

Supplement dated 3 October 2019 to the Company Admission Document

Dated 6 September 2019



Yacht Lift Malta PLC

A public limited liability company registered in Malta with company registration number C 78281

In respect of an issue of:

€2,000,000 5.5% Secured Callable Bonds 2021-2025

of a nominal value of €100 per Bond issued at par
with the joint and several Guarantee of Yacht Lift Malta Operations Limited (C 92887)

ISIN: MT0002341205

This Supplement dated 3 October 2019 ("Supplement") constitutes a supplement within the meaning of Prospectus Rule 4.05 and is supplemental to and should be read in conjunction with the Company Admission Document dated 6 September 2019 ("CAD" or "Admission Document") prepared by the Issuer in connection with the €2,000,000 Secured Bonds. Capitalised words and phrases defined in the Admission Document shall have the same meanings when used in this Supplement. Save as disclosed in this Supplement, there has been no other significant changes from the matters set out in the Admission Document and no other significant new matters have arisen since the publication of the Admission Document.

APPROVED BY THE DIRECTORS



Capt. Daniel
Gatt



Mr. Giuseppe
Farrugia



Dr. Stefan
Sant



Mr. Iwan
Fsadni

The MSE has authorised the issue of the Admission Document and this Supplement and will be authorising the admissibility to listing of the Bonds on the Prospects MTF List on 9 October 2019. This Supplement contains information given in compliance with the Prospects MTF Rules for the purpose of giving information supplemental to the Company Admission Document since its date of publication. The Board of Directors of the Issuer accepts responsibility for the information contained in this Supplement. To the best of the Directors' knowledge, the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

As provided for in Section 19.6 of the Admission document, the Collateral *inter alia* consisted of a second ranking special hypothec on each of Security Property C and Security Property D. Security Property C and Security Property D were subject to a first ranking hypothec in favour of HSBC Bank (Malta) PLC. Subsequent to the issue of the Admission Document, the first ranking hypothecs in favour of HSBC Bank (Malta) PLC were settled in full and released. The Collateral provided for the fulfilment of the Issuer's obligations, in terms of the Bond Issue and pursuant to this Supplement, will now be that of a first ranking hypothec on each of Security Property C and Security Property D, rather than a second ranking hypothec on each of said properties, thus enhancing the quality of Collateral held by the Security Trustee on behalf of Bondholders.

In terms of Prospects MTF Rule 4.05.01.01, investors shall have the right to withdraw their subscriptions to the Bonds within two market business days from the publication date of this Supplement. In this regard subscribers that intend to withdraw their application shall do so by not later than 7 October 2019 by contacting Calamatta Cuschieri Investment Services Ltd (the Placement Agent and Manager) at info@cc.com.mt or on telephone number 25 688 688.

The Admission Document shall be supplemented by the following information:

1.1 Definitions

*The definition of "Collateral" set out in Section 1 (Definitions) of the Admission Document shall be deleted **and replaced with the following:***

Collateral

the following security rights granted in favour of the Security Trustee for the benefit of Bondholders:

- a) a pledge by the Company, Giuseppe Farrugia (ID 96095M) and Daniel Gatt (ID 16301L) over all of their respective shares held in the Guarantor, from time to time, in virtue of the Pledge Agreement, in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed;
- b) first ranking special hypothecs over the Security Property A and Security Property B, respectively (each as defined separately below), in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed;
- c) a first priority mortgage on the Dock (as defined below), once constructed, delivered and registered in the name of the Guarantor, in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed;

- d) a pledge over the proceeds from the Insurance Policy in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed; and
- e) **first ranking** special hypothecs over the Security Property C and Security Property D, respectively (each as defined separately below), in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed;

1.2 Expected Timetable of Principal Events

Clause D.6 in Section D (Offer) of the Admission Document shall be deleted **and replaced with the following**:

Expected Timetable of Principal Events:

1. Application Forms Available	6 September 2019
2. Issue Period	9 September 2019 to 13 September 2019
3. Commencement of Interest on Bonds	13 September 2019
4. Date of constitution of initial Collateral	30 September 2019
5. Announcement of Basis of Acceptance	13 September 2019
6. Expected Dispatch of Allotment Advices and Refunds of Unallocated Monies, If Any	13 September 2019
7. Deadline of subscription withdrawals	7 October 2019
8. Expected Date of Admission of the Bonds to Prospects MTF List	9 October 2019
9. Expected Date of Commencement of Trading in the Bonds	10 October 2019

1.3 Security

Sub-Section 19.6 (Information Concerning the Bonds - Security) of the Admission Document shall be deleted and replaced with the following:

19.6 Security

Security for the fulfilment of the Issuer's obligations in terms of the Bond Issue is to be granted in favour of the Security Trustee for the benefit of Bondholders, by way, *inter alia*, of the granting of the Collateral, as described hereunder.

