place as at the date of the Company Admission Document, the operation of which may at a subsequent date result in a change in control of the Issuer.

The Issuer adopts measures in line with the Code of Principles of Good corporate Governance forming part of the Listing Rules (the "Code") with a view to ensuring the relationship with its major shareholders is retained at an arm's length, including adherence to rules on related party transactions requiring the sanction of the Audit Committee, which is constituted in its majority by non-executive Directors, of which one is independent. Mr William Wait also acts as Chair. The Audit Committee has the task of ensuring that any potential abuse is managed, controlled and resolved in the best interests of the Issuer. The composition of the Board, including the presence of two non-executive Directors, effectively minimises the possibility of any abuse of control by any major shareholder.

10.2 Major shareholders of the Guarantor

The Guarantor's current authorised and issued share capital is €2,931,000 divided into 2,931,000 ordinary shares of a nominal value of €1 each which are subscribed to and allotted as fully paid shares, as follows:

Name of shareholder	Number of shares held
Bag Investments Co. Ltd (C 14189)	1,465,500 Ordinary shares
Sansuna Estates Co. Limited (C 33544)	1,465,500 Ordinary shares

The Guarantor is ultimately owned 100% by Mr Jean Paul Busuttil.

11 BOARD COMMITTEES

11.1 Audit Committees of the Issuer and the Guarantor

The terms of reference of the Audit Committees of the Issuer and the Guarantor consist of *inter alia* their support to the Board of the Issuer and the board of directors of the Guarantor in their responsibilities in dealing with issues of risk, control and governance, and associated assurance.

The Board has set formal rules of establishment and the terms of reference of the Audit Committees 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 Committees, which meets at least once every three months, is a sub-committee of the respective boards and are directly responsible and accountable to the respective board. The boards reserves the right to change the Committee's terms of reference from time to time.

The terms of reference of the Audit Committees have been formally set out in a separate charter. Briefly, the Audit Committees are expected to deal with and advise the Board on:

a) its monitoring responsibility over the financial reporting processes, financial policies, internal control structures and audit of the annual and consolidated financial statements;

b) monitoring the performance of the entity borrowing funds (the Guarantor) from the Company;

c) maintaining communications on such matters between the Board, management and the independent auditors;

d) facilitating the independence of the external audit process and addressing issues arising from the audit process; and

e) preserving the Issuer's assets by understanding the Issuer's risk environment and determining how to deal with those risks.

Additionally, the Audit Committees have the role and function of considering and evaluating the arm's length nature of any proposed transactions to be entered into by the Issuer/Guarantor and a related party, given the role and position of the Issuer/Guarantor within the Group, to ensure that the execution of any such transaction is, indeed, at arm's length and on a sound commercial basis and, ultimately, in the best interests of the Issuer/Guarantor. In this regard, the Audit Committees have the task of ensuring that any potential abuse which may arise in consequence of the foregoing state of affairs is immediately identified and resolved.

For this purpose, the Audit Committees have, pursuant to the relative terms of reference, been granted express powers to be given access to the financial position of the Issuer, the Guarantor, and all other entities forming part of the Group on a quarterly basis.

The Audit Committee of the Issuer is presently composed of Mr Jean Paul Busuttil, Dr Joseph Borg Bartolo and Mr William Wait, of which Dr Joseph Borg Bartolo acts as non-executive member and Mr William Wait acts as independent, non-executive member. The Audit Committee is chaired by Mr William Wait, whilst Dr Joseph Borg Bartolo and Mr Jean Paul Busuttil act as members. Mr Silvio Camilleri performs the duties of secretary to the Audit Committee. As stipulated by the terms of reference of the Audit Committee, the Chairman shall have a casting vote in the case of a deadlock.

The Audit Committee of the Guarantor is presently composed of Mr Jean Paul Busuttil, Mr Carlo Mifsud and Mr William Wait, of which Mr Carlo Mifsud and Mr William Wait act as independent, non-executive member. The Audit Committee is chaired by Mr William Wait, whilst Mr Carlo Mifsud and Mr Jean Paul Busuttil act as members. Mr Silvio Camilleri performs the duties of secretary to the Audit Committee. As stipulated by the terms of reference of the Audit Committee, the Chairman shall have a casting vote in the case of a deadlock.

In compliance with the Prospects MTF Rules, Mr William Wait is the independent, non-executive Director who is competent in accounting and/or auditing matters. In his capacity as chairman of the Audit Committee Mr William Wait holds meetings with the executive Director as necessary to review the Issuer's accounts and operations. The Issuer/Guarantor consider that the members of the Audit Committee have the necessary experience, independence and standing to hold office as members thereof. The CVs of the said Directors may be found in section 5.1 above.

The Directors believe that the current set-up is sufficient to enable the Issuer and Guarantor to fulfil the objectives of the Prospects MTF Rules' terms of reference in this regard.

12 COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS

12.1 The Issuer

The Issuer supports the Prospects MTF Rules in their entirety and also the stipulations of the said rules in relation to dealing restrictions.

The Issuer supports The Code of Principles of Good Corporate Governance annexed to the Listing Rules (the "Code") with the exceptions mentioned below and is confident that the adoption of the Code shall result in positive effects accruing to it. The Issuer adopts measures in line with the Code with a view to ensuring that all the transactions are carried out at arm's length.

The Board of Directors sets the strategy and direction of the Issuer and retains direct responsibility for appraising and monitoring the Issuer's financial statements and annual report. The activities of the Board are exercised in a manner designed to ensure that it can effectively supervise the operations of the Issuer so as to protect the interests of Bondholders, amongst other stakeholders. The Board is also responsible for making relevant public announcements and for the Issuer's compliance with its continuing obligations in terms of the Prospects MTF Rules.

As required by the Act and the Prospects MTF Rules, the Issuer's financial statements are to be subject to annual audit by the Issuer's external auditors. Moreover, the non-executive Directors will have direct access to the external auditors of the Issuer who attend Board meetings at which the Issuer's financial statements are approved. Moreover, in ensuring compliance with other statutory requirements and with continuing Prospects MTF admission obligations, the Board is advised directly, as appropriate, by its appointed Corporate Advisor and the external auditors. Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities, at the Issuer's expense.

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

Principle 7: "Evaluation of the board's performance"

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

Principle 8: "Committees"

The Board of Directors considers that the size and operation of the Issuer does not warrant the setting up of nomination and remuneration committees. Given that the Issuer does not have any employees other than the Directors and the company secretary, it is not considered necessary for the Issuer to maintain a remuneration committee. Also, the Issuer will not be incorporating a nomination committee. Appointments to the Board of Directors are determined by the shareholders of the Issuer in accordance with the Issuer's Memorandum and Articles of Association. The Issuer considers that the members of the Board possess the level of skill, knowledge and experience expected in terms of the Code.

12.2 The Guarantor

The Guarantor is a private company, and accordingly, is not bound by the provision of the Code set out in the Listing Rules. Whilst the Guarantor is not required to adopt the provisions of the Code, the Audit Committee of the Issuer has been specifically tasked with keeping a watching brief over the financial performance of the Guarantor and any other Group subsidiaries, as well as ensuring that rules regarding related party transactions carried out with the Guarantor are adhered to at all times, as set out in section 9.1.4 above.

13 LITIGATION PROCEEDINGS

There have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during a period covering twelve (12) months prior to the date of the Company Admission Document which may have, or have had, in the recent past, significant effects on the financial position or profitability of the Issuer, Guarantor and/or the Luxury Living Group, taken as a whole.

14 ADDITIONAL INFORMATION

14.1 Memorandum and articles of association

14.1.1 Incorporation

The Issuer was incorporated on 25 April 2018 as a public limited company in terms of the Companies Act, 1995, with company registration number C 85987.

In terms of Clause 3 of its Memorandum of Association, the Issuer is authorised to float its capital (including equity or debt) on Prospects MTF, and to borrow and raise funds through the issue of bonds.

The Memorandum and Articles of Association of the Issuer otherwise regulate matters customarily dealt with therein, including matters such as voting rights and restrictions thereof, and the appointment and powers of Directors, as elaborated upon in section 9 above.

14.1.2 Share capital

The Issuer has, as at the date hereof, an authorised and issued share capital of €50,000 divided into 50,000 ordinary shares of a nominal value of €1 each.

The shares of the Issuer are not admitted on Prospects MTF or on the MSE, nor has an application ever been filed for the shares of the Issuer to be quoted on any trading platform. There is no capital of the Issuer which has been issued to the public as from the date of incorporation to date of the Company Admission Document, nor is it expected that the Issuer issues during the next financial year

any shares to the public, whether fully or partly paid up, in consideration for cash or otherwise. There is no capital of the Issuer 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.

14.1.3 Objects

The Memorandum and Articles of Association of the Issuer are registered with the Registry of Companies, Malta. The objects of the Issuer include carrying on the business of a finance company thereby to lend and advance money or otherwise give credit, without limitation in such manner as the Issuer shall think fit and to invest and deal with the moneys in such manner as the Issuer shall think fit. The issue of bonds falls within the objects of the Issuer. Clause 3 of the Memorandum of Association contains the full list of objects of the Issuer.

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

A copy of the Memorandum and Articles of Association of the Issuer may be inspected during the lifetime of the Company Admission Document at the registered office of the Issuer as set out under the heading "Documents available for inspection" in section 17 of this Company Admission Document and at the Malta Registry of Companies during the lifetime of the Issuer.

14.1.4 Voting rights

In terms of the Memorandum of Association of the Issuer, ordinary "A" shares grant the right of one (1) vote for every share held and are participating shares entitled to receive dividend distributions as deemed fit by the Board of Directors and shall rank *pari passu* in all respects including dividend and capital repayment rights. Subscribers of ordinary "B" shares are entitled to receive notice of any general meeting in terms of the Articles of Association of the Issuer, and to attend general meetings, but do not hold any voting rights except for the purposes of participating in the appointment or election of Directors. Furthermore, holders of ordinary "B" shares are not entitled to receive any dividend distributions nor are they be entitled to any assets upon dissolution or winding up of the Issuer in excess of the nominal value of the shares held by them.

14.2 Memorandum and articles of association of the Guarantor

14.2.1 Objects

The memorandum and articles of association of the Guarantor are registered with the Registry of Companies, Malta. The main objects of the Guarantor's activities are set out in Clause 3 of the memorandum of association, which include, but are not limited to trade, manufacture, import and export all kinds of merchandise related to renewable energy.

A copy of the memorandum and articles of association may be inspected during the lifetime of the Company Admission Document at the registered office of the Guarantor as set out under the heading "Documents available for inspection" in section 17 of this Company Admission Document and at the Malta Registry of Companies during the lifetime of the Guarantor.

14.2.2 Voting rights

All shares grant the right of one (1) vote for every share held and are participating shares entitled to receive dividend distributions as deemed fit by the board of directors of the Guarantor and rank pari passu in all respects including dividend and capital repayment rights.

14.2.3 Appointment of Directors

In terms of the memorandum and articles of association of the Guarantor, the directors shall be appointed in the general meeting of the Guarantor.

Further details on the appointment of directors of the Guarantor may be found in the memorandum and articles of association of the Guarantor, a copy of which may be inspected during the lifetime of the Company Admission Document at the registered office of the Guarantor as set out under the heading "Documents available for inspection" in section 17 of this Company Admission Document and at the Registrar of Companies of the MFSA.

15 MATERIAL CONTRACTS

The Issuer and the Guarantor have not entered into any material contracts which are not in the ordinary course of its business which could result in either the Issuer or the Guarantor being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet its obligations to Bondholders in respect of the Bonds being issued pursuant to, and described in, the Company Admission Document, Part Two.

16 THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATION OF ANY INTEREST

16.1 Valuation reports

The Company commissioned Architect George Farrugia to issue a valuation report on the freehold value of the Property. The business address of Architect George Farrugia is Gallery, Centris Business Gateway, Triq il-Palazz l-Ahmar, Mriehel.

Prospects MTF Rule 4.13.04.03 provides that property valuations to be included in a company admission document must not be dated (or be effective from) more than 60 days prior to the date of publication of the Company Admission Document. The valuation report is dated 28 June 2018.

The Company commissioned Grant Thornton to issue a valuation report on the Develop and Operate Agreement dated 25 April 2018. The business address of Grant Thornton is at Fort Business Centre, Mriehel Bypass, Mriehel, BKR 3000, Malta.

16.2 Accountants' report on prospective financial information

The Issuer engaged Grant Thornton, a firm of Certified Public Accountants, to issue the Accountants' Report dated 28 June 2018. The following are the details of the said expert:

Name: Grant Thornton

Address: Fort Business Centre, Mriehel By-pass, Mriehel, BKR 3000, Malta

16.3 Interests of experts and advisers

Save for the valuation reports prepared in relation to the freehold value of the Property, the Develop and Operate Agreement and the accountants' report on the consolidated profit forecast, the Company Admission Document does not contain any statement or report attributed to any person as an expert. The valuation report on the freehold value of the Property is available for inspection at the registered address of the Company and a version is included in Annex C of this Company Admission Document.

The valuation report on the Develop and Operate Agreement and the accountants' report are included in Annex D and Annex E of this Company Admission Document.

The valuation report dated 28 June 2018 has been included in the form and context in which they appear with the authorisation of Architect George Farrugia of Gallery, Centris Business Gateway, Triq il-Palazz l-Ahmar, Mriehel, which have given and have not withdrawn their consent to the inclusion of such report herein. Architect George Farrugia do not have any material interest in the Company. The Company confirms that the valuation report has been accurately reproduced in the Company Admission Document and that there are no facts of which the Company is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The valuation report on the Develop and Operate Agreement dated 25 April 2018 and the accountants' report on the consolidated profit forecast dated 28 June 2018 have been included in Annex D and Annex E respectively of the Company Admission Document in the form and context in which it appears with the authorisation of Grant Thornton of Fort Business Centre, Mriehel Bypass, Mriehel, BKR 3000, Malta, which has given and has not withdrawn its consent to the inclusion of said reports herein.

17 DOCUMENTS AVAILABLE FOR INSPECTION

For the duration of the Company Admission Document, the following documents (or copies thereof) may be inspected at the registered office of the Issuer during office hours:

a. Memorandum and Articles of Association of the Issuer;

b. Memorandum and Articles of Association of the Guarantor;

c. Audited statutory financial statements of the Guarantor for the year ended 28 February 2017;

d. the consolidated profit forecast and accountants' report for the years ending 30 June 2018, 2019, 2020 and 2021;

e. the original Guarantee given by the Guarantor in respect of the Bonds, as set out in Annex A of the Company Admission Document;

f. The interim unaudited financial results of the Guarantor for the period ended 30 November 2016 and 30 November 2017;

g. Develop and Operate Agreement dated 25 April 2018;

h. the independent expert's property valuation report dated 28 June 2018 in respect of the valuation of the Property;

i. the independent expert's valuation report dated 25 April 2018 in respect of the valuation of the Develop and Operate Agreement; and

j. Security Trust Deed.

.The documents listed in (a) to (e) above are also available for inspection in electronic form on the Issuer's website www.llt.com.mt

COMPANY ADMISSION DOCUMENT: PART TWO

18 RISK FACTORS

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

THE NOMINAL VALUE OF THE SECURED BONDS WILL BE REPAYABLE IN FULL UPON MATURITY, UNLESS THE SECURED BONDS ARE PREVIOUSLY RE-PURCHASED AND/OR CANCELLED. THE ISSUER SHALL REDEEM THE SECURED BONDS ON THE REDEMPTION DATE.

AN INVESTMENT IN THE SECURED 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 THIS COMPANY ADMISSION DOCUMENT, BEFORE DECIDING TO MAKE AN INVESTMENT IN THE SECURED BONDS. SOME OF THESE RISKS ARE SUBJECT TO CONTINGENCIES WHICH MAY OR MAY NOT OCCUR AND THE ISSUER IS NOT IN A POSITION TO EXPRESS A VIEW 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 SECURED BONDS ISSUED BY THE ISSUER.

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 THAT COULD LEAD TO A DECLINE IN VALUE OF THE SECURED BONDS.

NEITHER THIS COMPANY ADMISSION DOCUMENT NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH THE SECURED 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 GUARANTOR OR THE CORPORATE ADVISOR OR THE PLACEMENT AGENT, MANAGER AND REGISTRAR OR AUTHORISED INTERMEDIARIES THAT ANY RECIPIENT OF THE COMPANY ADMISSION DOCUMENT, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, TO PURCHASE ANY SECURED BONDS ISSUED BY THE ISSUER.

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

18.1 Forward-looking statements

The Company Admission Document contains "forward-looking statements" which include, among others, statements concerning matters that are not historical facts and which may involve projections of future circumstances. These by their nature involve a number of risks, uncertainties and assumptions, a few of which are beyond the Issuer's and Guarantor's control, and important factors that could cause actual risks to differ materially from the expectations of the Issuer's and/or Guarantor's directors. Such forecasts and projections do not bind the Issuer and/or the Guarantor with respect to future results and no assurance can be given that the future results or expectations will be achieved.

18.2 General

In so far as prospective investors seek advice from Authorised Intermediaries concerning an investment in the Secured Bonds, Authorised Intermediaries are to determine the suitability of prospective investors' investment in the Bonds in the light of said prospective investors' own circumstances. The Secured Bonds may not be a suitable investment for all investors. In particular, Authorised Intermediaries should determine whether each prospective investor:

a) **has sufficient knowledge and experience to make a meaningful evaluation of the Secured Bonds, the merits and risks of investing in the Secured Bonds and the information contained or incorporated by reference in the Company Admission Document or any applicable supplement;**

b) **has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of his/her/its particular financial situation, an investment in the Secured Bonds and the impact the Secured Bonds will have on his/her/its overall investment portfolio;**

c) **has sufficient financial resources and liquidity to bear all the risks of an investment in the Secured Bonds, including where the currency for principal or interest payments is different from the prospective investor's currency;**

d) **understands thoroughly the terms of the Secured Bonds and is familiar with the behaviour of any relevant indices and financial markets; and**

e) **is able to evaluate possible scenarios for economic, interest rate and other factors that may affect his/her/its investment and his/her/its ability to bear the applicable risks.**

18.3 Risks relating to the Secured Bonds

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

(i) **Prior to the Bond Issue, there has been no public market nor trading record of the Secured Bonds within or outside Malta. Due to the absence of any prior market for the Secured Bonds, there can be no assurance that the Bond Issue Price will correspond to the price at which the Secured Bonds will trade in the market subsequent to the Bond Issue.**

(ii) **Only upon successful admission, may the Secured Bonds be traded on a multilateral trading facility but they will NOT be traded on any regulated market. Hence the market for the Secured Bonds may be less liquid than a regulated market and a Bondholder may find it more difficult to identify willing buyers for their Bonds. The existence of an orderly and liquid market for the Secured Bonds depends on a number of factors including, but not limited to, the presence of willing buyers and sellers of the Issuer's Secured Bonds at any given time. Such factors are dependent upon the individual decisions of investors and the general economic conditions of the market in which the Secured Bonds are traded, over which the Issuer has no control. Many other factors over which the Issuer has no control may affect the trading market for, and trading value of, the Secured Bonds, including the time remaining to the maturity of the Secured Bonds, the outstanding amount of the Secured Bonds and the level, direction and volatility of market interest rates, generally. Accordingly, there can be no assurance that an active secondary market for the Secured 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 Secured Bonds at or above the Bond Issue Price, or at all.

(iii) Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Secured Bonds.

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

(v) No prediction can be made about the effect which any future public offerings of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Secured Bonds prevailing from time to time. If such changes take place they could have an adverse effect on the market price for the Secured Bonds.

(vi) The Secured Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer, shall be guaranteed in respect of both the interest due and the principal amount under said Secured Bonds by the Guarantor, and are further secured by means of the Pledge. The Secured Bonds shall at all times rank *pari passu*, without any priority or preference among themselves. In view of the fact that the Secured Bonds are being guaranteed by the Guarantor on a joint and several basis, the Security Trustee, for the benefit of the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Secured Bonds if the Issuer fails to meet any amount, when due in terms of the Company Admission Document.

The joint and several Guarantee also entitles the Security Trustee to take action against the Guarantor without having to first take action against the Issuer. The strength of this undertaking on the part of the Guarantor and therefore, the level of recoverability by the Security Trustee from the Guarantor of any amounts due under any of the Secured Bonds, is dependent upon and directly linked to the financial position and solvency of the Guarantor. The Guarantee is further supported by the Pledge. Whilst this grants the Security Trustee a right of preference and priority in relation to the Pledged Shares, there can be no guarantee that the Pledge over the term of the Secured Bond will be sufficient to cover the full amount of interest and principal outstanding under the Bonds. This may be caused by a number of factors not least of which general economic factors that could have an adverse impact on the value of the Pledged Shares. If such circumstances were to arise or subsist at the time when the Pledge is to be enforced by the Security Trustee, it could have a material adverse effect on the recoverability of all the amounts that may be outstanding under the Secured Bonds.

Notwithstanding that the Bonds constitute the general, direct and unconditional obligations of the Issuer and the Guarantor, there can be no guarantee that privileges afforded by law in specific situations will not arise during the course of the business of each of the Issuer and the Guarantor which may rank with priority or preference to the Collateral.

(vii) The attention of prospective investors in the Secured Bonds is drawn to section 24.1 of this Admission Document, which provides that the issue and allotment of

the Secured Bonds is conditional upon the Secured Bonds being admitted to the Prospects MTF List and on the Collateral being constituted in favour of the Security Trustee.

(viii) The Issuer is entitled to issue Secured Bonds bearing a fixed rate of interest. Investment in such fixed rate Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said Secured Bonds. Investors should also be aware that the price of the fixed rate Secured Bonds moves adversely to changes in interest rates. When prevailing market interest rates are rising, the price of fixed rate Secured Bonds decline. Conversely, if market interest rates are declining, the price of fixed rate Secured Bonds rises. This is called market risk since it arises only if a Bondholder decides to sell the Secured Bonds before maturity on the secondary market.

(ix) Application has been made to the MSE for the Secured Bonds to be admitted and traded on Prospects MTF once the Secured Bonds are authorised as admissible by the MSE. Prospects MTF is a market regulated as a multilateral trading facility and is operated by the MSE and provides a venue for SMEs to float their securities. Consequently, this market is designed primarily for companies to which a higher risk than that associated with established companies tends to be attached. A prospective investor should be aware of the potential risks in investing in such companies and should make the decision to invest only after careful consideration and consultation with his or her own independent financial advisor.

(x) Even after the Secured Bonds are admitted to trading on Prospects MTF, the Issuer is required to remain in compliance with certain requirements relating, *inter alia,* to the free transferability, clearance and settlement of the Secured Bonds in order to remain eligible to trade on Prospects MTF in terms of the Prospects MTF Rules issued by the Exchange as amended from time to time. Moreover, the MSE has the authority to suspend trading of the Secured Bonds if, *inter alia*, it comes to believe that such a suspension is required for the protection of investors or the integrity or reputation of the market. The MSE may discontinue the trading of the Secured Bonds on Prospects MTF. Any such trading suspension or discontinuance described above could have a material adverse effect on the liquidity and value of the Secured Bonds.

(xi) The Issuer has not sought, nor does it intend to seek, the credit rating of an independent rating agency and there has been no assessment by any independent rating agency of the Secured Bonds.

(xii) In the event that the Issuer wishes to amend any of the Terms and Conditions of issue of the Secured Bonds it shall call a meeting of Bondholders in accordance with the provisions of section 22.16. These provisions permit defined majorities to bind all Bondholders, including Bondholders who do not attend and vote at the relevant meeting and Bondholders who vote in a manner contrary to the majority.

(xiii) The Secured Bonds and the Terms and Conditions of the Bond Issue are based on the requirements of the Prospects MTF Rules and Maltese Law, including the Companies Act, in effect as at the date of the Company Admission Document. No assurance can be given as to the impact of any possible judicial decision or change in law or administrative practice after the date of the Company Admission Document.

(xiv) **The funds or assets constituting the Sinking Fund (as described in section 22.24 of this Company Admission Document) shall be managed by the Issuer and administered by the Board of Directors in line with the treasury management policy. In accordance with section 302 of the Act, in the event of winding up of the Issuer with insufficient assets to meet its liabilities, the right of secured (which include the Bondholders) and unsecured creditors and the priority and ranking of their debts shall be regulated by the law for the time being in force.**

(xv) **The repayment obligations of the Issuer under this Company Admission Document are secured by means of a pledge over the Guarantee and the shares held in the Guarantor. The pledge entails a security constituted over the shares held in the Guarantor and not a particular asset of the Guarantor. This may lead to circumstances where the value of the shares held in the share capital of the Guarantor by the Pledgors is not sufficient to cover the total value of the obligations owed by the Issuer towards Bondholders in terms of this Company Admission Document. The assets of the Group will be recognised at cost and therefore it is highly unlikely that they will be impaired.**

19 PERSONS RESPONSIBLE

This Document includes information given in compliance with the Prospects MTF Rules for the purpose of providing prospective investors with information with regard to the Issuer and the Guarantor and the Secured Bonds. The Directors, whose names appear in section 5.1 of the Company Admission Document: Part One, accept responsibility for the information contained in this Company Admission 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 Company Admission 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.

20 CONSENT FOR USE OF THE COMPANY ADMISSION DOCUMENT

Consent required in connection with the Intermediaries' Offer in terms of section 22.2 of this Company Admission Document:

As explained in section 22.2 of this Company Admission Document, the Secured Bonds shall be made available for subscription by Authorised Intermediaries through an Intermediaries' Offer.

For the purposes of any subscription for Secured Bonds by Authorised Intermediaries pursuant to such an Intermediaries' Offer and any subsequent resale, placement or other offering of Secured Bonds by Authorised Intermediaries participating in the Intermediaries' Offer, the Issuer consents to the use of this Company Admission Document: Part Two (and accepts responsibility for the information contained therein) with respect to any such subsequent resale, placement or other offering of Secured Bonds, provided this is limited only:

i. in respect of Secured Bonds subscribed for in terms of the Intermediaries' Offer by Authorised Intermediaries participating in the Intermediaries' Offer;

ii. to any resale, placement or other offering of Secured Bonds subscribed for as aforesaid, taking place in Malta;

iii. to any resale or placement of Secured Bonds taking place within the period of 60 days from the date of the Company Admission Document.

There are no other conditions attached to the consent given by the Issuer hereby which are relevant for the use of the Company Admission Document.

All information on the Terms and Conditions of the Secured Bonds which is offered to any prospective investor by Authorised Intermediaries is to be provided by such Authorised Intermediaries to the prospective investor prior to such investor subscribing to any Secured Bonds. Any interested investor has the right to request that Authorised Intermediaries provide the investor with all and any information on the Company Admission Document, including the Terms and Conditions of the Secured Bonds.

None of the Issuer, the Placement Agent, Manager and Registrar or any of their respective advisors take any responsibility for any of the actions of any Authorised 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, except for the Placement Agent, Manager and Registrar when acting in its capacity as an Authorised Intermediary.

Other than as set out herein, neither the Issuer nor the Placement Agent, Manager and Registrar has authorised (nor do they authorise or consent to the use of this Company Admission Document in connection with) the making of any public offer of the Secured Bonds by any person in any circumstances. Any such unauthorised offers are not made on behalf of the Issuer or the Placement Agent, Manager and Registrar and neither the Issuer nor the Placement Agent, Manager and Registrar has any responsibility or liability for the actions of any person making such offers.

Prospective investors should enquire whether an intermediary is considered to be an Authorised Intermediary in terms of the Company Admission Document. If the prospective investor is in doubt as to whether it can rely on the Company Admission Document and/or who is responsible for its contents, the investor should obtain legal advice in that regard.

No person has been authorised to give any information or to make any representation not contained in or inconsistent with this Company Admission Document. If given or made, it must not be relied upon as having been authorised by the Issuer or Placement Agent, Manager and Registrar. The Issuer does not accept responsibility for any information not contained in this Company Admission Document.

In the event of a resale, placement or other offering of Secured Bonds by an Authorised Intermediary subsequent to the Intermediaries' Offer, said Authorised Intermediary shall be responsible to provide information to prospective investors on the terms and conditions of the resale, placement or other offering at the time such resale, placement or other offering is made.

