

LISTING PARTICULARS

PREMIUM TOBACCO HOLDINGS LIMITED

Multi-currency Note Programme

19 May 2020





PREMIUM TOBACCO HOLDINGS LIMITED

(Registered Company Number 517245)

(Established and incorporated as a public company in accordance with the laws of British Virgin Islands on 14 October 2002, having its registered office at Craigmuir Chambers, Road Town, Tortola, VG 1110 British Virgin Island.)

as Issuer

Multi-currency Note Programme of up to a maximum aggregate Nominal Amount of USD 100,000,000

Dated: 19 May 2020

LEC/P/07/2019

Under this USD 100,000,000 multi-currency medium note programme (**Programme**), the Issuer may issue notes (**Notes**) subject to the terms and conditions contained in this programme memorandum (**Programme Memorandum**), and in the applicable pricing supplement (**Applicable Pricing Supplement**).

This Programme Memorandum, which is deemed to be listing particulars provides disclosure information regarding the Notes and the Issuer, and includes particulars given in compliance with the Listing Rules of the Stock Exchange of Mauritius Ltd (**SEM**) governing the listing of securities on the Official Market.

The maximum aggregate nominal amount of all Notes that may be issued by the Issuer under this Programme will not exceed **USD 100 million** (or the equivalent in other currencies). The Notes that will be issued following the initial issue (**First Issue**) will be for an aggregate nominal amount of up to **USD 30 million** of the Programme, in one or more Tranches, and will be offered by way of a private placement to "Qualified Investors" which are special categories of investors who are knowledgeable and understand the risks of investing in such specialist debt instruments and include but are not limited to expert investors as defined in the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008.

The Notes may be listed on the Official Market of the SEM, or any other Recognised Exchange(s) and the listing status will be specified in the Applicable Pricing Supplement. For Notes that will be listed on the SEM, permission of the Listing Executive Committee (LEC) will be sought to list the Notes that will be issued. The Company is in the phase of completing its book building exercise in regards to the Notes, consequently a communique will be issued to notify the date when the listing of the notes will commence.

The notes issued under this programme may or may not be traded, any trading activity will be specified within the Applicable Pricing Supplement.

A copy of this Programme Memorandum has been filed with the Financial Services Commission (**FSC**).

The Issuer has appointed and authorized Safyr Capital Partners Ltd and other parties, in accordance with the Placing Agreements as placing agents (**Placing Agents**) to issue this Programme Memorandum and Applicable Pricing Supplements in respect of a specific Series or Tranches of Notes.

The Notes may be issued on a continuing basis and be placed by the Placing Agent appointed under the Programme, which appointment is and will be on an ongoing basis.

Applications for participation in any issue of Notes will be processed through the Placing Agent. A subscription form for Notes will be obtained from and/or distributed by the registered offices of the Placing Agent.

IMPORTANT NOTICES

Neither the LEC, nor the SEM, nor the FSC assumes any responsibility for the contents of this Programme Memorandum. The LEC, the SEM and the FSC make no representation as to the accuracy or completeness of any of the statements made or opinions expressed in this Programme Memorandum and expressly disclaim any liability whatsoever for any loss arising from or in reliance upon the whole or any part thereof.

This Programme Memorandum is being made available for information purposes only to a limited number of Qualified Investors who have expressed an interest in subscribing to the Notes. Nothing in this Programme Memorandum shall be construed as, and under no circumstances shall this Programme Memorandum constitute an, offer to sell the Notes to the public. The Notes are to be offered under this Programme Memorandum and the Applicable Pricing Supplement. Where the distribution is by way of private placement, investors must keep the contents of this Programme Memorandum strictly private and confidential and for their exclusive use. All recipients of this Programme Memorandum acknowledge and agree to be bound by the terms of this confidentiality notice. This Programme Memorandum may not be reproduced or used in whole or in part for any other purpose or furnished to any person other than the persons to whom copies have been sent.

The distribution of this Programme Memorandum and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Programme Memorandum come are required by the Issuer to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on distribution of this Programme Memorandum and other offering material relating to the Notes, see “**Subscription and Sale**”.

The information contained in the Programme Memorandum is not and should not be construed as a recommendation by the Issuer that any recipient should purchase Notes. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Notes issue as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Programme Memorandum. Each potential investor in the Notes should determine the suitability of such investment considering its own circumstances. Each potential investor should:

- a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits, and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum;
- b) have access to, and knowledge of, proper analytical tools to evaluate, in the context of its financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- c) understand thoroughly the terms of the Notes;
- d) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes; and
- e) be able to evaluate (either alone or with the help of a financial adviser) scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Issuer does not accept any responsibility, express or implied, for updating the Programme Memorandum and neither the delivery of the Programme Memorandum nor any offer or sale made on the basis of the information in the Programme Memorandum shall under any circumstances create any

implication that the Programme Memorandum is accurate at any time subsequent to the date thereof with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date thereof.

No person is authorised by the Issuer to give any information or to make any representation not contained in the Programme Memorandum and any information or representation not contained therein must not be relied upon as having been authorised.

Neither the delivery of this document nor any subscription or acquisition made in connection with it shall, in any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date of this Programme Memorandum or that the information is correct as of any subsequent date.

Neither this Programme Memorandum nor the Applicable Pricing Supplement, nor any other information supplied in connection with the Programme or any Notes:

- a) is intended to provide the basis of any credit or other evaluation; or
- b) should be considered as a recommendation by the Issuer, Placing Agent(s), Registrar and Transfer Agent, Legal Advisors, Auditors, Security Agent, or any of their respective directors, affiliates, advisers or agents, that any recipient of this Programme Memorandum should purchase any Notes.

The Placing Agent(s), Registrar and Transfer Agent, Legal Advisors, Auditor, Security Agent and the other professional advisers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by them as to the accuracy or completeness of the information contained in this Programme Memorandum or any other information provided by the Issuer. The professional advisers do not accept any liability in relation to the information contained in this Programme Memorandum or any other information provided by the Issuer in connection with the Programme.

No person is authorized to give any information or make any representation not contained in this Programme Memorandum in connection with the Programme and any offering of Notes under the Programme and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, Placing Agents, Registrar and Transfer Agent, Legal Advisors or any of their respective directors, affiliates, advisers or agents.

Persons into whose possession this Programme Memorandum and any Applicable Pricing Supplements come are required by the Issuer, and any Placing Agent to inform themselves about and observe such restrictions.

This Programme Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see '**Documents Incorporated by Reference**').

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Unless otherwise indicated, the financial information regarding the Issuer set forth in this Programme Memorandum has been derived from its audited statements of comprehensive income, statements of financial position and statements of cash flows as at and for the years ended 31 March 2017, 2018 and 2019 which are included elsewhere in this Programme Memorandum. The unaudited interim financial statements for the period ended 31 December 2018 are available from the Issuer. The Issuer's audited financial statements have been prepared in accordance with International Financial Reporting Standards are presented in United States Dollars, the reporting currency of the Issuer, and were audited by its independent auditors.

ROUNDING ADJUSTMENTS

Some numerical figures included in this Programme Memorandum have been subject to rounding adjustments. Accordingly, numerical figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be the sum of the figures which precede them.

MARKET SHARE AND INDUSTRY DATA

It is difficult to obtain precise industry and market information on the tobacco industry. Information as to the market and competitive position data included in this Programme Memorandum has been obtained from published information. No assurance can be given, however, as to the accuracy and completeness of such information, and such market and position data has not been independently verified. Premium Tobacco Holdings Limited accepts responsibility only for the correct reproduction of this information.

FORWARD-LOOKING STATEMENTS

This Programme Memorandum does not include 'forward-looking statements.'

ADDITIONAL INFORMATION

The Issuer must file such periodic reports as are required of it under the Listing Rules of the Official Market of the SEM and as a reporting issuer under the Securities Act 2005.

Listing Sponsor and SEM Authorised Representative

Safyr Capital Partners Ltd
11th Floor, Bramer House,
Cybercity, Ebene 72201

DIRECTORS STATEMENTS

The Issuer and the Directors, whose names appear on page 67 collectively and individually accept full responsibility for the accuracy and completeness of the information contained in this Programme Memorandum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Directors confirm that:

- a) There is no material adverse change in the financial or trading position of the Group since the last audited accounts for the year ended March 31, 2019;
- b) No changes are anticipated in the nature of the business of the Issuer; and
- c) The working capital available to the Group is sufficient for its present requirements, that is, for at least the next twelve months from the date of issue of this Programme Memorandum.

SIGNED at _____ on this _____ day of _____ 2019

For and on behalf of
Premium Tobacco Holdings Limited

.....
[director name]

.....
[director name]

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents are deemed to be incorporated in, and form part of this Programme Memorandum:

- a) all supplements to this Programme Memorandum as may be issued by the Issuer from time to time;
- b) each Applicable Pricing Supplement in relation to any Series or Tranches of Notes to be issued under this Programme Memorandum;
- c) the Agency Agreement(s);
- d) in relation to secured Notes which may be issued under this Programme Memorandum, the security documents creating the Security Interest set out in any Applicable Pricing Supplement; and
- e) the annual report of the Issuer for each financial year, starting with financial year ended 31 March 2017.

The Issuer will provide, free of charge, to each person to whom a copy of the Programme Memorandum has been delivered, upon request of such person, a copy of any of the documents deemed to be incorporated herein by reference, unless such documents have been modified or superseded. Requests for such documents should be directed to the Issuer at its registered office as set out herein.

