

# SUMMARY

Dated 22 March 2024

This Summary is issued in accordance with the provisions of Chapter 4 of the Capital Markets Rules published by the MFSA and of the Prospectus Regulation.

## In respect of an issue of €15 million 5.75% Secured Bonds 2027 - 2029

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



### BEST DEAL PROPERTIES HOLDING P.L.C.

a public limited liability company registered in Malta  
with company registration number C 88974

Guaranteed by Best Deal Ghadira Limited a private limited liability company registered in Malta  
with company registration number C 106260

ISIN: MT0002121227

Legal Counsel

ZammitPace 

Security Trustee



FINCO TRUST SERVICES LIMITED

Sponsor, Manager & Registrar



MZ INVESTMENTS

THIS SUMMARY HAS BEEN APPROVED BY THE MFSA AS THE COMPETENT AUTHORITY UNDER THE PROSPECTUS REGULATION. THE MFSA ONLY APPROVES THIS SUMMARY AS MEETING THE STANDARDS OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY THE PROSPECTUS REGULATION. SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER AND/OR THE SECURITIES THAT ARE THE SUBJECT OF THIS SUMMARY.

THIS SUMMARY IS VALID FOR A PERIOD OF 12 MONTHS FROM THE DATE HEREOF. FOLLOWING THE LAPSE OF THIS VALIDITY PERIOD, THE ISSUER IS NOT OBLIGED TO SUPPLEMENT THIS SUMMARY IN THE EVENT OF SIGNIFICANT NEW FACTORS, MATERIAL MISTAKES OR MATERIAL INACCURACIES.

Approved by the Directors

**Christopher Attard**

**Pierre Bartolo**

*signing in their own capacity as directors of the Company and for and on behalf of each of Robert Buttigieg, David Basile, Erskine Vella, James Bullock, Mario P Galea and Marlene Seychell*



This Summary is prepared in accordance with the requirements of the Prospectus Regulation and the delegated acts issued thereunder. This Summary contains key information which enables investors to understand the nature and the risks associated with the Issuer, the Guarantor and the Secured Bonds.

Except where the context otherwise requires or where otherwise defined herein, the capitalised words and expressions used in this Summary shall bear the meanings assigned thereto in the Registration Document and the Securities Note, respectively, as the case may be.

## 1. INTRODUCTION AND WARNINGS

This Summary contains key information on the Issuer, the Guarantor and the Secured Bonds, summarised details of which are set out below:

<b>Issuer</b>	Best Deal Properties Holding p.l.c., a public limited liability company registered under the laws of Malta bearing company registration number C88974 and having legal identifier number (LEI) 485100A1WBOSGJKWHT04;
<b>Address</b>	63, J.L. Buildings, Office 5, Luqa Road, Paola PLA 9045, Malta;
<b>Telephone number</b>	21692279;
<b>Website</b>	<a href="http://www.bestdealholdings.com">www.bestdealholdings.com</a> ;
<b>Guarantor</b>	Best Deal Ghadira Limited, a private limited liability company registered in Malta with company number C 106260 having its registered office at 63, J.L. Buildings, Office 5, Luqa Road, Paola PLA9045, Malta and having legal identifier number (LEI) 485100XCV4CMS9FUSI15;
<b>Competent authority approving the Prospectus</b>	The MFSA, established in terms of the Financial Markets Act (Cap. 345 of the laws of Malta);
<b>Address, telephone number and official website of the competent authority</b>	Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara CBD 1010, Malta. The telephone number of the competent authority is 2144 1155. The official website of the competent authority is <a href="https://www.mfsa.mt/">https://www.mfsa.mt/</a> ;
<b>Name of Securities</b>	5.75% Secured Bonds due 2027 – 2029;
<b>ISIN of the Secured Bonds</b>	MT0002121227;
<b>Prospectus approval date</b>	22 March 2024.

Prospective investors are hereby warned that:

- (i) this Summary should be read as an introduction to the Prospectus. It is being provided to convey the key characteristics and risks associated with the Issuer and the Secured Bonds being offered pursuant to the Prospectus. It is not and does not purport to be exhaustive and investors are warned that they should not rely on the information contained in this Summary in making a decision as to whether to invest in the securities described in this document;
- (ii) any decision of the investor to invest in the Secured Bonds should be based on a consideration of the Prospectus as a whole by the investor;
- (iii) an investor may lose all or part of the capital invested in subscribing for Secured Bonds;
- (iv) where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated;
- (v) civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary, when read together with the other parts of the Prospectus, is misleading, inaccurate, or inconsistent or does not provide key information in order to aid investors when considering whether to invest in the Secured Bonds; and
- (vi) the Bonds are complex instruments and may be difficult to understand.



