MALTAPOST plc

Annual Report and Financial Statements
30 September 2004

Company Registration Number: C22796

Directors' report

The directors present their report and the audited financial statements for the year ended 30 September 2004.

Principal activities

The company operates the postal services in Malta under licence granted to it by Government of Malta.

Review of business

Turnover for the period decreased by 4.0% (2003: increased 7.7%) while costs decreased by 0.3% (2003: increased 0.7%). Not withstanding the downsizing exercise experienced by the company during the past two years, the cost savings arising have been eroded by declines in revenues arising from the decline in traditional mail volumes and an unavoidable increase in costs. In view of this, the time appears appropriate for the company to review its pricing of local and international postage stamps in consultation with Government in order to maintain its commercial viability.

Salary costs decreased by 10% (2003: 5%). This was the result of a reduction in staff numbers following the reversion of some employees to Government employment.

Administrative expenses decreased by 12.4% (2003: increased 16.4%) mainly due to a decrease in salaries and in exchange loss as a result of the strengthening US dollar.

The directors are confident that the current level of business will be sustained in the foreseeable future.

Results and dividends

The profit and loss account is set out on page 5. The directors do not recommend the payment of a dividend.

Directors' report - continued

Directors

The directors of the company who held office during the year were:

David Stellini (Chairman) – appointed on 1 December 2004
Paul Dalton
Bruce Heesterman
Ian Pellicano
Philip Tabone
Frank Dimech (Chairman) – resigned on 30 November 2003
Joseph C. Grioli (Chairman) – resigned on 30 November 2004

In accordance with company's Articles of Association the directors retire and being eligible offer themselves for re-election.

Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board

David Stellini
Chairman

Bruce Heesterman
Director

Registered office
305 Qormi Road
Marsa
Malta

11 April 2005

Statement of directors' responsibilities

The directors are required by the Companies Act, 1995 to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for ensuring that:

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates;
- the financial statements have been drawn up in accordance with International Financial Reporting Standards;
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, 1995. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the auditors

To the Members of Maltapost plc

We have audited the financial statements on pages 5 to 23. As described in the statement of directors' responsibilities on page 3, these financial statements are the responsibility of the company's directors. Our responsibility is to form an independent opinion, based on our audit, on these financial statements and to report our opinion to you.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 2004 and of its profit, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the Maltese Companies Act, 1995.

PRICEWATERHOUSECOOPERS
167 Merchants Street
Valletta
Malta

11 April 2005

Profit and loss account

	Notes	**2004 Lm**	2003 Lm
Turnover	1	**7,073,732**	7,337,969
Cost of sales		**(5,614,859)**	(5,633,291)
Gross profit		**1,458,873**	1,704,678
Administrative expenses		**(1,368,394)**	(1,544,527)
Pension obligation	2	**7,857**	68,771
Other income		**2,213**	11,493
Operating profit	3	**100,549**	240,415
Interest receivable		**34,234**	35,007
Profit on ordinary activities before tax		**134,783**	275,422
Tax on profit on ordinary activities	5	**(94,472)**	(127,305)
Profit for the financial year		**40,311**	148,117

Balance sheet

	Notes	2004 Lm	2003 Lm
ASSETS			
Fixed assets			
Tangible assets	7	**1,294,852**	1,179,182
Intangible assets	8	**284,681**	317,849
Held-to-maturity investments	9	**458,120**	204,120
		2,037,653	1,701,151
Deferred taxation	12	**-**	73,434
Current assets			
Stocks	10	**343,656**	141,299
Debtors	11	**1,640,509**	1,857,092
Taxation recoverable		**77,910**	101,868
Cash at bank and in hand		**2,701,868**	2,597,773
		4,763,943	4,698,032
Total assets		**6,801,596**	6,472,617
EQUITY AND LIABILITIES			
Capital and reserves			
Called up issued share capital	15	**2,800,000**	2,672,541
Other reserves	16	**228,672**	205,170
Profit and loss account		**33,500**	(6,811)
Total shareholders' funds		**3,062,172**	2,870,900
Provision for liabilities and charges			
Other provisions	14	**598,194**	576,005
Deferred taxation	12	**7,923**	-
		606,117	576,005
Creditors: amounts falling due within one year			
Trade and other creditors	13	**3,133,307**	3,025,712
Total creditors		**3,133,307**	3,025,712
Total equity and liabilities		**6,801,596**	6,472,617

The financial statements on pages 5 to 23 were authorised for issue by the board on 11 April 2005 and were signed on its behalf by:

