



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

Issue of:

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

ISIN: MT0000141227

Guaranteed\* by

**Eden Leisure Group Limited**

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

*\*Prospective investors are to refer to the guarantee contained in Annex I of the Securities Note forming part of the Prospectus for a description of the scope, nature and term of the guarantee. Reference should also be made to the sections entitled "Risks" or "Risk Factors" contained in the Summary Note, this Registration Document and the Securities Note for a discussion of certain factors which should be considered by prospective investors in connection with the Bonds and the guarantee provided by Eden Leisure Group Limited.*

## REGISTRATION DOCUMENT

Dated 27 March 2017

This document is a Registration Document issued pursuant to the requirements of Rule 4.13 of the Listing Rules of the Listing Authority and Commission Regulation (EC) No. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended. This Registration Document should be read in conjunction with the most updated Securities Note issued from time to time containing information about the securities to which it relates.





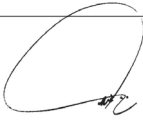

**THE LISTING AUTHORITY HAS AUTHORISED THE ADMISSIBILITY OF THESE SECURITIES AS A LISTED FINANCIAL INSTRUMENT. THIS MEANS THAT THE SAID INSTRUMENTS ARE IN COMPLIANCE WITH THE REQUIREMENTS AND CONDITIONS SET OUT IN THE LISTING RULES. IN PROVIDING THIS AUTHORISATION, THE LISTING AUTHORITY DOES NOT GIVE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

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

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

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APPROVED BY THE DIRECTORS

 IAN DE CESARE	 KEVIN DE CESARE	 DAVID VELLA	 ANDREA GERA DE PETRI	 PAUL MERECIECA	 VICTOR SPITERI
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LEGAL ADVISERS TO THE ISSUER

MAMO TCV  
ADVOCATES

SPONSOR & MANAGER

CHARTS  
WEALTH MANAGEMENT • CORPORATE BROKING

REGISTRAR

BOV  
Bank of Valletta

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## IMPORTANT INFORMATION

This Registration Document contains information on Eden Finance p.l.c., in its capacity as Issuer, and Eden Leisure Group Limited, in its capacity as Guarantor, in accordance with the requirements of the Listing Rules of the Listing Authority, the Companies Act (Cap. 386 of the laws of Malta) and Commission Regulation (EC) no. 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements, as subsequently amended.

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 issue and sale of securities of the Issuer other than those contained in the Prospectus and in the documents referred to therein, and if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Guarantor or their respective directors or advisers.

The Prospectus does not constitute, and may not be used for purposes of, an offer or invitation to subscribe for securities issued by the Issuer by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation. The distribution of the Prospectus in certain jurisdictions may be restricted and, accordingly, persons into whose possession it is received are required to inform themselves about, and to observe, such restrictions.

The Prospectus and the offering, sale or delivery of any securities may not be taken as an implication: (i) that the information contained in the Prospectus is accurate and complete subsequent to its date of issue; or (ii) that there has been no material adverse change in the financial position of the Issuer and/or Guarantor since such date; or (iii) that any other information supplied in connection with the Prospectus is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

It is the responsibility of any persons in possession of the Prospectus and any persons wishing to apply for any securities issued by the Issuer to inform themselves of, and to observe and comply with, all applicable laws and regulations of any relevant jurisdiction. Prospective investors for any securities that may be issued by the Issuer should inform themselves as to the legal requirements of so applying for any such securities and of any applicable exchange control requirements and taxes in the countries of their nationality, residence or domicile.

Save for the public offering in the Republic of Malta, no action has been or will be taken by the Issuer that would permit a public offering of the Bonds described in the Securities Note forming part of the Prospectus or the distribution of the Prospectus (or any part thereof) or any offering material in any country or jurisdiction where action for that purpose is required.

In relation to each member state of the European Economic Area (other than Malta) which has implemented Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading or which, pending such implementation, applies Article 3.2 of said Directive, the securities can only be offered to “**qualified investors**” (as defined in said Directive), as well as in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of said Directive.

The securities of the Issuer 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.

All the advisers to the Issuer and the Guarantor named in this Registration Document under the heading “*Persons Responsible, Directors of the Guarantor, Advisers and Statutory Auditors*” in section 3 of this Registration Document have acted and are acting exclusively for the Issuer and the Guarantor in relation to this public offer and have no contractual, fiduciary or other obligation towards any other person and will, accordingly, not be responsible to any investor or any other person whomsoever in relation to the transactions proposed in the Prospectus.

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The contents of the Issuer's and/or Guarantor's websites or any website directly or indirectly linked to the Issuer's and/or Guarantor's websites do not form part of the Prospectus. Accordingly, no reliance ought to be made by any investor on any information or other data contained in such websites as the basis for a decision to invest in the Bonds.

A prospective investor should always seek independent financial advice before deciding to invest in any financial instruments. A prospective investor should be aware of the potential risks in investing in the securities of an issuer and should make the decision to invest only after careful consideration and consultation with his or her own independent legal advisers, accountants and/or other financial advisers as to legal, tax, investment or any other related matters concerning the Bonds and the Prospectus.

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 Prospectus as a whole and should consult their own independent financial and other professional advisers.

**Statements made in this Registration Document are, except where otherwise stated, based on the law and practice currently in force in Malta and are subject to changes therein.**

A copy of this document has been submitted to the Listing Authority in satisfaction of the Listing Rules, to the Malta Stock Exchange in satisfaction of the Malta Stock Exchange Bye-Laws and has been duly filed with the Registrar of Companies in accordance with the Companies Act.

**The Listing Authority accepts no responsibility for the contents of the Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus.**

## **FORWARD-LOOKING STATEMENTS**

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

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

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## 1. DEFINITIONS

In this Registration 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:

<b>Authorised Financial Intermediaries</b>	the licensed stockbrokers and financial intermediaries listed in Annex II of the Securities Note;
<b>Bonds</b>	the four per cent (4%) unsecured bonds due 2027 being issued pursuant to the Prospectus having a nominal value of €100 each for an aggregate principal amount of forty million euro (€40,000,000);
<b>Bondholder</b>	a holder of Bonds;
<b>Bond Conditions</b>	the terms and conditions applicable to the Bonds set out in section 11 under the heading “Terms and Conditions of the Bonds” of the Securities Note;
<b>Companies Act</b>	the Companies Act (Cap. 386 of the laws of Malta);
<b>Company or Issuer</b>	Eden Finance p.l.c., a company registered in Malta with registration number C 26843;
<b>EEL</b>	Eden Entertainment Limited, a company registered in Malta with registration number C 26701;
<b>EHL</b>	Eden Hospitality Limited, a company registered in Malta with registration number C 35719;
<b>ESL</b>	Eden SuperBowl Limited, a company registered in Malta with registration number C 26700;
<b>Euro or €</b>	the lawful currency of the Republic of Malta;
<b>Exchangeable Bonds</b>	the €13,984,000 6.6% bonds 2017-2020 (ISIN: MT0000141219) issued by the Issuer pursuant to a prospectus dated 10 May 2010;
<b>Group or Eden Group</b>	the Guarantor and the subsidiary companies of the Guarantor and the term “Group Company” shall be construed accordingly;
<b>Guarantee</b>	the corporate guarantee given by the Guarantor, laid out in Annex I of the Securities Note and the Bond Conditions;
<b>Guarantor or ELG</b>	Eden Leisure Group Limited, a company registered in Malta with registration number C 4529;
<b>Listing Authority</b>	the MFSA, appointed as Listing Authority for the purposes of the Financial Markets Act (Cap. 345 of the laws of Malta);
<b>Malta Stock Exchange or MSE</b>	Malta Stock Exchange p.l.c., as originally constituted in terms of the Financial Markets Act (Cap. 345 of the laws of Malta) with company registration number C 42525 and having its registered office at Garrison Chapel, Castille Place, Valletta VLT 1063, Malta;
<b>Memorandum and Articles of Association or M&amp;As</b>	the memorandum and articles of association of the Issuer and the Guarantor, as the case may be, in force at the time of publication of the Prospectus;
<b>MFSA</b>	the Malta Financial Services Authority, established in terms of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta);
<b>Prospectus</b>	collectively the Summary Note, this Registration Document and the Securities Note, all dated 27 March 2017, as such documents may be amended, updated, replaced and supplemented from time to time;

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<b>Redemption Date</b>	28 April 2027;
<b>Registration Document</b>	this document in its entirety;
<b>Securities Note</b>	the securities note issued by the Issuer dated 27 March 2017, forming part of the Prospectus;
<b>Sponsor &amp; Manager</b>	Charts Investment Management Service Limited (C 7944) of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, an authorised financial intermediary licensed by the MFSA and a member of the MSE;
<b>Summary Note</b>	the summary note issued by the Issuer dated 27 March 2017, forming part of the Prospectus.

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## 2 RISK FACTORS

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

IF ANY OF THE RISKS DESCRIBED BELOW WERE TO MATERIALISE, THEY COULD HAVE A SERIOUS EFFECT ON THE ISSUER'S AND/OR GUARANTOR'S FINANCIAL RESULTS AND TRADING PROSPECTS AND THE ABILITY OF THE ISSUER AND/OR GUARANTOR TO FULFIL 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 GUARANTOR, 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 THE PROSPECTUS NOR ANY OTHER INFORMATION SUPPLIED HEREIN IN CONNECTION WITH THE BONDS ISSUED BY THE ISSUER (I) IS INTENDED TO PROVIDE THE BASIS OF ANY CREDIT OR OTHER EVALUATION, NOR (II) SHOULD BE CONSIDERED AS A RECOMMENDATION BY THE ISSUER OR THE GUARANTOR OR THE SPONSOR & MANAGER OR AUTHORISED FINANCIAL INTERMEDIARIES THAT ANY RECIPIENT OF THE PROSPECTUS, OR ANY OTHER INFORMATION SUPPLIED IN CONNECTION THEREWITH, SHOULD PURCHASE ANY BONDS ISSUED BY THE ISSUER. PROSPECTIVE INVESTORS SHOULD MAKE THEIR OWN INDEPENDENT EVALUATION OF ALL RISK FACTORS AND SHOULD CONSIDER ALL OTHER SECTIONS OF THIS DOCUMENT.