## 2. KEY INFORMATION ON THE ISSUER

### 2.1 Who is the Issuer of the Secured Bonds?

#### 2.1.1 Domicile and legal form, its LEI and country of incorporation

The Issuer is Best Deal Properties Holding p.l.c., a public limited liability company registered in Malta in terms of the Companies Act (Chapter 365 of the laws of Malta). The Issuer was incorporated and is domiciled in Malta, with legal entity identifier (LEI) number 485100A1WBOSGJKWHT04.

#### 2.1.2 Principal activities of the Issuer

The Issuer is the holding and finance company of the BDP Group and was incorporated for the purpose of financing its Subsidiaries' respective projects. The Issuer does not carry out any trading activities of its own and its revenue is limited to the dividends it receives from its Subsidiaries and interest receivable due under intra-group loan agreements.

#### 2.1.3 Major Shareholders

The authorised share capital of the Issuer is three hundred fifty thousand Euro (€350,000) divided into three million five hundred thousand (3,500,000) ordinary shares of ten Euro cents (€0.10) each. The issued share capital of the Issuer is three hundred twelve thousand five hundred Euro (€312,500) divided into three million one hundred twenty-five thousand (3,125,000) ordinary shares of ten Euro cents (€0.10) each, fully paid up. The Company's issued share capital is subscribed equally by Christopher Attard, Erskine Vella, Pierre Bartolo, RCJ Investments Limited and C Developments Limited.

#### 2.1.4 Directors of the Issuer

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following 8 individuals: Christopher Attard (Executive Director); Pierre Bartolo (Executive Director); David Basile (Executive Director); Robert Buttigieg (Executive Director); Erskine Vella (Executive Director); James Bullock (Chairman and Non-Executive Director); Mario P. Galea (Independent, Non-Executive Director); and Maria Carmela k/a Marlene Seychell (Independent, Non-Executive Director).

#### 2.1.5 Statutory Auditors

The auditor of the Issuer as of the date of the Prospectus is RSM Malta of Mdina Road, Zebbug ZBG9015, Malta (accountancy board registration number AB/26/84/53).

### 2.2 What is the key financial information regarding the Issuer?

The key information regarding the Issuer on a consolidated basis is set out below:

Income Statement	FY2022	FY2021	FY2020	6-mth period ended 30 Jun'23	6-mth period ended 30 Jun'22
Operating profit (€'000)	3,338	3,795	1,413	1,147	1,451
Statement of Financial Position	31 Dec'22 Audited	31 Dec'21 Audited	31 Dec'20 Audited	30 June'23 Unaudited	
Net financial debt (€'000)	16,049	11,544	18,459	17,827	
<i>Breakdown as follows:</i>					
Borrowings (€'000)	1,221	1,860	4,774	1,325	
Debt securities (€'000)	21,122	13,296	15,022	20,968	
Sinking fund (€'000)	(5,040)	(3,365)	(875)	(3,610)	
Cash and cash equivalents (€'000)	(1,254)	(247)	(462)	(856)	
Cash Flow Statement	FY2022	FY2021	FY2020	6-mth period ended 30 Jun'23	6-mth period ended 30 Jun'22
Cash flows from (used in) operating activities (€'000)	(3,902)	7,134	2,178	3,624	2,883
Cash flows from (used in) financing activities (€'000)	(1,680)	(2,490)	(875)	(3,655)	2,936
Cash flows from (used in) investing activities (€'000)	6,589	(4,835)	(1,650)	(367)	(5,074)



### 2.3 What are the key risks specific to the Issuer?

The most material risks specific to the Issuer, which may negatively impact the operations and financial position of the Issuer should the circumstances mentioned therein materialise, are as follows:

#### 2.3.1 Risks relating to the Issuer's exposure to and dependence on the BDP Group and its business

The Issuer is the holding parent company of the BDP Group, which was set up primarily as a finance and investment company with one of its purposes being that of raising finance and advancing same to members of the Group. Accordingly, the operating results of the BDP Group have a direct effect on the Issuer's financial position and performance.

