

Summary Note

This Summary Note is issued in accordance with the provisions of Chapter 4 of the Listing Rules issued by the Listing Authority and in accordance with the provisions of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.

Dated 18 June 2020

In respect of an issue of

€14,000,000 4% Secured Bonds 2026

having a nominal value of €100 per Bond issued at par (the 'Series A Bonds')
ISIN: MT0002351204

and

€26,000,000 4.5% Secured Bonds 2032

having a nominal value of €100 per Bond issued at par (the 'Series B Bonds')
ISIN: MT0002351212

(collectively, the 'Bonds' or 'Secured Bonds')

SHORELINE MALL P.L.C.

a public limited liability company registered and incorporated in terms of the Companies Act with company registration number C 84005 and having its registered office at Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta

Sponsor, Manager & Registrar



Legal Counsel



THE PROSPECTUS HAS BEEN APPROVED BY THE LISTING AUTHORITY, AS COMPETENT AUTHORITY UNDER REGULATION (EU) 2017/1129. THE LISTING AUTHORITY ONLY APPROVES THIS PROSPECTUS AS MEETING THE STANDARD OF COMPLETENESS, COMPREHENSIBILITY AND CONSISTENCY IMPOSED BY REGULATION (EU) 2017/1129 AND SUCH APPROVAL SHOULD NOT BE CONSIDERED AS AN ENDORSEMENT OF THE ISSUER.

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

Approved by the Directors

Robert Ancilleri

Kevin Deguara

Jean C. Farrugia

Benjamin Muscat

Ryan Edward Otto

Roderick Psaila

Charles Scerri

This Summary Note is prepared in accordance with the requirements of the Regulation. This Summary Note contains key information which will enable investors to understand the nature and the risks of the Issuer and the Bonds.

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

1 INTRODUCTION AND WARNINGS

Full legal and commercial name of the Issuer:	Shoreline Mall plc
Registered address:	Suite 407, Level 4, Block SCM 01, Smart City Malta, Ricasoli, Kalkara SCM 1001, Malta
Place of Registration and Domicile:	Malta
Registration number:	C 84005
Legal Entity Identification (LEI) Number:	391200FQG1FQ0DT1US42
Date of Registration:	15 December 2017
Telephone numbers:	+356 21808895 / +356 21808970
Email:	admin@theshorelinerresidence.com
Website:	www.theshorelinerresidence.com
Nature of the securities	€14,000,000 4% Secured Bonds 2026 and €26,000,000 4.5% Secured Bonds 2032, both having a nominal value of €100 per bond issued at par
ISIN of the Bonds	4% 2026 Bonds - MT0002351204 4.5% 2032 Bonds - MT0002351212
Date of Approval	18 June 2020
Details of the competent authority approving the prospectus	The Board of Governors of the MFSA, appointed as Listing Authority for the purposes of the Malta Financial Services Authority Act (Cap. 330 of the laws of Malta).
Address, telephone number and official website of the competent authority approving the prospectus	The Listing Authority, Malta Financial Services Authority, Triq l-Imdina, Zone 1, Central Business District, Birkirkara, Malta, CBD 1010 Telephone number: +356 2144 1155 Official website: https://www.mfsa.mt

Prospective investors are hereby warned that:

- i. This summary is being provided to convey the essential characteristics and risks associated with the Issuer, and the Bonds being offered pursuant to this Prospectus. This section of the Prospectus is merely a summary and, therefore, should only be read as an introduction to the Prospectus. It is not, and does not purport to be, exhaustive and Investors are warned that they should not rely on the information contained in this summary in making a decision as to whether to invest in the Bonds described in this Prospectus. Any decision to invest in the Bonds should be based on consideration of the Prospectus as a whole by the investor;
- ii. An investment in the Bonds could result in the investors losing all or part of the investor's capital;
- iii. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff Investor might, under the national legislation of Malta, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and
- iv. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, and who applied for its notification, but only if this summary, when read together with the other parts of the Prospectus, is misleading, inaccurate or inconsistent, or does not provide key information in order to aid Investors when considering whether to invest in such securities.