David Stellini
Chairman

Bruce Heesterman
Director

Statement of changes in equity

	Notes	**Called up issued share capital** Lm	**Other reserves** Lm	**Profit and loss account** Lm	**Total** Lm
Balance at 1 October 2002		2,292,570	211,529	(154,928)	2,349,171
Share capital called up	15	379,971	-	-	379,971
Cash flow hedge - net of tax	16	-	(6,359)	-	(6,359)
Profit for the financial year		-	-	148,117	148,117
Balance at 30 September 2003		**2,672,541**	**205,170**	**(6,811)**	**2,870,900**
Balance at 1 October 2003		2,672,541	205,170	(6,811)	2,870,900
Share capital called up	15	127,459	-	-	127,459
Cash flow hedge - net of tax	16	-	23,502	-	23,502
Profit for the financial year		-	-	40,311	40,311
Balance at 30 September 2004		**2,800,000**	**228,672**	**33,500**	**3,062,172**

Cash flow statement

	Notes	**2004 Lm**	2003 Lm
Operating activities			
Cash generated from operations	17	**538,733**	565,452
Interest received		**57,308**	58,973
Tax paid		**(1,833)**	(59,800)
Net cash from operating activities		**594,208**	564,625
Investing activities			
Purchase of held-to-maturity investments	9	**(254,000)**	(204,120)
Purchase of tangible assets	7	**(363,572)**	(521,142)
Net cash used in investing activities		**(617,572)**	(725,262)
Financing activities			
Share capital called up	15	**127,459**	379,971
Net cash from financing activities		**127,459**	379,971
Movement in cash and cash equivalents		**104,095**	219,334
Cash and cash equivalents at beginning of year		**2,597,773**	2,378,439
Cash and cash equivalents at end of year	18	**2,701,868**	2,597,773

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

1. Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards and comply with the Companies Act, 1995. The financial statements are prepared under the historical cost convention.

The preparation of financial statements in conformity with generally accepted accounting principles required the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2. Revenue recognition

Turnover is the value of all services provided, excluding indirect taxes and comprises revenue directly received from customers, commissions earned on postal and non-postal transactions and terminal dues receivable from overseas postal administrations. Turnover is recognised in the financial statements as follows:

(a) Income from sale of stamps, commissions earned on postal and non-postal transactions and terminal dues receivable from overseas postal administrations is recognised when the service is rendered. Allowance is made for the assessed amount of revenue from prepaid product sales at balance sheet date for which the service has not yet been provided. In the case of services rendered to postal administrations in countries subject to severe exchange control restrictions and undue delays in settlement, revenue is not recognised until the company is in a position to ensure that the economic benefits associated with the transaction will flow to it, which is often upon or shortly before actual receipt.

(b) Interest income is accounted for as it accrues, unless collectibility is in doubt.

3. Foreign currencies

Transactions in foreign currencies have been converted into Maltese Liri at the rates of exchange ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies have been translated into Maltese Liri at the rates of exchange ruling at the balance sheet date. All resulting differences are taken to the profit and loss account.

3. Foreign currencies - continued

The company earmarks, from time to time, foreign currency balances as a cash flow hedge against exposure to foreign exchange risk on forecast transactions or commitments in the same currency. The hedging reserve is transferred to the profit and loss account when the forecast expenditure occurs, at various dates up to one year from the balance sheet date.

4. Goodwill

Goodwill is stated at cost and is amortised using the straight-line method over the period of the company's operating licence of fifteen years.

5. Held-to-maturity investments

The company classifies its investments as held-to-maturity. Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in fixed assets. Held-to-maturity investments are carried at amortised cost using the effective yield method.

All purchases and sales of investments are recognised at trade date which is the date that the company commits to purchase or sell the asset.

6. Tangible fixed assets

Tangible fixed assets, comprising improvements to buildings, furniture and fittings, equipment and motor vehicles, are initially recorded at cost. Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful life as follows:

Improvements to premises	Over the period of the licence agreement
	%
Furniture and fittings	15
Equipment	20-25
Motor vehicles	25

Assets in the course of construction are not depreciated.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of tangible assets are determined by reference to their carrying amount and are taken into account in determining operating profit.

7. Leased assets

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

8. Stocks

Stocks are stated at the lower of cost and net realisable value. The cost of postal stationery is determined by the standard cost method, stocks for resale at actual cost, and other stock items on a first-in first-out method. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

9. Trade debtors

Trade debtors are carried at anticipated realisable value. An estimate is made for provision for impairment of debtors based on a review of all outstanding amounts at the year-end. Bad debts are written off during the year in which they are identified.

10. Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held at call with banks.

11. Pension obligations

The company operates a defined benefit pension plan.

For defined benefit plans, the pension accounting costs are assessed using the projected unit credit method. Under this method, the cost of providing pensions is charged to the profit and loss account so as to spread the regular cost over the years of service giving rise to entitlement to benefits in accordance with actuarial techniques. The pension obligation is measured as the present value of the estimated future cash outflows using interest rates of long term government bonds which have terms to maturity approximating the terms of the related liability. All actuarial gains and losses are spread forward over the average remaining service lives of employees.

12. Deferred taxation

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit against which the temporary differences can be utilised will be available.

13. Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount of the obligation can be made.

14. Borrowing costs

Interest costs are charged against income without restriction. No borrowing costs have been capitalised.

Notes to the financial statements

1. Turnover

All turnover arises in Malta and is analysed, by activity, as follows:

	2004	2003
	Lm	Lm
Stamps, parcel post and postal stationery including terminal dues receivable	**5,818,373**	6,230,845
Philatelic sales	**537,587**	344,690
Courier services	**104,815**	125,034
Other	**612,957**	637,400
	7,073,732	7,337,969

2. Pension costs

The pension obligations have arisen due to the option taken up by ex-Government employees to become full time employees of the company. Upon exercising this option, certain of these employees continued to be entitled to pension rights which go beyond the National Insurance Scheme. The difference between the cost of pensions payable at the time of an employee's expected retirement from Maltapost plc and that cost of the pension computed at the time of that employee's termination of service with the Government, will be borne by Maltapost plc (Note 14), as long as the said employees are employed with Maltapost plc up to their retirement date.

3. Operating profit

Operating profit is stated after (crediting)/charging:

	2004	2003
	Lm	Lm
Staff costs (Note 4)	**4,092,281**	4,534,696
Pension obligation (Note 14)	**(7,857)**	(68,771)
(Decrease)/increase in provision for impairment of debtors	**(36,401)**	2,650
Depreciation of tangible assets (Note 7)	**231,743**	155,463
Amortisation of goodwill (Note 8)	**33,168**	33,168
Auditors' remuneration	**6,325**	5,500
Exchange loss	**55,530**	129,052

4. Staff costs

	2004 Lm	2003 Lm
Wages and salaries, excluding the cost of employees reverting to Government	**3,763,488**	4,139,106
Social security costs	**328,793**	395,590
	4,092,281	4,534,696

Average number of persons employed by the company during the year:

	2004	2003
Direct	**572**	739
Administration	**75**	78
	647	817

5. Tax on profit on ordinary activities

	2004 Lm	2003 Lm
Current tax charge	**12,426**	-
Deferred tax charge (Note 12)	**66,797**	127,606
Under/(over)provision of current and deferred tax in previous years	**15,249**	(301)
Tax charge	**94,472**	127,305

The tax on the company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2004 Lm	2003 Lm
Profit on ordinary activities before tax	**134,783**	275,422
Tax at 35%	**47,174**	96,398
Tax effect of:		
Non-temporary differences	**36,501**	31,208
Investment income taxed at 15%	**(4,452)**	-
Under/(over) provision in previous years	**15,249**	(301)
Tax charge	**94,472**	127,305

6. Directors' emoluments

	2004	2003
	Lm	Lm
Fees	**8,929**	16,750

The company has paid insurance premia of Lm1,980 (2003: Lm1,980) during the year, in respect of professional indemnity in favour of its directors.

7. Tangible assets

	Improvements to premises Lm	Assets under construction Lm	Furniture and fittings Lm	Equipment Lm	Total Lm
Year ended 30 September 2004					
Opening net book amount	532,654	111,436	150,049	385,043	1,179,182
Additions	91,304	-	93,002	179,266	363,572
Allocation of fully constructed assets	9,447	(95,277)	7,150	78,680	-
Write-off of project costs	-	(16,159)	-	-	(16,159)
Depreciation charge	(53,594)	-	(40,044)	(138,105)	(231,743)
Closing net book amount	**579,811**	**-**	**210,157**	**504,884**	**1,294,852**
At 30 September 2004					
Cost	784,372	-	351,969	830,667	1,967,008
Accumulated depreciation	(204,561)	-	(141,812)	(325,783)	(672,156)
Net book amount	579,811	-	210,157	504,884	1,294,852
At 30 September 2003					
Cost	683,621	111,436	251,817	572,721	1,619,595
Accumulated depreciation	(150,967)	-	(101,768)	(187,678)	(440,413)
Net book amount	532,654	111,436	150,049	385,043	1,179,182