Specifically, the Collateral Givers, the Issuer, the Guarantor, Capt Daniel Gatt and Giuseppe Farrugia, as the case may be, have agreed to grant the Collateral in favour of the Security Trustee for the benefit of Bondholders, as primary beneficiaries, in terms of the Deeds of Hypothec, the Pledge Agreement and the Security Trust Deed, and to appoint the Security Trustee to hold and administer the Collateral under trust. The Collateral will secure the claim of the Security Trustee, for the benefit and in the interest of Bondholders, for the repayment of the principal and interest under the Bonds. The initial Security Trustee is GVZH Trustees Limited.

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

The Issuer, the Guarantor, the Collateral Givers, Capt Daniel Gatt and Giuseppe Farrugia, have entered into a Security Trust Deed with the Security Trustee which consists of the covenants of the Issuer to pay the principal amount under the Bonds on the Redemption Date and interest thereon on each Interest Payment Date in terms of this Admission Document, the Pledge Agreement, the hypothecary rights under the Deeds of Hypothec and all other ancillary rights and benefits enjoyed by the Security Trustee (for the benefit of Bondholders) under the Security Trust Deed. The Collateral will be vested in the Security Trustee for the benefit of the Bondholders in proportion to their respective holding of Bonds.

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

In terms of the Security Trust Deed, the Security Trustee reserves the right to demand to the Issuer that additional or alternative property be given as security in addition to and/or in place of the initial security property, should at any given time the aggregate value of the Collateral be reported, pursuant to an independent architect's valuation report, to be lower than the nominal value of outstanding Bonds in issue. In such case, the Issuer shall identify, at its discretion, unencumbered property/ies which would replace or be added to the existing security property for the purposes of securing the Bond Issue, and procure that such steps are taken as may be necessary for such unencumbered property/ies to replace or be added to the then-existing security property. In the event that, upon such request being made by the Security Trustee, the Issuer's property portfolio does not comprise any immovable property which is unencumbered, the Issuer shall either: provide a cash guarantee in favour of the Security Trustee sufficient to cover the difference between the nominal value of outstanding Bonds in issue and the revised value of the security property as set out in the above-mentioned independent architect's valuation report; or take such steps as may be necessary to free any one or more of the properties in the Issuer's property portfolio from any existing encumbrances, and grant a first ranking special hypothec thereon in favour of the Security Trustee for the purpose of securing the Bond Issue.

In the event where the Security Trustee makes declarations of trust indicating additional or alternative property settled on trust as indicated above, the Issuer shall make the necessary company announcement in accordance with the Prospects MTF Rules to that effect.

The Security Trustee shall hold the said property under trust in relation to a commercial transaction (as defined in the Trust and Trustees Act, Chapter 331 of the laws of Malta) and transactions connected or ancillary thereto. Furthermore, the Security Trustee shall hold the said property under a security trust as provided in Article 2095E of the Civil Code (Chapter 16 of the laws of Malta). A security shall be, therefore, constituted in the name of the Security Trustee in the manner provided for by applicable law of Malta for the benefit of the Bondholders and this for all amounts owing to the Bondholders by the Issuer in terms of this Admission Document, as may be amended from time to time, including all amounts of interest or charges due in terms thereof, in relation to the Bonds.

In the event that the Issuer commits any of the Events of Default set out in section 19.14 below, including default of its obligations to repay any Bonds (together with interest and charges thereon) in terms of this Admission Document, the Security Trustee shall have the authority to enforce the Collateral.

The Security Trustee shall not be bound to take any steps to ascertain whether any Events of Default or other condition, event or circumstance has occurred or may occur. Until it shall have actual knowledge or express notice to the contrary, the Security Trustee shall be entitled to assume that no such Events of Default or condition, event or other circumstance has happened and that all applicable parties are observing and performing all the obligations, conditions and provisions on their respective part pursuant to this Admission Document, the Security Trust Deed, the Pledge Agreement and the Deeds of Hypothec. Provided further that, in the event that the Security Trustee becomes aware of the fact that an Event of Default has occurred or is likely to occur, it shall notify in writing the Malta Stock Exchange, the Corporate Advisor and the Bondholders of such fact without delay.