### 2.1 GENERAL

An investment in the Issuer and the Bonds may not be suitable for all recipients of the Prospectus. Authorised Financial Intermediaries are to determine the suitability, or otherwise of, and prospective investors' investment in the Bonds before making an investment decision. Prospective investors are urged to consult an independent investment adviser licensed under the Investment Services Act (Cap. 370 of the laws of Malta) as to the suitability or otherwise of an investment in the Bonds before making an investment decision. Authorised Financial Intermediaries should determine, in particular, whether each prospective investor:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained or incorporated by reference to the Prospectus or any applicable supplement;
- (ii) 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;
- (iii) understands thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (iv) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### 2.2 RISKS RELATING TO THE ISSUER'S RELIANCE ON THE GUARANTOR

The Issuer itself does not have any substantial assets and is merely a special purpose vehicle set up for the issue of bonds and other funding requirements of the business of the Guarantor or any of its subsidiaries and/or associated companies.

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The Issuer is mainly dependent on the business prospects of the Guarantor and, therefore, the operating results of the Guarantor have a direct effect on the Issuer's financial position. Accordingly, the risks of the Guarantor are indirectly those of the Issuer.

Consequently, the Issuer is principally dependent, including for the purpose of servicing interest payments on the securities described in the Securities Note and the repayment of the principal amount on the Redemption Date, on the receipt of interest and loan repayments from the Guarantor or any of its subsidiaries and/or associated companies. In this respect, the operating results of the Guarantor or any of its subsidiaries and/or associated companies have a direct effect on the Issuer's financial position and, therefore, the risks intrinsic in the business and operations of the Guarantor or any of its subsidiaries and/or associated 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 Bonds and the repayment of principal when due.

The loan repayments to be affected by the Guarantor or any of its subsidiaries and/or associated companies in favour of the Issuer are subject to certain risks. More specifically, the ability of the Guarantor or any of its subsidiaries and/or associated companies to affect payments to the Issuer through the Guarantor will depend principally on the cash flows and earnings of the Guarantor or any of its subsidiaries and/or associated companies, which may be restricted by: changes in applicable laws and regulations; by the terms of agreements to which they are or may become party; 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 Bonds and the repayment of principal when due.

This Registration Document includes information about the Guarantor to enable a prospective investor to make an informed judgment as to the reliance on the Guarantee.

## 2.3 RISKS RELATING TO THE GROUP AND ITS BUSINESS

### 2.3.1 Risks relating to the Hospitality Segment of the Group

*The Group is subject to certain risks common to the hotel industry, certain of which are beyond its control*

The Group owns the InterContinental Malta which in turn is operated by InterContinental Hotels Corporation. As such, the Group's operations and the results of its operations are subject to a number of external factors that could adversely affect the Group's business, many of which are common to the hotel industry and beyond the Group's control, including the following:

- (i) 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;
- (ii) changes in governmental laws and regulations, employment, the preparation and sale of food and beverages, smoking, health and alcohol licensing laws and environmental concerns, fiscal policies and zoning and development regulations and the related costs of compliance;
- (iii) 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;
- (iv) the termination, non-renewal and/or the renewal on less favourable terms of material contracts, as well as agreements entered into with tour operators and other agencies;
- (v) large scale private and government projects being suggested in the Paceville area, through the published Masterplan, may have a limited disruptive effect on the access into the area as well as have certain noise issues;



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- (vi) the increase in supply of hotel rooms being proposed in Malta as a result of recent development planning policies could adversely affect the occupancy rates of hotels in Malta including that of the InterContinental Malta.

The impact of any of these factors (or a combination of them) may adversely affect room rates and occupancy levels in the Group's hotel, or otherwise cause a reduction in the Group's income. Such factors (or a combination of them) may also adversely affect the value of the InterContinental Malta and in either such case would have a material adverse effect on the Group's business, financial condition and results of operations.

### 2.3.2 Risks relating to the Group's Properties and Operations

#### *Property investments are subject to varying degrees of risks*

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

The most significant rental property of the Group is a 3,000m<sup>2</sup> site, which is leased to Casino Malta Ltd for the operation of a casino by virtue of a 10-year concession obtained from the Government of Malta as of December 2015. The Group is subject to the risk that the above-mentioned tenant may terminate or elect not to renew the lease, either due to the expiration of the lease term or due to an early termination of the lease. In the case of early termination by the tenant prior to the expiration of the lease term there is a risk of loss of rental income if the tenant is not replaced in a timely manner.

#### *Project risk*

The Group has in the last few years embarked on a number of capital expenditure projects and is currently developing the proposed Holiday Inn Express. Furthermore, the Group may in future undertake other real estate projects. As such, the Group is susceptible to certain risks inherent in real estate development, most notably the risk of not completing the various projects within their respective scheduled completion dates and within the budgeted cost parameters. If either or both of these risks were to materialise, they could have a significant impact on the financial condition of the Group.

Furthermore, the Group is subject to various counter-party risks, including that of contractors engaged in the construction, fit-out and finishing of projects in which the Group may be involved and prospective tenants and/or purchasers defaulting on their obligations. Such parties may fail to perform or default on their obligations due to insolvency, lack of liquidity, market or economic downturns, operational failure or other reasons which are beyond the Group's control. If such risks were to materialise, they could have an adverse impact on the Group's revenue generation, cash flows and financial performance.

The Group's ability to realise the full benefits that it expects from investments made in properties will depend, in turn, on its ability to assess and minimise these risks in an efficient and cost-effective manner. No assurance can be given that the Group will be able to deal with these risks in an efficient and cost-effective manner.

### 2.3.3 Risks relating to the Eden Cinemas and Eden SuperBowl

#### *A change in the availability of cinema product through traditional sources*

Eden Cinemas' film product is sourced from one local company that represents the vast majority of UK distributors which provide film product to Maltese cinemas. Should this single supplier company not be able or willing to provide film product to Malta, then alternatives would need to be set up. Such

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possible alternatives may include sourcing these digital film products directly from the UK or from other distributors, which may result in higher costs for the Group and consequently have a negative impact on the Group's financial results and performance.

*A lack of motion picture availability and poor performance of motion pictures would have a negative effect on film attendance*

EEL's ability to operate successfully depends upon the availability, diversity and appeal of motion pictures, its ability to license motion pictures and the exhibition of these motion pictures in EEL's market. The company licenses first and second-run motion pictures, the success of which depends upon their appeal, as well as on the marketing efforts of the major film studios and distributors. Poor performance of these films or disruption in the production of, or changes in, the licensing terms of the films, or a reduction in the marketing efforts of the major film studios and distributors, would have a negative effect on film attendance and adversely affect EEL's business, financial condition and results of operations.

*An increase in the use of alternative film distribution channels, such as home theatre video and the internet, and other competing forms of entertainment may drive down movie theatre attendance and limit ticket prices*

EEL faces competition for patrons from a number of alternative motion picture distribution channels, such as home theatre video, pay-per-view, cable television, DVD, syndicated and broadcast television as well as illegal downloading and streaming from the internet. The company also competes with other forms of entertainment for its patrons' leisure time and disposable income, such as concerts and sporting events. The expansion of such alternative entertainment could have a material adverse effect on movie theatre attendance in general and, therefore, upon EEL's business, financial condition and results of operations.

*Demand for cinema and bowling can be subject to changes in public tastes and preferences*

The popularity of entertainment such as cinema and tenpin bowling and its general social image among target consumers may have an impact in the level of consumer spending on it. Factors that may influence the popularity of these activities include trends in social behaviour and leisure pursuits. Although the SuperBowl and the Eden Cinemas have been operating successfully for a number of years, the Group is dependent on the public's continued interest in cinema and tenpin bowling for generation of revenues and cash flow. A reduction in the popular appeal of these entertainment options among the target consumers could negatively impact the financial condition and results of operations.

#### 2.3.4 Other Risks

*The Group's key senior personnel and management have been and remain material to its growth*

The Group believes that its growth is partially attributable to the efforts and abilities of the members of its executive management team and other key personnel. Although the Group believes that if one or more of the members of this team were unable or unwilling to continue in their present position, they would be able to replace the individual within a reasonable period of time, the loss of key personnel could have a short-term adverse effect on the Group's business, financial condition and results of operations.

*The Group's level of debt*

The Group's ability to implement its business strategies is dependent upon, among other things, its ability to generate sufficient funds internally and to access continued bank financing at acceptable costs.

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*Currency fluctuations may have a material adverse effect on the Group's business, financial condition and results of operations*

Fluctuations in international currencies may make Malta as a destination less attractive than others which can have an effect on the operating performance of the Group. A key tourist market for the InterContinental Malta is the UK which is adversely affected when the Sterling is weak.

*A portion of the Group's operating expenses are fixed, which allow for limited reaction to changes in its revenue*

A portion of the Group's costs are fixed and the Group's 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.

*Environmental and/or health and safety compliance costs and liabilities may have a material adverse effect on the Group's financial condition and operations*

As owner and operator of a number of entertainment and leisure establishments and as the owner of the InterContinental Malta, the Group is subject to a variety of European Union, national and local laws and regulations concerning environmental and/or health and safety ("EHS") matters. While the directors of the Issuer believe that the Group is in compliance in all material respects with EHS laws and regulations currently applicable to it, there can be no assurance that the Group will not be found to be in breach of EHS laws and regulations. The failure to comply with present or future EHS laws and regulations could result in regulatory action, the imposition of fines or third party claims which could in turn have a material adverse effect on the Group's results of operation, its financial condition and/or its reputation. In addition, compliance with new EHS laws and regulations could require the Group to incur significant expenditure that could have a material adverse effect on the Group's results of operation, financial condition or operations.

*The Group's insurance policies*

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

*Increased competition*

The hospitality, entertainment and leisure industries are characterised by strong and increasing competition. Some of the Group's current and potential competitors may have longer operating histories, greater name recognition, larger customer bases and greater financial and other resources than the Group. Significant competition and changes in economic and market conditions could adversely affect the Group's business and operating results. There can be no assurance that the Group will successfully maintain its market share in each of its businesses in the future.

*Increased operating expenses*

The Group is susceptible to the effects of increases in operating expenses as a result of inflation, increased personnel costs and health-care related costs, higher utility costs (including energy costs), increased taxes and insurance costs, as well as unanticipated costs as a result of acts of nature and their consequences and other factors that may not be offset by increased revenues.

*Reduced advertising market*

Advertising revenue is cyclical. Characterised within times of economic turmoil, advertising revenues tend to be reduced, which in turn can affect the revenue streams of EEL until such time as increased competition drives advertising budgets higher.