2 KEY INFORMATION ON THE ISSUER

2.1 WHO IS THE ISSUER OF THE BONDS?

2.1.1 DOMICILE AND LEGAL FORM

The Issuer has been incorporated and is domiciled in Malta as a public limited liability company in terms of the Companies Act. The Issuer's registered address is Suite 407, Level 4, Block SCM01, Smart City Malta, Ricasoli, Kalkara, Malta. The Issuer is a subsidiary of Shoreline Holdings which holds 16,575,997 Ordinary A Shares fully paid up in the capital of the Issuer. Shoreline Residence holds 4,424,002 Ordinary A Shares 33.9% paid up and 1 Ordinary B Share 100% paid up in the capital of the Issuer.

2.1.2 PRINCIPAL ACTIVITIES OF THE ISSUER

The principal activity of the Issuer is the acquisition and disposal and/or development and operation of the various immovable properties within and constituting the Shoreline Mall Complex to be situated at the Shoreline Mall Site at Smart City Malta,

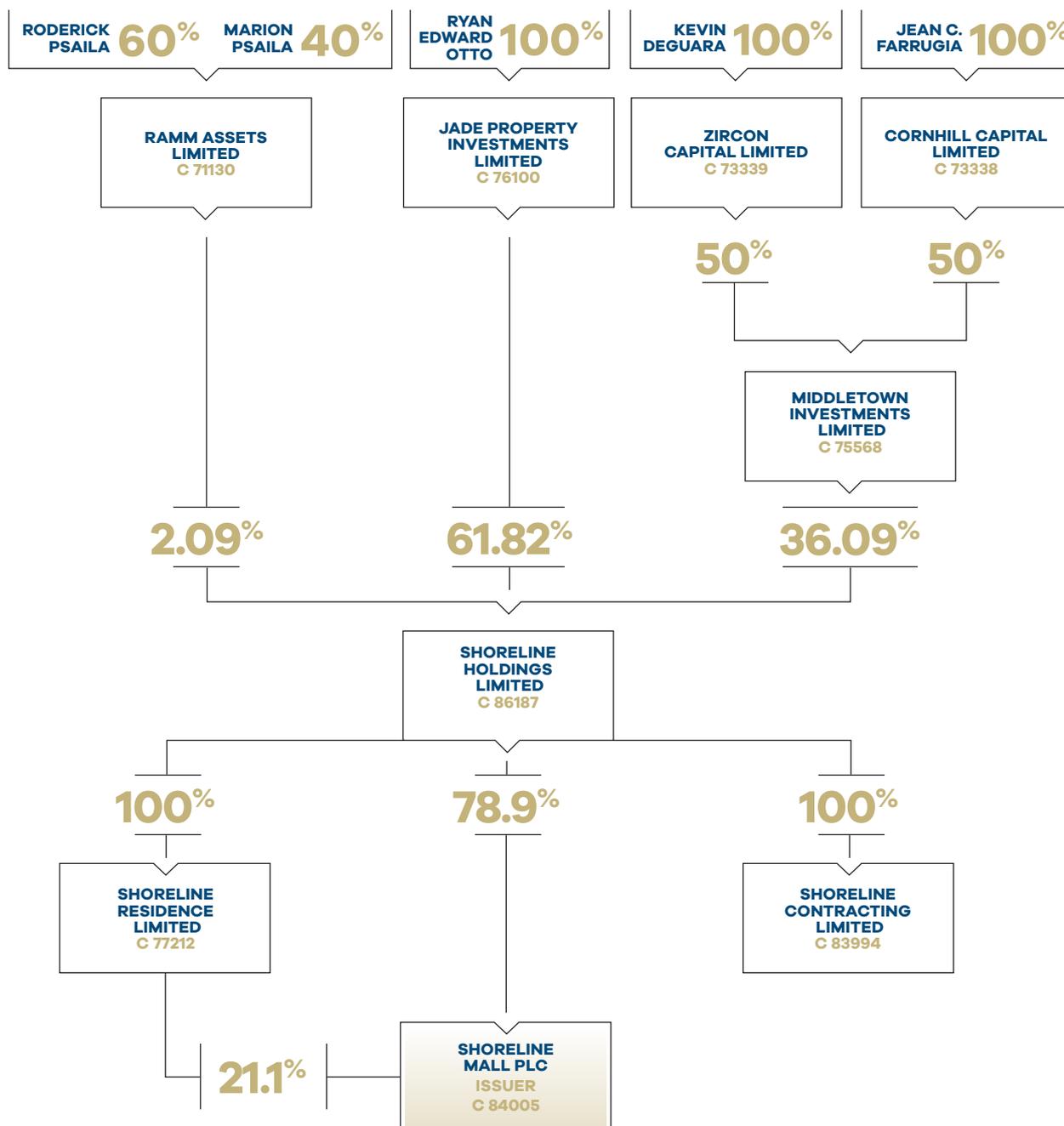
Kalkara. The Issuer was, in fact specifically set up in view and for the purposes of, and will principally operate by reference to, the Shoreline Mall Complex and its activities will accordingly be focused thereon.