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

Any Authorised Intermediary using this Company Admission Document in connection with a resale, placement or other offering of Secured Bonds subsequent to the Bond Issue shall, limitedly for the period of 60 days from the date of the Company Admission Document,

publish on its website a notice to the effect that it is using this Company Admission Document 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 Intermediaries unknown at the time of the approval of this Company Admission Document will be made available through a company announcement made out by the Issuer and published on the Prospects MTF Website and also be made available on the Issuer's website: www.llt.com.mt.

21 KEY INFORMATION

21.1 Reasons for the Issue and Use of Proceeds

The proceeds from the Bond Issue, which net of issue expenses are expected to amount to approximately €7,870,000 will be used by the Issuer for the following purposes in the following order of priority, and should the amount not be utilised in full, such additional proceeds will cascade to the following order of priority:

A. a maximum amount of €3,770,000 million of the proceeds from the Secured Bonds will be advanced under title of loan to the Guarantor to be utilised for the purchase of photovoltaic panels to be installed as part of the Projects including any required capital expenditure in order to install the photovoltaic panels as part of the Projects;

B. a maximum amount of €500,000 of the net proceeds from the Secured Bonds will be advanced under title of loan to the Guarantor to be utilised in order to redevelop the Property.

C. a maximum amount of €584,000 of the proceeds from the Secured Bonds will be advanced under title of loan to the Guarantor to be utilised in order to repay the €584,000 loan outstanding with Sewda Renewable Energies Limited;

D. a maximum amount of €2,244,000 of the proceeds from the Secured Bonds will be advanced under title of loan to the Guarantor to finance the Acquisition;

E. the remaining balance of the net Bond Issue proceeds in an amount of €772,000 shall be used for the Group's general corporate funding requirements, including operational costs and/or to further its renewable energy business and/or to further its hospitality business.

In the event that the Issuer does not receive subscriptions for the full €8.0 million in Secured Bonds, the Issuer will proceed with the admission of the amount of Secured Bonds subscribed for, however, should the amount of Secured Bonds subscribed for be less than €5.0 million, the Issuer may return the amount of Secured Bonds subscribed for, to Bondholders. Any residual amounts required by the Issuer for the purposes of the uses specified in this section which shall not have been raised through the Bond Issue, subject that the amount of Secured Bonds subscribed for is not returned to Bondholders, shall be financed from the Group's general cash flow and/or bank financing.

The issue and allotment of the Secured Bonds is conditional upon the Secured Bonds being admitted to the Prospects MTF List.

21.2 Estimated expenses and proceeds of the Issue

Professional fees and costs related to publicity, advertising, printing, admission, registration, management, registrar fees, selling commission and other miscellaneous costs incurred in connection with this Bond Issue, are estimated not to exceed €130,000 and shall be borne by the Issuer. The

amount of the expenses will be deducted from the proceeds of the Bond Issue, which, accordingly, will bring the estimated net proceeds from the Bond Issue to €7.87million. There is no particular order of priority with respect to such expenses.

21.3 Issue Statistics

Amount	€8.0 million ;
Application Forms made available	3 July 2018;
Bond Issue Price	at par (€100 per Bond);
Closing date for Applications to be received	27 July 2018 at 1200 hours (CET);
Denomination	Euro (€);
Events of Default	The events listed in section 22.13 of this Company Admission Document: Part Two;
Form	The Secured Bonds will be issued in fully registered and dematerialised form and will be represented in uncertificated form by an appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD;
Governing law and jurisdiction	The Company Admission Document and the Secured Bonds are governed by and shall be construed in accordance with Maltese Law. The Maltese Courts shall have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Company Admission Document and/or the Secured Bonds;
Interest	The Secured Bonds shall bear Interest from and including 30 July 2018 at the rate of 5% per annum payable annually in arrears on the Interest Payment Dates;
Interest Payment Date	annually on the 29 July as from 29 July 2019 (the first interest payment date);
Intermediaries' Offer	The Secured Bonds shall form part of an Intermediaries' Offer as set out in section 22.2 of this Company Admission Document: Part Two. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest;
ISIN	MT0001901207;
Issue	the Secured Bonds denominated in Euro having a nominal value of €100 each, which will be issued at par and shall bear interest at the rate of 5% per annum;

Issue Period	the period between 08:30 hours (CET) on 3 July 2018 and 12:00 hours (CET) on 27 July 2018 (or such earlier date as may be determined by the Issuer) during which the Secured Bonds are available for subscription;
Minimum amount per subscription	five thousand Euro (€5,000) and multiples of one hundred Euro (€100) thereafter;
Plan of Distribution	The Secured Bonds are open for subscription by Authorised Intermediaries pursuant to the Intermediaries' Offer;
Redemption Date	29 July 2028;
Status of the Bonds	The Secured Bonds shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves. The Secured Bonds shall be guaranteed in respect of both the interest due and the principal amount under said Secured Bonds by the Guarantor in terms of the Guarantee. The Secured Bonds shall rank with priority in relation to the Pledged Shares;
Subscription	multiples of one hundred Euro (€100);
Underwriting	The Bonds are not underwritten;

21.4 Interest of Natural and Legal Persons involved in the Issue

Save for the possible subscription for Secured Bonds by Authorised Intermediaries (which includes Jesmond Mizzi Financial Advisors Limited), and any fees payable in connection with the Bond Issue to Jesmond Mizzi Financial Advisors Limited as Placement Agent, Manager and Registrar, so far as the Issuer is aware no person involved in the Bond Issue, other than the Issuer and the Guarantor, has an interest material to the Bond Issue.

21.5 Expected timetable of principal events

1.	Application Forms made available	3 July 2018
2.	Issue Period	3 July 2018 to 27 July 2018
3.	Commencement of interest on the Secured Bonds	30 July 2018
4.	Expected date of constitution of the Collateral	3 July 2018
5.	Expected date of Admission of the Bonds to Prospects MTF	30 July 2018
6.	Expected date of commencement of trading in the Bonds	31 July 2018

The Issuer reserves the right to close the Intermediaries' Offer of the Secured Bonds before 27 July 2018 at 12:00 hours CET in the event that the Secured Bonds are fully subscribed prior to said date and time. In such eventuality the events set out in steps three (3) to five (5) above shall be brought forward, although the number of working days between the respective events shall not be altered.

22 INFORMATION CONCERNING THE SECURED BONDS

Each Secured Bond shall be issued subject to the Terms and Conditions set out in this Company Admission Document: Part Two and, by subscribing to or otherwise acquiring the Secured Bonds, the Bondholders are deemed to have knowledge of all the Terms and Conditions of the Secured Bonds hereafter described and to accept and be bound by the said Terms and Conditions.

22.1 General

22.1.1 Each Secured Bond forms part of a duly authorised issue of 5% Secured Bonds 2028 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €8.0 million (except as otherwise provided under section 22.15 "*Further Issues*" below).

22.1.2 The issue date of the Secured Bonds is 3 July 2018.

22.1.3 The currency of the Secured Bonds is Euro (€).

22.1.4 The Secured Bonds shall bear Interest at the rate of 5% per annum payable annually in arrears on 29 July of each year, the first interest falling on 29 July 2019. 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.

22.1.5 Subject to admission of the Secured Bonds to the Prospects MTF of the MSE, the Secured Bonds are expected to be assigned ISIN: **MT0001901207**

22.1.6 The issue of the Secured Bonds is made in accordance with the requirements of the Prospects MTF Rules.

22.1.7 The Secured Bonds are expected to be admitted on the Prospects MTF List on 30 July 2018 and dealing is expected to commence on 31 July 2018.

22.1.8 The Issuer reserves the right that should any Secured Bonds be sold on the secondary market, such Secured Bonds may be purchased by the Issuer, at the price they would be trading at the time, prior to the Secured Bonds' Redemption Date.

22.1.9 All outstanding Secured Bonds, not previously purchased and cancelled, shall be redeemed by the Issuer at par (together with interest accrued to the date fixed for redemption) on the Redemption Date.

22.1.10 Should any Application not be accepted, or be accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated will be returned by the Placement Agent, Manager and Registrar without interest by direct credit into the Applicant's bank account as indicated by the Applicant in the Application Form within five (5) Business Days from the date of final allocation. Neither the Issuer nor the Placement Agent, Manager and Registrar will be responsible for any charges, loss or delays in transmission of the refunds. In this regard, save as otherwise may be established by the applicable law, any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity or compliance with customer acceptance policy 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.

22.1.11 There are no special rights attached to the Secured Bonds other than the right of the Bondholders to payment of capital and interest (as detailed below) and in accordance with the ranking specified in section 22.4 of this Company Admission Document.

22.1.12 The minimum subscription amount of Secured Bonds that can be subscribed for by Applicants is €5,000, and in multiples of €100 thereafter.

22.1.13 The Bond Issue is not underwritten. In the event that the Bond Issue is not fully subscribed the Issuer will proceed with the admission of the amount of Secured Bonds subscribed for.

22.2 Intermediaries' Offer

The total amount of €8.0 million of Secured Bonds is being reserved for subscription by Authorised Intermediaries participating in the Intermediaries' Offer.

In this regard, the Issuer has entered into conditional subscription agreements with Authorised Intermediaries for the subscription of the Secured Bonds, whereby it will bind itself to allocate Secured Bonds thereto up to the total amount of €8.0 million as aforesaid during the Intermediaries' Offer.

In terms of the subscription agreement entered into with the Authorised Intermediary, the Issuer will be conditionally bound to issue, and the Authorised Intermediary will conditionally bind itself to subscribe for, a number of Secured Bonds as indicated therein subject to the Secured Bonds being admitted to trading on the Prospects MTF. The subscription agreement will become binding on each of the Issuer and the respective Authorised Intermediaries upon delivery, provided that these intermediaries would have paid to the Placement Agent, Manager and Registrar all subscription proceeds in cleared funds on delivery of the subscription agreement.

Authorised Intermediaries subscribing for Bonds may do so for their own account or for the account of underlying customers, including retail customers, and shall, in addition, be entitled to distribute any portion of the Secured Bonds subscribed for upon commencement of trading.

22.3 Plan of Distribution and Allotment

The Issuer has appointed Jesmond Mizzi Financial Advisors Limited as Placement Agent, Manager and Registrar for the purposes of this Bond Issue. Applications for subscriptions to the Secured Bonds shall be made through the Placement Agent, Manager and Registrar or any of the Authorised Intermediaries during the Issue Period on a first-come-first-served basis. The Issue Period shall close immediately upon attaining full subscription or on the last day of the Issue Period, whichever is the earliest. Subscription to the Secured Bonds must be accompanied by full price of the Secured Bonds applied for in Euro and in cleared funds at the Issue Price. If the Application Form(s) and proof of payment of cleared funds do not reach the Placement Agent, Manager and Registrar, as applicable, by the close of the Issue Period, the Application will be deemed to have been declined.

It is expected that notification of allotment will be announced to Bondholders within five (5) Business Days of the closing of the Issue Period.

Dealings in the Secured Bonds shall not commence prior to (i) the Secured Bonds being admitted to the Prospects MTF List; and (ii) the Collateral being constituted in favour of the Security Trustee.

22.4 Status and Ranking of the Secured Bonds

The Secured Bonds shall constitute the general, direct and unconditional obligations of the Issuer, and shall at all times rank *pari passu*, without any priority or preference among themselves. The Secured Bonds shall be guaranteed in respect of both the interest and the principal amount due under said Secured Bonds by the Guarantor in terms of the Guarantee. The Secured Bonds shall rank with priority in relation to the Pledged Shares.

Pursuant to the Pledge Agreement, the Pledgor has agreed to constitute in favour of the Security Trustee for the benefit of Bondholders as Beneficiaries, a pledge over the shares held in Luxury Living Technologies Limited.

The Pledge will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Secured Bonds.

Accordingly, following the issue of the Secured Bonds and application of the proceeds as set out above, the Security Trustee for the benefit of Bondholders will have the benefit of a pledge over shares held in Luxury Living Technologies Limited.

The following table sets out a summary of the Group's indebtedness as at 24 April 2018, and includes details of security given in respect of guarantees, overdraft facilities, bank loans and other borrowings from related companies. The bank borrowings and facilities listed below are secured by privileges and hypothecs, and therefore, to the extent that such borrowings and/or facilities remain outstanding, the indebtedness being created by the Bonds would rank after all these borrowings and/or facilities with respect to the obligations of the Guarantor. In addition, the Bonds would also rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec, in so far as the asset constituting the relevant security is concerned.

Parties	Description of obligation	Amount of facility €	Amount outstanding as at 24 April 2018	Balance outstanding following Bond issue	Security
Overdraft and loan facility between Luxury Living Technologies Limited (as borrower) and APS Bank Limited (as lender) granted in terms of a facility agreement	General banking facility for working capital requirements in connection with the importation and retail of energy saving/renewable energy systems/devices;	1,756,000	1,491,456	1,491,456	(i) first general hypothec over the assets of Luxury Living Technologies Limited for €1,756,000; (ii) pledge on account for €18,500 held in the name of the Guarantor

dated 13 July 2016	Bizplus capital expenditure loan: to assist the company to acquire stocks and assets Ecoplus loan: financing to set up a photovoltaic farm on the Mellieha property				(iii)other security over assets which do not belong to the Group
Related party loans between Luxury Living Technologies Limited and Sewda Renewable Energies Limited	Purchase of photovoltaic panels	584,000	205,615	205,615	Unsecured

The Bonds would rank after any future debts which may be secured by a cause of preference such as a privilege and/or a hypothec.

22.5 Negative Pledge

The Issuer undertakes, 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, 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 Iet; (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, in an aggregate outstanding amount not exceeding 80% of the difference between the value of the unencumbered assets of the Issuer and the aggregate principal amount of Bonds outstanding at the time net any monies set aside for Sinking Fund purposes.

Provided that the aggregate Security Interests referred to in (B) and (C) above do not result in the unencumbered assets of the Issuer being less than 105% of the aggregate principal amount of the Bonds still outstanding;

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

22.6 Rights attaching to the Secured Bonds

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

i. the payment of interest;
ii. the payment of capital;
iii. qualify as primary beneficiary of the Security Trust and thereby to benefit from the Collateral through the Security Trustee in accordance with the terms of the Security Trust Deed;
iv. attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and
v. enjoy all such other rights attached to the Secured Bonds emanating from the Company Admission Document.

22.7 Interest

22.7.1 The Secured Bonds shall bear Interest from and including 30 July 2018 at the rate of 5% per annum on the nominal value thereof, payable annually in arrears on each Interest Payment Date. The first Interest payment will be effected on 29 July 2019 (covering the period 30 July 2018 to 29 July 2019). 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. Each Secured Bond will cease to bear Interest from and including its due date for redemption, unless payment of the principal in respect of the Secured Bond is improperly withheld or refused or unless default is otherwise made in respect of payment, in any of which events Interest shall continue to accrue at the rate specified above plus one per cent (1%), but in any event not in excess of the maximum rate of interest allowed by Maltese Law. 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 Secured Bonds is barred by the lapse of five (5) years.

22.7.2 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.

22.8 Yield

22.8.1 The gross yield calculated on the basis of the Interest, the Bond Issue Price and the Redemption Value of the Secured Bonds at Redemption Date is 5%.

22.9 Registration, Form, Denomination and Title

22.9.1 Certificates will not be delivered to Bondholders in respect of the Secured Bonds in virtue of the fact that the entitlement to Secured 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 body corporates) and MSE account numbers of the Bondholders and particulars of the Secured 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.

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

22.9.3 Upon submission of an Application Form, Bondholders who opt to subscribe for the online e-portfolio account with the CSD, by marking the appropriate box on the Application Form, will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Secured Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on https://eportfolio.borzamalta.com.mt/. Further detail on the e-portfolio is found on https://eportfolio.borzamalta.com.mt/Help.

22.9.4 The Secured Bonds will be issued in fully registered form, in denominations of any integral multiple of €100 per Bond, provided that on subscription the Secured Bonds will be issued for a minimum of €5,000 per individual Bondholder. Authorised Intermediaries subscribing to the Secured Bonds through nominee accounts for and on behalf of clients shall apply the minimum subscription amount of €5,000 to each underlying client.

22.9.5 Any person in whose name a Secured 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 Secured Bond. Title to the Secured Bonds may be transferred as provided below under the heading "Transferability of the Secured Bonds" in section 22.14 of the Company Admission Document.

22.10 Pricing

The Secured Bonds are being issued at par, that is, at €100 per Bond.

22.11 Payments

22.11.1 Payment of the principal amount of the Secured Bonds will be made in Euro by the Issuer to the person in whose name such Secured 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. Upon payment of the Redemption Value, the

Secured Bonds shall be redeemed and the appropriate entry shall be made in the electronic register of the Secured Bonds at the CSD.

22.11.2 In the case of Secured Bonds held subject to usufruct, payment of interests 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 Secured Bonds.

22.11.3 Payment of interest on a Secured Bond will be made to the person in whose name such Secured 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. Such payment shall be effected within seven (7) days of the Interest Payment Date. The Issuer shall not be responsible for any charges, loss or delay in transmission.

22.11.4 All payments with respect to the Secured Bonds are subject in all cases to any pledge (duly constituted) and 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 Secured 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.

22.11.5 No commissions or expenses shall be charged by the Issuer to the Bondholders in respect of payments made in accordance with this section 22.11. The Issuer shall not be liable for charges, expenses and commissions levied by parties other than the Issuer.

22.12 Redemption and Purchase

22.12.1 Unless previously purchased and cancelled, the Issuer hereby irrevocably covenants in favour of each Bondholder that the Secured Bonds will be redeemed at their nominal value (together with accrued interest) on 29 July 2028. In such a case the Issuer shall be discharged of any and all payment obligations under the Bonds upon payment made net of any withholding or other taxes due or which may be due under Maltese Law and which is payable by the Bondholders.

22.12.2 Subject to the provisions of this section 22.12, the Issuer may at any time purchase Secured Bonds in the open market or otherwise at any price. Any purchase by tender shall be made available to all Bondholders alike.

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

22.13 Events of Default

Pursuant to the Security Trust Deed, the Security Trustee may in its absolute and uncontrolled discretion, and shall upon the request in writing of not less than 75% in value of the Primary Beneficiaries, by notice in writing to the Issuer and the Guarantor declare the Secured Bonds to have become immediately due and repayable at their principal amount, together with any accrued interest, if any of the following events ("**Events of Default**") shall occur:

i. the Issuer and/or Guarantor shall fail to pay any Interest on any Secured 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 Guarantor, by the Security Trustee; and/or

ii. the Issuer shall fail duly to perform or shall otherwise be in breach of any other material obligation contained in the Terms and Conditions of the Secured Bonds and such failure shall continue for sixty (60) days after written notice thereof shall have been given to the Issuer by any Bondholder; and/or

iii. in terms of article 214(5) of the Act, a Court order or other judicial process is levied or enforced upon or sued out against any part of the property of the Issuer and is not paid out, withdrawn or discharged within one month; and/or

iv. the Issuer stops payment of its debts or ceases or threatens to cease to carry on its business; and/or

v. the Issuer or the Guarantor is unable to pay its debts within the meaning of article 214(5) of the Act, or any statutory modification or re-enactment thereof;

vi. a judicial or provisional administrator is appointed upon the whole or any part of the property of the Issuer or the Guarantor; and such appointment is certified by the Security Trustee to be prejudicial, in its opinion, to the Bondholders;

vii. the Issuer or the Guarantor substantially changes the object or nature of its business as currently carried on; and/or

viii. the Issuer or the Guarantor commits a breach of any of the covenants or provisions contained in the Pledge Agreement and/or Guarantee and on its part to be observed and performed and the said breach still subsists for 30 days after having been notified by the Security Trustee (other than any covenant for the payment of interests or principal monies owing in respect of the Secured Bonds); and/or

ix. the security constituted by any hypothec, pledge or charge upon the whole or any part of the undertaking or assets of the Issuer or the Guarantor shall become enforceable and steps are taken to enforce the same and the taking of such steps shall be certified in writing by the Security Trustee to be in its opinion prejudicial to the Bondholders; and/or

x. any representation or warranty made or deemed to be made or repeated by or in respect of the Issuer or the Guarantor is or proves to have been incorrect in any material respect in the sole opinion of the Security Trustee; and/or

xi. any material indebtedness of the Issuer or the Guarantor is not paid when properly due or becomes properly due and payable or any creditor of the Issuer or the Guarantor (as the case may be) becomes entitled to declare any such material indebtedness properly due and payable prior to the date when it would otherwise have become properly due or any guarantee or indemnity of the Issuer or the Guarantor in respect of indebtedness is not honoured when properly due and called upon; PROVIDED THAT for the purposes of this provision, material indebtedness shall mean an amount exceeding €500,000; and/or

xii. it becomes unlawful at any time for the Issuer or the Guarantor to perform all or any of its obligations hereunder or to develop the Group's Projects and/or hostel or to continue with the development of these Projects and/or hostel; and/or

xiii. the Issuer or the Guarantor repudiates, or does or causes or permits to be done any act or thing evidencing an intention to repudiate the Secured Bonds and/or the Pledge Agreement and/or the Guarantee; and/or

xiv. all, or in the sole opinion of the Security Trustee, a material part, of the undertakings, assets, rights, or revenues of or shares or other ownership interests in the Issuer or the Guarantor are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government; and/or

xv. there shall have been entered against the Issuer a final judgement by a court of competent jurisdiction from which no appeal may be or is made for the payment of money in excess of one million Euro (€1,000,000) or its equivalent and ninety (90) days shall have passed since the date of entry of such judgement without its having been satisfied or stayed; and/or

xvi. any default occurs and continues for ninety (90) days under any contract or document relating to any Financial Indebtedness (as defined in section 22.5 above) of the Issuer in excess of one million Euro (€1,000,000) or its equivalent at any time.

Upon any such declaration being made as aforesaid the said principal monies and interest accrued under the Secured Bonds shall be deemed to have become immediately payable at the time of the event which shall have happened as aforesaid.

Provided that in the event of any breach by the Issuer of any of the covenants, obligations or provisions herein contained due to any fortuitous event of a calamitous nature beyond the control of the Issuer, then the Security Trustee may, but shall be under no obligation so to do, give the Issuer such period of time to remedy the breach as in its sole opinion may be justified in the circumstances and if in its sole opinion the breach is remediable within the short term and without any adverse impact on the Bondholders. Provided further that in the circumstances contemplated by this proviso, the Security Trustee shall at all times act on and in accordance with any instructions it may receive in a meeting of Bondholders satisfying the conditions set out in the Security Trust Deed. The Security Trustee shall not be bound to take any steps to ascertain whether any Event of Default or other condition, event or circumstance has occurred or may occur, and, until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Event of Default or condition, event or other circumstance has happened and that the Issuer and/or Guarantor are observing and performing all the obligations, conditions and provisions on their respective parts contained in the Company Admission Document, the Guarantee, the Pledge Agreement and the Security Trust Deed.

22.14 Transferability of the Secured Bonds

22.14.1 The Secured Bonds are freely transferable and, once admitted to the Prospects MTF, shall be transferable only in whole (in multiples of €100) in accordance with the rules and regulations of Prospects MTF and the MSE applicable from time to time. If Secured Bonds are transferred in part, such attempted partial transfer will not be cleared and the transferee thereof will not be registered as a Bondholder or claim from the Issuer any purported benefit therefrom.

22.14.2 Any person becoming entitled to a Secured 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 Secured 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 Secured Bond, or procuring the transfer of the Secured Bond, in favour of that person. Provided always that if a Secured Bond is transmitted in furtherance of this paragraph, a person will not be registered as a Bondholder unless such transmission is made in multiples of €100.

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

22.14.4 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 person to whom the transfer/transmission has been made.

22.14.5 The Issuer will not register the transfer or transmission of Secured Bonds for a period of fifteen (15) days preceding the Interest Payment Date or the due date for redemption.

22.15 Further Issues

22.15.1 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 Secured 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 Secured Bonds), or upon such terms as the Issuer may determine at the time of their issue.

22.16 Meetings of Bondholders

22.16.1 The Issuer may, through the Security Trustee, from time to time, call meetings of Bondholders for the purpose of consultation with Bondholders or for the purpose of any of the following: (i) considering and approving any matter affecting their interest, including the amendment, modification, waiver, abrogation or substitution of any of the Terms and Conditions of the Secured Bonds and the rights of the Bondholders arising under the Company Admission Document; (ii) considering and approving the exchange or substitution of the Secured Bonds by, or the conversion of the Secured Bonds into, shares, debentures or other obligations or securities of the Issuer; and (iii) obtaining the consent of Bondholders on other matters which in terms of the Company Admission Document require the approval of a Bondholders' meeting in accordance with section 22.16.3 below.

22.16.2 A meeting of Bondholders shall be called by the Directors by giving the Security Trustee not less than 21 days' notice in writing. Upon receiving due notice from the Directors, the Security Trustee shall call such meeting 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 Company Admission Document 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 at a meeting

called for that purpose as aforesaid, any such decision shall subsequently be given effect to by the Issuer.

22.16.3 The amendment or waiver of any of the Terms and Conditions of Issue of the Secured Bonds may only be made with the approval of Bondholders at a meeting called and held for that purpose in accordance with the terms hereof.

22.16.4 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 Secured 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 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 at the commencement of the meeting, 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.

22.16.5 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.

22.16.6 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 that decisions are required to be taken 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 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.

22.16.7 The voting process shall be managed by the Issuer's Company Secretary under the supervision and scrutiny of the auditors of the Issuer and the Security Trustee.

22.16.8 The proposal placed before a meeting of Bondholders shall only be considered approved if at least sixty per cent (60%) 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.

22.16.9 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.

22.17 Authorisations and Approvals

The Directors authorised the Bond Issue and the publication of the Company Admission Document pursuant to a board of directors' resolution passed on 26 April 2018. The Guarantee being given by

the Guarantor in respect of the Secured Bonds has been authorised by a resolution of the board of directors of the Guarantor dated 26 June 2018.

22.18 Admission to Trading

22.18.1 The Malta Stock Exchange has authorised the Secured Bonds as admissible to Admission pursuant to the Prospects MTF Rules by virtue of a letter dated 3 July 2018.

22.18.2 Application has been made to the Malta Stock Exchange for the Secured Bonds being issued pursuant to the Company Admission Document to be admitted and traded on its Prospects MTF.

22.18.3 The Secured Bonds are expected to be admitted to the Malta Stock Exchange with effect from 30 July 2018 and trading is expected to commence on 31 July 2018. Dealing may commence prior to notification of the amount allocated being issued to Applicants.

22.19 Representations and Warranties

22.19.1 The Issuer represents and warrants to Bondholders and to the Security Trustee for the benefit of Bondholders, who shall be entitled to rely on such representations and warranties, that:

i. it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business as it is now being conducted and to hold its property and other assets under legal title; and
ii. it has the power to execute, deliver and perform its obligations under the Company Admission Document and that all necessary corporate, shareholder and other actions have been duly taken to authorise the execution, delivery and performance of the same, and further that no limitation on its power to borrow or guarantee shall be exceeded as a result of the Terms and Conditions or the Company Admission Document.

22.19.2 The Company Admission Document contains all relevant material information with respect to the Issuer and Guarantor and all information contained in the Company Admission Document is in every material respect true and accurate and not misleading, and there are no other facts in relation to the Issuer and/or Guarantor, their respective business and financial position, the omission of which would, in the context of issue of the Secured Bonds, make any statement in the Company Admission Document misleading or inaccurate in any material respect.

22.20 Secured Bonds held jointly

In respect of any Secured Bonds held jointly by several persons (including husband and wife), the joint holders shall nominate one (1) of their number as their representative and his/her name will be entered in the register with such designation. By default, the person whose name shall be inserted in the field entitled "Applicant" on the Application Form, or the 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. Such person shall, for all intents and purposes, be deemed to be the registered holder of the Secured Bond/s so held.

22.21 Secured Bonds held subject to usufruct

In respect of a Secured 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-a-vis* the Issuer to be the holder of the Secured Bond/s so held and shall have the right to

receive interest on the Secured Bond/s and to vote at meetings of the Bondholders but shall not, during the continuance of the Secured Bond/s, have the right to dispose of the Secured Bond/s so held without the consent of the bare owner, and shall not be entitled to the repayment of principal on the Secured Bond (which shall be due to the bare owner).