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### **3. PERSONS RESPONSIBLE, DIRECTORS OF THE GUARANTOR, ADVISERS AND STATUTORY AUDITORS**

#### **3.1 PERSONS RESPONSIBLE**

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

##### *Directors of the Issuer*

Ian De Cesare	Chairman and Executive Director
Kevin De Cesare	Deputy Chairman and Executive Director
David Vella	Executive Director
Andrea Gera de Petri	Non-Executive Director
Paul Mercieca	Independent Non-Executive Director
Victor Spiteri	Independent Non-Executive Director

The address of the above-listed directors is the same as that of the Issuer. All the directors are of Maltese nationality.

#### **3.2 DIRECTORS OF THE GUARANTOR**

Ian De Cesare	Chairman
Kevin De Cesare	Managing Director
Simon De Cesare	Operations Director
Kevin Jnr De Cesare	Executive Director
David Vella	Finance Director

The address of the above-listed directors is the same as that of the Guarantor. All the directors are of Maltese nationality.

#### **3.3 ADVISERS**

##### *Legal Advisers*

Mamo TCV Advocates  
Palazzo Pietro Stiges  
103, Strait Street  
Valletta VLT 1436, Malta

##### *Sponsor & Manager*

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

##### *Registrar*

Bank of Valletta p.l.c.  
BOV Centre  
Cannon Road  
Santa Venera SVR 9030, Malta

##### *Financial Advisers*

Deloitte Audit Limited  
Deloitte Place  
Mriehel Bypass  
Mriehel BKR 3000, Malta

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### 3.4 STATUTORY AUDITORS

VCA Certified Public Accountants  
Finance House  
Princess Elizabeth Street  
Ta' Xbiex XBX 1102, Malta

The audited financial statements of the Issuer and the audited consolidated financial statements of the Guarantor for the three financial years ended 31 December 2014 to 2016 have been audited by VCA Certified Public Accountants.

VCA Certified Public Accountants is a firm of Certified Public Accountants holding a practicing certificate to act as auditors in terms of the Accountancy Profession Act (Cap. 281 of the Laws of Malta).

## 4. INFORMATION ABOUT THE ISSUER

### 4.1 INTRODUCTION

Full legal and commercial name:	Eden Finance p.l.c.
Registered address:	Eden Place, St Augustine Street, St George's Bay, St Julians STJ 3310, Malta
Place of registration and domicile:	Malta
Registration number:	C 26843
Date of registration:	22 August 2000
Legal form:	A public limited liability company duly registered in terms of the Companies Act
Legislation under which the Issuer operates:	The Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta
Telephone number:	+356 2371 0100
Fax number:	+356 2371 0125
E-mail address:	elg@edenleisure.com
Website:	www.edenleisure.com

### 4.2 PRINCIPAL ACTIVITIES

The principal object of the Issuer is to carry on the business of a finance and investment company. The Issuer itself does not have any substantial assets (other than loans receivable) and is a special purpose vehicle set up to raise finance for the business of the Eden Group. In this respect, the Issuer is mainly dependent on the business prospects of the Guarantor.

Since incorporation, the Issuer issued two bonds, one of which is currently listed and traded on the Malta Stock Exchange.

Pursuant to a prospectus dated 18 September 2000, the Issuer issued Lm10,000,000 (equivalent to €23,293,734) 6.7% bonds redeemable at par. These bonds, which matured on 12 October 2010, were repaid in full upon maturity.

In May 2010, the Issuer entered into a loan agreement with the Guarantor, pursuant to which the Issuer advanced to the Guarantor the proceeds from the €15,000,000 6.6% bonds 2017 - 2020 issued in terms of a prospectus dated 10 May 2010. The maturity date of the bonds in question falls due on 15 June 2020 (unless otherwise redeemed at the Issuer's sole discretion on any day falling between and including 16 June 2017 and 14 June 2020). Interest under the afore-mentioned loan agreement was set at the rate of 7.0% per annum, with interest payable annually in arrears on 31 May of each year, until 31 May 2020. As at the date of this Registration Document, the amount of €13,984,000 of the said May 2010 bond issue remains outstanding.

#### 4.3 PRINCIPAL MARKETS

The Issuer operates exclusively in and from Malta.

#### 4.4 PRINCIPAL INVESTMENTS

The Issuer is not party to any principal future investments, and has not entered into or committed for any such investments.

### 5. INFORMATION ABOUT THE GUARANTOR AND THE EDEN GROUP

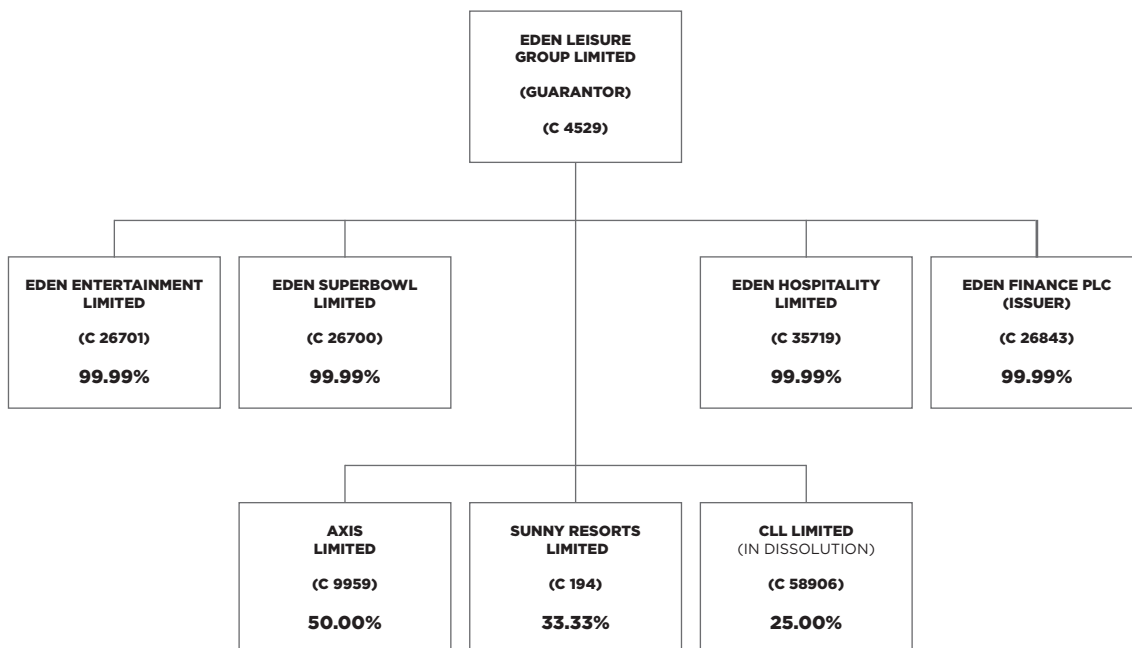
#### 5.1 INTRODUCTION

Full legal and commercial name:	Eden Leisure Group Limited
Registered address:	Eden Place, St Augustine Street, St George's Bay, St Julians STJ 3310, Malta
Place of registration and domicile:	Malta
Registration number:	C 4529
Date of registration:	31 May 1979
Legal form:	A public limited liability company duly registered in terms of the Companies Act
Legislation under which the Issuer operates:	The Companies Act, any regulations enacted thereunder and any other applicable legislation enacted in Malta
Telephone number:	+356 2371 0100
Fax number:	+356 2371 0125
E-mail address:	elg@edenleisure.com
Website:	www.edenleisure.com

#### 5.2 GROUP STRUCTURE

The Guarantor is the parent company of the Eden Group and is principally engaged, directly or through subsidiaries and/or associated entities, in the ownership of a varied portfolio of business entities within the hospitality and entertainment industries in Malta (including a cinema complex, bowling alley, health & fitness club, radio station, conference & events centre and a car park), the ownership of the InterContinental Malta (which is operated by the InterContinental Hotels Group) and the management of timeshare apartments (which are owned by the Group and leased out to a third party operator on a long-term lease). Furthermore, the Guarantor holds a number of properties directly in its own name which are leased out to third parties. The Guarantor also leases commercial space to Casino Malta Ltd (a related party) for the operation of a casino.

As the holding company of the Group, the Guarantor is ultimately dependent upon the operations and performance of its subsidiaries and associated entities. The diagram below illustrates the shareholding structure relative to the Eden Group:



#### ***Eden Entertainment Limited***

EEL was established in Malta on 14 July 2000 as a private limited liability company, and is principally engaged in the operation of the Eden Cinemas, Eden Car Park, Bay Radio and Cynergi Health & Fitness Club.

#### ***Eden SuperBowl Limited***

ESL was established in Malta on 14 July 2000 as a private limited liability company. The company owns and operates the Eden SuperBowl.

#### ***Eden Hospitality Limited***

EHL was established in Malta on 22 February 2005 as a private limited liability company, and is principally engaged in the operation of the InterContinental Malta and the InterContinental Arena & Conference Centre. The company also manages 46 self-catering apartments which are leased to a third party timeshare operator.

#### ***Axis Limited***

The Eden Group has a 50% shareholding in Axis Limited, a company set up in Malta on 27 September 1988 as a private limited liability company. Axis Limited leases from a third party a property formerly occupied by the Axis discotheque in Paceville. In the last 5 years, the property was developed into 11 commercial outlets and are all leased to third parties. The 50% share of results of this company is included in the consolidated financial statements of the Guarantor under the heading “share of results in associated undertakings”.

#### ***Sunny Resorts Limited***

Sunny Resorts Limited, a 33.33% owned associated company of the Guarantor is a non-trading company and holds one immovable property in St Julians.