Any statement contained in a document incorporated by reference into this Programme Memorandum or contained in any supplement to this Programme Memorandum or in any document incorporated by reference therein shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede earlier statements contained in this Programme Memorandum or in a document which is incorporated by reference in this Programme Memorandum. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Programme Memorandum.

In case of a material adverse change in the condition (financial or otherwise) of the Issuer which is not reflected in this Programme Memorandum, the Issuer will prepare a supplement to this Programme Memorandum or publish a new Programme Memorandum for use in connection with any subsequent issue of Notes. If the terms of the Programme are modified or amended in a manner which would make this Programme Memorandum, as supplemented, inaccurate or misleading, the Issuer will prepare a new Programme Memorandum.

Any such new Programme Memorandum or Programme Memorandum as supplemented shall be deemed to have been substituted for the previous Programme Memorandum from the date of its issue.

Investors in the Notes shall be deemed to have notice of all information contained in the documents incorporated by reference into this Programme Memorandum, as if all such information were included in this Programme Memorandum.

Except as provided above, no other information, including information on the web sites of the Issuer is incorporated by reference into this Programme Memorandum.

GENERAL DESCRIPTION OF THE PROGRAMME

Words used in this section headed "**General Description of the Programme**" shall bear the same meanings as used in the Terms and Conditions, except to the extent that they are separately defined in this section or clearly inappropriate from the context.

The Issuer may from time to time issue one or more Series and/or Tranches of Notes under the Programme, pursuant to this Programme Memorandum, provided that the aggregate outstanding Nominal Amount of all of the Notes issued under the Programme from time to time does not exceed the Programme Amount.

From time to time, the Issuer may wish to increase the Programme Amount. Subject to the applicable procedures, the Agency Agreement(s) and all applicable Laws, the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering notice thereof to the (i) Noteholders, (ii) the relevant Recognized Exchange(s), (iii) the Calculation, Paying and Receiving Agent and Registrar,

(iv) Transfer Agent, and (v) the Placing Agent(s) and (vi) Security Agent in accordance with Condition 14 (Notices) of the Terms and Conditions and the applicable procedures. Upon such notices being given, all references in the Programme Memorandum or any other agreement, deed or document in relation to the Programme Amount, shall be, and shall be deemed to be, references to the increased Programme Amount.

The First Issue of the Notes will be listed on the SEM; however, a Series and/or Tranche of Notes may be listed on one or more Recognised Exchange(s) as may be determined by the Issuer, subject to applicable laws. The Applicable Pricing Supplement will specify whether a Series and/or Tranche of Notes will be listed or unlisted and, if so, on which Recognised Exchange. This Programme Memorandum and any supplement will only be valid for the issue of Notes in an aggregate Nominal Amount which, when added to the aggregate Nominal Amount then outstanding of all the Notes previously or simultaneously issued under the Programme, does not exceed the Programme Amount.

From time to time the Issuer may wish to increase the Programme Amount. Subject to the Applicable Procedures and all applicable laws, the Issuer may, without the consent of Noteholders, increase the Programme Amount by delivering a notice, and in case of the listing of a Tranche and/or Series of the Notes, to the SEM also. Upon such notice being given, all references in this Programme Memorandum (and each agreement, deed or document relating to the Programme and/or this Programme Memorandum) to the Programme Amount will be, and will be deemed to be, references to the increased Programme Amount set out in such notice.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from and is qualified in its entirety by the remainder of this Programme Memorandum and, in relation to the Terms and Conditions of any particular Series and/or Tranche of Notes, the Applicable Pricing Supplement. Words and expressions defined in the Terms and Conditions shall have the same meanings in this summary.

PARTIES

Issuer	Premium Tobacco Holdings Limited, a company incorporated under the laws of the British Virgin Island, with registration number 517245, and having its registered address at Craigmuir Chambers, Road Town, Tortola, VG 1110 British Virgin Island
Placing Agent, Listing Sponsor and SEM Authorised Representative	Safyr Capital Partners Ltd, a company incorporated under the laws of Mauritius, with registration number C16136372 and having its registered address at 11th Floor, Bramer House, Cybercity, Ebene, 72201, Mauritius
Calculation Agent and Registrar	Safyr Utilis Ltd, a company incorporated under the laws of Mauritius, with registration number C085358 and having its registered address at 7th Floor, Tower I, NeXTeracom, Cybercity Ebene, Mauritius
Paying Agent and Security Agent	SBM (NBFC) Holdings Ltd, a bank incorporated under the laws of Mauritius, with registration number C099120, and having its registered address at 5 Bank Street, Ebene Cybercity, Mauritius.
Legal counsel	Eversheds Sutherland (Mauritius), a company incorporated under the laws of Mauritius, with registration number C14123828, and having its registered address at Level 12, Hennessy Tower, Pope Hennessy Street, Port-Louis, Republic of Mauritius.
Auditors	BDO LLP, a limited liability partnership formed under the laws of the United Kingdom, and having its registered address at 55, Baker Street, London W1U 7EU, United Kingdom
Noteholders	The person registered in the Register maintained by the Registrar and Transfer Agent

GENERAL

Denomination of Notes	Notes will be issued in such denominations as may be agreed by the Issuer as indicated in the Applicable Pricing Supplement.
Description of Programme	Premium Tobacco Holdings Limited USD 100,000,000 Multi-currency Note Programme.
Minimum Subscription Amount	The Issuer will proceed with the issue of a Tranche of Notes subject to a minimum amount of 50% of the amount issued per Tranche being subscribed. If the Issuer fails to raise the Minimum Subscription Amount, all proceeds from the private placement will be returned to investors.
Distribution	Notes will be distributed by way of private placement or any other means permitted under Mauritian law, and in each case on a syndicated or non-syndicated basis as may be determined by the Issuer reflected in the Applicable Pricing Supplement.
Form of Notes	Notes may be issued in registered form or certificated form as specified in the Applicable Pricing Supplement. Where Notes are issued in certificated form, a certificate substantially in the form set out Annex 1 in will issued to Noteholders.
Governing Law	The Notes will be governed by and construed in accordance with the laws of the Republic of Mauritius.
Interest	Notes may bear different interest rates, as specified in the Applicable Pricing Supplement.
Interest Period(s)/Interest Payment Date(s)	The Interest Rate, Interest Payment Date(s) and Interest Period(s), if any, applicable to a Series and/or Tranche of Notes will be specified in the Applicable Pricing Supplement.
Issue and Transfer Taxes	As at the Programme Date, no securities transfer tax or any similar tax is payable in respect of the issue, transfer or redemption of the Notes (see the section of this Programme Memorandum headed " Mauritian Taxation "). Any future transfer duties and/or taxes that may be introduced in respect of (or may be applicable to) the transfer of Notes will be for the account of Noteholders.
Issue Price	Notes may, at the election of the Issuer, be issued on a fully paid or a partly paid basis and at their Nominal Amount or at a discount or premium to their Nominal Amount as specified in the Applicable Pricing Supplement.
Issuance in Series	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will also be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations
Listing	Initially, the First Issue of the Notes under the Programme will be listed on the SEM. The Issuer may, later apply to the SEM or

	<p>its successor or other Recognised Exchange(s) to list the Notes issued under the Programme (in which case this Programme will be amended and supplemented by the Issuer to comply with the Applicable Procedures). The Applicable Pricing Supplement will specify whether a series and/or a Tranche of Notes will be listed and, if so, on which Recognised Exchange(s).</p>
Maturity of Notes	<p>Such maturity as may be agreed between the Issuer, subject to a minimum maturity of such period as may be required by the SEM and/or any other Recognised Exchange(s) on which the Notes may be listed or in terms of any law, as indicated in the Applicable Pricing Supplement. The Notes are not subject to any maximum maturity.</p>
Notes	<p>Notes may comprise:</p> <p>(a) Fixed Rate Notes</p> <p>Fixed Rate Notes will bear interest at a fixed Interest Rate as indicated in the Applicable Pricing Supplement and as more fully described in Condition 6.1 of the Terms and Conditions.</p> <p>(b) Floating Rate Notes</p> <p>Floating Rate Notes will bear interest as indicated in the Applicable Pricing Supplement and as more fully described in Condition 6.2 of the Terms and Conditions.</p>
Rating	<p>As at the Programme Date, the Programme has not been rated by a Rating Agency. However, the Issuer may, at any time, obtain a rating by a Rating Agency for this Programme or any issue of Notes pursuant to this Programme. In this regard a Series and/or Tranche of Notes may, on or before the Issue Date, be rated by a Rating Agency on a national scale or international scale basis. Unrated Series and/or Tranches of Notes may also be issued. The Applicable Pricing Supplement will reflect the Rating, if any, which has been assigned to the Issuer and/or the Programme and/or a Series and/or Tranche of Notes, as the case may be, as well as the Rating Agency or Rating Agencies which assigned such Rating(s).</p> <p>A Rating is not a recommendation to subscribe for, buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the Rating Agency. Any adverse change in the Rating of the Issuer and/or the Programme, a Series and/or a Tranche of Notes, as the case may be, could adversely affect the trading price of all or any of the Notes.</p>