#### 2.3.2 Risks relating to the rising costs for materials, resources, and utilities

The prices of raw materials have been subject to substantial increases. Should the volatility in prices continue in an upward trajectory over the rest of the year as well as subsequent years, the BDP Group may be negatively affected if these increased costs are not capable of being reflected in increased charges for the delivery of certain products and services of the BDP Group.

#### 2.3.3 Risks associated with the acquisition, development, and sale of property

There are several factors that commonly affect the real estate development industry, many of which are beyond the BDP Group's control, and which could adversely affect the economic performance of the BDP Group and the value of its real estate properties under development. Such factors include, *inter alia*, general industry trends; changes in local market conditions; shortages and, or price increases in raw materials, services, or other construction inputs; and insufficiency of resources to complete the projects.

#### 2.3.4 Risks associated with the competitive nature of the property market

An increase in supply and, or a reduction in demand in the property segments in which the BDP Group operates and targets to sell the remaining units in stock and the properties being developed, may cause sales of units forming part of its properties under development to sell at prices which are lower than is being anticipated by the BDP Group or that sales of such units are in fact slower than is being anticipated.

#### 2.3.5 Risks associated with property valuations and net realisable value

Property valuations are largely dependent on current and, or, expected market conditions which are susceptible to fluctuation and therefore, there can be no assurance that such property valuations will reflect actual market values. Furthermore, the Group may purchase and, or have purchased property based on inaccurate valuations.

#### 2.3.6 Risks associated with the engagement and, or the involvement of service providers and associated counterparty risks

The BDPH Group relies upon third party or related service providers for the construction and completion of its property developments. This gives rise to counter-party risks in those instances where such third parties do not perform in line with the BDP Group's expectations and in accordance with their contractual obligations.

#### 2.3.7 Risks relating to cost overruns and delays in completing the BDP Group's projects

The projects being undertaken by the BDP Group (including, *inter alia*, the Ghadira Development) are susceptible to certain risks inherent in real estate development, most notably the risk of completion within their scheduled completion date and within the budgeted cost. If either or both of these risks were to materialise, they could have a significant impact on the financial condition of the Guarantor and the Issuer, and the ability of the latter to meet its obligations under the Bonds.

## 3. KEY INFORMATION ON THE SECURITIES

### 3.1 What are the main features of the securities?

The Secured Bonds are being issued in the amount of €15,000,000 with a nominal value of €100 per Secured Bond issued at the rate of 5.75% per annum and redeemable at par on 12 April 2029 or, at the sole option of the Issuer, any date falling between 12 April 2027 and 11 April 2029. The first interest payment shall be effected on 12 April 2025 (covering the period from 12 April 2024 to 11 April 2025).

The Secured Bonds shall be issued in fully registered and dematerialised form and shall be represented in uncertificated form by the appropriate entry in the electronic register maintained on behalf of the Issuer at the CSD. On admission to trading, the Secured Bonds shall have the following ISIN: MT0002121227.

The Secured Bonds constitute the general, direct, unconditional, and secured obligations of the Issuer and shall be guaranteed in respect of both the interest due and the principal amount by the Guarantor on a joint and several basis (the "Guarantee"). The Secured Bonds shall at all times rank *pari passu* without any priority or preference among themselves. The Secured Bonds are secured by the following collateral constituted in favour of the Security Trustee for the benefit of the Bondholders (the "Collateral"):

- a) the first ranking general hypothec for the full nominal value of the Secured Bonds and interest thereon over all the present and future property of the Guarantor, to be constituted upon the final deeds of sale and acquisition of the Ghadira Site;
- b) the first ranking special hypothec for the full nominal value of the Secured Bonds and interest thereon over the Ghadira Site together with all and any immovables constructed or to be developed thereon subject to such reductions as may be made from time to time in terms of the Security Trust Deed, to be constituted upon the final deeds of sale and acquisition of the Ghadira Site;



- c) the pledge agreement to be entered into by and between the Guarantor and the Security Trustee for the purpose of constituting a pledge on insurance policy proceeds in relation to the Hypothecated Property as security for the full nominal value of the Secured Bonds and interest thereon; and
- d) the Guarantee.