22.22 Governing law and jurisdiction

22.22.1 The Secured Bonds are governed by and shall be construed in accordance with Maltese Law.

22.22.2 Any legal action, suit or proceedings against the Issuer and/or Guarantor and arising out of or in connection with the Secured Bonds and/or the Company Admission Document shall be brought exclusively before the Maltese courts.

22.23 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/her/its registered address and posted.

22.24 Sinking Fund

The Issuer hereby undertakes that as from the financial year ending 30 June 2024 it shall, over a period of four (4) years, build a Sinking Fund the value of which will by the Redemption Date be equivalent to 50% of the value of the issued Secured Bonds. The Issuer shall primarily use the Sinking Fund to repay the Secured Bonds on the Redemption Date or in any other manner in accordance with this Company Admission Document. The Issuer shall make periodic payments for the purpose of building up this Sinking Fund. Below is a table with the minimum amounts to be paid by the Issuer for this purpose:

Sinking fund contribution as at

€'000	30/06/2024 Projected	30/06/2025 Projected	30/06/2026 Projected	30/06/2027 Projected	30/06/2028 Projected
Annual contribution	750	750	1,250	1,250	-
Cumulative balance	750	1,500	2,750	4,000	4,000

The sinking fund shall be managed by the Issuer and administered by its Board of Directors in line with the treasury management policy.

The functions of the Board of Directors in relation to the administration of the Sinking Fund shall include the following activities:

i. take control of the assets of the Sinking Fund which shall be segregated from the other assets of the Issuer;

ii. monitor the Issuer's obligation to effect yearly payments to the Sinking Fund;

iii. seek to ensure that by Redemption Date, the Sinking Fund would have accumulated 50% of the nominal amount of the Bonds still outstanding. In the event of a shortfall, the Board of Directors are to ensure that such discrepancy, caused by the Issuer, would be due to justifiable reasons;

iv. in the event where the Issuer pledges assets to the Sinking Fund, the Board of Directors shall ensure that the Issuer has applied the assets in accordance with the treasury management policy in the following order:

a) Buy-back its own bonds on the secondary market should a Bondholder wish to sell the Secured Bonds and/or;

b) At least 15% of the total amount following buy-back of any Secured Bonds shall be maintained in an interest bearing bank account denominated in euro and held with a bank established in the European Economic Area or invested in Malta treasury bills;

c) Not more than 85% of the total amount following buy-back of any Secured Bonds shall be invested in Malta Government Stocks or in local SICAVs that principally invest in Malta Government Stocks, debt instruments quoted on reputable stock exchanges and UCITS funds;

v. monitor that the portfolio of assets within the Sinking Fund is being managed appropriately;

vi. authorise the release of Sinking Fund assets in the event that the Issuer requires the use of such assets due to temporary liquidity problems as detailed below; and

vii. draw up an annual report, addressed to the Bondholders, as to the extent of compliance by the Issuer with the provisions of this section 22.24, a copy of which shall be published through a company announcement and shall be included in the annual financial statements of the Issuer.

The Issuer may not create or permit to subsist security over the Sinking Fund assets, other than the creation of a general hypothec or privilege with a credit institution in the event that the Issuer is facing temporary liquidity problems. Prior to the utilisation of the Sinking Fund assets for such temporary use, approval by the Board of Directors of the Issuer shall be required.

The Issuer shall be the primary beneficiary of the Sinking Fund, whereas the Security Trustee, in its capacity as trustee of the Luxury Living Trust, shall be identified as a secondary beneficiary. Upon the occurrence of any of the Events of Default, the secondary beneficiary shall be granted priority rights over the Sinking Fund, such that its entitlement to the Sinking Fund shall rank prior to that of the primary beneficiary and the Board of Directors shall make the necessary arrangements to safeguard the right of the Security Trustee to take ownership of the Sinking Fund making the necessary distribution of the Sinking Fund to the Security Trustee in its capacity as trustee of the Luxury Living Trust. Any future changes to the above mentioned treasury management policy shall be published by way of company announcement.

The Issuer shall on a half-yearly basis, in its interim and annual financial statements, explain the Issuer's compliance with the Sinking Fund requirements as detailed in this section 22.24 and if necessary explain the reasons for non-compliance, if any. The Bondholders will be informed on the publication of the said financial statements through the issuance of a company announcement by the Issuer. The financial information will be available for inspection at the registered office of the Issuer and in electronic form on the Issuer's website www.llt.com.mt.

22.25 Security Trust

The Secured Bonds are secured and Bondholders shall have the benefit of the following security:

(a) the Pledge; and
(b) the Guarantee.

The security shall be constituted in favour of the Security Trustee for the benefit of all Bondholders from time to time registered in the CSD.

The Issuer and the Guarantor have entered into a Security Trust Deed with the Security Trustee which consists of the covenants of the Issuer and the Guarantor to pay the principal amount under the Secured Bonds on the Redemption Date and interest thereon in terms of the Company Admission Document and the Guarantee, the rights under the Pledge Agreement and all the rights and benefits under the Security Trust Deed. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Secured Bonds.

The Security Trustee's role includes holding of the Collateral for the benefit of the Bondholders and the enforcement of the said Collateral upon the happening of certain events. The Security Trustee shall have no payment obligations to Bondholders under the Secured Bonds which remain exclusively the obligations of the Issuer, or, in the case of default by the Issuer, of the Guarantor.

The Pledgors have agreed to grant a Pledge for the benefit of the Bondholders, as Primary Beneficiaries in terms of a trust deed constituting the Luxury Living Trust, and to instruct the Security Trustee to hold the property under trust (identified below and in terms of the Luxury Living Trust), whilst the Guarantor has agreed to grant the Guarantee in favour of the Security Trustee in its capacity as trustee for the benefit of Bondholders, as security for the outstanding amount due to the Bondholders in terms of the Company Admission Document in relation to the Secured Bonds, together with amounts of interest and charges thereon. The initial Security Trustee is Cavalier Trust Services Limited.

The Security Trustee shall hold the said property under trust in relation to a commercial transaction (as defined in the Trust and Trustees Act, Chapter 331 of the laws of Malta) and transactions connected or ancillary thereto. Furthermore, the Security Trustee shall hold the said property under a security trust as provided in Article 2095E of the Civil Code (Chapter 16 of the Laws of Malta). A security shall be, therefore, constituted in the name of the Security Trustee in the manner provided for by applicable law of Malta for the benefit of the Bondholders and this for all amounts owing to the Bondholders by the Issuer in terms of the Company Admission Document, as may be amended from time to time, including all amounts of interest or charges due in terms thereof, in relation to the Secured Bond. The Security Trustee may require the Pledgors and/or the Guarantor, to enter into such arrangement or arrangements as the Security Trustee may deem required or desirable for the protection of the Primary Beneficiaries' entitlement under the Luxury Living Trust.

In the event that the Issuer and/or Guarantor commits any of the Events of Default, including default of its obligations to repay any Secured Bonds (together with interest and charges thereon) in terms of the Company Admission Document, the Security Trustee shall have the authority to enforce the Collateral.

The Security Trustee shall be bound to take any steps to ascertain whether any Events of Default or other condition, event or circumstance has occurred or may occur. Until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Events of Default or condition, event or other circumstance has happened and that the Issuer is observing and performing all the obligations, conditions and provisions on their respective parts pursuant to this Company Admission Document and the Security Trust Deed.

In the event that it is ascertained that any of the Events of Default has taken place, the Security Trustee may take one or more actions in accordance with Article 122 of the Act.

Following the Security Trustee's enforcement of the Collateral, the Security Trustee shall apply any available funds as follows:-

First to pay any sums due to the Security Trustee as trust administration costs or liabilities of the Security Trustee;

Secondly to pay the Bondholders any outstanding dues by the Issuer in terms of the Company Admission Document;

Thirdly to hold any remaining balance in trust for the Guarantor and Pledgors.

The property held under trust shall include:

initial property being the Pledge, by Bag Investments Co. Limited and Sansuna Estates Co. Limited, jointly as Pledgors, in favour of the Security Trustee, over 2,913,000 ordinary shares, having a nominal value of €1 each in Luxury Living Technologies Limited, and the Guarantee granted by the Guarantor in relation to the repayment of both Interest and the principal amount due under the Secured Bonds; and

future property which shall be settled into the Luxury Living Trust, including, but not limited to the Pledge which will be held by the Security Trustee in its capacity as trustee of the Luxury Living Trust, at any time during the term of the Luxury Living Trust.

In the event where the Security Trustee makes declarations of trust indicating additional property settled on trust, the Pledgors and Guarantor shall be notified in writing of such fact immediately and the Issuer shall make the necessary Company Announcement in accordance with the Prospects MTF Rules to that effect.

Without prejudice to other powers and discretions of the Security Trustee in terms of the Luxury Living Trust, the Security Trustee shall have the discretion to enforce the Collateral on its own accord or upon receiving notice from the Bondholders that any of the Events of Default has occurred in accordance with the provisions of the Company Admission Document.

The Security Trustee shall have the discretion to postpone any sale of the assets subject of the Pledge if the best value reasonably achievable for the said assets on the open market for the time being would not be considered a fair value in the opinion of the Security Trustee or in the opinion of any advisor appointed by the Security Trustee for the valuation of the said assets.

No provision contained in this Company Admission Document, the Security Trust Deed, the Pledge Agreement or the Guarantee shall be construed as creating or otherwise acknowledging, any obligation on the part of the Security Trustee in favour of the Bondholders for any payments that may fall due under the Bonds.

The Luxury Living Trust shall terminate in any of the following events, whichever the earliest:

upon the Issuer repaying all amounts outstanding to the Bondholders in terms of this Company Admission Document and upon the Security Trustee receiving confirmation in writing to this effect from the Issuer and/ or the MSE; or

after one hundred and twenty five (125) years from the date hereof; or

on such earlier date as the Trustees shall declare in writing to be the date on which the Trust Period shall end, provided that such action is in accordance with the Company Admission Document; or

the property held in trust ceases to exist.

Every Bondholder shall be entitled to be entered in the Register of Bondholders, and shall thereupon become a Primary Beneficiary under the Luxury Living Trust'

The beneficial interest of a Primary Beneficiary in terms of the Luxury Living Trust shall terminate upon such time as a Bondholder is no longer registered in the Register of Bondholders maintained by the CSD, or upon the redemption of the principal amount of the Secured Bonds and payment of all interests thereunder, as the case may be.

The Security Trustee shall, so far as is reasonable and within a reasonable time of receiving a request in writing to that effect, provide full and accurate information on the Security Trust Deed, the Pledge Agreement and the Guarantee to beneficiaries of the Luxury Living Trust.

23 TAXATION

23.1 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 transfer, as well as any income/gains derived therefrom or made on their transfer. The following is a summary of the anticipated tax treatment applicable to the Bonds and to Bondholders in so far as taxation in Malta is concerned at the time of issue of this Company Admission Document. 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 issue of the Company Admission Document, 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 prospective 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.

23.2 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% (10% in the case of certain types of collective investment schemes) of the gross amount of the interest pursuant to article 33 of the said Income Tax Act. 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.

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 if paid net of tax. No person shall be charged to further tax in respect of such income and the tax deducted shall not be available as a credit against the recipient's tax liability or available as a refund.

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 Malta Commissioner for Revenue on an annual basis in respect of all interest paid gross and of the identity of all such recipients. 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 (Cap. 123 of the laws of Malta).

In terms of article 12(1)(c) of the Income Tax Act (Cap. 123 of the laws of Malta), Bondholders who are not resident in Malta and satisfying the applicable conditions set out in the Income Tax Act (Cap. 123 of the laws of Malta) 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.

23.3 Exchange of Information

In terms of applicable Maltese legislation, the User and/or its agent are required to collect and forward certain information (including but not limited to, information regarding payments made to certain Bondholders) to the Commissioner of Revenue. The Commissioner for Revenue may, in turn, automatically or on request, exchange the information to other relevant tax authorities subject to certain conditions. Please note that this does not constitute tax advice and Applicants are to consult their own independent tax advisers in case of doubt.

23.4 Foreign Account Tax Compliance Act

The United States (US) enacted the Foreign Account Tax Compliance Act, 2010 (FATCA) that generally imposes a reporting regime and withholding requirements with respect to certain US source payments (including dividends and interest), gross proceeds from the disposition of property that can produce US source interest and dividends and certain payments made by, and financial accounts held with, entities that are classified as financial institutions under FATCA. The US entered into an intergovernmental agreement with Malta on 6 December 2013 regarding the implementation of FATCA. More specifically FATCA requires foreign financial institutions to provide the IRS with information on Specified US persons as defined holding accounts outside of the US, including certain non-US entities with US Controlling Persons. Non-compliance shall result in punitive withholding 30% tax on distributions captured by FATCA. Bondholders should choose any custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make ensure compliance with FATCA. The Issuer's obligations under the Bonds are discharged once it has effected payment as stipulated in this Company Admission Document and therefore the Issuer has no responsibility for any amount thereafter transmitted through the payment chain. FATCA requires reporting financial institutions, as defined, to satisfy applicable due diligence and reporting requirements in terms of the intergovernmental agreement entered into by Malta together with the relevant regulations and guidelines issued by the Commissioner for Revenue. Consequently, certain confidential information in relation to the Bondholders and/or other relevant persons may be reported to the Commissioner for Revenue and automatically exchanged with the IRS pursuant to these requirements. FATCA is rather complex and each Bondholder should consult his own tax advisor to obtain a more detailed explanation of FATCA and to determine how it might affect such holder in his specific circumstance.

23.5 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 (Cap. 123 of the laws of Malta), 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*", and that such Bonds are held as a capital asset and not for trading purposes, no Maltese income tax on capital gains should be chargeable in respect of any capital gain arising on the transfer of the Bonds.

23.6 Duty on Documents and Transfers

In terms of the Duty on Documents and Transfers Act (Cap. 364 of the laws of Malta), duty is chargeable *inter alia* on the transfer or transmission *causa mortis* of marketable securities, defined in the said legislation as "*a holding of share capital in any company and any document representing the same*".

Accordingly, the Bonds should not be treated as constituting marketable securities within the meaning of the legislation and that, therefore, the transfer or transmission thereof should not be chargeable to duty.

Furthermore, even if the Bonds are considered to be marketable securities for the purposes of the Duty on Documents and Transfers Act, in terms of article 50 of the Financial Markets Act (Cap. 345 of the laws of Malta), in view of the fact that the Bonds constitute financial instruments of a company quoted on a regulated market exchange, as is the MSE, redemptions and transfers of the Bonds should in any case be 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 TRANSFER 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.

24 TERMS AND CONDITIONS OF THE BOND ISSUE

The following terms and conditions shall be read in conjunction with all the other terms and conditions relative to and regulating the contractual relationship created between the Issuer and the Guarantor on the one hand and the Security Trustee and Bondholders on the other.

24.1 The issue and allotment of the Secured Bonds is conditional upon: (i) the Bonds being admitted to the Prospects MTF List of the MSE; and (ii) the Collateral being constituted in favour of the Security Trustee, in accordance with the provisions of the Security Trust Deed. In the event that either of the aforementioned conditions is not satisfied within 15 Business Days of the close of the Issue Period, 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. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such returns will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint applications, the address of the first named Applicant) indicated in the Application Form. The Issuer shall not be responsible for any charges, and any loss or delay in transmission.

24.2 The Issuer has not established an aggregate minimum subscription level for the Bond Issue.

The completed Application Forms are to be lodged with the Placement Agent, Manager and Registrar..

24.3 It is the responsibility of investors wishing to apply for the Secured 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.

24.4 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 Company Admission Document and the Memorandum and Articles of Association of the Issuer.

24.5 Any person, whether natural or legal, shall be eligible to submit an Application and any one (1) person, whether directly or indirectly, should not submit more than one (1) application form. 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/or the Placement Agent, Manager and Registrar, but it shall not be the duty or responsibility of the Placement Agent, Manager and Registrar or Issuer to ascertain that such representative is duly authorised to appear on the Application Form and bind the Applicant.

24.6 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.

24.7 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 Secured Bonds allocated pursuant to such an Application Form 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.

24.8 The Secured 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 (as such term is defined in Regulation S under the Securities Act of 1933 of the United States of America, as amended).

24.9 No person receiving a copy of the Company Admission Document 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.

24.10 It is the responsibility of any person outside Malta, wishing to make any Application, to satisfy himself/herself/itself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consent, observing any other formality required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

24.11 Subject to all other terms and conditions set out in the Company Admission Document, 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, and/or this Company Admission Document, and/or is not accompanied by the required documents. Only original Application Forms will be accepted and photocopies/facsimile copies will not be accepted. In the case of joint Applications, reference to the Applicant in these Terms and Conditions is a reference to each Applicant, and liability therefor is joint and several.

24.12 Save where the context requires otherwise or where otherwise defined therein, terms defined in the Company Admission Document bear the same meaning when used in these Terms and Conditions, in the Application Forms, in any of the annexes and in any other document issued pursuant to the Company Admission Document.

24.13 The Issuer has not sought assessment of the Secured Bonds by any independent credit rating agency.

24.14 The Secured Bonds will be issued in multiples of €100. The minimum amount of Secured Bonds that can be subscribed for by each Applicant is €5,000.

24.15 Subject to all other Terms and Conditions set out in the Company Admission Document, the Issuer reserves the right to revoke the issue at any time before the closing of the Issue Period. The circumstances in which such revocation might occur are expected to be exceptional, for example where a significant change in market conditions occurs.

24.16 For the purposes of the Prevention of Money Laundering and Funding of Terrorism Regulations, issued under the Prevention of Money Laundering Act (Chapter 373 of the Laws of Malta), as amended from time to time, all appointed Authorised Intermediaries are under a duty to communicate to the CSD, all information about clients as is required under the Implementing Procedures issued by the Financial Intelligence Analysis Unit under the said Regulations and Articles 1.2(d) and 2.4 of the "Members' Code of Conduct" appended as Appendix 3.6 to Chapter 3 of the Malta Stock Exchange Bye-Laws, irrespective of whether the said appointed Authorised 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) and ancillary legislation as may be promulgated from time to time, including in terms of the General Data Protection Regulation (Regulation (EU) 2016/679), for the purposes and within the terms of the Malta Stock Exchange Data Protection Policy as published and as may from time to time be amended having regard to the provisions of the General Data Protection Regulation provisions.

24.17 By completing and delivering an Application Form, the Applicant:

i. agrees and acknowledges to have had the opportunity to read the Company Admission Document and to be deemed to have had notice of all information and representations concerning the Issuer and the Guarantor and the issue of the Secured Bonds contained therein;

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;

authorises the Placement Agent, Manager and Registrar and the Directors of the Issuer to include his/her/its name or, in the case of joint Applications the first named Applicant, in the register of debentures of the Issuer in respect of the Secured Bonds allocated to such Applicant and further 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/it as processed by the Issuer and/or the MSE. Any such requests must be made in writing and sent to CSD. The requests must further be signed by the Applicant to whom the personal data relates;

confirms that in making such Application no reliance was placed on any information or representation in relation to the Issuer, the Guarantor or the issue of the Secured Bonds other than what is contained in the Company Admission Document and, accordingly, agree/s that no person responsible solely or jointly for the Company Admission Document or any part thereof will have any liability for any such other information or representation;

ii. agrees that the registration advice and other documents and any monies returnable to the Applicant may be retained pending clearance of his/her/its 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;

iii. agrees to provide the Placement Agent, Manager and Registrar and/or the Issuer, as the case may be, with any information which it/they may request in connection with the Application;

iv. 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/its Application in any territory, and that the Applicant has not taken any action which will or may result in the Issuer or the Placement Agent, Manager and Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the issue of the Secured Bonds or his/her/its Application;

v. warrants that all applicable exchange control or other such regulations (including those relating to external transactions) have been duly and fully complied with;

vi. 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) and that he/she/it is not accepting the invitation set out in the Company Admission Document 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;

vii. agrees that Jesmond Mizzi Financial Advisors Limited will not in their capacity of Placement Agent, Manager and Registrar, treat the Applicant as its customer by virtue of such Applicant making an Application for the Secured Bonds, and that Jesmond Mizzi Financial Advisors Limited will owe the Applicant no duties or responsibilities concerning the price of the Secured Bonds or their suitability for the Applicant;

viii. agrees that all documents in connection with the issue of the Secured Bonds and any returned monies, including refunds of all unapplied Application monies, will be sent at the Applicant's own risk and may be sent, in the case of documents, 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 and in the case of monies by direct credit, into the Applicant's bank account as indicated by the Applicant on the Application Form;

ix. 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 Secured Bonds;

x. irrevocably offers to purchase the number of Secured Bonds specified in his/her/its Application Form (or any smaller number for which the Application is accepted by the Issuer) at the Bond Issue Price subject to the Company Admission Document, the terms and conditions thereof, and the Memorandum and Articles of Association of the Issuer;

xi. warrants that his/her/its remittance will be honoured on first presentation and agrees that if such remittance is not so honoured he/she/it will not be entitled to receive a registration advice, or to be registered in the register of debentures or to enjoy or receive any rights in respect of such Secured Bonds unless and until payment in cleared funds for such Secured Bonds is received and accepted by the Issuer and/or the Placement Agent, Manager and Registrar (which acceptance shall be made in the absolute discretion of the Issuer and/or the Placement Agent, Manager and Registrar and may be on the basis that the Issuer and/or the Placement Agent, Manager and Registrar is indemnified against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of such remittance to be honoured on first presentation) and that, at any time prior to unconditional acceptance by the Issuer and/or the Placement Agent, Manager and Registrar of such late payment in respect of such Bonds, the Issuer and/or the Placement Agent, Manager and Registrar may (without prejudice to other rights) treat the agreement to allocate such Secured Bonds as void and may allocate such Secured Bonds to some other person, in which case the Applicant will not be entitled to any refund or payment in respect of such Secured Bonds (other than return of such late payment);

xii. agrees that all Applications, acceptances of applications and contracts resulting therefrom will be governed by, and construed in accordance with, Maltese Law and that he/she/it submits to the exclusive jurisdiction of the Maltese Courts and agrees that nothing shall limit the right of the Issuer to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of applications and contracts in any other manner permitted by law in any court of competent jurisdiction;

xiii. warrants that if he/she signs the Application Form on behalf of another party or on behalf of a corporation or corporate entity or association of persons, he/she has due authority to do so and such person, corporation, corporate entity or association of persons will also be bound accordingly, and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions;

xiv. warrants that he/she is not under the age of eighteen (18) years or if he/she is lodging an Application in the name and for the benefit of a minor, warrants that he/she is the parent/s or legal guardian/s of the minor;

xv. confirms that, in the case of a joint Application entered into in joint names, the first named Applicant shall be deemed the holder of the Secured Bonds; and

xvi. agrees that, in all cases, any refund of unallocated Application monies will be sent to the Applicant by direct credit into the Applicant's bank account as indicated by the Applicant on the Application Form. No interest shall be due on refunds. The Issuer shall not be responsible for any changes, loss or delay in transmission. If no such bank account number is provided, or in the event that bank account details on the Application Form are incorrect or inaccurate, such refund will be made by means of a cheque mailed to the Applicant's address (or, in the case of joint Applications, the address of the first named Applicant) indicated in the Application Form.

ANNEX A: GUARANTEE

Luxury Living Technologies Letterhead

To: Cavalier Trust Services Limited
Finance House, First Floor
Princess Elizabeth Street
Ta' Xbiex

3 July 2018

Dear Sirs

Re: GUARANTEE & INDEMNITY

We, Luxury Living Technologies Limited, a company registered in Malta and bearing company registration number C 74593 (hereinafter together with lawful successors and assigns referred to as the "Guarantor"), having noted that:

I. by virtue of a Company Admission Document dated 3 July 2018 issued by Luxury Living Finance p.l.c. (the "**Issuer**") in connection with the issue of €8,000,000 5% Secured Bonds 2028 (as the same may be amended, varied or supplemented hereinafter referred to as the "**Company Admission Document**") the Issuer shall, under the joint and several guarantee of the Guarantor, issue up to €8,000,000 in Secured Bonds at an annual interest rate of 5% to be redeemed and finally repaid on 29 July 2028 subject to the terms and conditions of the Company Admission Document (the "**Secured Bonds**"), a copy of which is hereto attached and marked "**Annex I**";

II. the Guarantor is the holder of 100% of the voting rights of the Issuer; and

III. in terms of the Company Admission Document, the Guarantor wishes to execute and grant this Guarantee and Indemnity (hereinafter referred to as "**Guarantee**") of the obligations of the Issuer above referred to in favour of the Security Trustee.

NOW, THEREFORE, THE GUARANTOR IS HEREBY COVENANTING IN FAVOUR OF THE SECURITY TRUSTEE AS FOLLOWS:

1. INTERPRETATION

In this Guarantee, unless the context otherwise requires:

a) terms and expressions defined in or construed for the purposes of the Company Admission Document shall have the same meanings or be construed in the same manner when used in this Guarantee, unless defined otherwise in this Guarantee;

b) "**Indebtedness**" means any and all moneys, obligations and liabilities now or hereafter due, owing or incurred by the Issuer under the Secured Bonds to the Bondholders (whether alone and/or with others) in terms of the Company Admission Document and in any and all cases whether for principal, interests, capitalised interests, charges, disbursements, or otherwise and whether for actual or contingent liability;

c) "**writing**" or "**in writing**" shall mean any method of visual representation and shall include facsimile transmissions, telexes and other such electronic methods.

2. GUARANTEE

2.1. COVENANT TO PAY

In satisfaction of the conditions precedent for the issuance of the Secured Bonds, and in consideration of the Bondholders acquiring the Secured Bonds, the Guarantor, as duly authorised, without proof of liability or evidence and as primary obligor, hereby jointly and severally with the Issuer, unconditionally and irrevocably guarantees to the Security Trustee, for the benefit of Bondholders the payment of, and undertakes on first demand in writing made by the Security Trustee on the Guarantor, to pay the Indebtedness to the Security Trustee or any balance thereof at any time due or owing under the Secured Bonds.

2.2. MAXIMUM LIABILITY

This is a continuing Guarantee for the whole amount due or owing under the Secured Bonds or which may hereafter at any time become due or owing under the Secured Bonds by the Issuer but the amount due by the Guarantor to the Security Trustee under this Guarantee shall be up to and shall not be in excess of €8,000,000 apart from interests due up to the date of payment and costs and expenses relating to the protection, preservation, collection or enforcement of the Security Trustee's rights against the Issuer and/or the Guarantor which shall be additional to the maximum sum herein stated.

2.3. INDEMNITY

As a separate and independent stipulation, the Guarantor agrees to indemnify the Security Trustee on demand for any damages, losses (excluding loss of profit), costs and expenses arising from any failure on the part of the Issuer to perform any obligation to the Security Trustee and the Guarantor so agrees to indemnify the Security Trustee even in the event that any obligation of the Issuer to the Security Trustee is invalid or ceases to be valid and enforceable against the Issuer for any reason whatsoever including, but without limitation, any legal limitation or any disability or incapacity of the Issuer. In such an event the Guarantor shall be liable towards the Security Trustee as if that obligation was fully valid and enforceable and as if the Guarantor was the principal debtor in respect thereof and shall pay all sums due to the Security Trustee within seven days of a demand in writing by the Security Trustee.

3. CONTINUING AND UNCONDITIONAL LIABILITY

The liability of the Guarantor under this Guarantee shall be continuing until such time as the Indebtedness is fully repaid and shall in no way be prejudiced or effected, nor shall it in any way be discharged or reduced by reason of:

a) the bankruptcy, insolvency or winding up of the Issuer; or

b) the incapacity or disability of the Issuer or any other person liable for any reason whatsoever; or

c) any change in the name, style, constitution, any amalgamation or reconstruction of either the Issuer, or any Guarantor; or

d) the Security Trustee conceding any time or indulgence, or compounding with, discharging, releasing or varying the liability of the Issuer or any other person liable or renewing, determining, reducing, varying or increasing any accommodation or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or in any way

varying any compromise, composition, arrangement or settlement or omitting to claim or enforce or exact payment from the Issuer or any other person liable; or

e) any event, act or omission that might operate to exonerate the Guarantor without settlement in full of the Indebtedness towards the Security Trustee.