The Project itself will consist of mixed-use developments.

As such, the Issuer's main business therefore consists and will consist of:

- a. The sale of immovable property within the Shoreline Mall Site, mainly consisting of the Residential Units and the Residential Carpark; and
- b. The acquisition and development of parts of the Shoreline Mall Site for long-term investment, through the operation and/or letting thereof and revenues generated therefrom, mainly the development and operation of the Commercial Units and the Commercial Carpark.

2.1.3 MAJOR SHAREHOLDERS



2.1.4 IDENTITY OF THE KEY MANAGING DIRECTORS

As at the date of the Prospectus, the Board of Directors of the Issuer is composed of the following persons:

- Benjamin Muscat (Chairman and independent non-executive Director)
- Ryan Edward Otto (Executive Director)

- Dr Jean Carl Farrugia (Executive Director)
- Dr Kevin Deguara (Executive Director)
- Roderick Psaila (Executive Director)
- Robert Ancilleri (Independent non-executive director)
- Charles Scerri (Independent non-executive director)

2.1.5 STATUTORY AUDITORS OF THE ISSUER

Deloitte Audit Limited, a private limited liability company incorporated and registered under the laws of Malta bearing registration number C 51312 and registered address at Deloitte Place, Mriehel Bypass BKR 3000, Malta.

2.2 WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

The key financial information regarding the Issuer is set out below:

STATEMENT OF PROFIT OR LOSS			
€'000	Financial year ending 30 April 2019	Period ending 31 October 2018	Period ending 31 October 2019
Profit/loss for the period	(7.4)	(0.3)	6.5
STATEMENT OF FINANCIAL POSITION			
€'000	As at 30 April 2019	As at 31 October 2018	As at 31 October 2019
Non-current assets	1,964.9	946.9	16,683.2
Current assets	58.6	12.3	468.9
Total assets	2,023.5	959.2	17,152.1
Equity	1,240.1	0.9	15,575.0
Current liabilities	783.4	958.3	1,577.1
Total equity and liabilities	2,023.5	959.2	17,152.1

CASH FLOW STATEMENT

€'000	Financial year ending 30 April 2019	Period ending 31 October 2018	Period ending 31 October 2019
Net cash flows used in operating activities	(58.9)	(1.3)	(13.3)
Net cash flows used in investing activities	(1,964.9)	(946.9)	(14,718.3)
Net cash inflows from financing activities	2,024.0	948.2	15,101.6

The information for the financial year ending 30 April 2019 is extracted from the audited financial statements. The audit report does not include any qualifications.

The interim financial information for period ending 31 October 2018 and 31 October 2019 is unaudited.

2.3 WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

1. The Issuer exists and operates principally for the purposes of and by reference to the Project. The Issuer is therefore subject to concentration risk in view of the fact that its business is solely related to the Project.
2. The Issuer is subject to general market and economic risks that may have a significant impact on its current and future property developments and their timely completion within budget and their profitable operation.
3. There are a number of factors that commonly affect the real estate development industry, many of which are beyond the Issuer's control, and which could adversely affect the economic performance and value of the real estate properties under development within the Project.
4. An increase in the supply of commercial retail space could impact negatively upon capital values and income streams of the Issuer's properties. The Issuer is dependent on tenants fulfilling their obligations under their lease agreements. The business, revenue and projected profits of the Issuer would be negatively impacted if tenants fail to honour their respective lease obligations.
5. The Issuer, is also subject to the risk that tenants may terminate or elect not to renew their respective lease, either due to the expiration of the lease term or due to an early termination of the lease.
6. The Issuer may not be able to obtain the entirety of the capital it requires for the development or improvement of existing or new properties on commercially reasonable terms, or at all.