8. Intangible assets

Goodwill	**2004 Lm**	2003 Lm
Cost at 30 September	**497,524**	497,524
Amortisation		
At 1 October	**179,675**	146,507
Amortisation charge for the year	**33,168**	33,168
At 30 September	**212,843**	179,675
Net book amount at 30 September	**284,681**	317,849

9. Held-to-maturity investments

	2004 Lm	2003 Lm
At 1 October	**204,120**	-
Additions	**254,000**	204,120
At 30 September	**458,120**	204,120

Held-to-maturity investments consist of fixed-interest securities listed on the Malta Stock Exchange. The market value of these investments as at 30 September 2004 was Lm468,124 (2003: Lm211,902), while the weighted average effective interest rates as at this date was 5.67% (2003: 5.81%).

The maturity of these investments, which are included in fixed assets, is as follows:

	2004 Lm	2003 Lm
Between 2 and 5 years	**4,200**	1,200
After more than 5 years	**453,920**	202,920
	458,120	204,120

10. Stocks

	2004 Lm	2003 Lm
Stamps and postal stationery	**217,724**	38,230
Stocks for resale	**77,693**	61,815
Other stock items	**48,239**	41,254
	343,656	141,299

11. Debtors

	2004 Lm	2003 Lm
Trade debtors	**730,812**	1,107,462
Provision for impairment of debtors	**(14,044)**	(50,445)
	716,768	1,057,017
Other debtors	**644,765**	446,225
Prepayments and accrued income	**278,976**	353,850
	1,640,509	1,857,092

12. Deferred taxation

	2004 Lm	2003 Lm
At 1 October	**73,434**	198,502
Credited/(charged) to profit and loss account (Note 5)	**(66,797)**	(127,606)
Over provision of deferred tax in previous years (Note 5)	**(1,884)**	(887)
Credited to equity (Note 16)	**(12,676)**	3,425
At 30 September	**(7,923)**	73,434

The deferred tax credited to equity during the year relates to the hedging reserve included with other reserves (Note 16). Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35%.

12. Deferred taxation - continued

The balance at 30 September represents:

	2004 Lm	2003 Lm
Temporary differences on fixed assets	**(21,609)**	(7,450)
Temporary differences on provisions	**4,915**	17,656
Temporary differences on unabsorbed tax losses and capital allowances	**-**	41,781
Temporary differences on hedging reserve	**8,771**	21,447
At 30 September	**(7,923)**	73,434

13. Trade and other creditors

	2004 Lm	2003 Lm
Amounts falling due within one year		
Trade creditors	**533,277**	304,289
Amounts collected on behalf of third parties	**1,297,764**	1,658,833
Other creditors	**16,380**	14,434
Indirect taxes and social security	**139,592**	157,124
Unearned revenue	**55,609**	65,472
Accruals and deferred income	**1,090,685**	825,560
	3,133,307	3,025,712

14. Other provisions

	2004 Lm	2003 Lm
Pension obligations	**598,194**	576,005

The company established a pension scheme covering those ex-Government employees who opted to become full-time employees with the company and who were entitled to pension rights which go beyond the National Insurance Scheme. The pension schemes are final salary defined benefit plans and are unfunded.

14. **Other provisions** - continued

The amount recognised in the balance sheet is as follows:

	2004 Lm	2003 Lm
Present value of unfunded obligations	**832,194**	797,191
Fair value of obligations to be reimbursed by Government	**(234,000)**	(221,186)
Present value of unfunded obligations	**598,194**	576,005

The amount recognised in the income statement is as follows:

	2004 Lm	2003 Lm
Current service adjustment		12,893
Interest	**9,435**	10,717
Net actuarial (losses)/gains recognised during the year		45,161
Total amount credited to income	**7,857**	68,771

Made up of:

	2004 Lm	2003 Lm
Movement in present value of unfunded obligations	**(22,189)**	41,472
Interest received	**30,046**	27,299
Total amount credited to income	**7,857**	68,771

In computing the pension obligation, the company used a discount rate of 6.6% (2003: 6.6%), whereas the future salary increases were based on inflation rates and past salary increases.