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### 5.3 IMPORTANT EVENTS IN THE DEVELOPMENT OF THE GROUP'S BUSINESS

The following table sets out the highlights of the Eden Group's historical milestones since 10 May 2010 (being the date of the last published prospectus of the Issuer):

YEAR	EVENT
2013	<p>A 15-year extension of the management contract with InterContinental Hotels Group to manage the InterContinental Malta was signed in late 2013.</p> <p>The capital expenditure projects for the year comprised the development of a new restaurant - Waterbiscuit - which replaced the lobby bar and the Asian restaurant at the InterContinental Malta and the refurbishment of the Eden SuperBowl. Furthermore, the conversion of cinema projectors from the old 35mm film to the new digital technology, which commenced in 2010, was completed during the year.</p>
2014	<p>The Group completed the purchase of the Giorganis Hotel for a total consideration of €5.55 million. The property was subsequently demolished and works commenced in the same year on the development of a 118 room Holiday Inn Express to be operated by the InterContinental Hotels Group. It is expected that the new hotel will commence operations in 2017.</p> <p>The Bay Arena was redeveloped, for an aggregate cost of <i>circa</i> €2 million, into a conference centre and meeting rooms, and is now the InterContinental Arena &amp; Conference Centre (IACC). In 2015, the IACC was selected as the CHOGM press centre and was also used for the EU Summit for Migration in November 2015.</p> <p>In April 2014, the management contract signed in 2006 with Diamond Resorts International to offer housekeeping, security and maintenance service to the 46 self-catering apartments, was renegotiated and extended for a further 5 year period.</p> <p>The development of the Eden Business Centre, amounting to <i>circa</i> €0.7 million and situated in Elia Zammit Street, St Julians, was completed during the year. The property includes a total office space of 784m<sup>2</sup> on two levels with access to the Eden Car Park. The Eden Business Centre is leased to a third party.</p>
2015	<p>The Group completed the development of a 3,000m<sup>2</sup> area situated within the InterContinental Malta at an aggregate cost of <i>circa</i> €3.5 million. This area was leased to Casino Malta Ltd, a related party of the Group, in December 2015 for the operation of a casino under a 10-year concession granted to the said company by the Government of Malta.</p>
2016	<p>In December 2016, the Group completed the development of an additional 30 luxury suites at the InterContinental Malta, total conversion of the existing 24 suites, a new Executive Business Lounge, and a new rooftop swimming pool and restaurant on the 19<sup>th</sup> floor, for a total cost of <i>circa</i> €9 million. This project was initiated during 2014.</p> <p>The Group concluded a deal with international manufacturer of fitness equipment "Life Fitness" for the replacement of all equipment at Cynergi Health &amp; Fitness Club. Moreover, the Group undertook the renovation of the Club, including the bathrooms and changing rooms.</p>



## 5.4 PRINCIPAL ACTIVITIES

The Group's business largely relates to the operation of various entities engaged in two operating divisions - entertainment & other related operations and hospitality. Segment results, excluding intra group transactions, for the 3 financial years ended 31 December 2014, 2015 and 2016 are included hereunder:

### Eden Leisure Group Limited Consolidated Segment Results

	Entertainment & Other Related Operations	Hospitality	Total
	€'000	€'000	€'000
<b>FY2014</b>			
Revenue	6,438	20,002	26,440
Net operating expenses	(4,911)	(15,356)	(20,267)
<b>EBITDA<sup>1</sup></b>	<b>1,527</b>	<b>4,646</b>	<b>6,173</b>
<i>EBITDA margin (EBITDA/revenue)</i>	<i>24%</i>	<i>23%</i>	<i>23%</i>
<b>FY2015</b>			
Revenue	7,266	20,931	28,197
Net operating expenses	(5,436)	(16,363)	(21,799)
<b>EBITDA<sup>1</sup></b>	<b>1,830</b>	<b>4,568</b>	<b>6,398</b>
<i>EBITDA margin (EBITDA/revenue)</i>	<i>25%</i>	<i>22%</i>	<i>23%</i>
<b>FY2016</b>			
Revenue	8,113	23,197	31,310
Net operating expenses	(5,278)	(17,665)	(22,943)
<b>EBITDA<sup>1</sup></b>	<b>2,835</b>	<b>5,532</b>	<b>8,367</b>
<i>EBITDA margin (EBITDA/revenue)</i>	<i>35%</i>	<i>24%</i>	<i>27%</i>

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

### 5.4.1 Entertainment & Other Related Operations

This segment primarily comprises the operation of the Eden Cinemas, Eden SuperBowl, Bay Radio, Cynergi Health & Fitness Club and Eden Car Park. Revenue generated from 'Entertainment & other related operations' also includes rental income derived from Group properties. A brief overview of each of the afore-mentioned revenue stream is provided hereunder.

#### (a) *Eden Cinemas*

The Group is the largest operator of multiplex cinemas in Malta (based on number of screens) with 13 fully digitised screens, situated in St Julians. Prior to 2015, the Group operated 17 screens, but has since converted 4 of the smaller screens into commercial space which is fully leased to a related party. Eden Cinemas generate operating revenue principally from theatre operations, including box office receipts, food and beverages, and on-screen and off-screen advertising.

The Eden Group initiated the conversion of its screens from 35mm film to digital projection technology in 2010, which entailed the replacement of most of the cinematic equipment. With the support of the Malta Government through the Cinema Digitisation Scheme, all screens were converted to digital by 2014.

Digital projection technology allows filmmakers the ability to showcase imaginative works of art exactly as they were intended, with incredible realism and detail. A digitally produced or digitally converted movie can be distributed to theatres via satellite, physical media or fibre optic networks. The digitised movie is stored on a computer server which is connected to a digital projector for each screening of the movie. This format enables cinema operators to more efficiently move titles between auditoriums within a theatre to appropriately address demand for each title. Furthermore, digital projection allows the presentation of three-dimensional (3-D) content and alternative entertainment such as live and pre-recorded sports programmes, concert events, and other special presentations.

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**(b) *Eden SuperBowl***

The Eden SuperBowl operates the only tenpin bowling alley in Malta. It comprises 20 lanes and is popular with families, youngsters, language schools and corporate groups.

The Malta Ten Pin Bowling Association (MTBA) operates solely at the Eden SuperBowl and organises three national leagues and circa 15 tournaments annually. The Eden SuperBowl also hosts 2 international annual tournaments (the Malta Open and the Seniors Open) which attract over a 100 participants (mainly foreign nationals) per tournament.

On-going investment is made in the facility to maintain the lanes to the high standards required for international professional tournaments. The principal sources of operating revenue for the Eden SuperBowl include: the sale of tenpin bowling games to customers; food and beverages; and amusement machines.

**(c) *Bay Radio***

The Group has been operating 89.7 Bay since 1991. The radio station broadcasts 24 hours a day in Maltese and English, and offers the latest selection of music. Bay Radio derives the substantial majority of its revenue from the sale of advertising, but also generates income from the production of adverts.

Radio popularity is regularly surveyed by the independent Malta Broadcasting Authority. In the most recent survey, Bay Radio retained the number one spot as the most popular station with 20.4% of all radio listeners, followed by the next two radio stations with 16.3% and 11.0% respectively. Bay Radio is popular with all those under the age of 50, whereas the second placed radio station attracts more listeners over the age of 50.

The station's affiliation with the most popular music events and activities on the island as well as maintaining close ties with local musicians, coupled with professional and relevant content and on-air competitions are the key success factors of 89.7 Bay.

**(d) *Cynergi Health & Fitness Club***

The Club is one of the largest health and fitness venues in Malta and has approximately 1,600 members. The majority of these members use the Club during peak times and therefore preferential memberships are given to off-peak members to fully utilise the capacity of the facility. Apart from generating revenue from memberships, the Club also derives income from studio and squash court rentals, and from the sale of nutritional and beverage products.

In 2016, the Group concluded a deal with international manufacturer of fitness equipment "Life Fitness" for the replacement of all equipment in the Club so as to maintain the high quality experience offered to patrons. As part of this investment, the Group completely redesigned the Club and undertook the renovation of all bathrooms and changing rooms. This expenditure should in the coming years generate additional revenue through increased membership rates and new customers.

Cynergi Health & Fitness Club offers over 100 cardio vascular machines, a comprehensive weights area, 2 squash courts, an aerobics room, a crèche facility as well as an indoor pool equipped with steam bath and sauna. The Spa facilities are leased to a third party international company which has invested considerably in the indoor pool area and the addition of an authentic Turkish Bath or Hamam. The Club is accessed from the InterContinental Malta, the Eden Car Park and directly from the street.

**(e) *Eden Car Park***

The Eden Car Park is a multi-storey car park that spans the footprint of the InterContinental Malta and has a maximum capacity of 310 vehicles. Activity in the area, particularly from the commercial and tourism sectors, has been increasing constantly over the years and has in turn ensured a high utilisation rate of the car park. As such, the Eden Car Park is an important contributor to the Group's financial results. Moreover, the Eden Car Park is of significance to the business entities of the Eden Group, as it provides parking facilities to their respective customers.

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(f) **Rental Income**

The Group owns and leases the following properties:

- (i) **Property on St Augustine Street** – The Group leases on a long term basis a property measuring *circa* 66m<sup>2</sup> which is operated as a Vodafone Malta outlet.
- (ii) **Various small outlets** – The Group rents to third parties a number of eateries which are annexed to the Eden Cinemas and Eden SuperBowl.
- (iii) **Eden Business Centre** – This property is situated in Elia Zammit Street, St Julians and comprises a total office space of 784m<sup>2</sup> on two levels with access to the Eden Car Park. The Eden Business Centre is leased to a third party.
- (iv) **Casino Malta** – A related party of the Group leases 3,000m<sup>2</sup> of space, situated under the InterContinental Malta, for the operation of Casino Malta. The lease contract is for a 10-year period as from December 2015.

#### 5.4.2 Hospitality

This segment mainly includes the operation of the InterContinental Malta, InterContinental Arena & Conference Centre, the management of an apartment block of 46 self-catering units, known as the 'Diamond Suites', which is located adjacent to the InterContinental Malta, and as from FY2017, the operation of the Holiday Inn Express. A brief overview of each of the afore-mentioned revenue stream is provided hereunder.

(a) **InterContinental Malta**

The Group owns the 481-room 5-star InterContinental Malta located in St Julians, Malta. The hotel is operated by InterContinental Hotels Group under a 15-year management contract till 2028. The hotel offers a wide range of facilities to its guests, including food and beverage offerings, a spa, health and fitness centre and extensive conference facilities.

In 2014, the Group embarked on a project which comprised the development of 30 upmarket suites on 3 additional floors (known as the High Line Suites), the total conversion of the existing 24 hotel suites, a new Executive Business Lounge, and a new rooftop swimming pool on the 19th floor. The project was completed in December 2016 at an aggregate cost of *circa* €9 million.

(b) **InterContinental Arena & Conference Centre**

In 2014, the Group executed the conversion of the Bay Arena into a conference centre and meeting rooms at a total cost of *circa* €2 million, and was renamed the InterContinental Arena & Conference Centre (IACC). This 3,000m<sup>2</sup> facility is mainly used by the InterContinental Malta as a venue for meetings, conferences and events including live shows. In 2015, the IACC was selected as the CHOGM press centre and was also used for the EU Summit for Migration in November 2015.