In the event that it is ascertained that any of the Events of Default has taken place, the Security Trustee may take one or more actions in accordance with the Companies Act and the Civil Code, but in all cases it shall in writing promptly advise both the Exchange as well as the Corporate Advisor furnishing details of the circumstances leading to the Event/s of Default.

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

Following the Security Trustee's enforcement of the Collateral, subject to any other mandatory legally privileged claims that may require prior settlement in terms of law, the Security Trustee shall apply any available funds as follows:

- First to pay any sums due to the Security Trustee as trust administration costs or liabilities of the Security Trustee; and
- Secondly to pay the Bondholders any outstanding dues by the Issuer in terms of this Admission Document.

The initial property held under trust shall include:

- part of the bond issue proceeds in an amount of €889,500 to be deposited with the Security Trustee and held on trust. **As at the date of this Supplement an amount of €889,500 forming part of bond issue proceeds is held on trust by the Security Trustee;**
- A pledge over 12 Ordinary Shares having a nominal value of €1.00 per share held by Capt Daniel Gatt in the Guarantor;
- A pledge over 12 Ordinary Shares having a nominal value of €1.00 per share held by Giuseppe Farrugia in the Guarantor;
- A pledge over 1,176 Ordinary Shares having a nominal value of €1.00 per share held by the Issuer in the Guarantor. **In terms of a pledge of shares agreement dated 30 September 2019 entered into by and between the Issuer, the Guarantor, Giuseppe Farrugia (ID 96095M), Daniel Gatt (ID 16301L) and the Security Trustee, the Issuer, Giuseppe Farrugia (ID 96095M) and Daniel Gatt (ID 16301L) granted a pledge over all of their**

respective shares held in the Guarantor in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed;

- A first ranking Special Hypothec over the Security Property A owned by Collateral Givers A. Security Property A is valued at €490,000 in terms of an independent valuation report issued by Lawrence A. Gatt and dated 19 August 2019. **In terms of a deed in the records of Notary Jean Farrugia dated 30 September 2019, a first ranking special hypothec over Security Property A was granted in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed;**

- A first ranking Special Hypothec over the Security Property B owned by Collateral Givers B. Security Property B is valued at €490,000 in terms of an independent valuation report issued by Lawrence A. Gatt and dated 19 August 2019. **In terms of a deed in the records of Notary Jean Farrugia dated 30 September 2019, a first ranking special hypothec over Security Property B was granted in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed;**

- **A first ranking Special Hypothec over the Security Property C** owned by Capt Daniel Gatt. Security Property C is valued at €275,000 in terms of an independent valuation report issued by Lawrence A. Gatt and dated 19 August 2019. **Following settlement in full of the amount of €129,000 (plus bank charges and interest) due to HSBC Bank Malta plc in terms of a sanction letter dated 8 November 2010, HSBC Bank Malta plc granted the cancellation of the first ranking hypothec in its favour over Security Property C owned by Capt. Daniel Gatt, thereby rendering said Security Property C free and unencumbered. Thereafter, in terms of a deed in the records of Notary Jean Farrugia dated 30 September 2019, a first ranking special hypothec over Security Property C was granted in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed;** and

- **A first ranking Special Hypothec over the Security Property D** owned by Giuseppe Farrugia. Security Property D is valued at €240,000 in terms of an independent valuation report issued by Lawrence A. Gatt and dated 19 August 2019. **Following settlement in full of the amount of €16,000 (plus bank charges and interest) due to HSBC Bank Malta plc in terms of a sanction letter dated 31 January 2012, HSBC Bank Malta plc granted the cancellation of the first ranking hypothec in its favour over Security Property D owned by Giuseppe Farrugia, thereby rendering said Security Property D free and unencumbered. Thereafter, in terms of a deed in the records of Notary Jean Farrugia dated 30 September 2019, a first ranking special hypothec over Security Property D was granted in favour of the Security Trustee in its capacity as trustee of the Yacht Lift Security Trust pursuant to the terms of the Security Trust Deed.**

The aggregate value of the Security Properties is €1,495,000. The aggregate value of the security being taken out over the Security Properties in terms of this Company Admission Document and the Security Trust Deed is €1,495,000.