The Security Trustee is being expressly authorised to vary the Company Admission Document and/or modify the Indebtedness or to release or modify any guarantees or any security the Security Trustee may hold as security for the Indebtedness and this without the need of any prior or subsequent notice to the Guarantor and without any prejudice to the rights of the Security Trustee hereunder. The Guarantor is also hereby expressly consenting to any assignments and transfers made by the Issuer in accordance with the Company Admission Document and this without the need of any prior or subsequent notice to the Guarantor and without any prejudice to the rights of the Security Trustee hereunder.

4. WAIVER OF THE GUARANTOR'S RIGHTS AND THE GUARANTOR'S WARRANTIES

4.1. This Guarantee shall be for the full amount of the Indebtedness due from time to time. The liability of the Guarantor under this Guarantee shall be decreased from time to time to the extent, if any, that the Issuer or the Guarantor shall have made any irrevocable payment of the Indebtedness.

4.2. Until the Indebtedness has been paid in full the Guarantor agrees that it will not, without the prior written consent of the Security Trustee,

a. exercise any rights of subrogation, reimbursement and indemnity against the Issuer or any other person liable for the Indebtedness;

b. demand or accept repayment, in whole or in part, of any indebtedness now or hereafter due to the Guarantor either from the Issuer or from any other person liable for the Indebtedness or demand any collateral in respect of same or dispose of same;

c. take any step to enforce any right against the Issuer or any other person liable for the Indebtedness;

d. claim any set-off or counter-claim against the Issuer or any other person liable for the Indebtedness nor shall the Guarantor claim or prove in competition with the Security Trustee in the liquidation of the Issuer or any other person liable for the Indebtedness or benefit or share any payment from or in composition with the Issuer or any other person liable for the Indebtedness.

4.3. Subject to the overriding provisions of the Company Admission Document until the Indebtedness has been paid in full the Guarantor further agrees that:

a. if an Event of Default under the Company Admission Document occurs, any sums which may be received by it from the Issuer or any person liable for the Indebtedness shall be held by it on trust exclusively for the Security Trustee and shall be paid to the Security Trustee immediately upon demand in writing or immediately after its receipt if such obligation arises from the documents executed by the Issuer in connection with the Company Admission Document;

b. all rights of relief and subrogation arising in favour of the Guarantor upon a partial payment to the Security Trustee against the Issuer and any other person who may be liable for the Indebtedness, including any co-guarantors, shall be suspended;

c. the Security Trustee may and shall receive and retain the whole of the liquidation dividends to the exclusion of the rights (if any) of the Guarantor in competition with the Security Trustee and pursuant to the above the Security Trustee is entitled to hold all payments made by the Guarantor or the Issuer on account of the Indebtedness in suspense for a period of six months from the date of payment and any such payments on account shall not be applied in reduction of the Indebtedness for a period of six months as stated. The Security Trustee may accordingly prove for the whole Indebtedness of the Issuer in liquidation after excluding any and all payments made within a period of six months prior to the liquidation of the Issuer;

d. the Security Trustee shall not be required to exhaust any remedy or remedies it may have against the Issuer or other persons who may be liable for the Indebtedness for the settlement of all the Indebtedness before claiming against the Guarantor under this Guarantee which is to be construed as entirely independent from the relationship between the Security Trustee and the Issuer and providing immediate recourse against the Guarantor under this Guarantee. The Guarantor hereby waives any benefit of discussion or division which may be available under any applicable law.

5. SETTLEMENTS CONDITIONAL

Any release, discharge or settlement between the Guarantor and the Security Trustee shall be conditional upon no security, disposition or payment to the Security Trustee by the Issuer or the Guarantor or any other third party liable to being void or set aside for any reason whatsoever and if, for any reason whatsoever, this condition is not fulfilled, such release, discharge or settlement shall be of no effect whatsoever and this Guarantee shall again come into force for all effects and purposes of law.

6. ADDITIONAL GUARANTEE

This Guarantee is to be construed as being in addition to and in no way prejudicing any other securities or guarantees which the Security Trustee may now or hereafter hold from or on account of the Issuer and/or the Bondholders and is to be binding on the Guarantor as a continuing Guarantee until full and final settlement of all the Issuer's indebtedness towards the Security Trustee. Moreover, the remedies provided in this Guarantee are cumulative and are not exclusive of any remedies provided by law.

7. BENEFIT OF THIS GUARANTEE AND NO ASSIGNMENT

7.1. This Guarantee is to be immediately binding upon the Guarantor for the benefit of the Security Trustee and the liability hereunder is not subject to any conditions as to additional security being received by the Security Trustee or otherwise.

7.2. The Guarantor shall not be entitled to assign or transfer any of its obligations under this same Guarantee.

8. REPRESENTATIONS AND WARRANTIES

8.1. The Guarantor represents and warrants:-

(i) that it is duly incorporated and validly existing under the laws of Malta and has the power to carry on its business;

(ii) that it has power to grant this Guarantee and that this Guarantee is duly authorised and all corporate action has been taken by the Guarantor in accordance with its deeds of constitution and the laws of its incorporation and regulation;

(iii) that this Guarantee constitutes and contains valid and legally binding obligations of the Guarantor enforceable in accordance with its terms;

(iv) that this Guarantee does not and will not constitute default with respect to or run counter to any law, by-law, articles of incorporation, statute, rule, regulation, judgment, decree or permit to which the Guarantor is or may be subject; or any agreement or other instrument to which the Guarantor is a party or is subject or by which it or any of its property is bound;

(v) that this Guarantee shall not result in or cause the creation or imposition of or oblige the Guarantor to create any encumbrance on any of that Guarantor's undertakings, assets, rights or revenues;

(vi) that it is in no way engaged in any litigation, arbitration or administrative proceeding of a material nature and nor is it threatened with any such procedures;

(vii) that, save for any other priority and preference created in line with summary of the Group's indebtedness comprised in section 22.4 of the Company Admission Document, the obligations binding it under this Guarantee rank at least pari passu with all other present and future unsecured indebtedness of the Guarantor with the exception of any obligations which are mandatorily preferred by law;

(viii) that it is not in breach of or in default under any agreement relating to indebtedness to which it is a party or by which it may be bound nor has any default occurred in its regard;

(ix) that all the information, verbal or otherwise tendered in connection with the negotiation and preparation of this Guarantee is accurate and true and there has been no omission of any material facts;

(x) that the granting of this Guarantee is in the commercial interest of the Guarantor and that the Guarantor acknowledges that it is deriving commercial benefit therefrom.

8.2. As from the date of this Guarantee, until such time as the Indebtedness is paid in full to the Security Trustee, and for as long as this Guarantee shall remain in force, the Guarantor shall hold true, good and valid all the representations and warranties given under this clause.

9. DEMANDS AND PAYMENTS

9.1. All the Indebtedness shall be due by the Guarantor under this Guarantee as a debt, certain, liquidated and due on the seventh day following the Security Trustee's first written demand to the Guarantor to pay. All demands shall be sent to the address or facsimile or other numbers as are stated below in Article 10 as the same may be changed by notice in writing by one party to the other.

The demand shall be accompanied by a statement by the Security Trustee confirming that to the best of its knowledge there exist, at the time of the demand, circumstances which constitute an Event of Default or such that may render the underlying obligations of the

Issuer to the Security Trustee or any security document invalid and unenforceable for any reason whatsoever.

It is expressly agreed that the requirement of such statement is not a condition of liability of the Guarantor under this Guarantee and is entirely without prejudice to the on demand nature of this Guarantee. Any disagreement by the Guarantor as to the contents of the statement shall not entitle the Guarantor to delay or interrupt the payment of the sum due under this Guarantee for any reason whatsoever.

9.2. The statement by the Security Trustee of the amount due under this Guarantee shall be binding on the Guarantor and shall be conclusive evidence of the sum due, saving only manifest error.

9.3. All payments shall be made to the Security Trustee without any withholding for taxes (and in so far as this obligation exists under any law the payment shall be grossed up by the amount of withholding) and without set-off for any amounts which may be then owing to the Guarantor by the Issuer or the Security Trustee. The Guarantor authorises the Security Trustee to apply any credit balance the Guarantor may have with the Security Trustee towards the satisfaction of the Indebtedness. The Security Trustee shall notify the Guarantor forthwith of the exercise of this right giving full details relating thereto.

10. NOTICES

Any notice required to be given by any party hereto to the other party shall be deemed to have been validly served if delivered by hand or sent by pre-paid registered letter through the post or by electronic mail to such other party at his address given herein or such other address as may from time to time be notified to the other party for this purpose and any notice so served shall be deemed to have been served, if delivered by hand, at the time of delivery, or if by post, seven days after posting and if by electronic mail, at the time of transmission of the electronic mail.

For the purposes of this Guarantee, the proper addresses and email addresses of the Parties are:

Luxury Living Finance p.l.c.
Address: New Street in Triq il-Hofor, Qormi, Malta
Tel. No.: +356 2099 6609
Email: info@llt.com.mt
Contact Person: Jean Paul Busuttil

Luxury Living Technologies Limited
Address: New Street in Triq il-Hofor, Qormi, Malta
Tel. No.: +356 2099 6609
Email: info@llt.com.mt
Contact Person: Jean Paul Busuttil

Cavalier Trust Services Limited

Provided that each party may at any time change such address or email address by giving seven days' prior written notice to the other party. Every notice, request, demand, letter or other communication hereunder shall be in writing and shall be delivered by hand or by post or through any other communication methods including telex, electronic mail or otherwise and shall be deemed to be

received in case of post within seven days of dispatch or in case of other methods immediately upon confirmed transmission.

11. APPLICABLE LAW AND JURISDICTION

This Guarantee shall be governed by and construed in accordance with Maltese law. Any dispute, controversy or claim arising out of or relating to this Guarantee or as to the interpretation, validity, performance or breach thereof shall be referred to and finally resolved by arbitration under the UNCITRAL Rules of Arbitration in accordance with the provisions of Part V (International Arbitration) of the Arbitration Act (Cap. 387 of the Laws of Malta). Any arbitration commenced pursuant to this clause shall take place in Malta and be administered by the Malta Arbitration Centre. The number of arbitrators shall be three, one arbitrator to be appointed by each of the Parties or, in default, by the Malta Arbitration Centre, whereas the third arbitrator shall be appointed by the first two arbitrators or, if they fail to agree on such an appointment, by the Malta Arbitration Centre.

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Dr Joseph Borg Bartolo and William Wait
For and on behalf of
Luxury Living Technologies Limited

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For and on behalf of
Cavalier Trust Services Limited

Pledge of Shares Agreement

This Pledge of Shares (hereinafter referred to as the "Agreement") is made the 2 day of July 2018

between

Sansuna Estates Co Limited, a company incorporated under the laws of Malta, having company registration number C 33544 and with registered address situated at Milorda, Triq tal-Milord, Bidnija, Mosta, Malta;

(hereinafter referred to as the "Pledgor")

Cavalier Trust Services Limited, a company incorporated under the laws of Malta, having its registered office situated at Finance House, First Floor, Princess Elizabeth Street, Ta' Xbiex, Malta, and bearing company registration number C 24368, in its capacity as trustee of the Luxury Living Trust;

(hereinafter referred to as the "Pledgee")

and

Luxury Living Technologies Limited, a company incorporated under the laws of Malta, having company registration number C 74593 and with registered address situated at Greentek Business Complex, New Street in Triq il-Hofor, Qormi, Malta;

(hereinafter referred to as the "Company")

hereinafter collectively referred to as the "Parties" or individually as a "Party".

WHEREAS

(A) the Company, has an authorised and issued share capital of two million nine hundred thirty one thousand Euro divided into two million nine hundred thirty one thousand ordinary shares of one Euro (€1) each fully paid up and subscribed to as follows:

(i) 1,465,500 held by the Pledgor; and

(ii) 1,465,500 held by Bag Investments Co. Ltd, a company incorporated under the laws of Malta, having company registration number C 14189 and with registered address situated at Dar tal-Milorda, Triq tal-Milord, Bidnija l/o Mosta, Malta (hereinafter referred to as "Bag Investments Co. Ltd")

The shares in point (i) above, together with all the rights arising therefrom or in connection therewith, whether involving the receipt of money or otherwise, are hereinafter referred to as the "Pledged Shares";

(B) The Pledgor has agreed to pledge the Pledged Shares to secure the payment and performance of the Secured Obligations (as defined below) towards the Pledgee;

(C) It is the intention of the parties that the Pledged Shares secure the obligations of Luxury Living Finance p.l.c., a public limited liability company incorporated under the laws of Malta, having company registration number C 85987 and with registered address situated at Greentek Business Centre, New Street in Triq il-Hofor, Qormi, Malta (hereinafter referred to as "Luxury Living Finance p.l.c."), arising out of the issue of €8 million secured bonds 2028 (as better described in the Company Admission Document) of a nominal value of one hundred Euro (€100) per bond issued at par and redeemable on the redemption date (as indicated in the Company Admission Document) at their nominal value, bearing interest at the rate of 5% per annum under the terms and conditions set out in the Company Admission Document and determined to secure the same in the manner hereinafter appearing;

(D) Thus, the Pledgor has agreed to pledge the Pledged Shares to secure the payment and performance of the Secured Obligations (as defined below) towards the Pledgee;

(E) As security for the Secured Obligations, the Pledgor has agreed to pledge the Pledged Shares to the Pledgee and to procure the delivery of the share certificates and other documents (evidencing title) in respect of the shares to the Pledgee in accordance with the terms of this Agreement;

(F) The Parties are, therefore, entering into this Agreement so as to establish and regulate the terms and conditions under which the pledge of the Pledged Shares shall take place and under which the release and termination of such pledge shall be effected.

Now, therefore, it is hereby agreed as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, unless the context otherwise requires, the following definitions shall apply:

1.1.1 "Luxury Living Trust" means the trust established by means of a trust deed, dated 3 July 2018 and entered into by the Pledgee, as "Original Trustee", the Pledgor as one of the "Pledgors" together with Bag Investments Co. Ltd, the Company as the "Guarantor", and Luxury Living Finance p.l.c. as the "Issuer";

1.1.2 "Bonds" means one or more bonds subject of the issue of eight million Euro (€8,000,000) (as better described in the Company Admission Document) secured bonds 2028 of a nominal value of one hundred Euro (€100) per bond issued at par and redeemable on the redemption date (as indicated in the Company Admission Document) at their nominal value, bearing interest at the rate of 5% per annum under the terms and conditions set out in the Company Admission Document;

1.1.3 "Bond Holders" means the person or persons holding Bonds in terms of the Company Admission Document as registered in the Register of Bondholders maintained on behalf of the Luxury Living Finance p.l.c. by the CSD;

1.1.4 "Company Admission Document" means the Company Admission Document dated 3 July 2018 relating to the Bonds;

1.1.5 "CSD" means the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;

1.1.6 "Pledge" means the pledge as created under this Agreement;

1.1.7 "Prospects MTF" means the market regulated as a multilateral trading facility operated by the Malta Stock Exchange providing a venue for start-up and growth small to medium-sized enterprises to float their capital (including equity or debt) on the market;

1.1.8 "Secured Obligations" means the obligations undertaken by Luxury Living Finance p.l.c. in favour of the Bond Holder in terms of and in accordance with the Company Admission Document;

1.2 In this Agreement reference to the Parties includes reference to their lawful successors and assigns except in the case of the Pledgor, which is prohibited (except as otherwise provided herein) to assign this Agreement without the prior written consent of the Pledgee.

1.3 In this Agreement, unless the context otherwise requires, any reference to the singular shall include the plural and vice versa; the use of the masculine pronoun shall include the feminine, the use of the neutral pronoun shall include the masculine or the feminine as the case may be and any reference to any statute, law, or regulation having the force of law or any section thereof includes

reference to any modification thereto or re-enactment of such statute, law, or regulation having the force of law for the time being in force.

1.4 The headings in this Agreement are used and inserted for convenience only and shall be ignored in the interpretation of this Agreement.

2. PLEDGE

2.1 The Pledgor hereby pledges to the Pledgee who accepts the Pledged Shares as security for the due and punctual payment of the Secured Obligations. In constitution of the Pledge the Pledgor is contemporaneously delivering the share certificates relating to the Pledged Shares, to the Pledgee who accepts to hold the said shares and certificates under the terms hereof. The parties are entering into this Agreement to regulate the said Pledge.

2.2 It is expressly agreed that the Pledge is being granted by the Pledgor to the Pledgee as security for the Secured Obligations.

2.3 The Pledge confers upon the Pledgee the right to obtain payment out of the Pledged Shares with privilege over other creditors as provided by the Civil Code (Chapter 16 of the Laws of Malta) in virtue of the special privilege accorded by law under Article 2009(a) of the said Code as well as the right of retention over the said shares which entitles the Pledgee to retain the benefits of this Agreement until such time as the full amount of the Secured Obligations shall have been paid. The Pledge is also regulated by Article 122 of the Companies Act (Chapter 386 of the Laws of Malta) (hereinafter referred to as the "Companies Act").

2.4 Subject to Clause 6 of this Agreement, the Pledge shall extend to and include all dividends and all shares (and the dividends in respect thereof), rights, monies or other property accruing or offered at any time by way of redemption, substitution, bonus, preference, option or otherwise to or in respect of any of the Pledged Shares and all allotments, accretions, offers and other rights, benefits and advantages whatsoever at any time accruing, made, offered or arising in respect of any of the Pledged Shares.

2.5 Nothing in this Agreement shall be construed as placing on the Pledgee, prior to the eventual disposal or appropriation of the Pledged Shares, any liability whatsoever in respect of any calls, instalments or other payments relating to any of the Pledged Shares or to any rights, shares or other securities accruing, offered or arising as aforesaid, and the Pledgor shall at all times indemnify and hold harmless the Pledgee against and from all demands made against it or any of them, payments made by it, and costs, expenses, damages, losses or other liabilities incurred or suffered by it or any of them at any time in respect of any such calls, instalments or other payments as aforesaid.

3. REPRESENTATIONS AND WARRANTIES

3.1 The Pledgor represents and warrants to the Pledgee that:

(a) the Pledgor and the Company are entities duly incorporated and validly existing under the laws of Malta and have the power to own its assets and carry on its business as it is being conducted;

(b) the Pledgor shall fulfil the Secured Obligations;

(c) the Pledged Shares are free from all and any encumbrances other than the special privilege created as a result of this Agreement;

(d) the Pledgor has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery of, this Agreement;

(e) this Agreement constitutes the legal, valid and binding obligation enforceable in accordance with its terms;

(f) all authorisations, regulatory approvals and third party consents required or advisable in connection with the entry into, performance, validity and enforceability of the Pledge have been obtained or effected and are in full force and effect;

(g) the entry into and performance by the Pledgor of, and the transactions contemplated by, the Pledge do not and will not:

(i) conflict with any law or regulation or judicial or official order; or
(ii) conflict with the documents of constitution of the Pledgor; or
(iii) conflict with any document which is binding upon the Pledgor or any of its assets;

(h) other than in accordance with this Agreement, including but not limited to Clause 6 hereof, the Pledgor no longer enjoys any right to dispose of any of the Pledged Shares nor any rights to enjoy any dividends, capital or other distribution nor the right to redeem the Pledged Shares or any other rights arising in connection with or from the Pledged Shares;

(i) the Company has not issued or granted or resolved or agreed to issue or grant any option or other right to subscribe for or acquire any additional shares or stocks to any person;

(j) all rights arising from or in connection with the Pledged Shares are exercisable in the interest of the Pledgor and the Pledgee strictly in accordance with the terms of this Agreement;

(k) this Agreement and all the terms and obligations herein contained are valid and binding on the Pledgor and there exist no limitations in any agreement to which the Pledgor is a party or in any applicable law which would hinder the performance of any of the obligations of the Pledgor hereunder; and

(l) for the purposes of EU Regulation 2015/848 of 20 May 2015 on Insolvency Proceedings (hereinafter referred to as the "Regulation"), the centre of main interest of the Pledgor (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation.

3.2 The Pledgor also represents and warrants to and undertakes in favour of the Pledgee that the foregoing representations and warranties in Clause 3.1 will be true and accurate throughout the duration of this Pledge Agreement with reference to the facts and circumstances subsisting from time to time.

4. COVENANTS

4.1 The Pledgor covenants and agrees with the Pledgee: -

(a) to warrant and to defend the right title and interest of the Pledgor and the Pledgee in and to the Pledged Shares against the claims and demands of all persons whomsoever;

(b) that it will not sell, assign, transfer, pledge or encumber in any other manner any of the Pledged Shares or suffer to exist any encumbrance on the Pledged Shares except the Pledge;

(c) that it will not request the repurchase of the Pledged Shares by the Company without the prior written consent of the Pledgee;

(d) that it will notify, or consent to the Pledgee notifying, the Malta Registrar of Companies of the Pledge by filing the statutory notice (Form T2) in the form set out in Annex 1 immediately upon the execution of this Agreement;

(e) that it will not grant in favour of any other person any interest in or any option or other rights in respect of any of the Pledged Shares;

(f) to procure that the Company shall not issue or grant or resolve or agree to issue or grant any option or other right to subscribe for or acquire shares or stocks to any person other than the Pledgor (and subject always to this Pledge) and that no reduction of the Company's issued share capital is made;

(g) that it will not at any time cease to be the legal owner of the Pledged Shares, other than with the consent of the Pledgee;

(h) to procure that no amendment or supplement is made to the Company's Memorandum or Articles of Association which would have a material adverse effect on the performance by the Pledgor of its obligations under this Agreement or on the rights and remedies of the Pledgee under this Agreement;

(i) that if it shall subscribe for, be allotted or otherwise acquire any such other shares at any time and from time to time after the date hereof, it shall forthwith deliver or procure that there be delivered to the Pledgee the relevant share certificates together with the undated signed share transfer forms (in the form set out in Annex 4) executed in blank in respect thereof as well as a certified true copy of an extract of the register of members of the Company confirming that the Company has recorded the pledge of shares on the same terms as those in this Agreement. In addition, it shall forthwith also deliver to the Pledgee an executed Additional Pledge Agreement in the form set out in Annex 5 under the terms of which it will pledge such further shares as further security for the Secured Obligations;

(j) The Pledgor shall ensure that the Pledge will be recorded in the Register of Members of the Company and that any share certificates issued throughout the duration of this Agreement and any entry in the Register of Members of the Company on the Pledged Shares will have an annotation referring to the Pledge in the form set out in Annex 2;

(k) that itself and the Company will obtain and maintain in full force and effect all Maltese governmental and other approvals and consents and do or cause to be done all other acts and things necessary or desirable in connection herewith or for the performance of their obligations hereunder;

(l) that in the event of the nomination of any new directors to the Company, the Pledgor or any one of them shall procure the delivery of an undated resignation letter from such directors to the Pledgee (in the form set out in Annex 3); and

(m) that it shall not take or omit to take any action which will or might impair the value of the Pledged Shares.

4.2 The Pledgor hereby delivers to the Pledgee who confirms receipt thereof under the terms of this Agreement of the following:

(a) all existing Share Certificates in respect of the Pledged Shares, duly annotated in the form set out in Annex 2;

(b) undated letters of resignation of the directors of the Company in the form set out in Annex 3;

(c) undated share transfer instruments in respect of the Pledged Shares signed by the Pledgor, as transferor, in the form set out in Annex 4, and

(d) a certified true copy of an extract of the register of members of the Company confirming that the Company has recorded the pledge of shares in terms of the Agreement.

5. TERMINATION AND RELEASE OF PLEDGE

5.1 It is agreed that the pledge constituted hereby is a continuing security for the due and punctual payment of the Secured Obligations, and subject to the terms of this Agreement, the Pledge may only be terminated by both Parties in writing or until such time as the Secured Obligations shall have been fully discharged.

5.2 On final and full repayment of the Secured Obligations to the satisfaction of the Pledgee, the Pledgee shall:

(a) terminate this Agreement and shall release all documents held by it hereunder to the Pledgor and the annotation of the share certificates shall be cancelled and this for no consideration other than the refund of expenses incurred and fees due for carrying out its obligations hereunder and in accordance with this Agreement; and

(b) file the necessary notification (Form T3) at the Registry of Companies in accordance with the Companies Act.

6. VOTING POWER, DIVIDENDS ETC.

6.1 Prior to the issue of a Notice of Default (as hereinafter defined) by the Pledgee to the Pledgor, the rights pertaining to the Pledged Shares shall be exercised as follows:

VOTING

(i) The Pledgor may continue to exercise all voting and/or consensual rights and powers pertaining to the Pledged Shares or any part thereof for all purposes;

PROVIDED THAT the Pledgor undertakes not to exercise any of its voting rights or powers in a manner which negatively prejudices the interests of the Pledgee.

DIVIDENDS

(ii) All dividends due on the Pledged Shares shall be paid to and shall be receivable by the Pledgor.

CAPITAL DISTRIBUTIONS

(iii) All capital distributions paid on the Pledged Shares upon the reduction of capital or redemption of any Pledged Shares shall be received by the Pledgor.

NOTICES OF MEETINGS

(iv) All notices of meetings required by Maltese law and the Articles of the Company shall also be sent to the Pledgee, provided that the Pledgee shall not be entitled to attend nor to vote at such meetings.

Without prejudice to the rights and remedies of the Pledgee under Clause 9, upon the issue of a Notice of Default (as hereinafter defined) by the Pledgee to the Pledgor, the Pledgee shall be immediately vested with all rights pertaining to the Pledgor under the Pledged Shares, and in particular, without prejudice to the generality of the foregoing:

(i) all dividends due on the Pledged Shares shall be paid to and shall be received by the Pledgee which shall apply the same towards reducing the Secured Obligations;

(ii) all voting and other rights and powers attaching to the Pledged Shares shall vest in the Pledgee, and the Pledgee shall exercise such powers for the purposes of, and in accordance with the terms of, the Pledge;

(iii) all capital distributions paid on the Pledged Shares upon any reduction of capital or redemption of any Pledged Shares shall be received by the Pledgee which shall apply the same towards reducing the Secured Obligations; and

(iv) all notices of meetings required by Maltese law and/or the Company's memorandum and articles of association shall be sent to the Pledgee which shall have the right to attend and vote at same itself.

6.2 Subject to the terms of this Agreement, upon the issue of a Notice of Default (as hereinafter defined) by the Pledgee to the Pledgor and in so far as it is necessary and for the purposes of conducting business at any general meeting of the Company, the Pledgor irrevocably confers on the Pledgee, which accepts, the rights to receive and waive notice of, attend and vote at any meeting of the Company in respect of the Pledged Shares held by the Pledgor and, the Pledgor irrevocably recognises these rights of the Pledgee.

6.3 The non-exercise or partial exercise by the Pledgee of any of its rights, powers or remedies under this Agreement, even after a Notice of Default has been issued, shall not imply or operate as a waiver thereof on the part of the Pledgee and the granting of any new authorisations or permissions to the Pledgor by the Pledgee after any Event of Default (as hereunder defined) has taken place shall not operate as a waiver of any right or remedy hereunder nor shall it preclude any other or further exercise thereof.

6.4 The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

7. RESERVED MATTERS

It is agreed that any resolution of the Company on any of the following matters shall require the consent of both the Pledgor and the Pledgee:

a. the sale of assets of the Company;
b. the liquidation of the Company;
c. the merger or amalgamation of the Company;
d. the reduction of capital in the Company;
e. any change in the share capital structure of the Company;
f. any amendment or change to the Memorandum or Articles of Association of the Company; and/or
g. the increase in the authorised or issued share capital of the Company.

PROVIDED THAT after the issue of a Notice of Default (as hereunder defined), the Pledgee may act alone without the consent of the Pledgor even on the above matters.

8. RESPONSIBILITY FOR COMMERCIAL OPERATIONS

8.1 Pledgor's Duties

It is agreed that until such time as there is an Event of Default (as hereunder defined) and a Notice of Default (as hereunder defined) is sent by the Pledgee to the Pledgor, as well as after such events, the Pledgor shall be fully responsible for the continuing commercial operations of the Company and shall ensure that all agreements and laws binding the Company shall be fully and faithfully observed through the Board of Directors of the Company. Without prejudice to its rights hereunder, the Pledgee shall under no condition be responsible for the commercial operations of the Company.