(c) **Diamond Suites**

In April 2014, the management contract signed in 2006 with Diamond Resorts International to offer housekeeping, security and maintenance service to the 46 self-catering apartments, was renegotiated and extended for a further 5 year period.

(d) **Holiday Inn Express**

On 27 October 2014, the Guarantor completed a deed of purchase with Perla Hotels Limited for the Giorgianis Hotel property, situated in St Augustine Street, St Julians, adjacent to the InterContinental Malta, for a total consideration of €5.55 million which was financed through own funds and bank borrowings. The property was subsequently demolished and works commenced in the same year on the development of a 118-room 3-star Holiday Inn Express to be operated by the InterContinental Hotels Group through a 15 year management contract. The hotel development project is expected to cost *circa* €6 million and is being financed through own funds, part of proceeds from the Bonds and bank loan facility. It is expected that the new hotel will commence operations in 2017.

The Holiday Inn Express, which forms part of the InterContinental Hotels Group hotel portfolio, is a low amenity high quality hotel with an emphasis on the business traveller. The concept focuses on a standardisation of design and highlights comfort in sleep, shower facilities, WIFI and a hot quality breakfast.

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## **5.5 PRINCIPAL MARKETS**

The Group operates exclusively in and from Malta.

## **5.6 PRINCIPAL INVESTMENTS**

Since the last published financial statements, the principal investment of the Group has been the development of the Holiday Inn Express which is due for completion in 2017. Further detail on this project is provided in section 5.4.2(d) of this Registration Document. Save for the above, the Group is not party to any principal future investments, and has not entered into or committed for any such investments.

## **5.7 BUSINESS DEVELOPMENT STRATEGY**

The Group's objective is to retain its market presence in the local leisure and hospitality sectors, offering quality entertainment, events and products focusing on the youth market and to pioneer innovative products with a focus on the customer experience, as well as continue to consolidate its business relation with the Inter-Continental Hotels Group in order to maximise the potential within the tourism sector in Malta. As such, management will continue to build on the Group's core strengths as follows:

- continue to cross market and cross promote each business unit;
- develop and consolidate the Bay and Eden brands;
- diversifying, identify, invest in and develop new opportunities in the leisure and hospitality sectors;
- maintain high quality standards in its' offerings;
- drive top line growth;
- maintain and improve operational efficiencies; and
- maintain a zero tolerance policy towards any loss making business line.

In the implementation of the above strategies, the Group will continue to maintain an appropriate balance in relation to its exposure to the entertainment sector and the more capital intensive hospitality sector.

## 6. TREND INFORMATION AND FINANCIAL PERFORMANCE

### 6.1 TREND INFORMATION OF THE ISSUER

There has been no material change in the prospects of the Issuer since the date of its last published audited financial statements.

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

### 6.2 TREND INFORMATION OF THE GUARANTOR

There has been no material change in the prospects of the Guarantor since the date of its last published audited consolidated financial statements.

At the date of publication of this Prospectus, the directors of the Guarantor consider that the Eden Group will be subjected to the normal risks associated with the entertainment and hospitality industries in Malta and, barring unforeseen circumstances, do not anticipate any trends, uncertainties, demands, commitments or events outside the ordinary course of business that could be deemed likely to have a material effect on the upcoming prospects of the Group and its business for at least the current financial year.

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

#### 6.2.1 Eden Cinemas

The Eden Cinemas is one of the leading cinema venues in Malta in terms of the number of screens and admissions, with a portfolio of 13 screens, representing *circa* 37% of the screens in Malta. It reduced its number of screens from 17 to 13 screens in 2014 to make better use of the space. In 2015 (being the latest available official market data published by the National Statistics Office, Malta), the Eden Cinemas received *circa* 54% of all gross box office receipts to cinemas in Malta.

As illustrated in the table below, in 2015, there were eight cinema establishments with a total of 35 screens and a seating capacity of 6,748. Of these eight cinemas, two were located in Gozo. During 2015, cinemas registered a total of 704,243 admissions, which represented an increase of 7.8% when compared to the prior year (2014), but a marginal increase of 2,004 admissions when compared to 2013. With respect to gross box office receipts, cinemas registered a decline in income of €0.23 million (-5.9%) in 2014, from €3.96 million in 2013 to €3.73 million. As for 2015, an increase in gross receipts of €0.47 million (+13%) from 2014 results was registered to €4.19 million.

#### Malta Cinema Statistics

	No. of cinema establishments	No. of screens	Seating capacity	No. of film titles	No. of admissions	Total no. of screenings	Gross Box Office receipts €'000	Average Ticket price €
2013	8	38	7,107	373	702,239	56,816	3,960	5.64
2014	8	35	6,784	368	653,002	47,384	3,726	5.71
2015	8	35	6,748	375	704,243	48,887	4,194	5.96

Source: National Statistics Office - Malta

In 2016, the Eden Cinemas registered a growth in gross box office receipts of 1% when compared to the prior year, despite having the UEFA Euro football tournament in June and July 2016. Such major events typically adversely affect cinema revenue by approximately 20% during the period thereof. Official market statistics for calendar year 2016 have not been published and therefore no comparison can be made with industry.

The Group aims to maintain its position as a leading operator of multiplex cinemas in Malta through the on-going investment in the latest technology and by being innovative in seeking alternative revenue streams. The Eden Cinemas expect box office revenue and bar income to progressively increase in the near term.

## 6.2.2 Eden SuperBowl

The Eden SuperBowl is a steady business venture which consistently shows satisfactory results year-on-year. The customer base of the SuperBowl is largely walk by traffic and league bowlers who bowl weekly in tournaments and leagues. The optimal position of the premises in St Julians provides a constant flow of custom by tourists, language school students and locals. Further focus on enticing younger generations to take up the sport is required to ensure the positive sporting results being achieved locally and internationally by Maltese bowlers which in turn will maintain the positive contribution of the business unit.

The Group plans to focus on the underperforming food and beverage operations by looking for a partner to operate a quality establishment which can adequately service bowling patrons and also attract new clients.

## 6.2.3 Bay Radio

Bay Radio operates in a market which comprises 15 national stations and a number of community stations and as such faces significant competition for both listeners and advertisers. While Bay Radio broadcasts to all categories of audience, the focus is on the youth market, an area that the station has dominated for numerous years. As indicated in the table hereunder, the station has been consistently voted most popular station by reach in October 2014, October 2015 and October 2016.

### Radio Audience Assessment

	Population size	Radio audience reach	Radio audience reach/ population	Bay Radio listeners	Second placed radio listeners	Third placed radio listeners
<b>Oct-14</b>	379,268	186,200	49.09%	27.79%	16.58%	11.05%
<b>Oct-15</b>	387,270	191,200	49.37%	24.92%	14.89%	11.45%
<b>Oct-16</b>	391,741	186,600	47.63%	20.41%	16.26%	11.08%

Source: Malta Broadcasting Authority

Management's strategy is to continue to broadcast relevant and up-to-date content using the latest available technology, to be innovative and to recruit and train quality presenters in order to increase its edge over competition, and in turn grow its listener base and advertising revenue.

## 6.2.4 Cynergi Health & Fitness Club

The number of health and fitness facilities that compete with Cynergi has gradually been increasing over the last years. However, management believes that the recent investment in equipment and design is expected to allow Cynergi to outpace competition. The volume and quality of equipment and machines, the high quality squash courts and aerobics studios and a focus on members reaching their targets will result in an increase in the membership register from *circa* 1,000 members in 2010 to the current amount of *circa* 1,600 members. Management is determined to further increase revenue by increasing the utilisation of off-peak periods and by organising various activities and other initiatives. Another key advantage of Cynergi over competing facilities is that the club is actively advertised on Bay Radio and at the Eden Cinemas.

## 6.2.5 Eden Car Park

The Eden Group expects that the Eden Car Park will continue to grow its earnings in view of its strategic location within a busy commercial and tourism hub. The area of St Julians is becoming increasingly populated with new residential and commercial developments, which is resulting in an increase in overall footfall to the area and a consequential increase in usage of the Eden Car Park. The access to the Casino on level -3 of the car park will also serve to draw more patrons into the Eden Car Park during lower demand periods.

Furthermore, the Eden Car Park will continue to play an important role in supporting the various entities of the Eden Group by providing parking facilities to their respective patrons.

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## 6.2.6 Hospitality

Tourism in Malta has in recent years been performing at a strong level and this trend continued in 2015 as well as in 2016. Inbound tourism from January to December 2015 amounted to 1.8 million guests, an increase of 6.0% over the same period in 2014. Although tourists residing in collective accommodation (hotels, guesthouses, hostels, B&Bs, etc) made up 71.7% of the market in 2015, preference for private accommodation has been growing in the last years at a faster pace, and actually increased by 18.2% from 2014. Tourism expenditure was estimated at €1.6 billion, 7.5% higher than that recorded for the comparable period in 2014.

Inbound tourist trips from January to December 2016 amounted to 1.99 million, an increase of 10.2% when compared to a year earlier. Total nights spent by inbound tourists went up by 5.7%, reaching almost 15.0 million nights. During 2016, total guests in collective accommodation establishments surpassed 1.6 million, an increase of 2.1% over the same period in 2015. Within the collective accommodation establishments, the 5 star and 4 star hotels gained 10,878 guests (+2.8%) and 30,779 guests (+4.5%) respectively in 2016 when compared to a year earlier, while there was a decrease of 24,042 guests (-5.7%) in the 3 star category. Tourism expenditure was estimated at €1.71 billion in 2016, an increase of 4.3% over 2015<sup>1</sup>.

Focus will be maintained on increasing traffic during the winter months and attracting more visitors from new markets to Malta. This bodes well for the Maltese hospitality industry to continue to grow revenues and increase profitability.

Malta's EU Presidency in 2017 together with Valletta serving as the European City of Culture in 2018 are widely expected to generate increased demand for hotels and enhance Malta's image as a tourist and leisure destination, which would in turn generate future growth. Meanwhile, the somewhat uncertain future of the national carrier Air Malta poses a threat to further growth, and competition from other Mediterranean countries will likely remain strong.