7. If Shoreline Holdings is unable to comply with the covenants and other undertakings, conditions, and warranties included in its re-financing arrangements in the future, the Issuer could be required to enter into financial arrangements, request waivers or replace borrowings with other financing in order to prevent a default.
8. A significant portion of the Issuer's costs are or will be fixed and the Issuer's operating results are vulnerable to short term changes in revenues. The Issuer's inability to react quickly to changes in revenue by reducing operating expenses could have a material adverse effect on its respective business, financial condition and results of operations.
9. The lack of liquidity and alternative uses of real estate investments could significantly limit the Issuer's ability to respond to adverse changes in the performance of its properties thereby potentially harming its financial condition.
10. All industries, including the real estate development industry, are subject to legal claims, with or without merit. Defence and settlement costs can be substantial, even with respect to claims that have no merit.
11. The valuation of property is inherently subjective, due to, among other things, the individual nature of each property and the assumptions upon which the valuation is carried out. Accordingly, there can be no assurance that the valuation of properties, including of the Shoreline Mall Complex, referred to in the Prospectus reflects actual values that could be achieved on a sale, even where any such sale were to occur shortly after the valuation date.

3 KEY INFORMATION ON THE BONDS

3.1 WHAT ARE THE MAIN FEATURES OF THE BONDS?

Each Series A Bond forms part of a duly authorised issue of 4% Secured Bonds 2026 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €14,000,000. Each Series B Bond forms part of a duly authorised issue of 4.5% Secured Bonds 2032 of a nominal value of €100 per Bond issued by the Issuer at par up to the principal amount of €26,000,000. The Bonds are created under Maltese law.

- a. The currency of the Bonds is Euro (€).
- b. The Bonds are freely transferable.
- c. Subject to admission to listing of the Bonds to the Official List of the MSE, the Bonds are expected to be assigned ISIN: MT0002351204 for Series A Bonds and ISIN: MT0002351212 for Series B Bonds.
- d. The Secured Bonds, as and when issued and allotted, shall constitute the general, direct and unconditional obligations of the Issuer and shall at all times rank *pari passu*, without any priority or preference among themselves. The Secured Bonds shall rank with priority or preference to all other present and future unsecured obligations of the Issuer, save for such exceptions as may be provided by applicable law, by virtue and to the extent of the Special Hypothec.
- e. Unless previously purchased and cancelled, the Bonds shall be redeemable at par on the respective Redemption Date.
- f. The issue of the Bonds is made in accordance with the requirements of the Listing Rules, the Act, and the Regulation.
- g. The Bond Issue is not underwritten.

There are no special rights attached to the Bonds other than the right of the Bondholders to the payment of capital and interest and in accordance with their respective ranking at law.

3.2 WHERE WILL THE BONDS BE TRADED?

The Listing Authority has authorised the Bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 June 2020.

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

3.3 WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE BONDS?

1. There can be no assurance that an active secondary market for the Bonds will develop, or, if it develops, that it will continue.
2. Investment in such fixed rate bonds involves the risk that subsequent changes in market interest rates may adversely affect the market value of the said bonds. Investors should also be aware that the price of bonds moves adversely to changes in interest rates.
3. Notwithstanding that the Bonds constitute the general, direct, unconditional and secured obligations, there can be no guarantee that privileges accorded by law in specific situations will not arise during the course of the business of the Issuer which may rank with priority or preference to the Special Hypothec. Moreover, whilst this Special Hypothec grants the Security Trustee a right of preference and priority for repayment of the relevant Series over the creditors of the Issuer in respect of the Shoreline Mall Complex, there can be no guarantee that the value of the said Shoreline Mall Complex over the term of the relevant Series of Secured Bonds will be sufficient to cover the full amount of interest and principal outstanding under the said Series of Bonds.
4. Whilst the independent valuation opines that the value of the Shoreline Mall Complex relative to the Secured Bonds in its developed state actually exceeds the aggregate nominal value of the Bonds, there is no guarantee that such value determined in the independent valuation would be achieved, particularly if the Special Hypothec is enforced at a time when the Shoreline Mall Complex is still not completed and unfinished, in which case various pressures in the market may push the price down.