8.2 Pledgee's Duties

The powers conferred on the Pledgee hereunder are solely to protect its interest in the Pledged Shares and shall not impose any duty upon it to exercise any such powers. Except for the accounting for moneys actually received by it hereunder, the Pledgee shall have no duty as to any Pledged Shares, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters in connection with any Pledged Shares (whether or not the Pledgee, has or is deemed to have knowledge of such matters), or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Pledged Shares. The Pledgee shall exercise reasonable care in the preservation of the Pledged Shares and Pledgee shall be deemed to have exercised reasonable

care in the preservation of any Pledged Shares in its control if such Pledged Shares are accorded treatment substantially equal to that which Pledgee accords its own property.

9. REMEDIES

9.1 On notice (by judicial act or otherwise as required or permitted by Maltese law), being sent by the Pledgee to the Pledgor stating that an Event of Default (as defined below) has occurred and setting out the Event of Default (hereinafter referred to as the "Notice of Default"), the Pledgee may exercise in relation to any and all of the Pledged Shares all the rights and remedies possessed by it under this Agreement or granted to it by law or otherwise and in particular, may:

(i) exercise all rights relating to the Pledged Shares without limitation including appointing proxies, calling meetings, removing directors by dating the letters of resignation, approving or otherwise accounts, increasing or reducing capital, purchasing or selling assets, declaring dividends, undertaking or repaying loans or other indebtedness and other actions which in its sole and absolute discretion is deemed necessary to preserve the value of the Pledged Shares;
(ii) appoint directors and officers of the Company;

(iii) dispose of or appropriate and acquire the Pledged Shares in accordance with the provisions of the Companies Act; and/or
(iv) apply to the Courts for the judicial auction of the Pledged Shares in accordance with the applicable law.

These remedies are in addition to the remedies granted to the Pledgee under Maltese law and in so far as it is necessary to do so the Pledgor authorises the Pledgee to avail itself of all and any of the above remedies in protection of its rights.

9.2 The Pledgor shall vote, in any applicable case, to ensure that the Company observes all formalities and other time limits set by the Companies Act (in relation to the accounts of the Company in order that the Pledgee's rights hereunder shall in no way be impaired, hindered or delayed.

9.3 It is agreed that, in the event that the Pledgee decides to exercise the rights specified in Article 122(6)(i) and (ii) of the Companies Act, for the "fair value" to be established in terms of the proviso to subsection (7) of Article 122 of the said Act, the following rules shall be observed in order to achieve a fair and reasonable position for the parties, unless otherwise directed by the Court:

(i) the Parties shall, within five business days of the Notice of Default, meet to determine by agreement the value of the Pledged Shares or, if this is not possible, the method and time frame for the final determination of such value. The Pledgor is to produce and make available all relevant information to the Pledgee or to such other person entrusted with the determination of the value of the Pledged Shares;
(ii) it is agreed that the value of the Pledged Shares, whether by private calculation or by the court-appointed certified public accountant or auditor, shall be established on the basis of commonly used methods (as at the time of the establishment of the value);
(iii) the auditors shall then take into consideration any material events which have, in the view of either the Pledgee or the Pledgor, an impact on the valuation;
(iv) in the event that the previous year's audited accounts have not been maintained according to law, the Pledgor agrees that the auditors are authorised to base themselves on the most recent drafts and management accounts available;
(v) in the event that such drafts and management accounts are not available, the Pledgor agrees that the appointed auditors shall not be obliged to create accounts and audit them according to law but shall be entitled to receive evidence from the Pledgor and the Pledgee or such other person as they deem necessary on the value of assets in the Company and to reach a reasonable conclusion as to the value of the shares within 15 business days of appointment of the certified public accountant or auditor by the Court;
(vi) the non-co-operation of the Pledgor shall not hinder the court-appointed certified public accountant or auditor from making their report to the Court in accordance with this Agreement;

(vii) it is agreed that any valuation should be made within 15 business days of appointment of the auditor by the Court in view of the provisions of Article 122(8) of the Companies Act and it is acknowledged that if more than 30 days elapse from the Notice of Default, there may be fluctuations in the value of shares which may prejudice the parties hereto;

(viii) If the Pledgee applies to the Court for a valuation to be made pursuant to Article 122 of the Companies Act, the Pledgee shall be entitled to present as evidence to the Court appointed valuer any documents in its possession relating to the Company and all workings carried out until such date in connection with the valuation of the Pledged Shares.

9.5 Following the issue of a Notice of Default, but notwithstanding anything stated above and notwithstanding any action taken by the Pledgee to exercise its rights to sell or appropriate the Pledged Shares privately, the Pledgee shall be entitled at any time to apply to the Court for the judicial sale of the Pledged Shares.

9.6 If and to the extent that the Pledgee opts to sell or appropriate the Pledged Shares in accordance with the remedies set out in Article 122 of the Companies Act, the Pledgor hereby agrees that in the event that the sale or appropriation of the Pledged Shares in terms of paragraphs (iii) and (iv) of Clause 9.1 only makes commercial sense (in the reasonable opinion of the Pledgee) if so sold or appropriated in its entirety, then the Pledged Shares will be so sold and appropriated, notwithstanding the fact that the proceeds or value thereof will exceed the value of the Secured Obligations recovered by the Pledgee in the case of a sale or any excess value appropriated by the Pledgee shall be released or reimbursed in favour of the Pledgor. In the event of such sale and for the avoidance of any doubt, the Pledgor hereby irrevocably appoints the Pledgee, who declares to have an interest in this mandate and accepts the same as part of its security, as its attorney (with full power of substitution) in relation to the sale of the Pledged Shares, and the Pledgor ratifies and confirms and agrees to ratify and confirm and agreement, instrument, act or thing which such attorney or substitute may execute or do in pursuance hereof.

9.7 If and to the extent that the Pledgee exercises its rights under this Agreement and the law and proceeds with the disposal of the Pledged Shares (or part of the Pledged Shares) or with their appropriation and acquisition by it of the Pledged Shares (or part of the Pledged Shares) in settlement of the Secured Obligations due to it or part thereof, the Pledgor waives any right of pre-emption in relation to such shares arising in the Memorandum or Articles of Association of the Company or otherwise (including the rights emanating from Article 122(10) of the Companies Act).

9.8 The Pledgor shall make no claim against the Pledgee in respect of any loss arising out of any such sale or appropriation in terms of paragraphs (iii) and (iv) of Clause 9.1 or any postponement thereof howsoever caused and whether or not a better price could or might have been obtained upon the sale of the Pledged Shares or any of them by deferring or advancing the date of such sale or appropriation or otherwise howsoever, provided there is no gross negligence or wilful misconduct on the part of the Pledgee.

9.9 Upon any disposal by the Pledgee of the Pledged Shares, the purchaser shall not be bound to see or enquire whether the power of the sale of the Pledgee has arisen; the sale shall be deemed for all purposes hereof to be within the power of the Pledgee and the receipt of the Pledgee for the purchase money shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of the sale or be in any way answerable therefor.

9.10 The Pledgee shall be entitled, at any time and as often as the Pledgee may deem appropriate, to delegate all or any of the rights, powers, remedies and discretions vested in it under and pursuant to this Agreement in such manner, upon such terms, and to such person or persons as the Pledgee may deem appropriate.

9.11 The remedies set out in this Clause 9 are in addition to the remedies granted to the Pledgee under Maltese law and, in so far as it is necessary to do, the Pledgor hereby irrevocably and unconditionally authorises the Pledgee by way of security, who accepts, to avail itself of all and any of the said remedies in protection of its rights.

10. IRREGULARITIES IN OTHER SECURITIES - INCAPACITY- INDEMNITY.

This Agreement shall not be extinguished, discharged or otherwise effected by the total or partial invalidity or unenforceability or any irregularity or defect in any security (whether by way of mortgage, hypothec, pledge, guarantee, indemnity or otherwise) the Pledgee may now or at any time hold in respect of all or any of the Secured Obligations and the Pledgor hereby agrees to indemnify the Pledgee against all loss, damages, interest and expenses arising from the Company's failure to perform any obligation/s towards the Pledgee or occasioned by or arising from any invalidity, unenforceability, non-provability, non-liability, legal limitation, disability or want of capacity of or affecting the Company or any person acting or purporting to act on behalf of the Company (including the want of authority in such person) for any reason whatsoever in respect of all or any of the Secured Obligations, provided the Pledgor is not acting on the instructions of the Pledgee.

11. COSTS, CHARGES FEES AND EXPENSES

The Pledgor shall on demand pay, on a full indemnity basis, all costs, charges, fees and expenses in any way incurred by the Pledgee in or incidental to the preservation or enforcement of this Agreement (including the costs of any proceedings in relation to this Agreement or the Secured Obligations).

12. SUSPENSE ACCOUNT

Without prejudice to the terms of the Luxury Living Trust, all monies received, recovered or realised by the Pledgee under this Agreement may, at the discretion of the Pledgee, be credited to a suspense or impersonal account and shall bear interest at such rate, if any, as may be agreed in writing between the Pledgee and the Pledgor (and in default of agreement shall bear simple interest at the daily rate paid by the Pledgee on deposit accounts subject to 7 days notice of withdrawal from time to time). The monies may be held in such account for as long as the Pledgee may deem fit pending the application from time to time (as the Pledgee shall be entitled to do as it may think fit) of such monies and any accrued interest thereon in or towards the discharge of any of the Secured Obligations.

13. APPLICATION OF PROCEEDS

All payments arising in relation to the Pledged Shares received by the Pledgee by way of dividends, capital distributions or otherwise as well as the proceeds of any sale of all or any part of the Pledged Shares and received by the Pledgee under this Agreement shall be administered and applied in accordance with the terms of the Luxury Living Trust and the surplus, if any, after the Secured Obligations have been finally and fully repaid, shall be paid to the Pledgor or such other person as may for the time being be entitled thereto.

14. EVENTS OF DEFAULT

An Event of Default shall *ipso jure* occur under this Agreement, without the need of any authorisation and/or confirmation from a competent court, upon "an Event of Default" being declared and outstanding under the Company Admission Document.

15. RETENTION OF PLEDGE

The Pledgee is entitled to retain this Pledge and decline to release it, even if the Secured Obligations shall have been settled in full, until such time as it is satisfied that any payment settlement of the Secured Obligations will not be challenged and avoided at any time whether as a preference or otherwise and, for all good intents and purposes, it is being expressly agreed that any release of this Pledge is subject to the condition that any payments towards the settlement of the Secured Obligations shall not be reversed, revoked or declared null at any time.

16. ATTORNEY

Subject to any limitations expressed elsewhere in this Agreement, the Pledgee is hereby irrevocably appointed the true and lawful Attorney of the Pledgor for the purpose of carrying out the provisions of this Agreement and taking any action or executing any instruments which the Pledgee may deem necessary to accomplish the purposes hereof. This appointment as Attorney is being given as part of this security and is being accepted by the Pledgee;

PROVIDED THAT the Pledgee shall have the option but not an obligation to utilise such power of attorney and the Pledgee shall in no way be responsible for not utilising the said power of attorney nor shall the Pledgee be in any way responsible for anything done in virtue of the said power of attorney.

17. FURTHER ASSURANCES AND AGREEMENTS

17.1 The Pledgor agrees that at any time and from time to time upon the written request of the Pledgee, they will promptly and duly execute and deliver to the Pledgee any and all such further instruments and documents as the Pledgee may deem necessary for obtaining the full benefit of this Agreement and of the rights and powers herein granted.

17.2 In the event that the Pledgee exercises its rights under this Agreement and the law and proceeds with the disposal of the Pledged Shares or with their appropriation and acquisition by it in settlement of the Secured Obligations due to it or part thereof, the Pledgor waives any right of pre-emption in relation to such shares arising in the Memorandum or Articles of Association of the Company or otherwise (including the rights emanating from Article 122(10) of the Companies Act).

18. SET-OFF & WAIVER OF RIGHTS

18.1 In addition to the rights conferred by law, the Pledgee shall be entitled, in terms of the provisions of the Set-Off and Netting on Insolvency Act (Cap. 459 of the laws of Malta), to set-off against monies due to it under this Agreement all or any monies from time to time standing to the credit of the Pledgor (whether sole or joint with any other person(s)) with the Pledgee, whether on current or any other account, including those subject to a term whatsoever and any sums standing in a suspense or impersonal account.

For the purposes of the foregoing:

(a) the Pledgee shall be entitled (as well before as after demand) to combine or consolidate all monies now or hereafter standing to the credit of the Pledgor on any account with the Pledgee and in any currency;
(b) if the obligations are in different currencies, the Pledgee may convert either obligation at a market rate of exchange in its usual course of business for the purposes of the set-off; and
(c) if either obligation is unliquidated or unascertained, the Pledgee may set-off in an amount estimated by it in good faith to be the amount of that obligation.

18.2 However, it is expressly agreed that the liability of the Pledgor under this Agreement shall in no way be extinguished, discharged or reduced or in any way affected by any right of set-off or counter-claim or any right whatsoever against the Pledgee and the Pledgor is hereby expressly waiving all rights (including any and all rights of action) the Pledgor may have against the Pledgee until after settlement in full of the Secured Obligations to the satisfaction of the Pledgee.

19. INSTRUCTIONS

It is agreed and declared that the Pledgor shall procure that the Company shall act according to all and any instructions reasonably issued by the Pledgee in accordance with this Agreement without the necessity or obligation to verify whether the facts stated by the Pledgee, particularly whether an Event of Default has or has not taken place, are correct and shall not lose the benefit of this Agreement even if the Pledgor makes any claims to the effect that the statements of the Pledgee on which the Company is relying are incorrect.

20. CERTIFICATION OF SUMS DUE

Any certification or determination by the Pledgee of a rate or amount under this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

21. NOTICES

Notices may be sent by registered mail, fax or electronic mail. Where notice is sent by registered mail, it shall be deemed to have been served five (5) days following the date on which it was posted and in the case of notice sent by fax or electronic mail, on the day of transmission. In providing such service it shall be sufficient to prove that the notice was addressed properly and posted or transmitted to such fax or electronic mail address as may be notified to the other Party for this purpose.

For the purposes of this Agreement, the proper addresses (including electronic mail addresses) and fax numbers of the Parties are:

To the Pledgor:

Name:
Attention:
Address:
Fax No.:

To the Pledgee:

Name:
Attention:
Address:
Fax No.:

To the Company:

Name:
Attention:
Address:
Fax No.:

Provided that each Party may at any time change such address or fax number by giving five (5) days prior written notice to the other party.

22. NOTIFICATION TO, AND ACKNOWLEDGEMENT OF PLEDGE BY, THE COMPANY

22.1 In accordance with the requirements of Article 122(2) of the Companies Act, 1995, the Pledgor hereby notifies the Company of the Pledge constituted by this Agreement, and hereby request the Company to register such pledge in the Company's register of members and on any share certificates which the Company may issue throughout the duration of this Pledge. The Pledgor hereby informs the Company that the Pledgor has agreed to pledge any future shares subscribed by it in the Company.

22.2 The Company appears on and signs this Agreement *inter alia* in order to, and does hereby through the execution by it of this Agreement, acknowledge receipt without reservation of the notice of Pledge effected by the Pledgor to it by means of Clause 22.1 hereof.

22.3 The acknowledgement referred to in Clause 22.2 is granted by the Company for the benefit of the Pledgor and the Pledgee.

22.4 By signing this Agreement, the Company also:

22.4.1 confirms that it is concurrently with execution of this Agreement making a note of the Pledge in its Register of Members;

22.4.2 binds itself for the benefit of the Pledgee to act in accordance with the terms of the Pledge;

22.4.3 acknowledges that the share certificates in respect of the Pledged Shares have been delivered to the Pledgee upon execution hereof;

22.4.4 undertakes for the benefit of the Pledgee not to pay out any monies relating to the Pledged Shares other than in accordance with this Agreement, and whenever the Company is required to carry out any act which has been imposed on the Pledgor in this Agreement, the Company shall carry out such act in accordance with the Agreement;

22.4.5 recognises that the Pledgee may carry out acts against the wishes of the Pledgor and confirms that the Pledgee shall be treated as a member of the company in terms of this Agreement;

22.4.6 undertakes for the benefit of the Pledgee to inform any person requesting information relating to the Company of the Pledge.

22.5 The Pledgor and the Company declare that the Pledge notification and acknowledgement referred to in Clauses 22.1 and 22.2 hereof shall be deemed to have been given in full satisfaction of the procedural requirements of Article 122(2) of the Companies Act, 1995, and each of them agree that no further action is necessary on the part of the others in order to comply with the said legislative requirements.

23. SEVERANCE AND MODIFICATION OF CLAUSES

23.1 If any of the clauses or part thereof of this Agreement is or becomes invalid or unenforceable for any reason whatsoever, the validity of the remaining clauses or part thereof will not in any way be affected or impaired.

23.2 If any invalid or unenforceable clause or part thereof of this Agreement would be valid or enforceable if its form or effect were modified in any way, it shall be deemed to have the modified form or effect provided that the Pledgee gives its consent.

24. GOVERNING LAW & JURISDICTION

24.1 This Agreement shall be governed by and construed in accordance with the laws of Malta.

24.2 For the benefit of the Pledgee, the Pledgor agrees that the Courts of Malta have jurisdiction to settle any disputes in connection herewith and accordingly submit to the jurisdiction of such Courts. The Pledgor waives any objection to the Maltese Courts on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agree that a judgement or order of such a Court shall be conclusive and binding on them and may be enforced against them in the Courts of any other jurisdiction.

24.3 Nothing in this Agreement limits the right of the Pledgee to bring proceedings against the Pledgor in any other Court of competent jurisdiction or concurrently in more than one jurisdiction.

25. COUNTER-PARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts (including fax or electronic copies) were on a single copy of this Agreement.

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

EXECUTION PAGE

The Pledgor:

in the presence of:

___________________________ ___________________________

The Pledgee

in the presence of:

___________________________ ___________________________

The Company

in the presence of:

___________________________ ___________________________

Dr Joseph Borg Bartolo and William Wait

ANNEX 1

Form T (2)

No. of Company C 74593

COMPANIES ACT, 1995

Notice of a pledge of securities

Pursuant to Section 122 (2)

Name of Company Luxury Living Technologies Limited

Delivered by ....

To the ***Registrar of Companies:***

I hereby give notice in accordance with Section 122 (2) of the Companies Act, 1995 that with effect from 3 July 2018 the undermentioned securities

have been pledged as follows:

Pledgor (Name and Address)	Pledgee (Name and Address)	Securities		
		Number	Type	Nominal Value
Sansuna Estates Co Limited Company registration number: C 33544 Milorda Triq tal-Milord Bidnija, Mosta Malta	Cavalier Trust Services Limited Company registration number: C 24368 Finance House, First Floor Princess Elizabeth Street Ta' Xbiex Malta	1,465,500	Ordinary	€1

Signature ....

Pledgor/Pledgee*

Dated this 2 day of July of the year 2018

ANNEX 2

ANNOTATION TO PLEDGE IN THE SHARE CERTIFICATES

"These shares have been pledged in favour of Cavalier Trust Services Limited in its capacity as trustee of the Luxury Living Trust"

ANNEX 3

To: The Company

I the undersigned in my capacity as director of ________________________ do hereby resign with immediate effect and I hereby acknowledge and confirm that I have no claims against the Company for compensation for loss of office or in any respect, and that I have received all outstanding directors' fees or other remuneration due to me to date.

This the .

----
name

ANNEX 4

This the ……….. day of ……………………………………, 20…

By virtue of this private instrument, […] of […] (hereinafter referred to as the "Transferor") sells and transfers to ……………………………………………………… (hereinafter referred to as the "Transferee") which accepts and purchases and acquires ………………………………………. Shares of […] each in […] Limited (C …), a company registered under the laws of the Republic of Malta, with its registered office situated at […] Malta for the price of ……………………………………………., for which price the Transferor hereby tenders due receipt.

Signed:

____

For and on behalf of
[TRANSFEROR]

____

For and on behalf of
……………………………………
[TRANSFEREE]

ANNEX 5

ADDITIONAL PLEDGE

ADDITIONAL SHARE PLEDGE AGREEMENT (the "**Additional Pledge**") entered into this ……………………………., 20….. between:

______________________________;

(hereinafter together referred to as the "Pledgor")

______________________________;

(hereinafter referred to as the "Pledgee")

and

______________________________;

(hereinafter referred to as the "Company")

WHEREBY

1. The Pledgor hereby pledges to the Pledgee, which accepts such pledge, the following additional shares in the Company:

……………………………………………………………………………………………

(the "Additional Pledged Shares")

as a continuing security for the due and punctual payment of the Secured Obligations as defined in the pledge of shares agreement between the parties hereto dated _________________, (hereinafter the "Pledge of Shares Agreement");

2. In constitution of the said pledge:

(a) the Company hereby acknowledges the pledge of the Additional Pledged Shares and binds itself to enter such an annotation in the Register of Members; and

(b)the Pledgor is contemporaneously delivering to the Pledgee documents evidencing the registration of the Additional Pledged Shares in the name of the Pledgor. It is agreed that the statutory notice will be delivered by the Pledgor or the Pledgee to the Registrar of Companies in Malta.

3. This Additional Pledge is a transaction contemplated by and subject to all the terms and conditions of the Pledge of Shares Agreement and it is being specifically agreed that the Pledge of Shares Agreement is being incorporated *in toto*, including the recitals thereto, into this Additional Pledge and shall apply to and form an integral part of this Additional Pledge. Provided that any reference to Pledged Shares in the Pledge of Shares Agreement shall, unless the context otherwise requires, be deemed to refer to Additional Pledged Shares. The Pledgee shall enjoy all the rights, discretions, privileges and powers granted to it in the Pledge of Shares Agreement in relation to the Additional Pledged Shares.

<u>IN</u> <u>WITNESS</u> whereof the parties hereto have cause this Agreement to be duly executed as of the day and year first above written.

Signed:

The Pledgors

The Pledgee

The Company

Pledge of Shares Agreement

This Pledge of Shares (hereinafter referred to as the "Agreement") is made the 2 day of July 2018

between

Bag Investments Co. Ltd, a company incorporated under the laws of Malta, having company registration number C 14189 and with registered address situated at Dar tal-Milorda, Triq tal-Milord, Bidnija l/o Mosta, Malta;

(hereinafter referred to as the "Pledgor")

Cavalier Trust Services Limited, a company incorporated under the laws of Malta, having its registered office situated at Finance House, First Floor, Princess Elizabeth Street, Ta' Xbiex, Malta, and bearing company registration number C 24368, in its capacity as trustee of the Luxury Living Trust;

(hereinafter referred to as the "Pledgee")

and

Luxury Living Technologies Limited, a company incorporated under the laws of Malta, having company registration number C 74593 and with registered address situated at Greentek Business Complex, New Street in Triq il-Hofor, Qormi, Malta;

(hereinafter referred to as the "Company")

hereinafter collectively referred to as the "Parties" or individually as a "Party".

<u>WHEREAS</u>

(A) the Company, has an authorised and issued share capital of two million nine hundred thirty one thousand Euro divided into two million nine hundred thirty one thousand ordinary shares of one Euro (€1) each fully paid up and subscribed to as follows:

(iii) 1,465,500 held by the Pledgor; and

(iv) 1,465,500 held by Sansuna Estates Co Limited, a company incorporated under the laws of Malta, having company registration number C 33544 and with registered address situated at Milorda, Triq tal-Milord, Bidnija, Mosta, Malta (hereinafter referred to as "Sansuna Estates Co Limited")

The shares in point (i) above, together with all the rights arising therefrom or in connection therewith, whether involving the receipt of money or otherwise, are hereinafter referred to as the "Pledged Shares";

(B) The Pledgor has agreed to pledge the Pledged Shares to secure the payment and performance of the Secured Obligations (as defined below) towards the Pledgee;

(C) It is the intention of the parties that the Pledged Shares secure the obligations of Luxury Living Finance p.l.c., a public limited liability company incorporated under the laws of Malta, having company registration number C 85987 and with registered address situated at Greentek Business Centre, New Street in Triq il-Hofor, Qormi, Malta (hereinafter referred to as "Luxury Living Finance p.l.c."), arising out of the issue of €8 million secured bonds 2028 (as better described in the Company Admission Document) of a nominal value of one hundred Euro (€100) per bond issued at par and redeemable on the redemption date (as indicated in the Company Admission Document) at their nominal value, bearing interest at the rate of 5% per annum under the terms and conditions set out in the Company Admission Document and determined to secure the same in the manner hereinafter appearing;

(D) Thus, the Pledgor has agreed to pledge the Pledged Shares to secure the payment and performance of the Secured Obligations (as defined below) towards the Pledgee;

(E) As security for the Secured Obligations, the Pledgor has agreed to pledge the Pledged Shares to the Pledgee and to procure the delivery of the share certificates and other documents (evidencing title) in respect of the shares to the Pledgee in accordance with the terms of this Agreement;

(F) The Parties are, therefore, entering into this Agreement so as to establish and regulate the terms and conditions under which the pledge of the Pledged Shares shall take place and under which the release and termination of such pledge shall be effected.

Now, therefore, it is hereby agreed as follows:

1. DEFINITIONS AND INTERPRETATION

1.5 In this Agreement, unless the context otherwise requires, the following definitions shall apply:

1.5.1 "Luxury Living Trust" means the trust established by means of a trust deed, dated 3 July 2018 and entered into by the Pledgee, as "Original Trustee", the Pledgor as one of the "Pledgors" together with Sansuna Estates Co Limited, the Company as the "Guarantor", and Luxury Living Finance p.l.c. as the "Issuer";

1.5.2 "Bonds" means one or more bonds subject of the issue of eight million Euro (€8,000,000) (as better described in the Company Admission Document) secured bonds 2028 of a nominal value of one hundred Euro (€100) per bond issued at par and redeemable on the redemption date (as indicated in the Company Admission Document) at their nominal value, bearing interest at the rate of 5% per annum under the terms and conditions set out in the Company Admission Document;

1.5.3 "Bond Holders" means the person or persons holding Bonds in terms of the Company Admission Document as registered in the Register of Bondholders maintained on behalf of the Luxury Living Finance p.l.c. by the CSD;

1.5.4 "Company Admission Document" means the Company Admission Document dated 3 July 2018 relating to the Bonds;

1.5.5 "CSD" means the Central Securities Depository of the Malta Stock Exchange authorised in terms of Part IV of the Financial Markets Act (Cap. 345 of the Laws of Malta), having its address at Garrison Chapel, Castille Place, Valletta, VLT 1063, Malta;

1.5.6 "Pledge" means the pledge as created under this Agreement;

1.5.7 "Prospects MTF" means the market regulated as a multilateral trading facility operated by the Malta Stock Exchange providing a venue for start-up and growth small to medium-sized enterprises to float their capital (including equity or debt) on the market;

1.5.8 "Secured Obligations" means the obligations undertaken by Luxury Living Finance p.l.c. in favour of the Bond Holder in terms of and in accordance with the Company Admission Document;

1.6 In this Agreement reference to the Parties includes reference to their lawful successors and assigns except in the case of the Pledgor, which is prohibited (except as otherwise provided herein) to assign this Agreement without the prior written consent of the Pledgee.

1.7 In this Agreement, unless the context otherwise requires, any reference to the singular shall include the plural and vice versa; the use of the masculine pronoun shall include the feminine, the use of the neutral pronoun shall include the masculine or the feminine as the case may be and any reference to any statute, law, or regulation having the force of law or any section thereof includes reference to any modification thereto or re-enactment of such statute, law, or regulation having the force of law for the time being in force.

1.8 The headings in this Agreement are used and inserted for convenience only and shall be ignored in the interpretation of this Agreement.

2. PLEDGE

2.1 The Pledgor hereby pledges to the Pledgee who accepts the Pledged Shares as security for the due and punctual payment of the Secured Obligations. In constitution of the Pledge the Pledgor is contemporaneously delivering the share certificates relating to the Pledged Shares, to the Pledgee who accepts to hold the said shares and certificates under the terms hereof. The parties are entering into this Agreement to regulate the said Pledge.

2.2 It is expressly agreed that the Pledge is being granted by the Pledgor to the Pledgee as security for the Secured Obligations.