There are no special rights attached to the Secured Bonds other than the right of Bondholders to: (i) the repayment of capital; (ii) the payment of interest; (iii) the benefit of the Collateral through the Security Trustee; (iv) attend, participate in and vote at meetings of Bondholders in accordance with the Terms and Conditions of the Bond Issue; and (v) such other rights attached to the Secured Bonds emanating from the Prospectus. There are no restrictions on the free transferability of the Secured Bonds.

### **3.2 Where will the securities be traded?**

Application has been made to the Malta Stock Exchange for the Secured Bonds to be listed and traded on its Official List.

### **3.3 Is there a guarantee attached to the securities?**

The Secured Bonds are guaranteed by the Guarantor on a joint and several basis. Accordingly, the Bondholders shall be entitled to request the Guarantor to pay both the interest due and the principal amount under said Secured Bonds on first demand (subject to the terms of the Guarantee) if the Issuer fails to meet any amount when due in terms of the Prospectus. The joint and several Guarantee also entitles the Bondholders to demand payment from the Guarantor without having to first take action against the Issuer.

#### **3.3.1 The Guarantor**

The Guarantor is Best Deal Ghadira Limited. On 31 May 2022, the Guarantor was established as a private limited liability company registered in Malta in terms of the Companies Act (Chapter 386 of the laws of Malta) with company registration number C 106260. The LEI of the Guarantor is 485100XCV4CMS9FUSI15. The Guarantor was set up as a wholly-owned subsidiary of the Company to acquire the Ghadira Site and develop the Ghadira Development.

#### **3.3.2 Key financial information of the Guarantor**

The Guarantor was incorporated on 23 August 2023 and accordingly has not published its first set of audited financial statements.

#### **3.3.3 Key risks that are specific to the Guarantor and the Collateral**

##### **Risks relating to the business of the Guarantor**

The risks of the Issuer are indirectly those of the BDP Group and, in turn, all risks relating to the BDP Group, including the Guarantor, are the risks relevant to the Issuer as detailed in sub-section 2.3 of this Summary.

##### **Risks relating to the Collateral**

The strength of the undertakings given under the Guarantee is dependent upon and directly linked to the financial position and solvency of the Guarantor. The Guarantee is further supported by, *inter alia*, the Collateral over the Hypothecated Property belonging to the Guarantor. Whilst this grants the Security Trustee a right of preference and priority for repayment over the relative Hypothecated Property, there can be no guarantee that the value of the relevant Hypothecated Property over the term of the Secured Bonds will be sufficient to cover the full amount of interest and principal outstanding under the Secured Bonds. If such circumstances were to arise or subsist at the time that the Security Interest 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.

### **3.4 What are the key risks specific to the Securities?**

#### **3.4.1 Complex financial instrument and suitability assessment**

The Secured Bonds may be redeemed at the option of the Issuer on a Designated Early Redemption Date. In view of the early redemption component, the Secured Bonds are complex financial instruments for the purposes of MIFID II and may not be suitable for all recipients of the Prospectus. In the event that an investor does not seek professional advice and, or does not read and fully understand the provisions of this Prospectus, there is a risk that such investor may acquire an investment which is not suitable for his or her risk profile.

#### **3.4.2 The Secured Bonds are redeemable at the option of the Issuer**

Any or all of the Secured Bonds may be redeemed by the Issuer on a Designated Early Redemption Date. If the Secured Bonds are redeemed on a Designated Early Redemption Date, a Bondholder would not receive the same return on investment that it would have received if the Secured Bonds were redeemed on the Redemption Date. In addition, Bondholders may not be able to re-invest the proceeds from an early redemption at yields that would have been received had they not been redeemed.

#### **3.4.3 Subsequent changes in interest rates and potential impact on inflation**

The Secured Bonds shall carry a fixed interest rate. Investment in the Secured Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the Secured Bonds. The price of fixed rate bonds should, theoretically, be adversely impacted if interest rates increase above the level of the interest paid on the said bond. In an economic scenario where prevailing market interest rates are rising, the prices of fixed rate bonds decline and conversely, if market interest rates are declining, the prices of fixed rate bonds tend to rise. This is part of the market risk inherent in financial instruments but it is only crystallised if a Bondholder decides to sell the Secured Bonds before maturity on the secondary market, since on maturity, a Bondholder will still be entitled to receive the face value of the Secured Bonds.