This positive trend was also witnessed at the InterContinental Malta, where over the past few years there has been significant year-on-year growth both in revenue streams and profitability, even though operations were partly hampered by construction works in neighbouring properties and at the hotel between 2014 and 2016. As such, given that construction works were substantially completed and operations at the InterContinental Malta fully restored by end 2016, management anticipates that the hotel should achieve further growth in earnings during the current financial year (2017). Moreover, the Eden Group expects to benefit further from the expansion of the local tourism industry with the opening of the Holiday Inn Express in 2017.

<sup>1</sup> National Statistics Office - Malta ([www.nso.gov.mt](http://www.nso.gov.mt))

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## 6.3 FINANCIAL REVIEW

### 6.3.1 Financial Information on the Issuer

The following financial information on the Issuer is extracted from the audited financial statements for the years ended 31 December 2014 to 2016, full versions of which are available for inspection as indicated in section 14 below.

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#### Eden Finance p.l.c.

##### Statement of Comprehensive Income

for the year ended 31 December	2014	2015	2016
	Audited	Audited	Audited
	€'000	€'000	€'000
Finance Income	989	979	979
Finance Costs	(932)	(923)	(923)
<b>Gross Profit</b>	<b>57</b>	<b>56</b>	<b>56</b>
Administrative expenses	(29)	(30)	(33)
<b>Profit before tax</b>	<b>28</b>	<b>26</b>	<b>23</b>
Taxation	(10)	(9)	(8)
<b>Total comprehensive income</b>	<b>18</b>	<b>17</b>	<b>15</b>

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#### Eden Finance p.l.c.

##### Cash flow Statement

for the year ended 31 December	2014	2015	2016
	Audited	Audited	Audited
	€'000	€'000	€'000
Net cash from operating activities	(26)	(28)	(22)
Net cash from investing activities	1,108	949	946
Net Cash from financing activities	(1,082)	(921)	(923)
<b>Net movement in cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>1</b>
Cash and cash equivalents at beginning of year	1	1	1
<b>Cash and cash equivalents at end of year</b>	<b>1</b>	<b>1</b>	<b>2</b>



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<b>Eden Finance p.l.c.</b>			
<b>Balance Sheet</b>			
<b>as at 31 December</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>
	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Loans owed by parent company	13,984	13,984	13,984
Held-to-maturity investments	1,165	1,165	1,165
Deferred tax asset	20	11	2
	<b>15,169</b>	<b>15,160</b>	<b>15,151</b>
<b>Current assets</b>			
Trade and other receivables	1,015	1,044	1,077
Cash and cash equivalents	1	1	2
	<b>1,016</b>	<b>1,045</b>	<b>1,079</b>
<b>Total assets</b>	<b>16,185</b>	<b>16,205</b>	<b>16,230</b>
<b>EQUITY</b>			
<b>Equity and reserves</b>	<b>1,567</b>	<b>1,584</b>	<b>1,599</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Debt securities	13,984	13,984	13,984
<b>Current Liabilities</b>			
Trade and other payables	634	637	647
	<b>14,618</b>	<b>14,621</b>	<b>14,631</b>
<b>Total equity and liabilities</b>	<b>16,185</b>	<b>16,205</b>	<b>16,230</b>

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### 6.3.2 Financial Information on the Guarantor

The following financial information on the Guarantor is extracted from the audited consolidated financial statements for the years ended 31 December 2014 to 2016, full versions of which are available for inspection as indicated in section 14 below.

#### Eden Leisure Group Limited

##### Consolidated Statement of Comprehensive Income

for the year ended 31 December	2014	2015	2016
	Audited	Audited	Audited
	€'000	€'000	€'000
Revenue	26,440	28,197	31,310
Net operating expenses	(20,267)	(21,799)	(22,943)
<b>EBITDA<sup>1</sup></b>	<b>6,173</b>	<b>6,398</b>	<b>8,367</b>
Depreciation	(2,986)	(3,160)	(3,673)
Other net non-operating income	45	218	62
Net finance costs	(2,069)	(2,061)	(2,104)
<b>Profit before tax</b>	<b>1,163</b>	<b>1,395</b>	<b>2,652</b>
Taxation	(440)	(77)	641
<b>Profit after tax</b>	<b>723</b>	<b>1,318</b>	<b>3,293</b>
<b>Other comprehensive income</b>			
Revaluation surplus, net of deferred tax	-	29,523	14,479
<b>Total comprehensive income</b>	<b>723</b>	<b>30,841</b>	<b>17,772</b>

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

#### Eden Leisure Group Limited

##### Consolidated Cash flow Statement

for the year ended 31 December	2014	2015	2016
	Audited	Audited	Audited
	€'000	€'000	€'000
Net cash from operating activities	3,822	5,075	5,484
Net cash from investing activities	(7,501)	(11,765)	(6,614)
Net Cash from financing activities	4,287	5,453	1,227
<b>Net movement in cash and cash equivalents</b>	<b>608</b>	<b>(1,237)</b>	<b>97</b>
Cash and cash equivalents at beginning of year	(2,566)	(1,958)	(3,195)
<b>Cash and cash equivalents at end of year</b>	<b>(1,958)</b>	<b>(3,195)</b>	<b>(3,098)</b>

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**Eden Leisure Group Limited****Consolidated Balance Sheet**

as at 31 December

	2014	2015	2016
	Audited	Audited	Audited
	€'000	€'000	€'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	12	9	7
Property, plant and equipment	86,496	113,684	137,040
Property, plant and equipment under development	7,634	12,147	8,503
Investment property	3,247	12,200	12,200
Investment in associated undertakings	721	721	721
Loans and receivables	-	1,050	730
	<b>98,110</b>	<b>139,811</b>	<b>159,201</b>
<b>Current assets</b>			
Inventory	1,288	1,835	1,803
Trade and other receivables	3,578	3,451	4,108
Cash and cash equivalents	773	330	384
	<b>5,639</b>	<b>5,616</b>	<b>6,295</b>
<b>Total assets</b>	<b>103,749</b>	<b>145,427</b>	<b>165,496</b>
<b>EQUITY</b>			
<b>Equity and reserves</b>	<b>44,218</b>	<b>76,648</b>	<b>92,620</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings and bonds	35,629	40,146	40,632
Other non-current liabilities	7,633	9,366	11,380
	<b>43,262</b>	<b>49,512</b>	<b>52,012</b>
<b>Current Liabilities</b>			
Bank overdrafts	2,731	3,525	3,482
Borrowings	3,267	4,486	5,272
Other current liabilities	10,271	11,256	12,110
	<b>16,269</b>	<b>19,267</b>	<b>20,864</b>
	<b>59,531</b>	<b>68,779</b>	<b>72,876</b>
<b>Total equity and liabilities</b>	<b>103,749</b>	<b>145,427</b>	<b>165,496</b>

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In **2015**, the Eden Group's revenue amounted to €28.2 million, reflecting an increase of €1.8 million on the turnover registered in 2014 (€26.4 million). As in previous years, the majority of income was derived from the hospitality segment of the Group, principally comprising the operation of the InterContinental Malta. During 2015, the Group generated €20.9 million from hospitality, an increase of €0.9 million (+4.5%) when compared to the prior year (2014: €20.0 million). This growth in hospitality revenue was achieved even though the hotel was closed from November 2014 to April 2015 due to construction works undertaken on various projects. During this period the existing complement of hotel suites and the executive lounge were completely renovated and re-launched. Furthermore, works on the addition of 30 luxury Hi Line suites, which commenced in 2014, continued throughout 2015.

The InterContinental Arena & Conference Centre (IACC), which was completely refurbished in 2014, was fully operational during 2015. Of particular note, the IACC was selected as the CHOGM press centre and the EU Summit for Migration in November 2015.

The balance in revenue for 2015 of €7.3 million was generated from entertainment & other related operations as compared to €6.4 million in 2014 (+€0.9 million). All businesses within this segment registered year-on-year growth, principally Eden Cinemas, whereby cinema attendance in 2015 rebounded for the first time since 2010 and revenue increased by 15% from a year earlier.

EBITDA<sup>2</sup> for 2015 at €6.4 million represented an increase of €0.2 million on the EBITDA of €6.2 million reported in 2014. After accounting for depreciation, other net non-operating income and net finance costs, profit before tax for 2015 amounted to €1.4 million (2014: €1.2 million). Other comprehensive income of €29.5 million in 2015 reflected the revaluation of the Group's property, plant and equipment, net of taxation. As a result, total comprehensive income for 2015 amounted to €30.8 million (2014: €0.7 million).

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

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

<sup>2</sup> An abbreviation used for earnings before interest, tax, depreciation and amortisation. EBITDA can be used to analyse and compare profitability between companies and industries because it eliminates the effects of financing and accounting decisions.

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## 7. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

### 7.1 THE ISSUER

#### 7.1.1 Directors

The Issuer is currently managed by a Board of Directors consisting of six members entrusted with the overall direction and management of the Issuer. The Board of Directors is composed of three executive Directors and three independent non-executive Directors.

None of the directors and members of senior management of the Issuer have been:

- convicted in relation to fraud or fraudulent conduct in the last five years;
- made bankrupt or associated with any liquidation or insolvency caused by action of creditors;
- the subject of any official public incrimination or sanction by any statutory or regulatory authority;
- or
- disqualified by a court from acting as director or manager in the last five 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.

#### 7.1.2 Curriculum Vitae of Directors

Hereunder is a brief *curriculum vitae* of each of the current directors:

##### ***Ian De Cesare – Chairman and Executive Director***

In 1970, Ian De Cesare was awarded a diploma in Catering and Hotel Management from The Malta College of Arts, Science and Technology. Following 10 years of working in hotel management in London and in Malta, in 1980, he and his brother Kevin branched off to open the business in St George's Bay one sees today and currently serves as Executive Chairman of the Board of Eden Leisure Group. Ian De Cesare is a Fellow of the Institute of Hospitality. He was appointed a member of the MTA and the Institute for Tourism Studies boards for a number of years and held the position of President of the MHRA during the period 1986-1989. In 1990 he was elected President of the European and Mediterranean Round Table Clubs. For a number of years, he had sat on the Consultative Board for Tourism to the Maltese Government. He is the past President of Rotary Club Malta in 2010-2011 and current Assistant Governor 2014-2016. He works with the organisation for fundraising for charitable causes and special overseas social projects.