2.3 The Pledge confers upon the Pledgee the right to obtain payment out of the Pledged Shares with privilege over other creditors as provided by the Civil Code (Chapter 16 of the Laws of Malta) in virtue of the special privilege accorded by law under Article 2009(a) of the said Code as well as the right of retention over the said shares which entitles the Pledgee to retain the benefits of this Agreement until such time as the full amount of the Secured Obligations shall have been paid. The Pledge is also regulated by Article 122 of the Companies Act (Chapter 386 of the Laws of Malta) (hereinafter referred to as the "Companies Act").

2.4 Subject to Clause 6 of this Agreement, the Pledge shall extend to and include all dividends and all shares (and the dividends in respect thereof), rights, monies or other property accruing or offered at any time by way of redemption, substitution, bonus, preference, option or otherwise to or in respect of any of the Pledged Shares and all allotments, accretions, offers and other rights, benefits and advantages whatsoever at any time accruing, made, offered or arising in respect of any of the Pledged Shares.

2.5 Nothing in this Agreement shall be construed as placing on the Pledgee, prior to the eventual disposal or appropriation of the Pledged Shares, any liability whatsoever in respect of any calls, instalments or other payments relating to any of the Pledged Shares or to any rights, shares or other securities accruing, offered or arising as aforesaid, and the Pledgor shall at all times indemnify and hold harmless the Pledgee against and from all demands made against it or any of them, payments made by it, and costs, expenses, damages, losses or other liabilities incurred or suffered by it or any of them at any time in respect of any such calls, instalments or other payments as aforesaid.

3. REPRESENTATIONS AND WARRANTIES

3.1 The Pledgor represents and warrants to the Pledgee that:

(m) the Pledgor and the Company are entities duly incorporated and validly existing under the laws of Malta and have the power to own its assets and carry on its business as it is being conducted;

(n) the Pledgor shall fulfil the Secured Obligations;

(o) the Pledged Shares are free from all and any encumbrances other than the special privilege created as a result of this Agreement;

(p) the Pledgor has the power to enter into and perform, and has taken all necessary action to authorise the entry into, performance and delivery of, this Agreement;

(q) this Agreement constitutes the legal, valid and binding obligation enforceable in accordance with its terms;

(r) all authorisations, regulatory approvals and third party consents required or advisable in connection with the entry into, performance, validity and enforceability of the Pledge have been obtained or effected and are in full force and effect;

(s) the entry into and performance by the Pledgor of, and the transactions contemplated by, the Pledge do not and will not:

(i) conflict with any law or regulation or judicial or official order; or
(iv) conflict with the documents of constitution of the Pledgor; or
(v) conflict with any document which is binding upon the Pledgor or any of its assets;

(t) other than in accordance with this Agreement, including but not limited to Clause 6 hereof, the Pledgor no longer enjoys any right to dispose of any of the Pledged Shares nor any rights to enjoy any dividends, capital or other distribution nor the right to redeem the Pledged Shares or any other rights arising in connection with or from the Pledged Shares;

(u) the Company has not issued or granted or resolved or agreed to issue or grant any option or other right to subscribe for or acquire any additional shares or stocks to any person;

(v) all rights arising from or in connection with the Pledged Shares are exercisable in the interest of the Pledgor and the Pledgee strictly in accordance with the terms of this Agreement;

(w) this Agreement and all the terms and obligations herein contained are valid and binding on the Pledgor and there exist no limitations in any agreement to which the Pledgor is a party or in any applicable law which would hinder the performance of any of the obligations of the Pledgor hereunder; and

(x) for the purposes of EU Regulation 2015/848 of 20 May 2015 on Insolvency Proceedings (hereinafter referred to as the "Regulation"), the centre of main interest of the Pledgor (as that term is used in Article 3(1) of the Regulation) is situated in its jurisdiction of incorporation.

3.2 The Pledgor also represents and warrants to and undertakes in favour of the Pledgee that the foregoing representations and warranties in Clause 3.1 will be true and accurate throughout the duration of this Pledge Agreement with reference to the facts and circumstances subsisting from time to time.

4. COVENANTS

4.1 The Pledgor covenants and agrees with the Pledgee: -

(a) to warrant and to defend the right title and interest of the Pledgor and the Pledgee in and to the Pledged Shares against the claims and demands of all persons whomsoever;

(b) that it will not sell, assign, transfer, pledge or encumber in any other manner any of the Pledged Shares or suffer to exist any encumbrance on the Pledged Shares except the Pledge;

(c) that it will not request the repurchase of the Pledged Shares by the Company without the prior written consent of the Pledgee;

(d) that it will notify, or consent to the Pledgee notifying, the Malta Registrar of Companies of the Pledge by filing the statutory notice (Form T2) in the form set out in Annex 1 immediately upon the execution of this Agreement;

(e) that it will not grant in favour of any other person any interest in or any option or other rights in respect of any of the Pledged Shares;

(f) to procure that the Company shall not issue or grant or resolve or agree to issue or grant any option or other right to subscribe for or acquire shares or stocks to any person other than the Pledgor (and subject always to this Pledge) and that no reduction of the Company's issued share capital is made;

(g) that it will not at any time cease to be the legal owner of the Pledged Shares, other than with the consent of the Pledgee;

(h) to procure that no amendment or supplement is made to the Company's Memorandum or Articles of Association which would have a material adverse effect on the performance by the Pledgor of its obligations under this Agreement or on the rights and remedies of the Pledgee under this Agreement;

(i) that if it shall subscribe for, be allotted or otherwise acquire any such other shares at any time and from time to time after the date hereof, it shall forthwith deliver or procure that there be delivered to the Pledgee the relevant share certificates together with the undated signed share transfer forms (in the form set out in Annex 4) executed in blank in respect thereof as well as a certified true copy of an extract of the register of members of the Company confirming that the Company has recorded the pledge of shares on the same terms as those in this Agreement. In addition, it shall forthwith also deliver to the Pledgee an executed Additional Pledge Agreement in the form set out in Annex 5 under the terms of which it will pledge such further shares as further security for the Secured Obligations;

(j) The Pledgor shall ensure that the Pledge will be recorded in the Register of Members of the Company and that any share certificates issued throughout the duration of this Agreement and any entry in the Register of Members of the Company on the Pledged Shares will have an annotation referring to the Pledge in the form set out in Annex 2;

(k) that itself and the Company will obtain and maintain in full force and effect all Maltese governmental and other approvals and consents and do or cause to be done all other acts and things necessary or desirable in connection herewith or for the performance of their obligations hereunder;

(l) that in the event of the nomination of any new directors to the Company, the Pledgor or any one of them shall procure the delivery of an undated resignation letter from such directors to the Pledgee (in the form set out in Annex 3); and

(m) that it shall not take or omit to take any action which will or might impair the value of the Pledged Shares.

4.2 The Pledgor hereby delivers to the Pledgee who confirms receipt thereof under the terms of this Agreement of the following:

(a) all existing Share Certificates in respect of the Pledged Shares, duly annotated in the form set out in Annex 2;

(b) undated letters of resignation of the directors of the Company in the form set out in Annex 3;

(c) undated share transfer instruments in respect of the Pledged Shares signed by the Pledgor, as transferor, in the form set out in Annex 4, and

(d) a certified true copy of an extract of the register of members of the Company confirming that the Company has recorded the pledge of shares in terms of the Agreement.

5. TERMINATION AND RELEASE OF PLEDGE

5.1 It is agreed that the pledge constituted hereby is a continuing security for the due and punctual payment of the Secured Obligations, and subject to the terms of this Agreement, the Pledge may only be terminated by both Parties in writing or until such time as the Secured Obligations shall have been fully discharged.

5.2 On final and full repayment of the Secured Obligations to the satisfaction of the Pledgee, the Pledgee shall:

(a) terminate this Agreement and shall release all documents held by it hereunder to the Pledgor and the annotation of the share certificates shall be cancelled and this for no consideration other than the refund of expenses incurred and fees due for carrying out its obligations hereunder and in accordance with this Agreement; and

(b) file the necessary notification (Form T3) at the Registry of Companies in accordance with the Companies Act.

6. VOTING POWER, DIVIDENDS ETC.

6.1 Prior to the issue of a Notice of Default (as hereinafter defined) by the Pledgee to the Pledgor, the rights pertaining to the Pledged Shares shall be exercised as follows:

VOTING

(i) The Pledgor may continue to exercise all voting and/or consensual rights and powers pertaining to the Pledged Shares or any part thereof for all purposes;

PROVIDED THAT the Pledgor undertakes not to exercise any of its voting rights or powers in a manner which negatively prejudices the interests of the Pledgee.

DIVIDENDS

(ii) All dividends due on the Pledged Shares shall be paid to and shall be receivable by the Pledgor.

CAPITAL DISTRIBUTIONS

(iii) All capital distributions paid on the Pledged Shares upon the reduction of capital or redemption of any Pledged Shares shall be received by the Pledgor.

NOTICES OF MEETINGS

(iv) All notices of meetings required by Maltese law and the Articles of the Company shall also be sent to the Pledgee, provided that the Pledgee shall not be entitled to attend nor to vote at such meetings.

Without prejudice to the rights and remedies of the Pledgee under Clause 9, upon the issue of a Notice of Default (as hereinafter defined) by the Pledgee to the Pledgor, the Pledgee shall be immediately vested with all rights pertaining to the Pledgor under the Pledged Shares, and in particular, without prejudice to the generality of the foregoing:

(i) all dividends due on the Pledged Shares shall be paid to and shall be received by the Pledgee which shall apply the same towards reducing the Secured Obligations;

(iv) all voting and other rights and powers attaching to the Pledged Shares shall vest in the Pledgee, and the Pledgee shall exercise such powers for the purposes of, and in accordance with the terms of, the Pledge;

(v) all capital distributions paid on the Pledged Shares upon any reduction of capital or redemption of any Pledged Shares shall be received by the Pledgee which shall apply the same towards reducing the Secured Obligations; and

(iv) all notices of meetings required by Maltese law and/or the Company's memorandum and articles of association shall be sent to the Pledgee which shall have the right to attend and vote at same itself.

6.2 Subject to the terms of this Agreement, upon the issue of a Notice of Default (as hereinafter defined) by the Pledgee to the Pledgor and in so far as it is necessary and for the purposes of conducting business at any general meeting of the Company, the Pledgor irrevocably confers on the Pledgee, which

accepts, the rights to receive and waive notice of, attend and vote at any meeting of the Company in respect of the Pledged Shares held by the Pledgor and, the Pledgor irrevocably recognises these rights of the Pledgee.

6.3 The non-exercise or partial exercise by the Pledgee of any of its rights, powers or remedies under this Agreement, even after a Notice of Default has been issued, shall not imply or operate as a waiver thereof on the part of the Pledgee and the granting of any new authorisations or permissions to the Pledgor by the Pledgee after any Event of Default (as hereunder defined) has taken place shall not operate as a waiver of any right or remedy hereunder nor shall it preclude any other or further exercise thereof.

6.4 The remedies herein provided are cumulative and are not exclusive of any remedies provided by law.

7. RESERVED MATTERS

It is agreed that any resolution of the Company on any of the following matters shall require the consent of both the Pledgor and the Pledgee:

a. the sale of assets of the Company;
b. the liquidation of the Company;
h. the merger or amalgamation of the Company;
i. the reduction of capital in the Company;
j. any change in the share capital structure of the Company;
k. any amendment or change to the Memorandum or Articles of Association of the Company; and/or
l. the increase in the authorised or issued share capital of the Company.

PROVIDED THAT after the issue of a Notice of Default (as hereunder defined), the Pledgee may act alone without the consent of the Pledgor even on the above matters.

8. RESPONSIBILITY FOR COMMERCIAL OPERATIONS

8.1 Pledgor's Duties

It is agreed that until such time as there is an Event of Default (as hereunder defined) and a Notice of Default (as hereunder defined) is sent by the Pledgee to the Pledgor, as well as after such events, the Pledgor shall be fully responsible for the continuing commercial operations of the Company and shall ensure that all agreements and laws binding the Company shall be fully and faithfully observed through the Board of Directors of the Company. Without prejudice to its rights hereunder, the Pledgee shall under no condition be responsible for the commercial operations of the Company.

8.2 Pledgee's Duties

The powers conferred on the Pledgee hereunder are solely to protect its interest in the Pledged Shares and shall not impose any duty upon it to exercise any such powers. Except for the accounting for moneys actually received by it hereunder, the Pledgee shall have no duty as to any Pledged Shares, as to ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters in connection with any Pledged Shares (whether or not the Pledgee, has or is deemed to have knowledge of such matters), or as to the taking of any necessary steps to preserve rights against any parties or any other rights pertaining to any Pledged Shares. The Pledgee shall exercise reasonable care in the preservation of the Pledged Shares and Pledgee shall be deemed to have exercised reasonable care in the preservation of any Pledged Shares in its control if such Pledged Shares are accorded treatment substantially equal to that which Pledgee accords its own property.

9. REMEDIES

9.1 On notice (by judicial act or otherwise as required or permitted by Maltese law), being sent by the Pledgee to the Pledgor stating that an Event of Default (as defined below) has occurred and setting out the Event of Default (hereinafter referred to as the "Notice of Default"), the Pledgee may exercise in relation to any and all of the Pledged Shares all the rights and remedies possessed by it under this Agreement or granted to it by law or otherwise and in particular, may:

(i) exercise all rights relating to the Pledged Shares without limitation including appointing proxies, calling meetings, removing directors by dating the letters of resignation, approving or otherwise accounts, increasing or reducing capital, purchasing or selling assets, declaring dividends, undertaking or repaying loans or other indebtedness and other actions which in its sole and absolute discretion is deemed necessary to preserve the value of the Pledged Shares;

(ii) appoint directors and officers of the Company;

(iii) dispose of or appropriate and acquire the Pledged Shares in accordance with the provisions of the Companies Act; and/or

(iv) apply to the Courts for the judicial auction of the Pledged Shares in accordance with the applicable law.

These remedies are in addition to the remedies granted to the Pledgee under Maltese law and in so far as it is necessary to do so the Pledgor authorises the Pledgee to avail itself of all and any of the above remedies in protection of its rights.

9.2 The Pledgor shall vote, in any applicable case, to ensure that the Company observes all formalities and other time limits set by the Companies Act (in relation to the accounts of the Company in order that the Pledgee's rights hereunder shall in no way be impaired, hindered or delayed.

9.3 It is agreed that, in the event that the Pledgee decides to exercise the rights specified in Article 122(6)(i) and (ii) of the Companies Act, for the "fair value" to be established in terms of the proviso to subsection (7) of Article 122 of the said Act, the following rules shall be observed in order to achieve a fair and reasonable position for the parties, unless otherwise directed by the Court:

(i) the Parties shall, within five business days of the Notice of Default, meet to determine by agreement the value of the Pledged Shares or, if this is not possible, the method and time frame for the final determination of such value. The Pledgor is to produce and make available all relevant information to the Pledgee or to such other person entrusted with the determination of the value of the Pledged Shares;

(ii) it is agreed that the value of the Pledged Shares, whether by private calculation or by the court-appointed certified public accountant or auditor, shall be established on the basis of commonly used methods (as at the time of the establishment of the value);

(iii) the auditors shall then take into consideration any material events which have, in the view of either the Pledgee or the Pledgor, an impact on the valuation;

(iv) in the event that the previous year's audited accounts have not been maintained according to law, the Pledgor agrees that the auditors are authorised to base themselves on the most recent drafts and management accounts available;

(v) in the event that such drafts and management accounts are not available, the Pledgor agrees that the appointed auditors shall not be obliged to create accounts and audit them according to law but shall be entitled to receive evidence from the Pledgor and the Pledgee or such other person as they deem necessary on the value of assets in the Company and to reach a reasonable conclusion as to the value of the shares within 15 business days of appointment of the certified public accountant or auditor by the Court;

(vi) the non-co-operation of the Pledgor shall not hinder the court-appointed certified public accountant or auditor from making their report to the Court in accordance with this Agreement;

(vii) it is agreed that any valuation should be made within 15 business days of appointment of the auditor by the Court in view of the provisions of Article 122(8) of the Companies Act and it is acknowledged that if more than 30 days elapse from the Notice of Default, there may be fluctuations in the value of shares which may prejudice the parties hereto;

(viii) If the Pledgee applies to the Court for a valuation to be made pursuant to Article 122 of the Companies Act, the Pledgee shall be entitled to present as evidence to the Court appointed valuer any documents in its possession relating to the Company and all workings carried out until such date in connection with the valuation of the Pledged Shares.

9.5 Following the issue of a Notice of Default, but notwithstanding anything stated above and notwithstanding any action taken by the Pledgee to exercise its rights to sell or appropriate the Pledged Shares privately, the Pledgee shall be entitled at any time to apply to the Court for the judicial sale of the Pledged Shares.

9.6 If and to the extent that the Pledgee opts to sell or appropriate the Pledged Shares in accordance with the remedies set out in Article 122 of the Companies Act, the Pledgor hereby agrees that in the event that the sale or appropriation of the Pledged Shares in terms of paragraphs (iii) and (iv) of Clause 9.1 only makes commercial sense (in the reasonable opinion of the Pledgee) if so sold or appropriated in its entirety, then the Pledged Shares will be so sold and appropriated, notwithstanding the fact that the proceeds or value thereof will exceed the value of the Secured Obligations recovered by the Pledgee in the case of a sale or any excess value appropriated by the Pledgee shall be released or reimbursed in favour of the Pledgor. In the event of such sale and for the avoidance of any doubt, the Pledgor hereby irrevocably appoints the Pledgee, who declares to have an interest in this mandate and accepts the same as part of its security, as its attorney (with full power of substitution) in relation to the sale of the Pledged Shares, and the Pledgor ratifies and confirms and agrees to ratify and confirm and agreement, instrument, act or thing which such attorney or substitute may execute or do in pursuance hereof.

9.7 If and to the extent that the Pledgee exercises its rights under this Agreement and the law and proceeds with the disposal of the Pledged Shares (or part of the Pledged Shares) or with their appropriation and acquisition by it of the Pledged Shares (or part of the Pledged Shares) in settlement of the Secured Obligations due to it or part thereof, the Pledgor waives any right of pre-emption in relation to such shares arising in the Memorandum or Articles of Association of the Company or otherwise (including the rights emanating from Article 122(10) of the Companies Act).

9.8 The Pledgor shall make no claim against the Pledgee in respect of any loss arising out of any such sale or appropriation in terms of paragraphs (iii) and (iv) of Clause 9.1 or any postponement thereof howsoever caused and whether or not a better price could or might have been obtained upon the sale of the Pledged Shares or any of them by deferring or advancing the date of such sale or appropriation or otherwise howsoever, provided there is no gross negligence or wilful misconduct on the part of the Pledgee.

9.9 Upon any disposal by the Pledgee of the Pledged Shares, the purchaser shall not be bound to see or enquire whether the power of the sale of the Pledgee has arisen; the sale shall be deemed for all purposes hereof to be within the power of the Pledgee and the receipt of the Pledgee for the purchase money shall effectively discharge the purchaser who shall not be concerned with the manner of application of the proceeds of the sale or be in any way answerable therefor.

9.10 The Pledgee shall be entitled, at any time and as often as the Pledgee may deem appropriate, to delegate all or any of the rights, powers, remedies and discretions vested in it under and pursuant to this Agreement in such manner, upon such terms, and to such person or persons as the Pledgee may deem appropriate.

9.11 The remedies set out in this Clause 9 are in addition to the remedies granted to the Pledgee under Maltese law and, in so far as it is necessary to do, the Pledgor hereby irrevocably and unconditionally authorises the Pledgee by way of security, who accepts, to avail itself of all and any of the said remedies in protection of its rights.

10. IRREGULARITIES IN OTHER SECURITIES - INCAPACITY- INDEMNITY.

This Agreement shall not be extinguished, discharged or otherwise effected by the total or partial invalidity or unenforceability or any irregularity or defect in any security (whether by way of mortgage, hypothec, pledge, guarantee, indemnity or otherwise) the Pledgee may now or at any time hold in respect of all or any of the Secured Obligations and the Pledgor hereby agrees to indemnify the Pledgee against all loss, damages, interest and expenses arising from the Company's failure to perform any obligation/s towards the Pledgee or occasioned by or arising from any invalidity, unenforceability, non-provability, non-liability, legal limitation, disability or want of capacity of or affecting the Company or any person acting or purporting to act on behalf of the Company (including the want of authority in such person) for any reason whatsoever in respect of all or any of the Secured Obligations, provided the Pledgor is not acting on the instructions of the Pledgee.

11. COSTS, CHARGES FEES AND EXPENSES

The Pledgor shall on demand pay, on a full indemnity basis, all costs, charges, fees and expenses in any way incurred by the Pledgee in or incidental to the preservation or enforcement of this Agreement (including the costs of any proceedings in relation to this Agreement or the Secured Obligations).

12. SUSPENSE ACCOUNT

Without prejudice to the terms of the Luxury Living Trust, all monies received, recovered or realised by the Pledgee under this Agreement may, at the discretion of the Pledgee, be credited to a suspense or impersonal account and shall bear interest at such rate, if any, as may be agreed in writing between the Pledgee and the Pledgor (and in default of agreement shall bear simple interest at the daily rate paid by the Pledgee on deposit accounts subject to 7 days notice of withdrawal from time to time). The monies may be held in such account for as long as the Pledgee may deem fit pending the application from time to time (as the Pledgee shall be entitled to do as it may think fit) of such monies and any accrued interest thereon in or towards the discharge of any of the Secured Obligations.

13. APPLICATION OF PROCEEDS

All payments arising in relation to the Pledged Shares received by the Pledgee by way of dividends, capital distributions or otherwise as well as the proceeds of any sale of all or any part of the Pledged Shares and received by the Pledgee under this Agreement shall be administered and applied in accordance with the terms of the Luxury Living Trust and the surplus, if any, after the Secured Obligations have been finally and fully repaid, shall be paid to the Pledgor or such other person as may for the time being be entitled thereto.

14. EVENTS OF DEFAULT

An Event of Default shall ipso jure occur under this Agreement, without the need of any authorisation and/or confirmation from a competent court, upon "an Event of Default" being declared and outstanding under the Company Admission Document.

15. RETENTION OF PLEDGE

The Pledgee is entitled to retain this Pledge and decline to release it, even if the Secured Obligations shall have been settled in full, until such time as it is satisfied that any payment settlement of the Secured Obligations will not be challenged and avoided at any time whether as a preference or otherwise and, for all good intents and purposes, it is being expressly agreed that any release of this Pledge is subject to the condition that any payments towards the settlement of the Secured Obligations shall not be reversed, revoked or declared null at any time.

16. ATTORNEY

Subject to any limitations expressed elsewhere in this Agreement, the Pledgee is hereby irrevocably appointed the true and lawful Attorney of the Pledgor for the purpose of carrying out the provisions of this Agreement and taking any action or executing any instruments which the Pledgee may deem necessary to accomplish the purposes hereof. This appointment as Attorney is being given as part of this security and is being accepted by the Pledgee;

PROVIDED THAT the Pledgee shall have the option but not an obligation to utilise such power of attorney and the Pledgee shall in no way be responsible for not utilising the said power of attorney nor shall the Pledgee be in any way responsible for anything done in virtue of the said power of attorney.

17. FURTHER ASSURANCES AND AGREEMENTS

17.1 The Pledgor agrees that at any time and from time to time upon the written request of the Pledgee, they will promptly and duly execute and deliver to the Pledgee any and all such further instruments and documents as the Pledgee may deem necessary for obtaining the full benefit of this Agreement and of the rights and powers herein granted.

17.2 In the event that the Pledgee exercises its rights under this Agreement and the law and proceeds with the disposal of the Pledged Shares or with their appropriation and acquisition by it in settlement of the Secured Obligations due to it or part thereof, the Pledgor waives any right of pre-emption in relation to such shares arising in the Memorandum or Articles of Association of the Company or otherwise (including the rights emanating from Article 122(10) of the Companies Act).

18. SET-OFF & WAIVER OF RIGHTS

18.1 In addition to the rights conferred by law, the Pledgee shall be entitled, in terms of the provisions of the Set-Off and Netting on Insolvency Act (Cap. 459 of the laws of Malta), to set-off against monies due to it under this Agreement all or any monies from time to time standing to the credit of the Pledgor (whether sole or joint with any other person(s)) with the Pledgee, whether on current or any other account, including those subject to a term whatsoever and any sums standing in a suspense or impersonal account.

For the purposes of the foregoing:

(a) the Pledgee shall be entitled (as well before as after demand) to combine or consolidate all monies now or hereafter standing to the credit of the Pledgor on any account with the Pledgee and in any currency;
(b) if the obligations are in different currencies, the Pledgee may convert either obligation at a market rate of exchange in its usual course of business for the purposes of the set-off; and
(c) if either obligation is unliquidated or unascertained, the Pledgee may set-off in an amount estimated by it in good faith to be the amount of that obligation.

18.2 However, it is expressly agreed that the liability of the Pledgor under this Agreement shall in no way be extinguished, discharged or reduced or in any way affected by any right of set-off or counter-claim or any right whatsoever against the Pledgee and the Pledgor is hereby expressly waiving all rights (including any and all rights of action) the Pledgor may have against the Pledgee until after settlement in full of the Secured Obligations to the satisfaction of the Pledgee.

19. INSTRUCTIONS

It is agreed and declared that the Pledgor shall procure that the Company shall act according to all and any instructions reasonably issued by the Pledgee in accordance with this Agreement without the necessity or obligation to verify whether the facts stated by the Pledgee, particularly whether an Event of Default has or has not taken place, are correct and shall not lose the benefit of this Agreement even if the Pledgor makes any claims to the effect that the statements of the Pledgee on which the Company is relying are incorrect.

21. CERTIFICATION OF SUMS DUE

Any certification or determination by the Pledgee of a rate or amount under this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

21. NOTICES

Notices may be sent by registered mail, fax or electronic mail. Where notice is sent by registered mail, it shall be deemed to have been served five (5) days following the date on which it was posted and in the case of notice sent by fax or electronic mail, on the day of transmission. In providing such service it shall be sufficient to prove that the notice was addressed properly and posted or transmitted to such fax or electronic mail address as may be notified to the other Party for this purpose.

For the purposes of this Agreement, the proper addresses (including electronic mail addresses) and fax numbers of the Parties are:

To the Pledgor:

Name:
Attention:
Address:
Fax No.:

To the Pledgee:

Name:
Attention:
Address:
Fax No.:

To the Company:

Name:
Attention:
Address:
Fax No.:

Provided that each Party may at any time change such address or fax number by giving five (5) days prior written notice to the other party.

22. NOTIFICATION TO, AND ACKNOWLEDGEMENT OF PLEDGE BY, THE COMPANY

22.1 In accordance with the requirements of Article 122(2) of the Companies Act, 1995, the Pledgor hereby notifies the Company of the Pledge constituted by this Agreement, and hereby request the Company to register such pledge in the Company's register of members and on any share certificates which the Company may issue throughout the duration of this Pledge. The Pledgor

hereby informs the Company that the Pledgor has agreed to pledge any future shares subscribed by it in the Company.

22.2 The Company appears on and signs this Agreement *inter alia* in order to, and does hereby through the execution by it of this Agreement, acknowledge receipt without reservation of the notice of Pledge effected by the Pledgor to it by means of Clause 22.1 hereof.

22.3 The acknowledgement referred to in Clause 22.2 is granted by the Company for the benefit of the Pledgor and the Pledgee.

22.4 By signing this Agreement, the Company also:

22.4.1 confirms that it is concurrently with execution of this Agreement making a note of the Pledge in its Register of Members;

22.4.2 binds itself for the benefit of the Pledgee to act in accordance with the terms of the Pledge;

22.4.3 acknowledges that the share certificates in respect of the Pledged Shares have been delivered to the Pledgee upon execution hereof;

22.4.4 undertakes for the benefit of the Pledgee not to pay out any monies relating to the Pledged Shares other than in accordance with this Agreement, and whenever the Company is required to carry out any act which has been imposed on the Pledgor in this Agreement, the Company shall carry out such act in accordance with the Agreement;

22.4.5 recognises that the Pledgee may carry out acts against the wishes of the Pledgor and confirms that the Pledgee shall be treated as a member of the company in terms of this Agreement;

22.4.6 undertakes for the benefit of the Pledgee to inform any person requesting information relating to the Company of the Pledge.