Redemption	<p>The Applicable Pricing Supplement relating to each Tranche of Notes will indicate either:</p> <p>(a) that the Notes may only be redeemed prior to their stated maturity (other than in specified instalments, if applicable) following an Event of Default; or</p> <p>(b) that such Notes will be redeemable at the option of the Issuer upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period, if any, as is indicated in the Applicable Pricing Supplement) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the Applicable Pricing Supplement.</p>
Register	<p>The register maintained by the Registrar and Transfer Agent as contemplated and provided for in the Terms and Conditions.</p>
Selling Restrictions	<p>The distribution of this Programme Memorandum and/or any Applicable Pricing Supplement and any offering or sale of or subscription for a Tranche of Notes may be restricted by law in certain jurisdictions, (see the section of this Programme Memorandum headed "Subscription and Sale"). Any other or additional restrictions which are applicable to the placing of a Tranche of Notes will be set out in the Applicable Pricing Supplement. Persons who come into possession of this Programme Memorandum and/or any Applicable Pricing Supplement must inform themselves about and observe all applicable selling restrictions.</p>
Security Document	<p>Each agreement designated as a security document in the Applicable Pricing Supplement.</p>
Size of the Programme	<p>As at the Programme Date, the Programme Amount is USD 100,000,000. This Programme Memorandum will only apply to Notes issued under the Programme in an aggregate outstanding Nominal Amount which does not exceed the Programme Amount. The Issuer may increase the Programme Amount in the manner set out in the section of this Programme Memorandum headed "General Description of the Programme".</p>
Specified Currency	<p>Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement.</p>
Status and Characteristics of Notes	<p>Unless specified otherwise in the Applicable Pricing Supplement, the Issuer's payment obligations under the Notes will constitute direct obligations of the Issuer and each Tranche will rank <i>pari passu</i> among themselves and the Notes will rank at least <i>pari passu</i> with all other present and future unsecured and subordinated obligations of the Issuer, save for those that have been afforded preferential rights by law applicable to companies generally.</p> <p>A Series and/or Tranche of Notes may be secured pursuant to Security Documents and with the benefit of the security created thereby to be held in accordance with the terms of such Security Agency Agreement(s) as may be specified in the Applicable Pricing Supplement.</p>

Stock Exchange of Mauritius	The Stock Exchange of Mauritius Ltd (SEM) is a public company with registration number C06007748 incorporated in Mauritius on March 30, 1989 under the Stock Exchange Act, 1988, responsible for the operation and promotion of an efficient and regulated securities market in Mauritius.
Taxation	As at the date of this Programme Memorandum all payments in respect of the Notes will be made, subject, as appropriate, to withholding tax as further described in the section headed " Mauritian Taxation ".
Terms and Conditions	The Terms and Conditions of the Notes set out below.
Use of Proceeds	The proceeds from the issue of the Notes shall be applied by the Issuer in the manner specified in the Applicable Pricing Supplement.
Withholding Taxes	As at the Programme Date all payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in Mauritius, unless such withholding or deduction is required by law.

RISK FACTORS

The risks and uncertainties below are not the only ones the Issuer and the Noteholders face. Additional risks and uncertainties not presently known to the Issuer, or that the Issuer currently believes are immaterial, could also impair the Issuer's business, financial condition, or results of operations and, as a result, its ability to service its payment obligations under the Notes.

Investors should pay attention to the fact that the Issuer is subject to the legal and regulatory environment in the BVI and in the Republic of Mauritius, which, in some respects, may differ from that prevailing in other countries. The Issuer believes that the factors outlined below may affect its ability to fulfil its obligations under the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it, or which it may not currently be able to anticipate.

Accordingly, the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. The information given below is as at Programme Date.

SECURITY-SPECIFIC RISKS

Security-specific risks related to the issued Notes are outlined as follows:

- a) **Market risk**, alias liquidity risk should be evaluated by the Noteholder considering that there is no guarantee of sufficient liquidity in the secondary market of the Notes and the Noteholder might bear a loss due to not being able to sell the Notes on the secondary market or having to have to sell them at an unfavorable price;
- b) **As a credit risk**, the Noteholder should assess specific credit risks associated with the Issuer as well as general credit risk of the Notes. As a general credit risk, a possibility should be considered that future note issuers with similar profile offer higher yield to attract investors, and because of that the yield on the Notes should have been higher as well;
- c) **Interest rate risk**, should be assessed by the Noteholder considering that besides the activities of the Issuer the developments of financial markets may affect the value of the Notes and when the interest rates are rising, the value of existing Notes may go down, and vice versa;
- d) **Legislation risk** is a risk of losses due to amendments in legislation, regulations and other legal acts or due to implementation of new legal acts, which may cause additional expenses or reduce

return on investment; this risk also covers possible changes in applicable tax assessment and withholding procedures.

RISKS RELATED TO THE ISSUER

The Issuer operates in the Tobacco Industry where it supplies leaf tobacco to customers around the globe.

The risks described below may negatively affect the Issuer and, at the extreme, may cause the Issuer's insolvency and default on the Notes. The main risk factors influencing the financial performance of the Issuer are:

- a) **Credit risk** is a potential loss that may occur in the case of improper fulfilment or non-compliance of the Issuer with the contractual obligations because of failure of the Issuer's business operations or other factors. As a specific credit risk, events that undermine the creditworthiness of the Issuer should be considered;
- b) **Liquidity risk** is defined as the risk of a loss or higher than expected costs due to inability of the Issuer to meet its payment commitments on time;
- c) **Operational risk** presents the possibility to incur losses due to the impact of inadequate or unsuccessful internal processes, activities by personnel, systems, or external circumstances.
- d) **Systemic risk:** a risk of (mainly) technical failures in the systems of the CDS, the SEM, or credit institution or similar institutions may cause loss to the Noteholder due to unfulfilled or delayed transactions or incorrectly carried out transactions;
- e) **Risk of external attacks:** a loss that may arise from illegal behaviour of clients, counterparties or other persons who act for personal gain (attack, fraud).
- f) **Risk of default with existing lenders:** a loss that may arise from *default* on a debt that may arise from a borrower not making required payments.
- g) **Leverage and financing risk:**

The capital of the Company may be leveraged so as to achieve a higher rate of return. The Company has external borrowings as at the date of these Listing Particulars, and the maximum level of gearing is determined by the board from time to time. While leverage presents opportunities for increasing the total return of the Company, it has the effect of potentially increasing losses as well.

Furthermore, whilst the gearing of the Company provides significant upside for ordinary shareholders, the management and directors are responsible for the Company as a whole and to make sure that the Company is not at risk of ceasing to be a going concern and to approach business activities in a responsible and ethical manner.

This assessment will be driven by analysing the cost of equity versus the cost of debt. Debt to equity ratios will therefore be monitored constantly, particularly with regard to the effects that they have on the profitability of the Company. This includes managing the debt levels of the businesses within agreed covenants with funding providers. Excessive risks will not be taken in this regard and an internal control process will be implemented to ensure that the business does not carry excessive financial risk.

RISKS RELATED TO THE ISSUER'S INDUSTRY

Direct risks encountered by the Issuer relating to the Tobacco industry are as follows:

- a) The financial results of the Issuer can significantly be affected by changes in the balance of supply and demand for leaf tobacco.
- b) As a leaf tobacco supplier, the Issuer's financial results can be significantly affected by changes in the overall balance of worldwide supply and demand for leaf tobacco. The demand for leaf tobacco, which is based upon customers' expectations of their future requirements, can change from time to time depending upon factors affecting the demand for their products. The Issuer's customers' expectations and their demand for leaf tobacco are influenced by a number of factors, including:

- trends in the global consumption of cigarettes,
 - trends in consumption of cigars and other tobacco products,
 - trends in consumption of alternative tobacco products, such as electronic nicotine delivery systems and non-combustible products,
 - levels of competition among our customers, and
 - regulatory and governmental factors.
- c) The world supply of leaf tobacco at any given time is a function of current tobacco production, inventories held by manufacturers, and the stocks of leaf tobacco held by leaf tobacco suppliers. Production of tobacco in a given year may be significantly affected by such factors as:
- demographic shifts that change the number of farmers or the amount of land available to grow tobacco,
 - decisions by farmers to grow crops other than leaf tobacco,
 - volume of annual tobacco plantings and yields realized by farmers,
 - availability of crop inputs,
 - weather and natural disasters, including any adverse weather conditions that may result from climate change, and
 - crop infestation and disease.

Any significant change in these factors could cause a material imbalance in the supply of and demand for tobacco, which would affect the Issuer's results of operations.

The Issuer's financial results will vary according to tobacco growing conditions, customer requirements, and other factors. These factors may also limit the ability to accurately forecast the Issuer's future performance and increase the risk of an investment in the Issuer's common stock or other securities.

The Issuer's financial results, particularly our year-over-year quarterly comparisons, may be significantly affected by variations in tobacco growing seasons and fluctuations in crop sizes. The timing of the cultivation and delivery of tobacco is dependent upon several factors, including weather and other natural events, and the Issuer's processing schedules and results of operations can be significantly altered by these factors. In addition, the potential impact of climate change is uncertain and may vary by geographic region. The possible effect could include changes in rainfall patterns, water shortages, changing storm patterns and intensities, and changing temperature levels that could adversely impact the Issuer costs and business operations and the supply and demand for leaf tobacco. The Issuer's operations also rely on dependable and efficient transportation services. A disruption in transportation services, because of climate change or otherwise, may also significantly impact the Issuer's results of operations.