##### ***Kevin De Cesare – Deputy Chairman and Executive Director***

Kevin De Cesare is joint founder and Executive Director of the Eden Leisure Group and since 1980 has contributed to expand the Group from a one hotel company to a diversified leisure group. He was a member of the board of the Malta Development Corporation during the period 1996-1998 and was on the MTA Product Development Board from 2000 to 2004. He held the post of President of the Malta Hotels and Restaurant Association in 2008 and 2009 and is currently its vice president and is also member of the Malta Council for Economic and Social Development (MCESD), member of the executive board of the Malta Tourism Authority and member of the Consultative Board for Tourism to the Maltese Government.

##### ***David Vella – Executive Director***

David Vella is a Fellow of the Chartered Association of Certified Accountants of the United Kingdom and a Fellow of the Malta Institute of Accountants. David Vella joined the Eden Leisure Group in 2009 after a career spanning twenty years working in the accountancy field in various positions held with local auditing firms and within the financial services, manufacturing and leisure industries.

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***Andrea Gera de Petri – Non-Executive Director***

Andrea Gera de Petri graduated in B.A. Legal & Humanistic Studies (*Summa Cum Laude*) in 1996, and Doctor of laws in 1999 from the University of Malta. In 2000 he obtained the degree of Masters of Law from the University of London (UCL). At Masters level, he specialised in international commercial and maritime law. He is a Member of the Sovereign Military Order of Malta, a Chevening Scholar, a member of the Chamber of Advocates, the Malta Chamber of Commerce, Enterprise and Industry; and of various other organisations. He has been in legal practice for the last eleven years practicing primarily in the field of corporate and commercial law. Andrea Gera de Petri is also a director on a number of companies operating in the healthcare, real estate and the entertainment & leisure industries.

***Paul Mercieca – Independent Non-Executive Director***

Paul Mercieca currently acts as an independent non-executive director on the boards of various Group companies and previously held the position of Chief Executive Officer of Deloitte Malta for twenty three years up to 31 December 2013. Paul was also the firm's first Risk and Reputation Leader. Over the years, Mr Mercieca has been responsible for a number of clients operating in various sectors of the economy including one of Malta's largest banks and companies listed on the Malta Stock Exchange. He served as a member of the Accountancy Board for eight years between 1988 and 1996 and is a former member of Council of the Malta Institute of Accountants. Mr Mercieca was also the Chairman of the Institute's Risk Management Committee and served on the Independence, Ethics and Regulatory Committee. Paul is currently a director of an insurance company regulated by the Malta Financial Services Authority and other companies whose shares and bonds are quoted on the Malta Stock Exchange. Paul is a Fellow of the Chartered Association of Certified Accountants, the Malta Institute of Accountants and a Member of the Malta Institute of Taxation.

***Victor Spiteri – Independent Non-Executive Director***

Victor Spiteri is an Associate of the Chartered Institute of Bankers. He joined Barclays Bank in 1973 and has acquired a wealth of knowledge and experience in the banking sector accumulated from 43 years working in retail and commercial banking. He retired from HSBC Bank Malta p.l.c. in July 2016.

**7.1.3 Directors' Service Contracts and Remuneration**

None of the directors have a definitive service contract with the Company. In terms of the Memorandum and Articles of Association, the maximum aggregate remuneration of all directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Company in general meeting.

For the year ended 31 December 2016, the Company paid an aggregate of €8,017 to its directors (2015: €7,392).

**7.1.4 Loans to Directors**

At the date of the Prospectus, there are no loans outstanding by the Company to any of its Directors, or any guarantees issued for their benefit by the Company.

**7.1.5 Employees**

The Issuer is reliant on the resources which are made available to it by the Guarantor, which as at 31 December 2016 employed 480 (2015: 461) members of staff, 425 (2015: 407) of whom work in operations and the remaining 55 (2015: 54) in administration.

**7.2 THE GUARANTOR****7.2.1 Directors**

The Guarantor is currently managed by a Board of Directors consisting of five members entrusted with the overall direction and management of the Guarantor, including the responsibility for the appointment of all executive officers and other key members of management.

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## 7.2.2 **Curriculum Vitae of Directors**

Hereunder is a brief *curriculum vitae* of each of the current directors:

### ***Ian De Cesare - Chairman***

The *curriculum vitae* of Ian De Cesare is included in section 7.1.2 above.

### ***Kevin De Cesare - Managing Director***

The *curriculum vitae* of Kevin De Cesare is included in section 7.1.2 above.

### ***Simon De Cesare - Operations Director***

Simon De Cesare joined the Eden Leisure Group in April 2000 where he assumed the role of Business Administration Manager. After assuming several roles throughout the organisation, he currently acts as Director of Operations for the Guarantor Company and his responsibilities lie in the operations of the current businesses. Simon De Cesare was appointed Company Secretary on the Boards of each of the Group companies in 2006. Simon De Cesare spent four years at Bentley College, in Boston, and graduated with a Bachelor of Science in Business Management. Following this, he spent two years at the Claremont Graduate University, Peter Drucker School of Management, in Los Angeles, where he earned an M.B.A. in strategy development and marketing. He moved back to Malta after spending a year in London where he worked as the Marketing Manager for the Direct Marketing Association (U.K.) Ltd. where he was responsible for the direct marketing interests of the financial service industry.

### ***Kevin Jnr De Cesare - Executive Director***

Kevin received a bachelor's degree in business administration from the University of Kent in 2010 joined the Group in 2012 after managing the Club Numero Uno business for two years. Kevin Jnr De Cesare initially joined Bay Radio as assistant manager for six months and was then promoted to station manager which position he currently holds. In 2016 he was appointed as a Director on the board of directors of the Guarantor Company Eden Leisure Group.

### ***David Vella - Finance Director***

The *curriculum vitae* of David Vella is included in section 7.1.2 above.

## 7.2.3 **Directors' Service Contracts and Remuneration**

None of the directors have a definitive service contract with the Guarantor. In terms of the Memorandum and Articles of Association, the maximum aggregate remuneration of all directors in any one financial year, and any increases thereto, shall be such amount as may from time to time be determined by the Guarantor in general meeting.

For the year ended 31 December 2016, the Guarantor paid an aggregate of €527,452 to its directors (2015: €499,693).

## 7.2.4 **Loans to Directors**

At the date of the Prospectus, there are no loans outstanding by the Guarantor to any of its directors, or any guarantees issued for their benefit by the Guarantor.

## 7.3 **CONFLICT OF INTEREST**

Ian De Cesare, Kevin De Cesare and David Vella, in addition to sitting on the Board of Directors of the Issuer, also act as directors of the Guarantor and other companies within the Eden Group. Conflicts of interest could potentially arise in relation to transactions involving the Issuer and the Guarantor and other Group companies.

Ian De Cesare and Kevin De Cesare are siblings, and Andrea Gera de Petri, a Non-Executive Director, is Ian De Cesare's son-in-law.

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The Audit Committee of the Issuer has the task of ensuring that any potential conflicts of interest that may arise at any moment pursuant to these different roles held by directors are handled in the best interest of the Issuer. To the extent known or potentially known to the Issuer and the Guarantor as at the date of the Prospectus, there are no other potential conflicts of interest between any duties of the directors of the Issuer and of the Guarantor and their private interests and/or their other duties which require disclosure in terms of the regulation.

#### **7.4 EXECUTIVE MANAGEMENT**

The day-to-day management of the Eden Group is entrusted to the Executive Management Team, comprising the directors of the Guarantor and Kate De Cesare. Some of the more important functions carried out by this team include, *inter alia*, the consideration of new business opportunities, the execution of existing and new projects, and the procurement of funding thereof.

The *curriculum vitae* of each of the Guarantor's directors is included in section 7.2.2 above. The *curriculum vitae* of Kate De Cesare is included hereunder:

##### ***Kate De Cesare - Director of Marketing & PR***

Kate De Cesare was schooled in Malta, after which, in 1995 she attained a *Summa Cum Laude* degree in Communications with a minor in Fine Art at Richmond International University in London. Following this, Kate De Cesare achieved a Masters degree in Marketing Communications from Westminster University in London. After her studies, Kate De Cesare was employed in the marketing team at the National Magazines Company in London, working on brands such as Cosmopolitan, Company and She. Kate De Cesare returned to Malta in 2000 where she was employed by Eden Leisure Group Limited within the marketing team and now heads the marketing department.



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## **8. BOARD PRACTICES**

### **8.1 THE ISSUER**

#### **8.1.1 Compliance with the Corporate Governance Regime**

The Issuer supports the Code of Principles of Good Corporate Governance (the "Code") forming part of the Listing Rules and is confident that the adoption of the Code has resulted in positive effects accruing to it.

The Board of Directors of the Issuer deems that, during the reporting periods referred to in this Registration Document, the Issuer has fully complied with the requirements of the Code, except for the instance detailed hereunder:

##### ***Nomination and Remuneration Committee***

The Board of Directors considers that the size and operation of the Company do not warrant the setting up of a Nomination and Remuneration Committee, as recommended by the Code.

Under the present circumstances, the Board of Directors 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 the scrutiny of the shareholders.

#### **8.1.2 Audit Committee**

The Audit Committee's primary objective is to assist the Board of Directors in fulfilling its oversight responsibilities over the financial reporting processes, financial policies and internal control structure. The Committee oversees the conduct of the internal and external audit and acts to facilitate communication between the Board of Directors, management, the external auditors and the internal audit team. The internal and external auditors are invited to attend the Audit Committee meetings. The Audit Committee reports directly to the Board of Directors.

The terms of reference of the Audit Committee include support to the Board of Directors of the Issuer and the Guarantor in its responsibilities in dealing with issues of: risk, control and governance, and associated assurance. The Board of Directors of the Issuer has set formal terms of establishment and the terms of reference of the Audit Committee which set out 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.

Briefly, the Committee is expected to deal with and advise the Board of Directors on the following matters on a Group-wide basis:

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

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

The Committee is made up entirely of Non-Executive Directors (the majority of whom are considered independent of the Issuer). Paul Mercieca acts as Chairman, whilst Andrea Gera de Petri and Victor Spiteri act as members. In compliance with the Listing Rules, Paul Mercieca is considered by the Board of Directors to be the Director competent in accounting and/or auditing matters.

The Audit Committee, pursuant to its terms of reference has been appointed to, and accordingly has a remit that, covers the Guarantor, apart from the Issuer.

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## 8.2 THE GUARANTOR

### 8.2.1 Compliance with the Corporate Governance Regime

The Guarantor is a private company and accordingly is not subject to the provisions of the Listing Rules nor to endeavour to adhere to the provisions of the Code. Whilst the Guarantor does not have its own audit committee, it has authorised and tasked the Audit Committee of the Issuer to monitor its operations.