The coupon payable on the Secured Bonds is a nominal interest rate. The real interest rate is computed by subtracting inflation from the nominal interest rate, the result of which indicates the real return on the Secured Bond coupons. In a period of high inflation, an investor's real return on the Secured Bonds will be lower than the Secured Bonds' nominal interest rate and thus undermine an investor's expected return. Furthermore, an increase in inflation may result in a decrease in the traded price of the Secured Bonds on the secondary market.

#### 3.4.4 No prior market for the Secured Bonds

Prior to the Bond Issue and Admission, there has been no public market for 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 price of the Secured Bonds will correspond to the price at which the Secured Bonds will trade in the market subsequent to the Bond Issue.

## 4. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

### 4.1 Under which conditions and timetable can I invest in this security?

#### Applications for Bonds

The Secured Bonds are open for subscription by: 2018 Bondholders; and Authorised Financial Intermediaries (either for their own account or for the account of their underlying customers) pursuant to the Intermediaries' Offer in respect of any balance of the Bonds not subscribed to by 2018 Bondholders as aforesaid.

Applications for subscriptions to the Bonds may be made through the Authorised Financial Intermediaries, which include the Sponsor, Registrar and Manager, subject to a minimum Application of €5,000 and in multiples of €100 thereafter.

With regard to preferred allocations: (i) up to an amount of €6,106,100 in nominal value of Bonds shall be allocated to 2018 Bondholders applying for Bonds by way of 2018 Bond Transfer up to the extent of their holdings of 2018 Bonds at the Cut-Off Date, subject to a minimum Application of €5,000 in Bonds. Any 2018 Bondholder whose holding in 2018 Bonds is less than €5,000 shall be required to pay the difference together with the submission of their Application Form ("Cash Top-Up"); and (ii) an amount of up to €8,893,900 in nominal value of Bonds, as such amount would be increased by any amount not subscribed for by 2018 Bondholders by way of 2018 Bond Transfer, and thus resulting in part of the amount referred to in (i) above becoming available for distribution other than by way of 2018 Bond Transfer shall be made available for subscription to Authorised Financial Intermediaries through an Intermediaries' Offer.

#### Expected timetable of the Bond Issue

1 Issue Period for 2018 Bondholders	27 March 2024 to 12 April 2024
2 Commencement of interest	12 April 2024
3 Intermediaries' Offer	17 April 2024
4 Expected date of announcement of basis of acceptance	19 April 2024
5 Refunds of unallocated monies, if any	19 April 2024
6 Expected dispatch of allotment letters	24 April 2024
7 Expected date of admission of securities to listing	24 April 2024
8 Expected date of commencement of trading in the securities	25 April 2024

#### Plan of distribution, allotment and allocation policy

The Issuer shall allocate the Bonds on the basis of the following policy and order of priority:

- i. an amount of up to €6,106,100 to 2018 Bondholders applying for Bonds by way of 2018 Bond Transfer, and subject to any Cash Top-Up as and if applicable, and subject to a minimum application of €5,000;
- ii. an amount of up to €8,893,900 in nominal value of Bonds, as such amount would be increased by any amount not subscribed for by 2018 Bondholders by way of 2018 Bond Transfer, shall be made available for subscription to Authorised Financial Intermediaries through an Intermediaries' Offer.

Subscription agreements received from Authorised Financial Intermediaries through an Intermediaries' Offer, if any, shall be allocated without priority or preference and in accordance with the allocation policy as determined by the Issuer, acting through the Registrar, which will be communicated by latest 12:00 hours CET on 18 April 2024. Any amounts unallocated in terms of the subscription agreements shall be returned to the respective Authorised Financial Intermediary by direct credit to the account indicated in the respective subscription agreement by latest close of business on 19 April 2024.

The Issuer shall announce the result of the Bond Issue and the basis of acceptance of all Applications and the allocation policy to be adopted through a company announcement by latest 19 April 2024.



## Total estimated expenses

Professional fees and costs related to publicity, advertising, printing, listing, registration, sponsor, management, registrar fees, selling commission, and other miscellaneous expenses in connection with this Bond Issue are estimated not to exceed €400,000. There is no particular order of priority with respect to such expenses.