Further, the timing and unpredictability of customer orders and shipments may require the Issuer to keep tobacco in inventory and may also result in variations in quarterly and annual financial results. Since individual shipments may represent significant amounts of revenue, the Issuer's quarterly and annual financial results may vary significantly depending on the timing of needs and shipping instructions of their customers and the availability of transportation services. These fluctuations result in varying volumes and sales in given periods, which also reduce the comparability of financial results.

Major shifts in customer requirements for tobacco supply may significantly affect the Issuer's operating results.

If the Issuer's customers significantly alter their requirements for tobacco volumes from certain regions, the Issuer may have to change their production facilities and alter their fixed asset base in certain origins. Permanent or long-term reduction in demand for tobacco from origins where the Issuer have operations may trigger restructuring and impairment charges. The Issuer may also need to make significant capital investments in other regions to develop the needed infrastructure to meet customer supply requirements.

Weather and other conditions can affect the marketability of the Issuer's products.

Tobacco crops are subject to vagaries of weather and the environment that can, in some cases, change the quality or size of the crops. If a weather event is particularly severe, such as a major drought or hurricane, the affected crop could be destroyed or damaged to an extent that it would be less desirable to manufacturers, which would result in a reduction in revenues. If such an event is also widespread, it could affect the Issuer's ability to acquire the quantity of tobacco required by their customers. In addition, other factors can affect the marketability of tobacco, including, among other things, the presence of excess residues of crop protection agents or non-tobacco related materials. A significant event impacting the condition or quality of a large amount of any of the crops that the Issuer buys could make it difficult for them to sell these products or to fill their customers' orders.

The Issuer may be adversely impacted if its information technology systems fail to perform adequately, including with respect to cybersecurity issues.

The efficient operation of the Issuer's business depends on their information technology systems. The Issuer relies on their information technology systems to effectively manage their business data, communications, supply chain, order entry and fulfillment, and other business processes. The failure of the Issuer's information technology systems (including those provided to them by third parties) to perform as they anticipate could disrupt their business and affect the results of their operations.

In addition, the Issuer's information technology systems may be vulnerable to damage or interruption from circumstances beyond their control, including fire, natural disasters, systems failures, security breaches or intrusions (including theft of confidential data), and viruses. If the Issuer are unable to prevent physical and electronic break-ins, cyber-attacks and other information security breaches, the Issuer may suffer financial and reputational damage, be subject to litigation, or incur remediation costs or penalties because of the unauthorized disclosure of confidential information belonging to them or to their partners, customers, suppliers or employees

Indirect risks encountered by the Issuer relating to the Tobacco industry are as follows:

The following risks could have a significant impact on the businesses of the Issuer's customers, which would, in turn, affect the Issuer's results of operations.

Country risk or political risk:

- a) a risk that in the country or area, where the Issuer is active, goes through major (political) changes or events occur, because of which there is a risk that the Issuer may lose all or part of his/her investments in this country or area, or that the investments made in this country or area lose all or part of their value. As country or political risks, radical changes in economic and legal environment (e.g. nationalizing certain objects), social or domestic policy crises (e.g. riots), etc. should be considered;
- b) The Issuer deals with Producers in Brazil, Malawi, Zimbabwe, Uganda, China and Tanzania. The current exposure to country risk in respect of its operations in these areas include:
 - Obstructive bureaucracy;
 - Underdeveloped capital market; and
 - Macroeconomic instability and restrictions imposed by the International Monetary Fund on government spending.

The Main risks of operating in:

- a) Malawi
 - Economy dominated by agriculture, vulnerable to weather conditions;
 - Food insecurity and geographical isolation;

- Infrastructure shortcomings (water, energy, transport, education, health);
 - Increase in extreme poverty; and
 - Diplomatic tensions with Tanzania and Mozambique.
- b) Zimbabwe
- Shortage of cash;
 - Economic and financial position damaged by long period of hyperinflation (2000 to 2009);
 - Underinvestment in infrastructure (particularly energy);
 - Precarious food and healthcare situation: majority of the population depends on international aid; one of the highest rates of AIDS infection in Africa and in the world; and
 - Arrears with international backers.
- c) Uganda
- Poverty and inequality;
 - Inadequate infrastructure;
 - Insecurity in border areas (Democratic Republic of Congo, South Sudan); and
 - Slow progress in governance (particularly control of corruption).
- d) Tanzania
- The business environment is difficult as corporate financial information is often unavailable and when available often unreliable;
 - Inadequate infrastructure, especially in the electricity and transport sectors; and
 - Inconsistent industrial policy and business climate shortcomings.
- e) South Africa
- Poverty and inequalities are sources of social risk (crime, strikes and demonstrations);
 - High unemployment (over 27%) and shortage of skilled labour;
 - Ageing infrastructure (transport, energy); and
 - Dependent on volatile flows of foreign capital.
- f) Brazil
- Very sensitive fiscal position;
 - Infrastructure bottlenecks;
 - Low level of investment;
 - High cost of production (wages, energy, logistics and credit) harming competitiveness; and
 - Shortages of qualified labour; inadequate education system

Mitigation to both the Country and Customer risk

The Issuer has a Lloyds underwritten global marine and cargo policy that insures the goods from the moment that it takes title of the green tobaccos upon delivery into the Issuer's designated warehouses, through processing, inland and sea transport and up until 60 days after arrival of the buyer's warehouse regardless of the incoterm. The Issuer has also a Lloyds global export trade credit policy covering all buyers with defined terms. All lenders are loss payees under both policies. Due to the mature nature of the industry and the small number of global suppliers there have been no claims under the export trade credit policy since its inception in 2008.

Climatic risk is mitigated by the fact that contracted farmers in all origins are spread over a large geographical location minimizing risk of a total crop failure. The nature of the plant grown is that a crop will still be produced in a drought or wet season, but the chemical make-up of the plant can change. The goods will be graded and priced accordingly at the buying floor

Quality risk is mitigated by the sheer number of farmers contracted so it is extremely unlikely that all farmers would produce an inferior crop. Pricing is agreed at time of delivery to the buying floor and is based on a complex grading system. Should inferior grades be delivered it is the farmer that bears any price reduction for quality not Premium.

Likewise, farmer bad debt risk is minimalized due to the sheer number of farmers. The industry is effectively self-governing in that in all countries all farmers are registered in a data base which details the level of debt and which company the farmer is contracted to. As farmer contracts are annually renewable in case of a default the value of loss is minimal and the debt would need to be repaid prior receiving any new inputs or the farmer being able to contract with another merchant.

There is no futures market for the commodity and the major buyers will only source tobacco from suppliers that are fully compliant with their own GAP, traceability, and social responsibility programs so there is a significant barrier to entry for 3rd party traders in taking a forward position on stocks.

Due to the often-volatile nature of the banking infrastructure and availability of funding in source countries The Issuer has a broad range of offshore banks that provides funding facilities for its global operations and has very little reliance on local bank funding.

Whilst the majority of banking facilities are short term in nature and annually renewable the Issuer has a core of International offshore lenders that have been providing structured working capital facilities for a significant period of time. The Issuer continually monitors its short-term working capital requirements and adds new structured trade and commodity finance lenders to fund its growth when the existing lenders reach their various single obligor limits.

The Group has a diverse customer base that has an annual demand for all types and quality of leaf. The Groups customer portfolio encompasses customers whose demand profile covers all grades, styles and qualities produced including by products. There is a degree of reliance on some Tier1 customers, but they are the most stable, financially strong with a reliable demand profile. The Group has been supplying the bulk of its customer base on a regular basis for in excess of 10 years.

Tier 1 customers provide prior indications of volumes required so the Issuer enters into a buying season each year safe in the knowledge that at least 50% of its projected volumes are pre-sold. Pricing is agreed on a year by year basis with the top Tier companies being on a cost-plus model.

Due to the core supply areas being under the Integrated Production System the group can control the quality and quantity of tobaccos produced giving it the ability to tailor volumes grown to match customers indications and demand profile. As such there is limited carryover stocks and whilst packed tobacco can be stored for more than 5 years without deterioration the Issuer does not hold any inventory any longer than two crop cycles.

Future Performance

Projections made in this Programme Memorandum may not be achieved. Noteholders may not get back the full principal amount of the Notes on maturity.

Solvency and Liquidity

Liquidity (access to cash and sources of finance) is essential to maintaining the Group as a going concern in the short term (liquidity) and medium term (solvency). The external environment (foreign exchange and interest rates) and the availability of financing and business conditions are subject to variability which may lead to stress in the capital structure, liquidity and solvency of the Group.

Notes Issuance Risk

There is a risk that the local regulators in any jurisdiction, or a change to the applicable legislation, prohibits the issue of the Notes, or limits the classes of people to which the Notes may be issued, such that the Issuer is not able to raise as much money as expected.

Emerging Markets

The Issuer has its operations in developing countries or underdeveloped. Trading in such countries may be less certain and more difficult to protect. Economic conditions in such countries may affect the successful development of any projects and which the Issuer currently undertakes or project to undertake in the future and political instability may also have potential negative effects. However, in many of the underdeveloped countries where the Issuer has operations the export of unmanufactured tobacco is the major or a key US Dollar revenue generator for the country.