Upon the manufacture and delivery of the Dock, the Security Trustee shall distribute such part of the bond proceeds amounting to €889,500 held on trust in terms of the Security Trust Deed to the Issuer in its capacity as a Residual Beneficiary so as to procure delivery of the Dock in terms of section 7 of this Company Admission Document. Upon delivery thereof, the dock will be registered with the Guarantor and a mortgage over the Dock shall be registered in favour of the Security Trustee as Trustee of the Yacht Lift Security Trust. Furthermore, a pledge over the Insurance Policy created by the Guarantor for the replacement value of the Dock shall be taken out in favour of the Security Trustee.

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

No provision contained in this Admission Document, Deeds of Hypothec, the Pledge Agreements, and the Security Trust Deed, shall be construed as creating or otherwise acknowledging any obligation on the part of the Security

Trustee in favour of the Bondholders for any payments that may fall due under the Bonds. In terms of the Security Trust Deed, the Security Trust shall terminate in any of the following events, whichever is the earliest:

- upon the Issuer repaying all amounts outstanding to the Bondholders in terms of this Admission Document and upon the Security Trustee receiving confirmation in writing to this effect from the Issuer and/ or the MSE; or

- after one hundred and twenty-five (125) years from the date of the Security Trust Deed; or - on such earlier date as the Security Trustee shall declare in writing to be the date on which the relative trust period shall end, provided that such action: (a) shall be preceded by the appointment by the Issuer of a new replacement security trustee at least thirty (30) days prior to the said date and the replacement appointment is duly announced by the Issuer on the market for as long as the Bonds remain admitted on any of the markets operated by the MSE; and (b) is in accordance with the terms of this Admission Document.

Every Bondholder shall be entitled to be entered in the Register of Bondholders and shall, thereupon, become a primary beneficiary under the Security Trust Deed. The beneficial interest of a primary beneficiary in terms of the Security Trust Deed shall terminate upon such time as a Bondholder is no longer registered in the Register of Bondholders maintained by the CSD, or upon the redemption of the principal amount of the Bonds and payment of all interests thereunder, as the case may be.

The Security Trustee shall, so far as is reasonable and within a reasonable time of receiving a request in writing to that effect, provide full and accurate information on the Security Trust Deed to beneficiaries of the 'Yacht Lift Security Trust'.

The net Bond Issue proceeds have been transferred to the Security Trustee on 19 September 2019 to be held on escrow by the Security Trustee in terms of an escrow agreement entered into on said date. The Bond Issue proceeds will be released to the Issuer on condition that: (i) the Deeds of Hypothec are published and registered, pursuant to which all security over the Security Properties for the benefit of Bondholders is to be duly perfected and registered; (ii) the Pledge Agreement is duly and properly executed and registered with the competent authorities; and (iii) **confirmation that the Bonds will be admitted to the Prospects MTF List is communicated to the Security Trustee.**

Following registration of the Deeds of Hypothec and the presentation to the Security Trustee of the appropriate notes of hypothec, together with the execution of the Pledge Agreement, and upon the Bonds being admitted to the Prospects MTF List, the Security Trustee shall release the net Bond Issue proceeds to be applied for the purposes specified in section 18 of this Document.

The Security Trust Deed was entered into on the 30 September 2019 by and between the Issuer, the Guarantor, the Collateral Givers, Capt Daniel Gatt and Giuseppe Farrugia and the Security Trustee, wherein the initial property forming part of the Collateral has been constituted in favour of the Security Trustee for the benefit of the Bondholders in accordance with the terms of the Admission Document, the Security Trust Deed and this Supplement.

1.4 General Amendments

In addition to the foregoing, all references to 'second ranking hypothecs' in the Admission Document, more specifically in Section B5 of the Admission Document and in Preamble V, Clause 1.1.7.4, Clause 1.1.12 and Clause 4.3.5 of the Security Trust Deed shall be substituted to "first ranking hypothecs".

Furthermore, reference to registered charges in favour of HSBC Bank (Malta) Plc in Annex K and Annex L to the Admission Document, pertaining to the Security Property C and Security Property D respectively, under the heading "Details of charges, easements and other burdens", is no longer valid following the release of the first ranking hypothecs by HSBC Bank (Malta) Plc.