15. Share capital

	2004 Lm	2003 Lm
Authorised		
5,000,000 ordinary shares of Lm1 each	**5,000,000**	5,000,000
Issued		
1,820,000 ordinary shares of Lm1 each, fully paid up	**1,820,000**	1,820,000
980,000 ordinary shares of Lm1 each, fully (2003: 87%) paid up	**980,000**	852,541
	2,800,000	2,672,541

In 2003, 87% of the 980,000 ordinary share capital issued was paid up, whereas in 2004 a further call was made and the 980,000 ordinary shares were fully paid up at 30 September 2004.

16. Other reserves

	Share premium Lm	Hedging reserve Lm	Total Lm
At 30 September 2004			
At beginning of year	245,000	(39,830)	205,170
Cash flow hedge			
Amounts arising during the year	-	(507)	(507)
Deferred taxation thereon	-	178	178
Transfer to profit and loss account	-	36,685	36,685
Deferred taxation thereon	-	(12,854)	(12,854)
At end of year	**245,000**	**(16,328)**	**228,672**
At 30 September 2003			
At beginning of year	245,000	(33,471)	211,529
Cash flow hedge			
Amounts arising during the year	-	(68,151)	(68,151)
Deferred taxation thereon	-	23,853	23,853
Transfer to tangible assets	-	18,860	18,860
Deferred taxation thereon	-	(6,601)	(6,601)
Transfer to profit and loss account	-	39,507	39,507
Deferred taxation thereon	-	(13,827)	(13,827)
At end of year	245,000	(39,830)	205,170

16. **Other reserves** - continued

The hedging reserve arose when the company earmarked foreign currency bank balances for the purpose of settling transactions occurring in the same currency. The hedging reserve will be transferred to the profit and loss account when the forecast expenditure occurs, at various dates up to one year from the balance sheet date.

17. Cash generated from operations

Reconciliation of operating profit to cash generated from operations:

	2004	2003
	Lm	Lm
Operating profit	**100,549**	240,415
Adjustments for:		
Depreciation on tangible assets (Note 7)	**231,743**	155,463
Amortisation of goodwill (Note 8)	**33,168**	33,168
(Decrease)/increase in provision for impairment of debtors (Note 11)	**(36,401)**	2,650
Provision for pension obligations (Note 14)	**(7,857)**	(68,771)
Cash flow hedge (Note 16)	**36,178**	(9,784)
Write-off of project costs	**16,159**	-
Changes in working capital:		
Debtors	**259,956**	(745,150)
Stocks	**(202,357)**	(30,002)
Creditors	**107,595**	987,463
Cash generated from operations	**538,733**	565,452

18. Cash and cash equivalents

For the purposes of the cash flow statement, the year end cash and cash equivalents comprise the following:

	2004	2003
	Lm	Lm
Cash at bank and in hand	**2,701,868**	2,597,773

19. Commitments

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases are as follows:

	2004	2003
	Lm	Lm
Within 1 year	**100,973**	294,195
Between 2 and 5 years	**5,305**	894,584
After 5 years	**800,000**	1,000,000
	906,278	2,188,779

20. Related party transactions

Due to their shareholding in the company, the Government of Malta and Transend (Worldwide) Limited are considered to be related parties of Maltapost plc. Transactions with Transend (Worldwide) Limited comprised technical support and services charges amounting to Lm289,041 (2003: Lm298,799). The company carries out a number of transactions with the Government of Malta and Government-controlled companies in the normal course of its activities. Amounts due to related parties, other than those due to and due from the Government of Malta and Government-controlled companies, are disclosed accordingly in notes 11 and 13 to the accounts.

21. Financial instruments

Credit risk

Financial assets which potentially subject the company to concentrations of credit risk consist principally of cash at bank and debtors. The company's cash is placed with quality financial institutions. Debtors are presented net of an allowance for doubtful debts. Credit risk with respect to debts is limited due to the large number of customers comprising the company's debtor base and the company has no significant concentration of credit risk.

Fair values

At 30 September 2004 and 2003 the carrying amounts of cash at bank, debtors, creditors and accrued expenses approximated their fair values.

21. Financial instruments - continued

Foreign exchange risk

The company is exposed to foreign exchange risk in view of the nature of its operations, particularly with respect to the payment and receipt of terminal dues. These transactions are mainly denominated in US Dollars and EURO; accordingly the directors do not deem currency risk to be significant in this respect.

The company earmarks, from time to time, foreign currency balances as a cash flow hedge against exposure to foreign exchange risk on forecast transactions or commitments in the same currency.

22. Statutory information

Maltapost plc is a limited liability company and is incorporated in Malta.