## 9. HISTORICAL INFORMATION

The historical financial information about the Issuer and Guarantor is included in the audited financial statements for the financial years ended 31 December 2014 to 2016 of the Issuer and Guarantor respectively. The said statements have been published and are available at the Issuer's registered office.

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

## 10. LITIGATION

Save for the case described hereunder, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer or Guarantor are aware) during a period covering twelve months prior to the date of the Prospectus which may have, or have had, in the recent past significant effects on the financial position or profitability of the Issuer, the Guarantor and/or the Group, taken as whole.

### **Dragonara Gaming Limited (C 49848) vs II-Ministru tal-Finanzi et (Application number 1000/2015)**

This case relates to the grant by the Government of Malta to the Guarantor of a concession to operate a casino in Malta pursuant to the Expression of Interest documents issued by the Ministry for the Economy, Investment and Small Business and the Request for Proposals for a Concession to Open and Operate a Casino in Malta. One of the competing bidders, Dragonara Gaming Limited ("Dragonara"), is claiming that the procedure leading to the grant of the concession was not transparent, just or objective. Dragonara is also claiming that the Government of Malta had committed itself to give Dragonara a similar concession. On this basis, Dragonara is making two alternative claims. It is requesting the Court to revoke the decision of 27 October 2014 by virtue of which the Guarantor was declared the 'Preferred Proponent' and the grant of the concession and to re-open the procedure for the award of the concession. Alternatively, it is requesting the Court to order the Government to grant Dragonara another concession in terms of a letter signed by the Government of Malta dated 22 April 2015. The Guarantor is co-defendant in this lawsuit.

The Guarantor maintains that the action of the plaintiff is time-barred, is incorrect both in fact and at law, and in any event the Guarantor acted in line with the requirements of the Expression of Interest and the aforementioned Request for Proposals and that the decision declaring the Guarantor as the Preferred Proponent was correct both in fact and at law. The Guarantor has also raised a defence against the alternative claims on the basis that it is not the appropriate counter-party to those claims.

The First Hall, Civil Court has rejected the second plea raised by the Guarantor and the third plea raised by the other defendants that the action is time-barred. Leave to appeal was granted to the other defendants on this point and the matter is currently awaiting the first hearing before the Court of Appeal. As at the date of writing no date has been set. In the event the Court of Appeal accedes to the appeal request, the case would come to an end; otherwise the lawsuit will proceed on the merits in front of the First Hall, Civil Court.

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## 11. ADDITIONAL INFORMATION

### 11.1 MAJOR SHAREHOLDERS AND SHARE CAPITAL OF THE ISSUER

The authorised and issued share capital of the Issuer is €1,164,686.50 divided into 500,000 Ordinary Shares having a nominal value of €2.329373 each.

The issued share capital of the Issuer is subscribed for, allotted and taken up as fully paid up shares by the Guarantor as to 499,999 Ordinary Shares of €2.329373 each and the remaining 1 Ordinary Share having a nominal value of €2.329373 is held by EEL.

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

Each Ordinary Share confers the right to one (1) vote at general meetings of the Issuer.

It is not expected that the Issuer issues during the next financial year any shares, 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.

The Issuer adopts measures in line with the Code to ensure that the relationship of the Issuer with the rest of the Group and/or with the shareholders are retained at arm's length, including adherence to rules on Related Party Transactions set out in Chapter 5 of the Listing Rules requiring the vetting and approval of any related party transaction by the Audit Committee, which is constituted by independent Non-Executive Directors of the Issuer.

### 11.2 MAJOR SHAREHOLDERS AND SHARE CAPITAL OF THE GUARANTOR

On 20 May 2016, the authorised and issued share capital of the Guarantor was increased to €60,000,000, following a share issue of €25,000,000 divided into 5,024,000 voting 'A' Ordinary Shares having a nominal value of €2.50 each and 4,976,000 non-voting 'B' Ordinary Shares having a nominal value of €2.50 each. The consideration of this issue was paid in full by way of capitalisation of revaluation reserve.

The authorised and issued share capital of €60,000,000 is divided into 12,057,600 voting 'A' Ordinary Shares having a nominal value of €2.50 each and 11,942,400 non-voting 'B' Ordinary Shares having a nominal value of €2.50 each. The issued share capital of the Guarantor is subscribed for, allotted and taken up as fully paid up shares as follows:

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

Capitola Inv. Limited is 99.8% owned by Kevin De Cesare, and Cedar Investments Limited is equally owned by Ian De Cesare and his two children, Kate De Cesare and Simon De Cesare. The Audit Committee of the Issuer is tasked with monitoring the operators of the Guarantor, and in particular, has the role and function of evaluating any proposed transaction to be entered into by the Guarantor and a related party, to ensure that the execution of any such transaction is at arm's length, on a commercial basis and ultimately in the best interests of the Guarantor.

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

Each 'A' Ordinary Share confers the right to one (1) vote at general meetings of the Guarantor. The 'B' Ordinary Shares have no voting rights but they shall receive and can attend any general or extraordinary meetings of the Guarantor.

It is not expected that the Guarantor issues during the next financial year any shares, whether fully or partly paid up, in consideration for cash or otherwise.

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

### **11.3 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE ISSUER**

#### **11.3.1 Objects**

The Memorandum and Articles of Association are registered with the Registry of Companies. The main objects of the Issuer's activities are set out in Clause 3 of the Memorandum of Association and is authorised to, but are not limited to, act as a finance and investment company, borrow and raise money for the purpose of its business, and issue bonds, commercial paper or other instruments creating or acknowledging indebtedness and the sale or offer thereof to the public.

A copy of the Memorandum and Articles of Association may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Registry of Companies.

#### **11.3.2 Appointment and Removal of Directors**

In terms of the Memorandum and Articles of Association, the directors of the Issuer shall be appointed as follows:

- (a) the appointment of directors to the Board of Directors is reserved to shareholders or a number of members who individually or between them have a holding of 20% of the total issued share capital of the Company having voting rights;
- (b) a shareholder or a number of members who individually or between them hold 20% of the issued share capital of the Company are entitled to appoint one director for every such 20% shareholding held. Any shareholder who does not appoint a director or directors as described above will participate in the annual election of directors at the Annual General Meeting of the Company. Shareholders who are entitled to appoint directors pursuant to their 20% holding shall be entitled to participate in the annual election of directors, provided that in such an election they only use such shares not otherwise used to appoint a director as described above; and
- (c) all directors may be removed from their post by the shareholder appointing them or by an ordinary resolution of the shareholders in general meeting. Unless appointed for a longer or shorter period or unless they resign or are removed, the directors shall, unless otherwise specified in the letter of their appointment, hold office for a period of one year. Directors are eligible for re-appointment upon the lapse of the period stated in their letter of appointment.

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### **11.3.3 Powers of Directors**

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

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 give security therefor, as it thinks fit.

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

## **11.4 MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE GUARANTOR**

### **11.4.1 Objects**

The Memorandum and Articles of Association are registered with the Registry of Companies. The main objects of the Guarantor's activities are set out in Clause 3 of the Memorandum of Association and is authorised to, but are not limited to, carry on the business of hoteliers, restaurateurs, suppliers, caterers, and entertainment.

A copy of the Memorandum and Articles of Association may be inspected during the lifetime of this Registration Document at the registered office of the Issuer and at the Registry of Companies.

### **11.4.2 Appointment and Removal of Directors**

At present, the Board of Directors of the Guarantor shall consist of not less than two (2) and not more than five (5) directors who shall remain in office until they resign or are removed or until the company decides to start holding elections to the Board of Directors.

### **11.4.3 Powers of Directors**

The directors of the Guarantor are vested with the management of the Guarantor 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 Guarantor and, in this respect, have the authority to enter into contracts, sue and be sued in representation of the Guarantor. In terms of the Memorandum and Articles of Association, they may do all such things that are not by the Memorandum and Articles of Association reserved for the shareholders in general meeting.

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

## **12. MATERIAL CONTRACTS**

Save for the acquisition of the Giorgianis Hotel property described in section 5.4.2(d) of this Registration Document, the Issuer, the Guarantor and/or the Group, taken as a whole, have not entered into any material contracts which are not in the ordinary course of their respective business which could result in either the Issuer or Guarantor or any member of the Group being under an obligation or entitlement that is material to the Issuer's or Guarantor's ability to meet their obligations to security holders in respect of the securities being issued pursuant to, and described in, the Securities Note.

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### **13. THIRD PARTY INFORMATION, STATEMENTS BY EXPERTS AND DECLARATIONS OF ANY INTEREST**

Save for the Financial Analysis Summary, the Prospectus does not contain any statement or report attributed to any person as an expert. The Financial Analysis Summary dated 27 March 2017 has been included in Annex IV of the Securities Note in the form and context in which it appears with the authorisation of Charts Investment Management Service Limited of Valletta Waterfront, Vault 17, Pinto Wharf, Floriana FRN 1913, Malta, which has given and has not withdrawn its consent to the inclusion of said report herein. Charts Investment Management Service Limited does not have any beneficial interest in the Issuer. The Issuer confirms that the Financial Analysis Summary has been accurately reproduced in the Prospectus and that there are no facts of which the Issuer is aware that have been omitted and which would render the reproduced information inaccurate or misleading.

The sourced information contained in section 6.2 has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### **14. DOCUMENTS AVAILABLE FOR INSPECTION**

For the duration period of this Registration Document, the following documents or certified copies thereof, where applicable, shall be available for inspection at the registered office of the Issuer at Eden Place, St George's Bay, St Julians STJ 3310, Malta, during office hours:

- (a) Memorandum and Articles of Association of the Issuer and the Guarantor;
- (b) Audited financial statements of the Issuer for the financial years ended 31 December 2014 to 2016;
- (c) Audited consolidated financial statements of the Guarantor for the financial years ended 31 December 2014 to 2016;
- (d) The deed of acquisition published by Notary Dr. Marco Burlo and dated 27 October 2014 relating to the purchase by the Guarantor from Perla Hotels Limited of the premises named 'Giorgianis Hotel';
- (e) The letter of confirmation drawn up by Deloitte Audit Limited dated 27 March 2017;
- (f) The Guarantee; and
- (g) Financial analysis summary prepared by Charts Investment Management Service Limited dated 27 March 2017.

Items (b), (c) and (g) above are also available for inspection in electronic form on the Issuer's website at [www.edenleisure.com](http://www.edenleisure.com)