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

4.1 UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THE BONDS?

1. Application Forms available to the general public	1 July
2. Offer Period (may be closed earlier as determined by the Issuer)	6 July 2020 - 31 July 2020
3. Commencement of interest on Bonds	1 August 2020
4. Announcement of basis of acceptance	3 August 2020
5. Refunds of unallocated monies	3 August 2020
6. Dispatch of allotment letters	3 August 2020
7. Listing of Bonds on the MSE	6 August 2020
8. Commencement of trading on MSE	7 August 2020

The Issuer reserves the right to close the Offer Period before 31 July 2020 in the event of oversubscription, in which case the remaining events set out in section 4.11 of the Securities Note will be brought forward and will take place in the same chronological order as set out above. However, listing of the Bonds and commencement of trading on the MSE may only take place provided that security for the benefit of Bondholders has been duly perfected within a maximum of 15 Business Days from closing of the Offer Period.

The Aggregate Offer is open for subscription to all categories of investors. Subscriptions shall be made through any of the Authorised Financial Intermediaries, subject to a minimum subscription amount of €2,000 in nominal value of Bonds in any of the Series A and/or Series B Bonds and in multiples of €100 thereafter (the minimum subscription amount shall also apply in the case of subscriptions by Authorised Financial Intermediaries on account of their underlying customers, for each underlying application and in multiples of €100 thereafter). It is expected that an allotment letter will be issued by latest 3 August 2020.

The Authorised Financial Intermediaries shall be required to conduct a Suitability Test in respect of the Applicant for Bonds and, based on the results of such test, be satisfied that an investment in the Bonds may be considered suitable for the Applicant. Prospective investors should be aware of the potential risks in investing in the Bonds after careful evaluation of all the risk factors involved, and should consider making the decision to invest after consideration with his/her own independent financial advisor. Any Authorised Financial Intermediary shall ensure that subscribers to the Bonds are duly warned about the risk factors involved with investing in the Bonds and subscribers shall confirm that they have been so warned.

The registration advice and other documents and any monies returnable to Applicants may be retained pending clearance of the remittance and any verification of identity as required by the Prevention of Money Laundering Act (Cap. 373 of the Laws of Malta), and regulations made thereunder. Such monies will not bear interest while retained as aforesaid. Dealings in the Bonds shall not commence prior to the Bonds being admitted to the Official List of the Malta Stock Exchange. The Issuer shall allocate the Bonds in accordance with its allocation policy.

It is expected that the total expense of the issue will amount to €800,000.

4.2 WHY IS THIS PROSPECTUS BEING PRODUCED?

4.2.1 USE OF PROCEEDS

The net proceeds from the Bond Issue, are expected to amount to approximately €39,200,000. Said proceeds will be utilised for the development of the project as follows:

- €20,490,000 for direct civil and construction costs of the project;
- €14,010,000 for direct finishing costs; and
- €4,700,000 for other costs related to the project such as excavation works and professional fees.

Bond issue expenses for a total of €800,000 will consist of:

- Selling commission of €400,000; and
- Professional, MSE, regulatory and other ancillary fees of €400,000.

All proceeds from the Bond Issue shall be held by the Security Trustee and will be drawn down against the presentation of invoices, in accordance with the provisions of the Security Trust Deed. In terms of the Prospectus and Security Trust Deed, the Security Trustee shall not release any of the Bond Issue proceeds (after receiving same from the Registrar), except for the payment of invoices directly related to the development of the Shoreline Mall Complex.

The bonds are not subject to an underwriting agreement.

4.2.2 CONFLICTS OF INTEREST

Without prejudice to the potential conflicts of interest of Directors and save for the subscription for Bonds by the Authorised Financial Intermediaries (which include the Sponsor, Manager & Registrar), and any fees payable in connection with the Bond Issue to the Sponsor, Manager & Registrar, so far as the Issuer is aware no person involved in the Bond Issue has an interest material to the Bond Issue.