Substantial Fees Payable Regardless of Profit

The Issuer will incur obligations to pay costs. The Issuer will also incur obligations to pay all operating, legal, accounting, auditing, marketing, travel, administration, management and other fees and expenses, including the costs of this Programme Memorandum. These expenses will be payable regardless of whether the Issuer makes a profit.

Transaction Costs

The Issuer's business may generate substantial transaction costs, especially in the funding of its operations which will be borne by the Issuer.

Liability and Indemnification of the Security Agent

The Security Agent will not be liable to the Issuer under any circumstances save for negligence, willful default, fraud or dishonesty in the performance of their duties as set out in their respective agreements with the Issuer.

Lack of Noteholder Participation

The Noteholders will not have any right or power or vote to take part in the management of the Issuer.

Operational Risk

This risk represents the likelihood that the management team will underperform, and that other unforeseen delays may occur. However, given the significant experience of the management team and their past proven track record, the level of operational risk is not considered high. In case of unforeseen circumstances or any natural disasters that are out of the control of any one person or entity, the ability of the Issuer to pay Interest and the principal on the Notes may be affected.

RISKS RELATING TO THE NOTES

The Notes may not be a suitable investment for all investors

The Notes that will be issued pursuant to the first Tranche under the Programme will be offered to Qualified Investors.

Each potential investor must determine the suitability of that investment considering its own circumstances. Each potential investor should:

- a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Programme Memorandum or any applicable supplement;
- b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such an investment will have on its overall investment portfolio;
- c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- e) be able to evaluate (either alone or with the help of a financial adviser) scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured and appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes that are complex financial instruments unless he has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio. There may not be an active trading market for the Notes

Notes issued under the Programme may not be widely distributed and there may not be an active trading market for the Notes (unless in the case of any Series, such Series is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

The Issuer may issue listed or unlisted Notes. The continued listing of any Series of Notes on the SEM and/or on such other Recognized Exchange(s) is subject to the rules of the SEM and/or such other securities exchange prevailing at that time. There can, accordingly, be no assurance that the listing of any tranche of Notes will continue until the Maturity Date of such Tranche of Notes. Accordingly, there is no assurance as to the development or liquidity of any trading market for any Tranche of Notes.

The Notes may be subordinated to other Issuer's liabilities

The payment obligations of the Issuer under unsecured Notes will rank behind secured Notes. Unsecured Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank pari passu among themselves and pari passu with all other unsecured indebtedness.

With regard to any unsecured Notes, if the Issuer is declared insolvent and a winding up is initiated, the Issuer will be required to pay the holders of unsubordinated debt and meet its obligations to all its other creditors (including unsecured creditors but excluding any obligations in respect of subordinated indebtedness) in full before it can make any payments on such subordinated Notes. If this occurs, the Issuer may not have enough assets remaining after these payments to pay amounts due under such subordinated Notes.

Credit Rating

Tranches of Notes issued under the Programme may be rated or unrated. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Minimum Subscription Amount

Each Tranche is subject to a minimum subscription rate of 50% of the size of the Tranche. As such, where the minimum subscription amount is not achieved, the Issuer will not proceed to accept bids or allot any Notes.

Exchange rate risks

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the Applicable Pricing Supplement). This presents certain risks relating to currency conversions if an investor's financial

activities are denominated principally in a currency or currency unit (**Investor's Currency**) other than the Specified Currency.

These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes. Similarly, the Issuer may be exposed to potential losses if the Specified Currency were to depreciate against major currencies in which the Issuer's revenues are based, which may have an adverse effect on its financial condition and results of operations.

Legal restrictions on certain investments

The investment activities of some potential investors may be subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

Structural risks of an issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which have particular risks for potential investors. Set out below is a description of certain such features:

- a) The risk of optional redemption by the Issuer
- b) An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally may not rise substantially above the price at which they can be redeemed. This may also be the case prior to any redemption period. The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. In these circumstances, an investor would not be able to re-invest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk considering other investments available at that time; and
- c) Notes issued at a substantial discount or premium
- d) The market values of securities issued at a substantial discount or premium from their nominal amount tend to fluctuate more in relation to general changes in interest rates compared to prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Modifications, waivers and substitution

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions allow majority Noteholders to bind all Noteholders, including those who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Amendment or Review of Prevailing Laws

These Programme Memorandum, the Notes and the applicable Terms and Conditions, are governed by, and will be construed under the laws of Mauritius. No assurance can be given as to the impact of any possible judicial decision or amendment and, or review of the laws of Mauritius or administrative practice in Mauritius after the Programme Date.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes to be issued by the Issuer which will be incorporated by reference into each Note.

Capitalized expressions used in these Terms and Conditions that are not defined here shall bear the meaning assigned to them in the Applicable Pricing Supplement

The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes.

The Applicable Pricing Supplement in relation to any Series and/or Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Series and/or Tranche of Notes.

Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. Before the Issuer issues any Tranche of Notes, the Issuer shall complete and sign the Applicable Pricing Supplement, based on the Pro Forma Applicable Pricing Supplement included in the Programme Memorandum, setting out details of such Notes. The Applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Tranche of Notes. The Applicable Pricing Supplement will be attached to each Certificate.

Copies of the Agency Agreement(s) and the Applicable Pricing Supplement are available for inspection at the registered office of the Issuer. The Noteholders are deemed to have notice of, and are entitled to the benefit of, and are subject to, all the provisions of the Agency Agreement(s) and the Applicable Pricing Supplement.

Words and expressions defined in the Agency Agreement(s) or used in the Applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated. Any reference to legislation or a statute shall be to such legislation or statute as amended, varied or re-enacted from time to time.

1. Interpretation

In these Terms and Conditions and the Applicable Pricing Supplement, unless inconsistent with the context or separately defined in the Applicable Pricing Supplement, the following expressions shall have the meaning ascribed to them hereunder:

Agency Agreement(s)	An agency agreement as may be entered into between the Issuer and one or more of the Calculation Agent, the Paying Agent and/or the Registrar and Transfer Agent.
Applicable Pricing Supplement	In relation to a Series and/or Tranche of Notes, the pricing supplement completed and signed by the Issuer in relation to that Series and/or Tranche of Notes, setting out the additional and/or other terms and conditions as are applicable to that Series and/or Tranche of Notes, based upon the pro forma pricing supplement which is set out in Annex 2.
Applicable Procedures	The rules and operating procedures of the SEM listings requirements and/or the listings requirements of any other Recognised Exchange, as the case may be.
Auditors	The auditors of the Issuer from time to time, and as at the date of this Programme Memorandum.

Business Day	A day (other than a Saturday or Sunday or public holiday) which is a day on which commercial banks settle payments in Mauritius.
Calculation Agency Agreement(s)	The calculation agency agreement made between the Issuer and the Calculation Agent, as may be further supplemented and/or amended and/or restated from time to time.
Calculation Agent	The entity acting as calculation agent from time to time under the Calculation Agency Agreement(s).
Certificate	The certificate issued by the Issuer to a registered Noteholder with respect to the Notes issued to that registered Noteholder. A Note in the definitive registered form of a single certificate and any further certificate issued in consequence of a transfer thereof.
Class of Noteholders	The holders of a Series of Notes or, where appropriate, the holders of different Series of Notes.
CSD	The Central Securities Depositories of the Recognised Exchange(s)
Companies Act	The Companies Act, 2001, of the Republic of Mauritius.
Early Redemption Amount	The amount at which the Notes will be redeemed by the Issuer pursuant to the provisions of Condition 8, as set out in Condition 8.4.
Encumbrance(s)	Any mortgage, charge, lien, pledge, assignment, hypothecation, preferential right, or any other security interest or arrangement.
Event of Default	An event of default by the Issuer as set out in Condition 10.
Final Redemption Amount	The amount of principal payable in respect of each Note upon final redemption thereof, as specified in the Applicable Pricing Supplement.
Fixed Rate Notes	Notes which will bear interest at a fixed Interest Rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 6.
Floating Rate Notes	Notes which will bear interest at a floating Interest Rate, as specified in the Applicable Pricing Supplement and more fully described in Condition 6.
Indebtedness	Any indebtedness in respect of monies borrowed and guarantees given, whether present or future, actual or contingent.
Interest Amount	The amount of interest payable in respect of each Principal Amount of the Notes as detailed in the Applicable Pricing

	Supplement, as determined in accordance with Condition 6.
Interest Commencement Date	The first date from which interest on the Notes will accrue, as specified in the Applicable Pricing Supplement.
Interest Payment Date	The Interest Payment Date(s) specified in the Applicable Pricing Supplement or if no express Interest Payment Date(s) is/are specified in the Applicable Pricing Supplement, each date which occurs after a certain period following the preceding Interest Payment Date (being such period as is specified in the Applicable Pricing Supplement) or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
Interest Period	In relation to a Series and/or Tranche of Notes, each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date.
Interest Rate	In relation to a Series and/or a Tranche of Notes, the rate or rates of interest applicable to Notes as indicated in the Applicable Pricing Supplement.
Issue Date	The date of issuance of a Note, as specified in the Applicable Pricing Supplement.
Issuer	Premium Tobacco Holdings Limited, a company incorporated with limited liability under business registration number 517245 in the British Virgin Islands.
Last Day to Register	With respect to a particular Series and/or Tranche of Notes (as specified in the Applicable Pricing Supplement), the last date or dates preceding a Payment Day on which the Registrar and Transfer Agent will accept Transfer Forms and record the transfer of Notes in the Register for that particular Series of Notes and where after the Register is closed for further transfers or entries until the Payment Day.
Legal Advisors	The legal advisors of the Issuer from time to time.
LIBOR	Means, in relation to any Note: (a) the applicable Screen Rate as of the Specified Time for the Specified Currency and for a period equal in length to the Interest Period of the Note; or (b) as otherwise determined pursuant to Condition 6.2(c) (Unavailability of Screen Rate), and if, in either case, that rate is less than zero, LIBOR shall be deemed to be zero.
Listing	The admission of the Notes to trading on a Recognized Exchange.
Margin	The meaning ascribed thereto in the Applicable Pricing Supplement.