22.5 The Pledgor and the Company declare that the Pledge notification and acknowledgement referred to in Clauses 22.1 and 22.2 hereof shall be deemed to have been given in full satisfaction of the procedural requirements of Article 122(2) of the Companies Act, 1995, and each of them agree that no further action is necessary on the part of the others in order to comply with the said legislative requirements.

23. SEVERANCE AND MODIFICATION OF CLAUSES

23.1 If any of the clauses or part thereof of this Agreement is or becomes invalid or unenforceable for any reason whatsoever, the validity of the remaining clauses or part thereof will not in any way be affected or impaired.

23.2 If any invalid or unenforceable clause or part thereof of this Agreement would be valid or enforceable if its form or effect were modified in any way, it shall be deemed to have the modified form or effect provided that the Pledgee gives its consent.

24. GOVERNING LAW & JURISDICTION

24.1 This Agreement shall be governed by and construed in accordance with the laws of Malta.

24.2 For the benefit of the Pledgee, the Pledgor agrees that the Courts of Malta have jurisdiction to settle any disputes in connection herewith and accordingly submit to the jurisdiction of such Courts. The Pledgor waives any objection to the Maltese Courts on grounds of inconvenient forum or otherwise as regards proceedings in connection herewith and agree that a judgement or order of such a

Court shall be conclusive and binding on them and may be enforced against them in the Courts of any other jurisdiction.

24.3 Nothing in this Agreement limits the right of the Pledgee to bring proceedings against the Pledgor in any other Court of competent jurisdiction or concurrently in more than one jurisdiction.

25. COUNTER-PARTS

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts (including fax or electronic copies) were on a single copy of this Agreement.

IN WITNESS whereof the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

EXECUTION PAGE

The Pledgor:

in the presence of:

__________________________ __________________________

The Pledgee

in the presence of:

__________________________ __________________________

The Company

in the presence of:

__________________________ __________________________

Dr Joseph Borg Bartolo and William Wait

ANNEX 1

Form T (2)

No. of Company C 74593

COMPANIES ACT, 1995

Notice of a pledge of securities

Pursuant to Section 122 (2)

Name of Company Luxury Living Technologies Limited

Delivered by ....

To the ***Registrar of Companies:***

I hereby give notice in accordance with Section 122 (2) of the Companies Act, 1995 that with effect from 3 July 2018 the undermentioned securities

have been pledged as follows:

Pledgor (Name and Address)	Pledgee (Name and Address)	Securities		
Bag Investments Co. Ltd Company registration number: C 14189 Dar Tal-Milorda Triq tal-Milord Bidnija l/o Mosta Malta	Cavalier Trust Services Limited Company registration number: C 24368 Finance House, First Floor Princess Elizabeth Street Ta' Xbiex Malta	Number 1,465,500	Type Ordinary	Nominal Value €1

Signature ....
Pledgor/Pledgee*

Dated this 2 day of July of the year 2018

ANNEX 2

ANNOTATION TO PLEDGE IN THE SHARE CERTIFICATES

"These shares have been pledged in favour of Cavalier Trust Services Limited in its capacity as trustee of the Luxury Living Trust"

ANNEX 3

To: The Company

I the undersigned in my capacity as director of ___________________________ do hereby resign with immediate effect and I hereby acknowledge and confirm that I have no claims against the Company for compensation for loss of office or in any respect, and that I have received all outstanding directors' fees or other remuneration due to me to date.

This the   .

----
name

ANNEX 4

This the ……….. day of ……………………………………, 20…

By virtue of this private instrument, […] of […] (hereinafter referred to as the "Transferor") sells and transfers to ……………………………………………………… (hereinafter referred to as the "Transferee") which accepts and purchases and acquires ………………………………………. Shares of […] each in […] Limited (C …), a company registered under the laws of the Republic of Malta, with its registered office situated at […] Malta for the price of …………………………………………., for which price the Transferor hereby tenders due receipt.

Signed:

____

For and on behalf of
[TRANSFEROR]

____

For and on behalf of
……………………………………
[TRANSFEREE]

ANNEX 5

ADDITIONAL PLEDGE

ADDITIONAL SHARE PLEDGE AGREEMENT (the "**Additional Pledge**") entered into this ……………………………., 20….. between:

______________________________;

(hereinafter together referred to as the "Pledgor")

______________________________;

(hereinafter referred to as the "Pledgee")

and

______________________________;

(hereinafter referred to as the "Company")

WHEREBY

1. The Pledgor hereby pledges to the Pledgee, which accepts such pledge, the following additional shares in the Company:

……………………………………………………………………………………………

(the "Additional Pledged Shares")

as a continuing security for the due and punctual payment of the Secured Obligations as defined in the pledge of shares agreement between the parties hereto dated _________________, (hereinafter the "Pledge of Shares Agreement");

2. In constitution of the said pledge:

(a) the Company hereby acknowledges the pledge of the Additional Pledged Shares and binds itself to enter such an annotation in the Register of Members; and

(b)the Pledgor is contemporaneously delivering to the Pledgee documents evidencing the registration of the Additional Pledged Shares in the name of the Pledgor. It is agreed that the statutory notice will be delivered by the Pledgor or the Pledgee to the Registrar of Companies in Malta.

3. This Additional Pledge is a transaction contemplated by and subject to all the terms and conditions of the Pledge of Shares Agreement and it is being specifically agreed that the Pledge of Shares Agreement is being incorporated *in toto*, including the recitals thereto, into this Additional Pledge and shall apply to and form an integral part of this Additional Pledge. Provided that any reference to Pledged Shares in the Pledge of Shares Agreement shall, unless the context otherwise requires, be deemed to refer to Additional Pledged Shares. The Pledgee shall enjoy all the rights, discretions, privileges and powers granted to it in the Pledge of Shares Agreement in relation to the Additional Pledged Shares.

IN WITNESS whereof the parties hereto have cause this Agreement to be duly executed as of the day and year first above written.

Signed:

The Pledgors

The Pledgee

The Company

Perit George Farrugia (B.E.& A.(Hons.), A.&C.E.)
ARCHITECT & CIVIL ENGINEER
Gallery, Centris Business Gateway, Triq il-Palazz L-Ahmar, Mriehel
m.99821882, grgfar1981@gmail.com

V.A.T. Registration No.: 1920-8525

The Board of Directors,
Luxury Living Finance p.l.c.,
Greentek Business Complex,
New Street in Triq il-Hofor,
Qormi, QRM 3261
Malta

The Board of Directors,
Luxury Living Technologies Limited,
Greentek Business Complex,
New Street in Triq il-Hofor,
Qormi, QRM 3261
Malta

28 June 2018

Dear Sirs,

Valuation Report – Casa Busa, 129, Main Street, St. Julian's Malta, for the purposes of the proposed Bond Issue

Introduction
In accordance with your instructions, the undersigned in the capacity of warranted architect and civil engineer has carried out a market evaluation of the above-mentioned immovable property located in Casa Busa, 129, Main Street, St. Julian's (hereinafter also referred as "Property").

Basis of Valuation
It is understood that the purpose of the valuation report is for inclusion with the Company Admission Document to be published in connection with the proposed public bond issue. The valuation has been prepared in accordance with Chapter 4 of the Prospects Rules (Rule 4.13.00) published by the Malta Stock Exchange.

The valuation has been carried out by the undersigned, as an external and independent valuer in terms of and with regards given to, the UK Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The undersigned confirms that there is no conflict of interest in advising you of the opinion of the value of the property, since the undersigned will not benefit from the valuation instruction, other than the valuation fee.

The valuation was based on direct knowledge of the site, and its potential, as well as on such inspections and investigations as are, in the professional judgment of the undersigned, appropriate and possible in the circumstances. The valuation relies on information provided by the Directors of Luxury Living Technologies Limited, and their professional advisers, as far as concerns tenures, privileges, charges and other related

matters. The valuation is nevertheless on the assumption that no harmful or hazardous materials lie on the on the site and that there is no contamination in or from the ground.

The market value is the amount that a property might be expected to realise, usually expressed in monetary terms, when it is offered for sale in an open market, for a reasonable period of time, by a willing seller, in order to enable the property to be brought to the attention of all or most potential and willing buyers and when the transaction is not affected by any special circumstances that might affect the buyer, the seller or the property The best price that a property might reasonably be expected to realise if sold is the normal course of business, after allowing a reasonable time for exposure to potential buyers, and assuming that the buyer and seller are acting in their own best interests, have entered into the transaction without any element of compulsion or duress, and the buyer does not have any special relationship or obligation to the seller. The determination of market value is normally based on a set of assumptions, such as the type and condition of the property, the interest held, the nature and conditions prevalent in the market at the date of the valuation and the purpose of the valuation.

Site visit and data consulted
This Property was visited on the 3rd April 2018 in connection with this valuation. I was accompanied during this inspection by Mr Jean Paul Busuttil. The following documents were consulted and used in preparation of this valuation:

- Site plan;
- Plans of the entire building;
- MEPA permits;
- Deeds of acquisition of the Property.

The Property
Situated in the heart, yet on the sea front of this picturesque village of St. Julians, the Property lies in a strategically important area in view of its close proximity to one of the most important commercial and entertainment areas in Malta.

Perched on high level grounds, the property enjoys maximum views of the picturesque Spinola Bay whilst at the same time offers maximum potential in terms of property value.

The Property consists of a house and is located between BNF Bank and Saddles bar. The building is almost 450 years old. Set on 3 main floors interconnected through a main internal staircase having a frontage of almost 10m on the main road, the property currently consists of a ground floor having a total footprint of circa 160sq.m, 55 sq.m of which comprises a back yard with, which even offers room for further extension thus leaving circa 105sq.m of built area which are currently divided in a series of rooms. Whilst the first floor includes approximately the same footprint of the ground floor, (c.100sq.m) the second floor is considerably smaller only having a sizable room and stairs which room also enjoys ownership of airspace, due to previous changes and splitting of the property by previous owners.

The condition of the building and of the finishes and fixtures is decent however these will need upgrading during the refurbishment works. The structure appears to be in good condition although it should be made clear that this is based only on a visual examination which was carried out merely for the purposes of this valuation and which does not constitute a structural condition report. It is being assumed that the building is essentially free of any major structural defects.

Tenure
The property is freehold.

Planning applications and permits on site

DN237/16 Cleaning of existing basement, internal alterations. Cleaning of facade + re roofing of existing roof room.

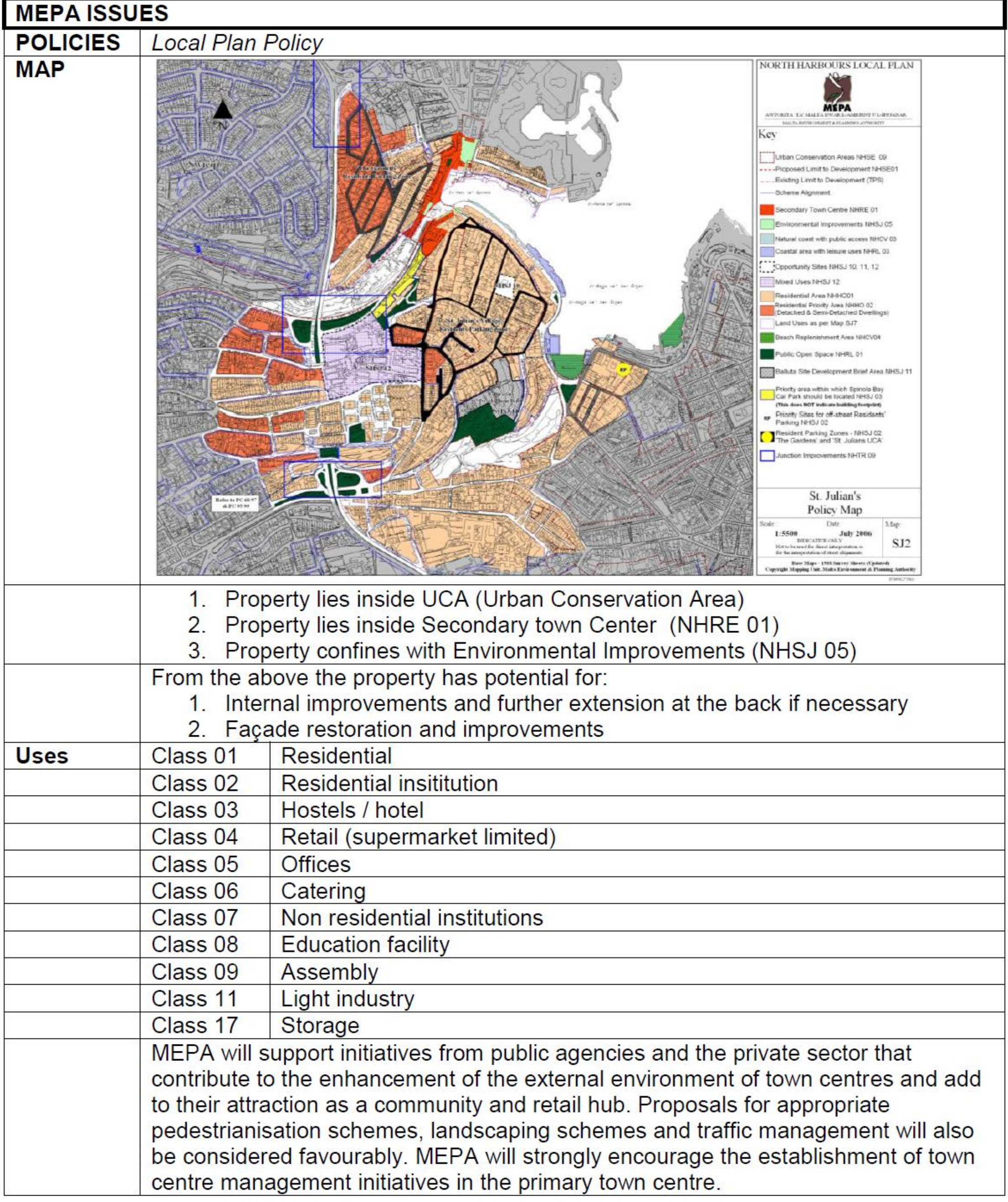
Granted on 28-06-2016

PA852/17 Internal alteration to existing pre 1967 property, and change of use from existing residential to Class 3A Hostel and Class 4D at basement level including proposed signage.

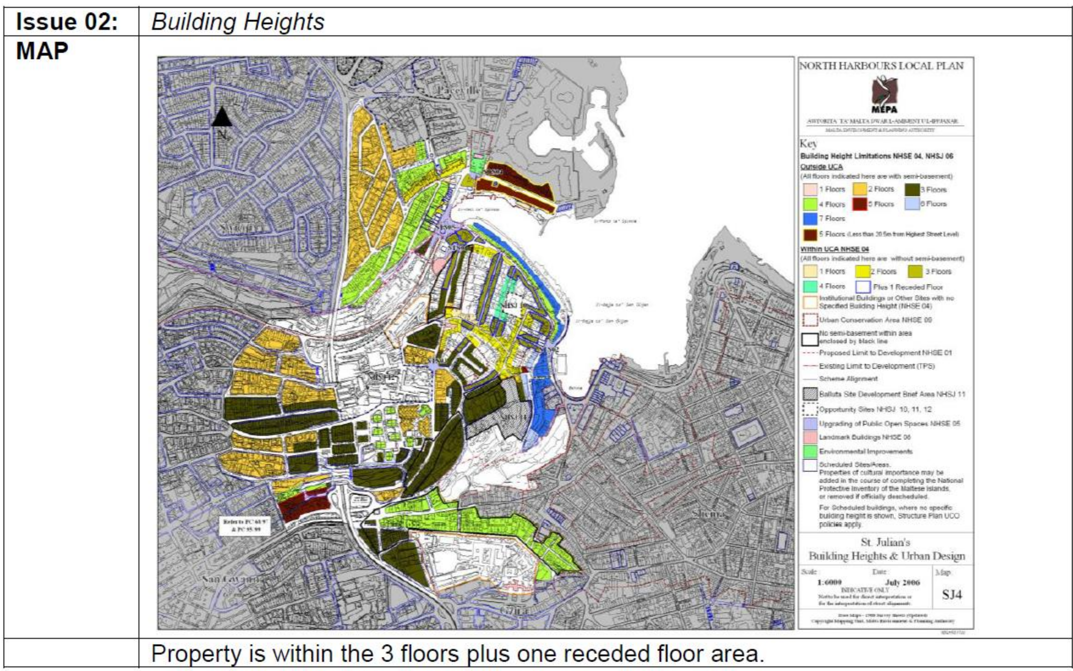
Granted on 09-09-2017

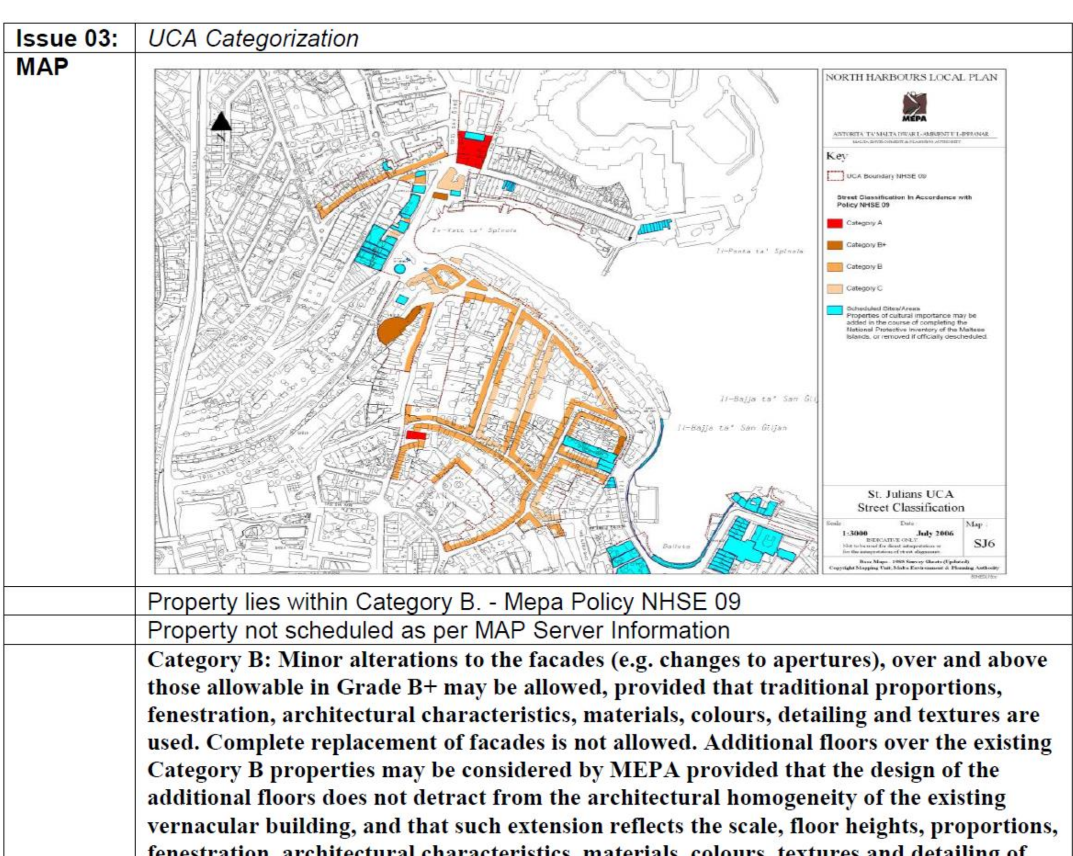
Development

The permits relevant to the site being valued are DN237/16 and PA852/17. The proposal will include converting the existing building from a residential home to a class 3A hostel at ground, first, second and third floor level. Following the conversion, the Property will host 80 beds in 10 large rooms as well as a fully-fledged kitchen and a restaurant.

MEPA ISSUES	
POLICIES	*Local Plan Policy*
MAP	
	1. Property lies inside UCA (Urban Conservation Area) 2. Property lies inside Secondary town Center (NHRE 01) 3. Property confines with Environmental Improvements (NHSJ 05)
	From the above the property has potential for: 1. Internal improvements and further extension at the back if necessary 2. Façade restoration and improvements

Uses	Class 01	Residential
	Class 02	Residential insititution
	Class 03	Hostels / hotel
	Class 04	Retail (supermarket limited)
	Class 05	Offices
	Class 06	Catering
	Class 07	Non residential institutions
	Class 08	Education facility
	Class 09	Assembly
	Class 11	Light industry
	Class 17	Storage
	MEPA will support initiatives from public agencies and the private sector that contribute to the enhancement of the external environment of town centres and add to their attraction as a community and retail hub. Proposals for appropriate pedestrianisation schemes, landscaping schemes and traffic management will also be considered favourably. MEPA will strongly encourage the establishment of town centre management initiatives in the primary town centre.	

Issue 02:	*Building Heights*
MAP	
	Property is within the 3 floors plus one receded floor area.

Issue 03:	*UCA Categorization*
MAP	
	Property lies within Category B. - Mepa Policy NHSE 09
	Property not scheduled as per MAP Server Information
	Category B: Minor alterations to the facades (e.g. changes to apertures), over and above those allowable in Grade B+ may be allowed, provided that traditional proportions, fenestration, architectural characteristics, materials, colours, detailing and textures are used. Complete replacement of facades is not allowed. Additional floors over the existing Category B properties may be considered by MEPA provided that the design of the additional floors does not detract from the architectural homogeneity of the existing vernacular building, and that such extension reflects the scale, floor heights, proportions, fenestration, architectural characteristics, materials, colours, textures and detailing of the existing building.

Details of charges, easements and other burdens
Prospects rule 4.13.04 requires that a valuation report provides details of registered mortgages and privileges and other charges, real rights thereon including details of emphyteutical concessions, easements and other burdens.

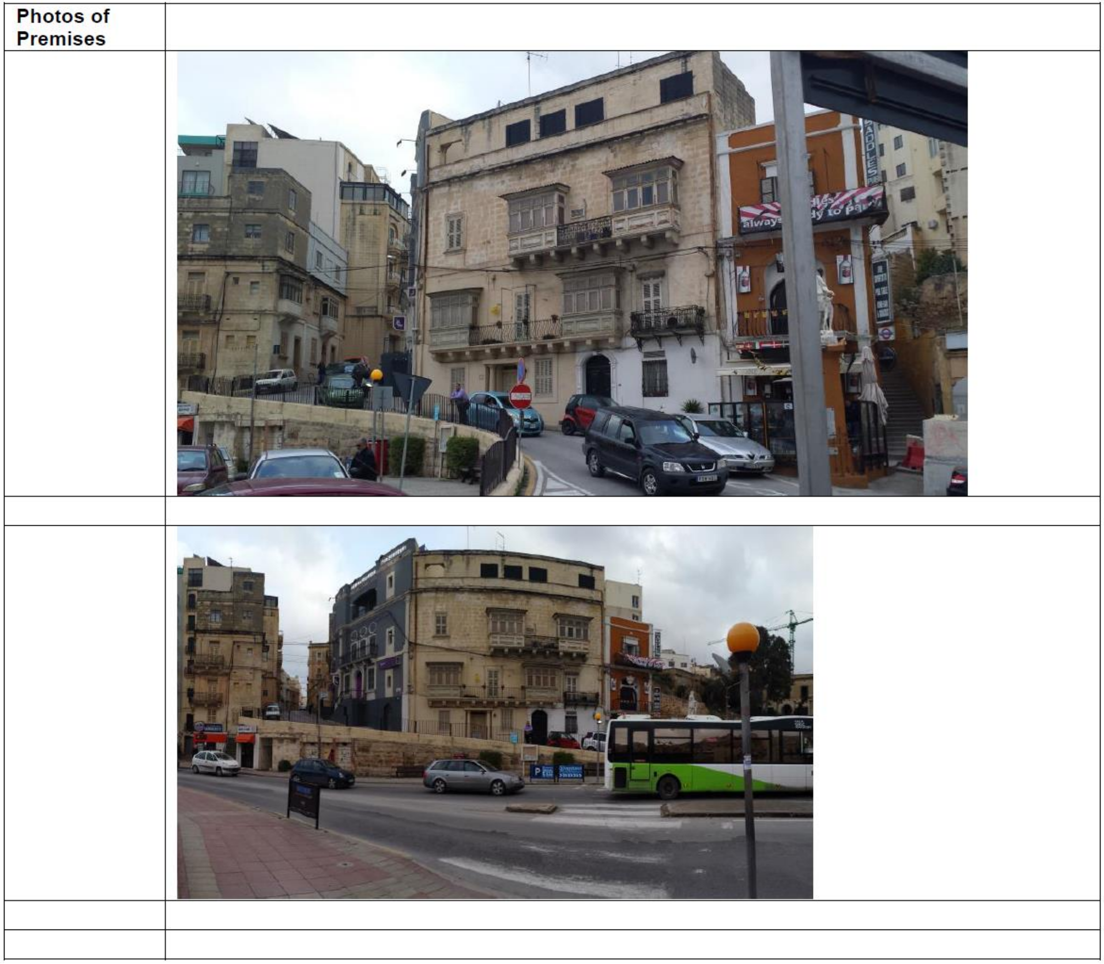
I have sought the input of legal advice in determining details of registered mortgages and privileges and other charges. I understand that there are no registered mortgages over the Property.

Details of charges, easements and other burdens
There has not been a material contravention of any statutory requirements by the Company in relation to the Property.

Present state of Property
The Property today is in a derelict state and consequently requires works in order to refurbish the property and operate it as a hostel. To this end all drawings and designs have been prepared.

In conformity with the Prospects Rules, it is recorded that the estimated total cost to convert the property into a hostel, as at the date of this report, amounts to approximately €500,000. It is expected that works will commence in the third quarter of 2018 and completion of all works, including furnishing is expected in the second quarter of 2019. The values are given in relation to current market prices taking into consideration the limited conditions in which works will need to be carried out and that most of the works have to be carried out by hand and using small machinery or hand tools. The above value for works include:

- Excavation and carting away of material by hand to clean the basement: €65,000
- Internal alteration works including removal of walls and insertion of steel beams: €55,000
- Construction works at basement level and at top floor level: €50,000
- Re Installation of all M&E and plumbing works: €50,000
- Finishes and furniture: €280,000

Photos of Premises	
	

Valuation

The Prospects Rules require that, for valuations of property in course of development (as is the Property), an opinion is expressed on the open market value of the property in its existing state at the date of valuation (**the value at the current state),** and on the estimated capital values at current prices and on the basis of current market conditions: (a) after the development has been completed (**the value on completion of works),** and after the development has been completed and the Property has been let (**the value on maturity).** Given that the Property will be operated by Luxury Living Technologies Limited as a hostel and will not be available for letting, the said Property has no ‘operational maturity’. Therefore, in the case of the Property, the value on completion of works and value on maturity are, for all intents and practical purposes, equivalent.

The value of the Property is based upon facts and evidence available at the date of the valuation, part of which information was made available by the Directors and their advisors. No detailed area measurements have been undertaken, although my knowledge of the Property allows me to confirm that the areas quoted in this valuation report are broadly correct. It has been assumed that no unusually onerous conditions will arise as the property is already built. Furthermore, it has also been assumed that all development

will take place in strict conformity with the relative planning permits, and other statutory obligations, and constructed and furnished by reputable firms.

After considering the above, prime location, layout, approved MEPA permits, the demand, the potential of the property, together with other information supplied by my client which could have had a bearing on my assessment, the fact the property is freehold and on the basis of an open market value, I am in a position to estimate the current market value of the property in the existing state at four million, two hundred thousand Euros (€4,200,000); the capital value at current prices, and on the basis of current market conditions, of the said property, after the development has been completed, is estimated at six million, eight hundrend and fifty thousand Euros (€6,850,000).

Valuations are not a prediction of price, nor a guarantee of value, and whilst my valuation is one which I consider both reasonable and defensible, different valuers may properly arrive at different opinions of value. Moreover, the value of property development is susceptible to changes in economical conditions, and may therefore change over relatively short periods. This valuation and report is submitted without prejudice to the party to whom they are addressed.