## 4.2 Why is this Prospectus being produced?

### 4.2.1 Use of proceeds

The proceeds from the Bond Issue, which net of Bond Issue expenses are expected to amount to approximately €14.6 million, will be used for the following purposes, in the amounts and order of priority set out below:

- (i) an amount of up to €6.1 million in 2018 Bonds may be acquired via transfer to the Issuer by 2018 Bondholders in consideration for the subscription of Secured Bonds and will result in the cancellation of such 2018 Bonds by the Issuer, giving rise to obligations on the part of the Issuer under the Secured Bonds; and
- (ii) an amount of up to €8.5 million for the purposes of funding the acquisition, by the Guarantor, of the Ghadira Site over which the Ghadira Development will be developed, and related costs of acquisition.

With regard to the 2018 Bond Transfer referred to in paragraph (i) above:

- (a) In the event that the full €6.1 million in the form of the 2018 Bonds are purchased by the Issuer by way of 2018 Bond Transfer, the 2018 Bonds Security Trustee shall proceed with releasing in favour of the Company all security interests granted in its favour pursuant to the 2018 Prospectus, as well as the cash balance held in the 2018 Reserve Account (which amounted to *circa* €3.5 million as at 29 February 2024). The said cash balance standing to the credit of the 2018 Reserve Account shall be transferred to the 2024 Reserve Account and thereafter disbursed by the Security Trustee, on behalf of the Guarantor, to pay contractors engaged to undertake excavation and construction works relating to the Ghadira Development, once the Ghadira Site is acquired as indicated in paragraph (ii) above.
- (b) In the event that less than €6.1 million in the form of 2018 Bonds are purchased and cancelled by the Issuer by way of 2018 Bond Transfer, the 2018 Bonds Security Trustee shall retain a cash amount to the credit of the 2018 Reserve Account which shall be equal to the nominal value of outstanding 2018 Bonds to be utilised for the redemption of said outstanding 2018 Bonds on maturity. In the event that there remain outstanding 2018 Bonds exceeding in nominal value the amount standing to the credit of the 2018 Reserve Account (the “**Outstanding Bonds Balance**”), the 2018 Bonds Security Trustee shall receive an amount of net proceeds from the Secured Bonds which shall be equivalent to the Outstanding Bonds Balance to be utilised to top-up the cash collateral in the 2018 Reserve Account. Subject to the nominal value of any outstanding 2018 Bonds being covered by cash collateral held in the 2018 Reserve Account, the 2018 Bonds Security Trustee shall release any other security interests granted in its favour pursuant to the 2018 Prospectus, including any cash collateral standing to the credit of the 2018 Reserve Account in excess of the nominal value of outstanding 2018 Bonds. The said cash balance standing to the credit of the 2018 Reserve Account shall be transferred to the 2024 Reserve Account and thereafter shall be disbursed by the Security Trustee, on behalf of the Guarantor, to pay to contractors engaged to undertake excavation and construction works relating to the Ghadira Development, once the Ghadira Site is acquired as indicated in paragraph (ii) above.
- (c) Any amount of Secured Bonds not subscribed to by the 2018 Bondholders by way of 2018 Bond Transfer shall be made available for subscription in cash during the Issue Period in accordance with the plan of distribution and allocation policy described in section 4.1 above. Any balance of proceeds that may result following the funding of the acquisition of the Ghadira as indicated in paragraph (ii) above shall be retained by the Security Trustee to be disbursed to contractors, on behalf of the Guarantor, engaged to undertake excavation and construction works relating to the Ghadira Development.

The issue and allotment of the Secured Bonds is conditional upon: (a) the Bond Issue being fully subscribed; (b) confirmation of admission of the Secured Bonds to the Official List; and (c) the Security Interest being constituted in favour of the Security Trustee. In the event that any of the aforesaid conditions (a) to (c) is not satisfied, the Security Trustee shall return the Bond Issue proceeds to the Bondholders.

### 4.2.2 Underwriting

The Bond Issue is not underwritten.

### 4.2.3 Conflicts of Interest

Save for the possible subscription for Bonds by Authorised Financial Intermediaries (which include the Sponsor, Manager and Registrar) and any fees payable to M.Z. Investment Services Limited as Sponsor, Manager and Registrar in connection with the Bond Issue, so far as the Issuer is aware, no person involved in the Bond Issue has any material conflicts of interest pertaining to the offer of Bonds or their admission to trading.