Maturity Date	In respect of a Series or Tranche of Notes the date upon which the Notes are to be finally redeemed and all amounts due on the Notes are to be repaid by the Issuer as set out in the Applicable Pricing Supplement.
Nominal Amount	In relation to any Note, the total amount, excluding interest and any adjustments on account of any formula, owing by the Issuer under the Note.
Noteholders	The holders of Notes as recorded in the Register kept by the Agent in terms of the Terms and Conditions.
Notes	The notes issued or to be issued by the Issuer under the Programme and represented by a Certificate.
Outstanding	<p>In relation to the Notes, all the Notes issued other than:</p> <ul style="list-style-type: none"> (a) those which have been redeemed in full. (b) those in respect of which the date for redemption in accordance with the Terms and Conditions has occurred and the redemption monies wherefore (including all interest (if any) accrued thereon to the date for such redemption and any interest (if any) payable under the Terms and Conditions after such date) remain available for payment against presentation of Certificates. (c) those which have been purchased and cancelled as provided in Condition 8. (d) those which have become prescribed under Condition 12.2(a). (e) Notes represented by those mutilated or defaced Certificates which have been surrendered in exchange for replacement Certificates pursuant to Condition 12. (f) for the purpose only of determining how many Notes are Outstanding and without prejudice to their status for any other purpose), those Notes represented by Certificates alleged to have been lost, stolen or destroyed and in respect of which replacement Certificates have been issued pursuant to Condition 12; (g) provided that for each of the following purposes, namely: <ul style="list-style-type: none"> (i) the right to attend and vote at any meeting of the Noteholders. and (ii) the determination of how many and which Notes are for the time being Outstanding for the purposes of Conditions 19 and 20. (h) all Notes (if any) which are for the time being held by the Issuer (subject to any applicable law) or by any person for the benefit of the Issuer and not cancelled (unless and until ceasing to be so held) shall be deemed not to be Outstanding.
Partly Paid notes	Notes which are issued with the Issue Price partly paid and which Issue Price is to be paid-up fully by the Noteholder in instalments (as indicated in the Applicable Pricing

	Supplement).
Paying Agency Agreement(s)	The paying agency agreement made between the Issuer and the Paying Agent, as may be further supplemented and/or amended and/or restated from time to time.
Paying Agent	The entity acting as paying agent from time to time under the Paying Agency Agreement(s).
Payment Day	Any day which is a Business Day and upon which a payment is due by the Issuer in respect of any Notes.
Principal Amount	The Nominal Amount of each Note specified on the Certificate evidencing such Note.
Programme	This USD 100,000,000 Multi-currency Programme as amended from time to time, under which the Issuer may from time to time issue Notes.
Programme Amount	The maximum aggregate outstanding Nominal Amount of all of the Notes that may be issued under the Programme at any one point in time being USD 100,000,000 or such increased amount as is determined by the Issuer from time to time, subject to the Applicable Procedures and applicable laws, as set out in the section of this Programme Memorandum headed " <i>General Description of the Programme</i> ".
Programme Date	The date of this Programme Memorandum being [date].
Qualified Investor	Special categories of investors acceptable to the Stock Exchange of Mauritius who are knowledgeable and understand the risks of investing in such specialist debt instruments and include but are not limited to expert investors as defined in the Securities (Collective Investment Schemes and Closed-end Funds) Regulations 2008
Recognised Exchange	The SEM or its successor and/or any further recognised exchange or recognised exchanges (being any market of a recognised investment exchange that is designated as a recognised stock exchange by HM Revenue & Customs (HMRC) or which is a member or affiliate of the World Federation of Exchanges on which any Notes shall be listed, and references in this Programme Memorandum to the "relevant Recognised Exchange(s)" shall, in relation to any Notes, be references to the recognised exchange(s) or stock exchange(s) on which such Notes are from time to time, or are intended to be, listed subject to applicable laws.
Reference Rate	In relation to a Series and/or Tranche of Floating Rate Notes, the meaning ascribed thereto in the Applicable Pricing Supplement relating to that Series and/or Tranche.
Register	The register maintained by the Registrar and Transfer Agent in terms of Condition 16.

Registrar and Transfer Agent	The entity acting as registrar and transfer agent from time to time under the Agency Agreement(s).
Relevant Date	In respect of any payment relating to the Notes, the date on which such payment first becomes due.
Repo Rate	The Repo Rate as set from time to time by the Bank of Mauritius.
Screen Rate	In relation to LIBOR, the London interbank offered rate administered by ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate) for the Specified Currency and period displayed (before any correction, recalculation or republication by the administrator) on pages LIBOR01 or LIBOR02 of the Thomson Reuters screen (or any replacement Thomson Reuters page which displays that rate) or on the appropriate page of such other information service which publishes that rate from time to time in place of Thomson Reuters. If such page or service ceases to be available, the Calculation Agent may specify another page or service displaying the relevant rate after consultation with the Issuer.
Secured Notes	Notes expressed to be secured in the Applicable Pricing Supplement.
Security Agent	The entity acting as security agent from time to time under the Security Agency Agreement(s).
Security Agency Agreement(s)	In respect of any Notes that are stated in the Applicable Pricing Supplement to be secured, the agreement entered into between the relevant Security Provider(s), Issuer and the Security Agent (a) appointing the Security Agent as security agent for and on behalf of the Noteholders, holding such Notes, and (b) witnessing the security provided to the Noteholders.
Security Document	Each agreement designated as a security document in the Applicable Pricing Supplement.
Security Provider	The entity designated as a security provider in the relevant Security Document.
Series	a Tranche of Notes, together with other Tranches of Notes, that are identical to each other except for their issue price, issue date and first date for the payment of interest and that are expressed to be consolidated and form a single series.
Special Resolution	A resolution passed at a meeting (duly convened) of the Noteholders by a majority consisting of not less than 75 percent of the persons voting thereat upon a show of hands or if a poll be duly demanded, then by a majority consisting of not less than 75 percent of the votes given on such poll.

Specified Currency	In relation to each Note in a Tranche of Notes, the currency Specified in the Applicable Pricing Supplement.
Specified Time	Noon (Mauritius time, UTC+04:00).
Terms and Conditions	The Terms and Conditions incorporated in this section headed " <i>Terms and Conditions of the Notes</i> " and in accordance with which the Notes will be issued.
Tranche	Notes of a Series that are identical in all respects, including the issue date.
Transfer Form	The written form for the transfer of a Note, in the form approved by the Registrar and Transfer Agent and signed by the transferor and transferee.
USD	The lawful currency of the United States of America, being USD, or any successor currency.

Any reference in this Programme Memorandum to any statute, regulation or other legislation shall be a reference to that statute, regulation or other legislation at the date of this Programme Memorandum, as amended or substituted from time to time.

2. Issue

- 2.1. The Issuer may, at any time and from time to time (without the consent of any Noteholder), issue one or more Tranche(s) of Notes pursuant to the Programme to Qualified Investors, provided that the aggregate outstanding Nominal Amount of all the Notes issued under the Programme from time to time does not exceed the Programme Amount.
- 2.2. Notes will be issued in individual Tranches which, together with other Tranches, may form a Series of Notes. A Tranche of Notes will be issued on, and subject to, the Applicable Pricing Supplement.
- 2.3. The Noteholders are deemed to have notice of, are entitled to the benefit of, and are subject to, all the provisions of the Applicable Pricing Supplement.
- 2.4. Any Note issued as indicated in the Applicable Pricing Supplement may be a Fixed Rate Note or a Floating Rate Note or a combination of any of the foregoing or such other type of note as may be agreed by the Issuer, as indicated in the Applicable Pricing Supplement.
- 2.5. The Applicable Pricing the Supplement may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of those Notes.
- 2.6. The Applicable Pricing Supplement for each Tranche of Notes is (to the extent relevant) incorporated herein for the purposes of those Notes and supplements these Terms and Conditions. Notes will be issued only in the Specified Currency.

3. Form and denomination

3.1. General

- (a) Notes will be issued in such denominations as may be determined by the Issuer and as specified in the Applicable Pricing Supplement.
- (b) All payments in relation to the Notes will be made in the Specified Currency.
- (c) Each Note may be a Fixed Rate Note or Floating Rate Note as specified in the Applicable Pricing Supplement.

3.2. Registered Notes

- (a) Notes which are listed on a Recognized Exchange are issued on the Issue Date in dematerialized form. Title to the Notes will be evidenced by book-entries. No physical document of title (including note certificates) will be issued in respect of Notes. Notes which are not listed will be issued in certificated form, it will be represented by Certificates in the form appended in Annex 1. Legal ownership of Notes will be reflected in book entries recorded by the Registrar and Transfer Agent on the Register which shall constitute the definitive evidence of the title of the Noteholder to the number of Notes shown against his name. The Register to be kept and maintained by the Registrar and Transfer Agent in accordance with Condition 16.