Perit George Farrugia BE&A

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Dr Jean Paul Busuttil
Chairman
Luxury Living Technologies Limited
Greentek Business Complex
New Street in Triq il-Hofor
Qormi, Malta

25 April 2018

Dear Sir

Fair Value Assessment of a Develop and Operate Agreement

We have pleasure in enclosing a copy of our report in accordance with your instructions to independently assess the fair value of the Develop and Operate Agreement (the Agreement) being entered into jointly by Bag Investments Co. Limited and Sansuna Estates Co. Limited, and Luxury Living Technologies Limited. We based our work on reviewing the Agreement dated 25 April 2018. The key elements of the agreement include:

- Bag Investments Co. Limited and Sansuna Estates Co. Limited appointed Luxury Living Technologies Limited to develop and operate the property situated in Casa Busa, 129, Main Street, St Julian's, STJ 1011 (the Property) as a green hostel for a 25-year period, in exchange for shares in Luxury Living Technologies Limited. All expenses required to develop the Property shall be at Luxury Living Technologies Limited's expense;
- The Property itself has been valued on 4 April 2018 by Perit George Farrugia, an independent architect, at a market value of €4,200,000 based on its current condition;
- The ownership of the Property, and thus all rewards of future capital appreciation, will remain in the hands of Mr Jean Paul Busuttil, given that the property management rights on the Property where transferred by Mr Jean Paul Busuttil to Bag Investments Co. Limited and Sansuna Estates Co. Limited by virtue of a Property Management Agreement dated 25 April 2018, who subsequently identified and appointed Luxury Living Technologies Limited to develop and operate the Property, in return for shares in Luxury Living Technologies Limited.
- Mr Jean Paul Busuttil reserves the right to utilise his title over the Property as security for current and future debt, and the obligations entered into through the Develop and Operate Agreement rank lower than such debt.

Our work is based upon discounting 25 years' worth of the fair market rents at an appropriate rental yield. Based on this methodology, and assuming that €500,000 would need to be invested in the Property, we find that fair value of the Develop and Operate Agreement is €2,831,000. Further details and explanations are found over leaf.

Yours faithfully

Grant Thornton

If you have any questions in respect of this report or its contents, please contact:
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Overview of the Property

The Property

On 4 April 2018 Perit George Farrugia valued the Property based on its current condition at €4,200,000. This valuation was based on its current state, the amount of square meterage of the property, taking into consideration the prime location, the demand and the potential of the Property. Notwithstanding that the latter requires major works to be maximised, nonetheless this forms part of the property as existing and as such bears a weight on the value of the Property attributed by the architect. The Property enjoys views of Spinola Bay and is set on three floors interconnected through a main internal staircase having a frontage of almost 10m on the main road. The Property has a ground floor with total footprint of c. 160sqm, 55 sqm of which comprises a back yard; the first floor includes approximately the same footprint of the ground floor, (c.100sq.m) and the second floor is considerably smaller having a sizable room and stairs which room also enjoys ownership of airspace.

The Property has been granted development permission which permit includes the a class 3A hostel at ground, first, second and third floor level. The Property can potentially take around 10 large rooms with multiple beds as well as a kitchen and a restaurant.

Overview of the yield rates of similar properties

Yield rates of properties in similar locations

Name of property	Source	Location	Use of property	Contract type	Contracted rental yield, gross %
Pizza Hut	Trident Estates p.l.c., 2017	Sliema	Restaurant	Related parties	3.1%
Burger King	Trident Estates p.l.c., 2017	Paceville	Restaurant	Related parties	5.3%
Scottsman Pub	Trident Estates p.l.c., 2017	St. Julian's	Pub	Third parties	5.2%
Il-Fortizza	Trident Estates p.l.c., 2017	Sliema	Restaurant	Third parties	10.9%
Pizza Hut	Trident Estates p.l.c., 2017	St. Julian's	Wine Bar/ Restaurant	Third parties/ Related parties	5.8%
Casino Malta	Eden Finance p.l.c.	Paceville	Casino	Related parties	c. 5.0%
Plaza Commercial Centre	Plaza Centres p.l.c., 2016	Sliema	Mall/Offices	Third parties	7.2%
McDonald's	Hili Properties p.l.c., 2015	Sliema	Restaurant	Related parties	6.1%
Tigne Mall	Tigne Mall p.l.c., 2013	Tigne	Mall	Third parties	7.7%

With respect to the yield rates, reference is made to properties held by listed companies in Malta, in which such companies have published the yield rates, annual rents and/or valuation in their respective prospectuses, which are located in prime locations in the vicinity of the Property.

Such a comparison highlights that the Property is likely to attract a yield of 6%-7% of its market value, based on yield rates entered into between third parties. Based on a 6% yield rate, the Property would attract a rent of approximately €252k p.a.

Valuation of Develop and Operate Agreement

Discounted Gross Rental Flows

In our view, the rental yield model can be applied to establish the fair value of the Develop and Operate Agreement. Discounting the market rents over the 25 year period, and assuming monthly rental payments as well as incurring an initial investment of €500,000, produces a total valuation of the Develop and Operate Agreement of €2.8 million.

Valuation: Discounted gross rental flow using yields

Property	Gross market rent	Yield	Annuity factor	Present value
Casa Busa	252,000	6%	13.161	3,316,640
Less: initial investment	(500,000)		0.971	(485,643)
				2,830,997

Summary of significant assumptions and accounting policies

1. Introduction

The consolidated projected statement of financial position, the consolidated projected income statement and the consolidated projected statement of cash flows of Luxury Living Finance p.lc. and Luxury Living Technologies Limited (together "Luxury Living Group") for the four year period from 1 March 2017 to 30 June 2021 ("the consolidated prospective financial information") have been prepared to provide financial information for the purpose of inclusion in the Company Admission Document of Luxury Living Finance p.l.c. dated 3 July 2018. The consolidated prospective financial information, set out on pages 192 to 194 and the assumptions below are the sole responsibility of the directors of the Guarantor

The consolidated prospective financial information has been prepared on the basis of a bond issue of €8,000,000 at a nominal value of €100 per bond offered by Luxury Living Finance p.l.c.

The consolidated prospective financial information for the four year period ending 30 June 2021 has been based on the projections of the Luxury Living Group covering the period 1 March 2017 to 30 June 2021.

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

The consolidated projected financial information is not intended to and does not, provide all the information and disclosures necessary to give a true and fair view of the financial results, financial position and cash flows of the Luxury Living 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 below. The consolidated prospective financial information was formally approved on 26 April 2018 by the Directors and the stated assumptions reflect the judgements made by the directors at the date. The assumptions that the Directors believe are significant to the consolidated prospective financial information are set out in section 3 of this Annex E.

2. Significant accounting policies

The significant accounting policies of Luxury Living Finance p.l.c. are set out in its audited financial statements for the year ended 28 February 2017. Where applicable, these accounting policies, in so far as they relate to recognition and measurement criteria, have been consistently applied in the preparation of the consolidated prospective financial information.

3. Basis of preparation and principal assumptions

The principal assumptions relating to the environment in which the Luxury Living Group operates, and the factors which are exclusively outside the influence of the directors of the Guarantor and which underlie the consolidated prospective financial information are the following:

- there will be no material adverse events originating from market and economic conditions;
- the Luxury Living Group will continue to enjoy the confidence of its suppliers, customers and its bankers;
- licence requirements and FIT will not change materially throughout the period covered by the projections;
- interest rates will not change materially throughout the period covered by the projections;
- the basis and rates of taxation will not change materially throughout the period covered by the projections; and
- the rate of inflation will not exceed the 2% threshold set out by the European Central Bank.

The principal assumptions relating to the environment in which the Luxury Living Group operates and the factors which the directors can influence and which underlie the prospective consolidated financial information, are the following:

3.1 Revenues

The Luxury Living Group's projected revenue for the four years up to 30 June 2021 is based on the assumption that the Luxury Living Group will continue trading, importing and exporting goods related to renewable energy to retail customers, the growth of which has been based on historic trends. The projections assume that all customers (residential and commercial) will purchase photovoltaic panels through an outright sale.

The projections assume that during FY2019 the Luxury Living Group will expand its core business by investing in photovoltaic farms generating less than 1 Megawatt. The projections assume that €772k of Bond proceeds as stipulated under section 21.1 are invested in photovoltaic farms and that the photovoltaic panels installed as part of the Projects shall: (i) generate a maximum power of 290Wp/panel; (ii) degrade at an annual rate of 0.7%; (iii) yield 1,600kWh/kWp; (iv) generate a FIT of €0.145/kWh for twenty years commencing as from FY2019; and (v) occupy 10sqm/kWp. The projections also assume the Acquisition shall take place on 30 June 2018 and that the photovoltaic panels shall: (i) generate a maximum power of 280Wp; (ii) degrade at an annual rate of 0.7%; (iii) yield 1,600kWh/kWp; (iv) generate an average FIT of €0.155/kWh for twenty years on the basis of contracted rates in hand.

As of July 2019, the Luxury Living Group shall start operating an 80-bed hostel, on a B&B basis, attracting low budget travellers in the 20-30 age bracket. The projections assume that the hostel will be 82% occupied as from FY2020 and generate revenue of €35 perbednight.

3.2 Direct costs

Direct costs relating to the sale of renewable products to retail customers comprise the purchase cost of the products sold and the associated transport cost. The projections have been based on the Luxury Living Group's gross profit margins achieved to date.

Direct costs relating to the photovoltaic farms comprise the rental cost based on the lease contracts in hand which are on average €7-8/sqm, and maintenance of €9 per photovoltaic panel installed.

Direct costs relating to the hostel comprise the cost of breakfast, direct wages and commissions paid to online travel agencies.

3.3 Administrative expenses

Administrative expenses consist primarily of payroll costs, directors' fees, marketing and distribution fees, rental costs, insurance costs, recurring admission fees, professional fees and other corporate and general overheads. Administrative expenses are based on historical trends, but are expected to increase in FY2019, due to the expansion of the core business as well as the introduction of the new business lines.

Depreciation is calculated using the straight line method to allocate the cost of all items comprised within property, plant and equipment to their to their residual values over their estimated useful lives. The projections envisage €6.6 million of the bond proceeds shall be spent on acquiring photovoltaic panels to be installed as part of the Projects and financing of the Acquisition. The depreciation charge on the photovoltaic panels installed as part of the photovoltaic farms is based on lease term of twenty years.

Amortisation cost is calculated on the value of the Develop and Operate Agreement based on the valuation included in Annex D of this Company Admission Document over the term of the Develop and Operate Agreement.

3.4 Finance costs

Finance costs primarily relate to amounts due on the facilities the Group has with APS bank and the interest on the Bond which is expected to be issued in FY2019, which has been assumed at 5 % per annum. The interest on the Bond is assumed to commence on 1 July 2018, with the final payment being made on 30 June 2028. The projections assume that contributions to a sinking fund will be made as from FY2024, in order build a sinking equivalent to 50% of the Bond Issue in order to facilitate the redemption of the Bond in FY2028. Interest receivable on amounts held in the sinking fund is assumed at 1.5% p.a., net of final withholding tax.

3.5 Taxation

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

3.6 Capital and Reserves

The Luxury Living Group's capital and reserves are expected to increase over the projection period as a result of retention of profits. No dividends have been assumed in the consolidated prospective financial information. The Luxury Living Group does not intend to distribute dividends to the ultimate beneficial owners in the first three years following the Bond Issue, and thereafter shall not distribute more than 50% of the net profit of the year in line with the Guarantor's memorandum and articles of association, unless unanimous consent of the board of directors of the Guarantor is obtained.

3.7 Working capital

The Luxury Living Group's working capital mainly comprises the net impact of trade receivables, inventory and trade payables.

Within the financial information, FIT payments generated from the photovoltaic farms are assumed to be affected within 45 days.

Settlement of trade payable balances has been assumed to be effected within 60 days. Similarly, inventories are expected to increase in line with the requirements of the Luxury Living Group's operations, in order to support growth in the operations

4. Conclusion

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

Approved by the Directors on 26 April 2018 and signed on its behalf by:

Dr Joseph Borg Bartolo on behalf of Jean Paul Busuttil
Director

William Wait
Director

Dr Joseph Borg Bartolo
Director

Consolidated income statement for the years ending

€'000	28/02/2017 Actual	30/06/2018 Budget	30/06/2019 Forecast	30/06/2020 Projected	30/06/2021 Projected
Revenue	1,027	1,354	1,987	3,508	3,735
Total cost of sales	(709)	(921)	(1,028)	(1,648)	(1,764)
Gross profit	318	433	958	1,860	1,971
General administrative overheads	(347)	(389)	(428)	(602)	(617)
Selling and marketing expenses	(69)	(17)	(25)	(25)	(25)
Normalised EBITDA	(98)	27	505	1,233	1,329
Bad debts written off	-	(118)	-	-	-
EBITDA	(98)	(90)	505	1,233	1,329
Depreciation and amortisation	(17)	(18)	(295)	(598)	(608)
EBIT	(115)	(108)	211	635	721
Finance costs	(19)	(54)	(463)	(457)	(453)
Profit before tax	(135)	(162)	(252)	178	268
Tax for the year	-	57	97	(105)	(140)
(Loss)/profit after tax	**(135)**	**(105)**	**(155)**	**73**	**128**

Sources: Luxury Living Technologies Limited audited financial statements for the year ended 28 February 2017; and projections for the years ending 30 June 2018, 2019, 2020 and 2021

Consolidated statement of financial position as at

€'000	28/02/2017 Actual	30/06/2018 Budget	30/06/2019 Forecast	30/06/2020 Projected	30/06/2021 Projected
ASSETS					
Non-current assets					
Intangible assets	-	2,831	2,831	2,713	2,595
Property, plant and equipment	84	68	5,701	7,300	6,866
Deferred tax	-	57	154	48	-
Trade and other receivables	-	564	423	282	141
	84	3,520	9,108	10,344	9,602
Current assets					
Inventories	443	934	408	461	511
Trade and other receivables	436	639	822	952	978
Cash and cash equivalents	19	33	1,946	441	844
	898	1,606	3,176	1,855	2,333
Total assets	**982**	**5,126**	**12,284**	**12,198**	**11,935**
EQUITY AND LIABILITIES					
Equity					
Share capital	100	2,931	2,931	2,931	2,931
Shareholders' loan	40	-	-	-	-
Retained earnings	(135)	(240)	(395)	(322)	(194)
Total equity	**5**	**2,691**	**2,536**	**2,609**	**2,737**
Liabilities					
Non-current liabilities					
Borrowings	735	1,163	8,931	8,831	8,726
	735	1,163	8,931	8,831	8,726
Current liabilities					
Borrowings	166	1,177	614	513	118
Trade and other payables	76	95	202	245	262
Current taxation	-	-	-	-	91
	242	1,272	817	758	472
Total liabilities	**977**	**2,435**	**9,748**	**9,590**	**9,198**
Total equity and liabilities	**982**	**5,126**	**12,284**	**12,198**	**11,935**

Sources: Luxury Living Technologies Limited audited financial statements for the year ended 28 February 2017; and projections for the years ending 30 June 2018, 2019, 2020 and 2021

Consolidated statement of cash flows for the years ending

€'000	28/02/2017 Actual	30/06/2018 Budget	30/06/2019 Forecast	30/06/2020 Projected	30/06/2021 Projected
Cash flows from operating activities					
EBITDA	(98)	(90)	505	1,233	1,329
Working capital adjustments					
Changes in inventories	(443)	(491)	526	(54)	(49)
Changes in receivables	(436)	(767)	(41)	10	115
Changes in payables	76	19	107	43	17
Operating cash flow	(901)	(1,329)	1,097	1,232	1,412
Interest paid	(19)	(54)	(463)	(457)	(453)
Net cash (used in)/ generated from operating activities	**(921)**	**(1,383)**	**635**	**775**	**959**
Cash flow from investing activities					
Payments to acquire property, plant and equipment	(101)	(2)	(5,914)	(2,066)	(43)
Net cash used in investing activites	**(101)**	**(2)**	**(5,914)**	**(2,066)**	**(43)**
Cash flow from financing activities					
Issue of share capital	100	-	-	-	-
Advances from/(repayments to) shareholders	40	(40)	-	-	-
Advances from/(repayments to) related parties	-	584	(584)	-	-
Band drawdown and repayment of bank loans	735	521	(93)	(114)	(113)
Bond proceeds	-	-	8,000	-	-
Payment of issue costs	-	-	(130)	-	-
Net cash generated from/ (used in) financing activities	**875**	**1,065**	**7,193**	**(114)**	**(113)**
Net movement in cash and cahs equivalents	**(147)**	**(320)**	**1,913**	**(1,406)**	**803**
Cash and cash equivalents at beginning of the year	-	(147)	(467)	1,446	41
Cash and cash equivalents at the end of the year	**(147)**	**(467)**	**1,446**	**41**	**844**

Sources: Luxury Living Technologies Limited audited financial statements for the year ended 28 February 2017; and projections for the years ending 30 June 2018, 2019, 2020 and 2021

The Directors
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28 June 2018

Dear Sirs

Independent Accountants' Report on the consolidated projected financial information of Luxury Living Technologies Limited in its capacity as the Guarantor and Luxury Living Finance p.l.c. in its capacity as the Issuer.

We report on the consolidated projected financial position, income and cash flows ("the consolidated projected financial information") of Luxury Living Technologies Limited, which include the projected financial information of Luxury Living Technologies Limited and its subsidiary Luxury Living Finance p.l.c., (together referred to as the "Luxury Living Group") for the four-year period 1 March 2017 to 30 June 2021. The consolidated projected financial information, the basis of preparation and the material assumptions upon which the projections are based, are set out in Annex E of the Company Admission Document issued by Luxury Living Finance p.l.c.

This report is required in terms of Appendix 4.6 of the Prospects Rules issued by the Malta Stock Exchange and is given for the purpose of complying with that regulation and for no other purpose.

Directors' responsibilities for the consolidated projected financial information

It is the responsibility of the directors of Luxury Living Group to prepare the consolidated projected financial information, together with the material assumptions on which they are based, as set out in Annex E, in accordance with the requirements of Prospects Rules issued by the Malta Stock Exchange.

Accountants' responsibility

It is our responsibility to form an opinion as required by Appendix 4.6 as issued by the Prospects Rules as to whether the consolidated projected financial information was properly compiled, 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, or arising out of, or in connection with this report or our

Chartered Public Accountants
Member firm of Grant Thornton International Ltd.
A list of partners and directors of the firm is available at Fort Business Centre, Level 2, Mriehel Bypass, Mriehel BKR 3000, Malta

statement, required by and given solely for the purposes of complying with the Prospects Rules, consenting to its inclusion in the Company Admission Document.

Basis of preparation of the consolidated projected financial information

The financial information has been prepared on the basis stated in Annex E of the Company Admission Document and is based on a projection covering the four-year period ending 30 June 2021. The consolidated projected financial information is required to be presented on a basis consistent with the accounting policies of the Luxury Living Group.

Basis of Opinion

We have examined the basis of compilation and the accounting policies of the accompanying consolidated projected financial information of Luxury Living Group for the four financial-years ending 30 June 2021 in accordance with International Standard on Assurance Engagements 3400 – The Examination of Prospective Financial Information.

Our work included an evaluation of the basis on which the projected financial information included in the projection has been prepared. Moreover, we have assessed whether the consolidated projected financial information has been accurately computed in accordance with the disclosed assumptions and the accounting policies of Luxury Living Group.

The assumptions upon which the consolidated projected financial information is based are solely the responsibility of the directors of Luxury Living Technologies Limited 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 consolidated projected financial information have not been disclosed and whether any material assumption made by the directors appears 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 consolidated projected financial information has been properly compiled on the basis stated, in so far as the application of the underlying accounting policies and accuracy of calculations are concerned.

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

Opinion

In our opinion, the consolidated projected financial information has been properly compiled on the basis stated and the basis of accounting used is consistent with the accounting policies of the Luxury Living Group.

Yours faithfully,

George Vella
Partner

ANNEX F: APPLICATION FORM

LUXURY LIVING FINANCE P.L.C. – APPLICATION FORM
€8,000,000 **5**% SECURED BONDS 2028

APPLICANT

☐ Non-Resident ☐ Minor (under 18) ☐ Body Corporate / Body of Persons ☐ CIS-Prescribed Fund

TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME / REGISTERED NAME			
Date of Birth	Nationality	I.D. CARD / PASSPORT / COMPANY REG NO.	Document Type	Country of Issue of ID document

ADDRESS	
	POST CODE

MSE A/C NO. (if applicable)	LEI (MANDATORY for non-individuals)	TEL NO.	MOBILE NO. (MANDATORY for e-portfolio registration)

☐ Already registered for e-portfolio ☐ Please do not register me for e-portfolio ☐ Please register me for e-portfolio

ADDITIONAL (JOINT) APPLICANTS (see note 4) (please use an additional Application Form if space is not sufficient)

TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	DATE OF BIRTH	NATIONALITY	DOUCMENT TYPE	I.D. CARD / PASSPORT NO. AND COUNTRY OF ISSUE
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	DATE OF BIRTH	NATIONALITY	DOCUMENT TYPE	I.D. CARD / PASSPORT NO. AND COUNTRY OF ISSUE

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

TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	DATE OF BIRTH	NATIONALITY	DOCUMENT TYPE	I.D. CARD / PASSPORT NO. AND COUNTRY OF ISSUE
TITLE (Mr/Mrs/Ms/...)	FULL NAME & SURNAME	DATE OF BIRTH	NATIONALITY	DOCUMENT TYPE	I.D. CARD / PASSPORT NO. AND COUNTRY OF ISSUE

I/WE APPLY TO PURCHASE AND ACQUIRE (see notes 8 and 9)

AMOUNT IN FIGURES €	AMOUNT IN WORDS

Luxury Living Finance p.l.c. 5% Secured Bonds 2028 (minimum subscription of €5,000 and in multiples of €100 thereafter) at the Bond Issue Price (at par), as defined in the Company Admission Document dated 3 July 2018 (the 'Company Admission Document'), payable in full upon application under the Terms and Conditions of the Bonds as set out in the Company Admission Document

RESIDENT - WITHHOLDING TAX DECLARATION (see note 10 & 11a) (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).

NON-RESIDENT - DECLARATION FOR TAX PURPOSES (see note 12) (to be completed ONLY if the Applicant is a non-resident)

TAX COUNTRY	CITY OF BIRTH	COUNTRY OF BIRTH	
T.I.N. (Tax Identification Number)	PASSPORT / NATIONAL I.D. CARD NO.	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.

INTEREST, REFUND AND REDEMPTION MANDATE (see note 12) (completion of this panel is MANDATORY)

BANK	IBAN

I/We have fully understood the instructions for completing this Application Form and am/are making this application solely on the basis of the Company Admission Document 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

NOTES ON HOW TO COMPLETE THIS APPLICATION FORM AND OTHER INFORMATION

The following notes are to be read in conjunction with the Company Admission Document dated 3 July 2018 regulating the Bond Issue.

1. This Application is governed by the Terms and Conditions of the Application in this Company Admission Document dated 3 July 2018. Capitalised terms not defined herein shall, unless the context otherwise requires, have the meaning ascribed to them in the Company Admission Document.

2. The Application Form is to be completed in BLOCK LETTERS.

3. Applicants who are Non-Residents 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.

4. 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 (vide note 7 below). Interest and redemption proceeds will be issued to the account indicated in Panel H or as otherwise indicated by the Bondholder/s during the term of the Bond.

5. Upon submission of an Application Form, Bondholders who do not have an online e-portfolio account will be registered by the CSD for the online e-portfolio facility and will receive by mail at their registered address a handle code to activate the new e-portfolio login. The Bondholder's statement of holdings evidencing entitlement to Secured Bonds held in the register kept by the CSD and registration advices evidencing movements in such register will be available through the said e-portfolio facility on https://eportfolio.borzamalta.com.mt/. Those Bondholders who opt not to avail themselves of this facility should indicate such in Panel B of the Application Form. Further details on the e-portfolio are found on https://eportfolio.borzamalta.com.mt/Help.

6. 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 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.

7. In the case of a body corporate, the name of the entity exactly as registered, and the registration number are to be inserted in Panel B. Applications must be signed by duly authorised representatives indicating the capacity in which they are signing.

8. APPLICANTS WHO ALREADY HOLD SECURITIES ON THE MSE ARE TO INDICATE THEIR MSE ACCOUNT NUMBER IN PANEL B. APPLICANTS ARE TO NOTE THAT ANY SECURITIES ALLOTTED TO THEM WILL BE RECORDED IN THE MSE ACCOUNT NUMBER QUOTED ON THIS APPLICATION FORM. IF 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.

9. Applications must be for a minimum of €5,000 and thereafter in multiples of €100.

10. Payment must be made in Euro, in cleared funds to 'The Registrar – Luxury Living Finance p.l.c. Bond Issue'. In the event that the cheque accompanying an Application Form is not honoured on the first presentation, the Issuer and the Registrar reserve the right to invalidate the relative Application.

11. 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 will be obliged to declare interest so received in the tax 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 23 of the Company Admission Document, 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 final withholding tax,(currently 15%) of the gross amount of interest, pursuant to Article 33 of the Income Tax Act (Cap. 123 of the Laws of Malta).

12. Non-residents of Malta should note that payment of interest to individuals and certain residual entities residing in another EU M ember 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 Council Directive 2014/ 107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation. 11a. the contents of Notes 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.

13. If any Application is not accepted after the closure of the subscription lists or is accepted for fewer Bonds than those applied for, the monies or the balance of the amount paid but not allocated, as the case may be, will be returned by direct credit into the bank account as indicated in Panel H. Interest and redemption proceeds will be credited to the account indicated in Panel H or as otherwise amended by the Bondholder/s during the term of the Bond.

14. Subscription lists for the Applicants will close at 27 July 2018 at 12:00 CET. The Issuer reserves the right to refuse any Application which appears to be in breach of the Terms and Conditions of the Application as contained in the Company Admission Document. Any Applications received by the Registrar after the subscription lists close will not be accepted. Completed Application Forms are to be delivered to any of the Authorised Financial intermediaries listed in the Company Admission Document, during normal office hours. Remittances by post are made at the risk of the Applicant and the Issuer disclaims all responsibility for any such remittances not being received by the date of closing of the subscription lists.

15. By completing and delivering an Application Form you (as the Applicant(s)) acknowledge that:
    a. the Issuer may process the personal data that you provide in the Application Form in accordance with the General Data Protection Regulation – GDPR (Regulation (EU) 2016/679
    b. the Issuer may process such personal data for all purposes necessary for and related to the Bonds applied for; and
    c. you, as the Applicant, 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 request must be signed by yourself as the Applicant to whom the personal data relates.

The value of investments can go up or down and past performance is not necessarily indicative of future performance. The nominal value of the Bonds on offer will be repayable in full upon redemption. An investor should consult an independent financial advisor, licensed under the Investment Services Act (Cap. 370 of the Laws of Malta), for advice.

ANNEX G: AUTHORISED INTERMEDIARIES

Name	Address	Telephone
Jesmond Mizzi Financial Advisors Limited	67, Level 3, South Street, Valletta, Malta	23265690

Issuer

Luxury Living Finance p.l.c
New Street in Triq Il-Hofor
Qormi, Malta

Guarantor

Luxury Living Technologies Limited
New Street in Triq Il-Hofor
Qormi, Malta

Corporate Advisor and Reporting Accountant

Grant Thornton
Fort Business Centre, Level 2
Mriehel Bypass
Mriehel BKR 3000, Malta

Placement Agent, Manager and Registrar

Jesmond Mizzi Financial Advisors Limited
67, Level 3, South Street,
Valletta, Malta

PROSPECTS MTF NOTICE 15/2018

Approval of Admission

NOTICE IS HEREBY GIVEN in terms of the Prospects MTF Rule 4.08.01 that the Board of Directors of the Malta Stock Exchange has approved the application for the admission to Prospects MTF of the proposed issue of **€8,000,000 Luxury Living Finance plc 5% Secured Bonds 2028** having a nominal value of €100 per Bond with effect from today, Tuesday 3 July 2018.

PROSPECTS MTF COMMITTEE

3 July 2018

Garrison Chapel, Castille Place, Valletta VLT 1063, Malta
Tel: +356 2124 4051, Fax: +356 2569 6316, Website: www.smeprospects.com, Email: prospects@borzamalta.com.mt
Prospects is an MTF approved by the Malta Financial Services Authority and operated by Malta Stock Exchange plc