4. Title

- 4.1. The Noteholders title to the Notes listed on a Recognized Exchange is evidenced by book entries in the relevant CSD's settlement system.
- 4.2. Legal ownership of Notes which are not listed on a Recognized Exchange will be reflected in book entries recorded by the Registrar and Transfer Agent on the Register which shall constitute the definitive evidence of the title of the Noteholder to the number of Notes shown against his name. The Register to be kept and maintained by the Registrar and Transfer Agent in accordance with Condition 16.

5. Status of notes

Unless otherwise specified in the Applicable Pricing Supplement, the Issuer's payment obligations under the Notes are direct obligations of the Issuer and rank *pari passu* among themselves and, save for certain debts required to be preferred by law applicable to companies generally, rank at least *pari passu* with all other present and future unsecured and subordinated obligations of the Issuer from time to time outstanding. To the extent that any Notes are to have the benefit of any Encumbrance(s), this will be specified in the Applicable Pricing Supplement.

6. Interest

6.1. Interest on Fixed Rate Notes

- (a) The Interest Rate payable from time to time in respect of the Fixed Rate Notes will be as specified in the Applicable Pricing Supplement:

6.2. Interest on Floating Rate Notes

Interest Rate

- (a) The Interest Rate payable from time to time in respect of the Floating Rate Notes will be determined:
- (i) based on LIBOR; or
 - (ii) based on the Repo Rate; or
 - (iii) on such other basis as may be determined by the Issuer,
- all as specified in the Applicable Pricing Supplement.

(b) **LIBOR Determination**

Where LIBOR Determination is specified in the Applicable Pricing Supplement as the manner in which the Interest Rate is to be determined, the Interest Rate for each Interest Period will be the relevant LIBOR Rate plus or minus (as specified in the Applicable Pricing Supplement) the Margin (if any).

(c) **Unavailability of Screen Rate**

- (i) *Interpolated Screen Rate*: If no Screen Rate is available for LIBOR for the Interest Period of a Note, the applicable LIBOR shall be the Interpolated Screen Rate for a period equal in length to the Interest Period of that Note.
- (ii) *Reference Bank Rate*: If no Screen Rate is available for LIBOR for:
 - (A) Specified Currency; or
 - (B) the Interest Period of a Note and it is not possible to calculate the Interpolated Screen Rate,

the applicable LIBOR shall be the Reference Bank Rate as of the Specified Time for the Specified Currency and for a period equal in length to the Interest Period of that Note and for a period equal in length to the Interest Period of that Note or if there is no Reference Bank Rate, LIBOR shall be such rate as the Calculation Agent, acting in good faith and in its absolute discretion, determines as being the appropriate rate.

(d) **Calculation of Reference Bank Rate**

If LIBOR is to be determined on the basis of a Reference Bank Rate but the Reference Bank does not supply a quotation by the Specified Time, then there shall be no Reference Bank Rate for the relevant Interest Period.

(e) **Minimum and/or Maximum Interest Rate**

If the Applicable Pricing Supplement specifies a Minimum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be less than such Minimum Interest Rate and/or if it specifies a Maximum Interest Rate for any Interest Period, then the Interest Rate for such Interest Period shall in no event be greater than such Maximum Interest Rate.

(f) **Interest Payment Dates**

Each Fixed Rate Note and Floating Rate Note bears interest on its Principal Amount from (and including) the Interest Commencement Date up to (but excluding) the Maturity Date at the rate equal to the Interest Rate. Such interest shall fall due for payment in arrears on the Interest Payment Date(s) and if any Note is fully redeemed prior to an Interest Payment Date,

accrued interest on such Note will be paid on the date on which the Final Redemption Amount in respect of such Note is paid.

(g) **Determination of Interest Rate and Calculation of Interest Amount**

The Calculation Agent will at or as soon as practicable after each time at which the Interest Rate is to be determined, determine the Interest Rate and calculate the Interest Amount for the relevant Interest Period. Unless specified otherwise in the Applicable Pricing Supplement, each Interest Amount shall be calculated by multiplying the Interest Rate by the Principal Amount, then multiplying the product by the applicable Day Count Fraction and rounding the resultant product to the nearest smallest denomination of the Specified Currency, half of any such denomination being rounded upwards.

“**Day Count Fraction**” means, in respect of the calculation of the Interest Amount for any Interest Period:

- (i) if “Actual/360” is specified in the Applicable Pricing Supplement, the actual number of elapsed days (including the first day and excluding the last day of such Interest Period) in the Interest Period divided by 360; or
- (ii) such other calculation method as is specified in the Applicable Pricing Supplement.

(h) **Notification of Interest Rate and Interest Amount**

The Calculation Agent (or such other agent as is specified in the Applicable Pricing Supplement) will cause the Interest Rate and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Calculation Agent, the Noteholders in respect of any Floating Rate Notes as soon as possible after their determination but not later than the fourth Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, and the Noteholders in respect of any Floating Rate Notes.

(i) **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6.2 by the Calculation Agent shall, in the absence of willful deceit, bad faith, manifest error or dispute as set out hereunder, be binding on the Issuer, the Calculation Agent, and all Noteholders, and no liability to the Issuer or the Noteholders shall attach to the Registrar and Transfer Agent, the Paying Agent or the Calculation Agent (as the case may be) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

6.3. Accrual of Interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will accrue at the Interest Rate until the earlier of the date on which all amounts due in respect of such Note have been paid.

6.4. Business Day Convention

If any Interest Payment Date (or other date) which is specified in the Applicable Pricing Supplement to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (a) the “**Fixed Rate Business Day Convention**” or the “**Floating Rate Business Day Convention**”, such Interest Payment Date (or other date) shall in any case where Interest Periods are specified in accordance with Condition 6.1 and 6.2, be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event: (i) such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day; and (ii) each subsequent Interest Payment Date (or other date) shall be the last Business Day in the month which falls the number of months or other period specified as the Interest Period in the Applicable Pricing Supplement after the preceding applicable Interest Payment Date (or other date) has occurred; or
- (b) the “**Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (c) the “**Modified Following Business Day Convention**”, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date (or other such date) shall be brought forward to the first preceding Business Day; or
- (d) the “**Preceding Business Day Convention**”, such Interest Payment Date (or other date) shall be brought forward to the first preceding Business Day.

7. Payments

7.1. General

Payments of principal and/or interest on a Certificate shall be made to the registered holder of such Note, as set out in the Register on the close of business on the Last Day to Register at the Specified Time or (as specified in the Applicable Pricing Supplement). In addition to the above, in the case of the payment of the Final Redemption Amount in relation to any Note, the holder of the Certificate shall be required to surrender such Certificate in accordance with Condition 7.3.

7.2. Method of Payment

- (a) Payments of interest and principal will be made in the Specified Currency by electronic funds transfer to the account designated for the purpose by the Noteholder.
- (b) If the Issuer is prevented or restricted directly or indirectly from making any payment by electronic funds transfer in accordance with the preceding paragraph (whether by reason of strike, lockout, fire, explosion, floods, riot, war, accident, act of God, embargo, legislation, shortage of or breakdown in facilities, civil commotion, unrest or disturbances, cessation of labour, government interference or control or any other cause or contingency beyond the control of the Issuer), the Issuer shall make such payment by cheque (or by such number of cheques as may be required in accordance with applicable banking law and practice) of any such amounts. Such payments by cheque shall be sent by post to the address of the Noteholder as set out in the Register or, in the case of joint Noteholders, the address set out in the Register of that one of them who is first named in the Register in respect of that Note.
- (c) Each such cheque shall be made payable to the relevant Noteholder or, in the case of joint Noteholders, the first one of them named in the Register. Cheques shall be sent by registered post, provided that the Issuer shall not be responsible for any loss in transmission and the postal authorities shall be deemed to be the agent of the Noteholders for the purposes of all cheques posted in terms of this Condition 7.2.

- (d) In the case of joint Noteholders, payment by electronic funds transfer will be made to the account of the Noteholder first named in the Register. Payment by electronic transfer to the Noteholder first named in the Register shall discharge the Issuer of its relevant payment obligations under the Notes.
- (e) Payments will be subject in all cases to any fiscal or other laws, directives and regulations applicable thereto in the place of payment.

7.3. Surrender of Certificates

- (a) In the case of a payment of the Final Redemption Amount in relation to any Note, the holder of such a Note represented by a Certificate shall be required, at least 7 days prior to the date of payment, to surrender such Certificate at the offices of the Registrar and Transfer Agent.
- (b) No payment of the Final Redemption Amount in respect of the final redemption of a Note shall be made until 7 days after the date on which the Certificate in respect of the Note to be redeemed has been surrendered to the Issuer.
- (c) Documents required to be presented or surrendered to the Issuer in accordance with these Terms and Conditions shall be so presented and/or surrendered at the registered office of the Issuer.

7.4. Payment Day

If the date for payment of any amount in respect of any Note is not a Business Day, then it will be subject to adjustment in accordance with a Business Day Convention under condition 6.4.

7.5. Interpretation of principal and interest

- (a) Any reference in these Terms and Conditions to principal in respect of the Notes shall include, as applicable:
 - (i) the Final Redemption Amount of the Notes;
 - (ii) in relation to Instalment Notes, the Instalment Amounts;
 - (iii) any premium and any other amounts which may be payable under or in respect of the Notes, but excluding for the avoidance of doubt, interest.
- (b) Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

8. Redemption and purchase

8.1. At maturity

Unless purchased and cancelled as specified below, each Note will be redeemed in the Specified Currency by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the Applicable Pricing Supplement on the Maturity Date.

8.2. Redemption at the option of the Issuer

- (a) If the Issuer is specified in the Applicable Pricing Supplement as having an option to redeem, the Issuer shall be entitled, having given:

- (i) not less than 15 and not more than 30 days' notice to the Noteholders in accordance with Condition 18; and
 - (ii) not less than 7 days before giving the notice referred to in (i) above, notice to the Registrar and Transfer Agent or the CSD,
- (both of which notices shall be irrevocable) to redeem all or some of the Notes then Outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the Applicable Pricing Supplement together, if appropriate, with interest accrued up to (but excluding) the Optional Redemption Date(s).
- (b) Any such redemption amount must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than a Higher Redemption Amount, both as specified in the Applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemable Notes**) will be selected by the Issuer by lot.
 - (c) A list of the serial numbers of the Certificates will be published in accordance with Condition 18 not less than 15 days prior to the date fixed for redemption.
 - (d) Holders of Redeemable Notes shall surrender the Certificates relating to the Notes in accordance with the provisions of the notice given to them by the Issuer as contemplated above. Where only a portion of the Notes represented by such Certificates, are redeemed, the Registrar and Transfer Agent shall deliver new Certificates to such Noteholders in respect of the balance of the Notes.

8.3. **Redemption at the option of Noteholders**

- (a) If Noteholders are specified in the Applicable Pricing Supplement as having an option to redeem any Notes, such Noteholders may redeem their Notes by delivering to the Issuer and the Registrar and Transfer Agent in accordance with Condition 18, a duly executed notice (**Put Notice**), at least 15 days but not more than 30 days, prior to the applicable Optional Redemption Date. The redemption amount specified in such Put Notice in respect of any such Note must be of a nominal amount equal to or greater than the Minimum Redemption Amount or equal to or less than the Higher Redemption Amount, each as specified in the Applicable Pricing Supplement.
- (b) Where a Noteholder redeems any Notes, such Noteholder shall deliver the Certificate, relating to the Notes to the Registrar and Transfer Agent for cancellation by attaching it to a Put Notice. The Noteholder shall specify its payment details in the Put Notice for the purposes of payment of the Optional Redemption Amount.
- (c) The Issuer shall proceed to redeem such Notes (in whole but not in part) in accordance with the terms of the Applicable Pricing Supplement, at the Optional Redemption Amount and on the Optional Redemption Date, together, if appropriate, with interest accrued up to (but excluding) the Optional Redemption Date(s).
- (d) The delivery of Put Notices shall be required to take place during normal office hours of the Registrar and Transfer Agent. Pro forma Put Notices shall be available from the registered office of the Issuer. Any Put Notice given by a holder of any Note pursuant to this Condition 8.3 shall be irrevocable except where after giving the notice, but prior to the due date of redemption, an Event of Default shall have occurred and be continuing in which event such Noteholder, at its option, may elect by notice to the Issuer and the Registrar and Transfer Agent to withdraw the notice given pursuant to this paragraph and instead to declare such Note immediately due and payable pursuant to Condition 10.

8.4. Early Redemption Amounts

- (a) For the purpose of Condition 8.2 and Condition 8.3 (and otherwise as stated herein), the Notes will be redeemed at the Early Redemption Amount calculated as follows:
- (b) in the case of Notes with a Final Redemption Amount equal to the Principal Amount, at the Final Redemption Amount thereof; or
- (c) in the case of Notes with a Final Redemption Amount which is or may be less or greater than the Issue Price (to be determined in the manner specified in the Applicable Pricing Supplement), at that Final Redemption Amount or, if no such amount or manner is so specified in the Pricing Supplement, at their Principal Amount; or
- (d) Where such calculation is to be made for a period which is not a whole number of years, it shall be calculated on the basis of actual days elapsed divided by 360, or such other calculation basis as may be specified in the Applicable Pricing Supplement.

8.5. Purchases

The Issuer may at any time purchase Notes at any price in the open market or otherwise. In the event of the Issuer purchasing Notes, such Notes may (subject to restrictions of any applicable law) be held, resold or, at the option of the Issuer, cancelled.

8.6. Cancellation

All Notes which are redeemed will immediately be cancelled. Where only a portion of Notes represented by a Certificate are cancelled, the Registrar and Transfer Agent shall deliver a Certificate to such Noteholder in respect of the balance of the Notes.

8.7. Payment

Notwithstanding anything contained in these Terms and Conditions, no redemption payment in respect of a Note shall be made unless the Certificate in respect of the Note has been surrendered to the Registrar and Transfer Agent.

9. Taxation

As at the date of issue of the Programme Memorandum, certain payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of any present or future taxes or duties, assessments or governmental charges of whatever nature, imposed or levied by or on behalf of the government of Mauritius or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In that event that any Taxes are required to be withheld or deducted by law then the Issuer or the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, and shall procure that the Paying Agent makes all payments to be made by it without any withholding or deduction, in both cases.

10. Additional terms

Each issue of Notes made pursuant to the Programme may be subject to such further terms as are annexed to the Applicable Pricing Supplement.

11. Events of default

11.1. An Event of Default shall arise if any one or more of the following events shall have occurred and be continuing:

- (a) the failure by the Issuer to pay within 7 Business Days from the due date any amount due in respect of any of the Notes; or
- (b) the failure by the Issuer to perform or observe any of its other obligations under any of the Notes and such failure continues for a period of 30 calendar days (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- (c) the granting of an order by any competent court or authority for the liquidation, winding-up, dissolution or administration of the Issuer, whether provisionally (and not dismissed or withdrawn within 30 days thereof) or finally, or the placing of the Issuer under voluntary liquidation, provided that no liquidation, winding-up, dissolution or administration shall constitute an event of default if: (i) the liquidation, winding-up, dissolution or administration is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement; or (ii) the liquidation, winding-up, dissolution or administration is for purposes of effecting an amalgamation, merger, demerger, consolidation, reorganisation or other similar arrangement, the terms of which were approved by Special Resolution of Noteholders before the date of the liquidation, winding-up, dissolution or administration; or
- (d) any action or condition (including the obtaining of any consent, licence, approval or authorisation) now or hereafter necessary to enable the Issuer to comply with its obligations under the Programme is not taken, fulfilled or done, or any such consent, licence, approval or authorisation shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect, resulting in the Issuer being unable to perform any of its payment or other obligations in terms of the Notes or the Programme; or
- (e) subject to Condition 12, in relation to Secured Notes only, any breach by the relevant Security Provider of, or non-compliance by the Security Provider with, the provisions of the relevant Security Document.

11.2. If the Issuer becomes aware of the occurrence of any Event of Default, the Issuer shall immediately notify the Security Agent.

11.3. Upon the happening of an Event of Default, any Noteholder may, by written notice to the Security Agent and the Issuer, effective upon the date of receipt thereof by the Issuer, declare the Notes held by such Noteholder to be immediately due and payable. Upon receipt of that notice, such Notes shall become immediately due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of payment.

12. Secured Notes

12.1. The holders of Secured Notes (each a "**Secured Noteholder**") each irrevocably and severally appoints the Security Agent and its respective delegates or sub-delegates to be its attorney for the purposes of enforcing the relevant security strictly in accordance with the Security Agency Agreement(s) and such Secured Noteholders shall be prohibited from enforcing or seeking to enforce the relevant security against any Security Provider (as defined in the Security Agency Agreement(s)) other than through the Security Agent, pursuant to the Security Agent Agreement.

12.2. The Secured Noteholders acknowledge and agree that the Security Agent may:

- (a) determine all questions and doubts arising in relation to any of the provisions of the Security Agency Agreement(s) and further acknowledge and agree that such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Security Agent, shall be conclusive and shall bind the Secured Noteholders;
- (b) determine whether an Event of Default or potential Event of Default is in its opinion capable of remedy and/or materially prejudicial to the interests of the Secured Noteholders. Any such determination shall be conclusive and binding on the relevant the Secured Noteholders;
- (c) without the consent of the Secured Noteholders and without prejudice to its rights in respect of any subsequent breach, waive an Event of Default from time to time and at any time, if in its opinion the interests of the Secured Noteholders; and
- (d) agree without the consent of the Secured Noteholders to (i) any modification of any provisions of the Security Agency Agreement(s) or any other Transaction Document which is, in the opinion of the Security Agent, of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Security Agent, proven; or (ii) any other modification of any of the provisions of the Security Agency Agreement(s) that is in its opinion not materially prejudicial to the interests of the Secured Noteholders.

12.3. The Issuer shall procure that the representations of the relevant Security Provider as set out in the relevant Security Documents are true and accurate as of the date of relevant Applicable Pricing Supplement.

13. Prescription

Claims in respect of principal and interest will become prescribed unless made within ten years in respect of the principal and three years in respect of the interest from the date on which the relevant payment first becomes due but, if the full amount of the money payable has not been received on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholder by the Issuer in accordance with Condition 18 (*Notices*).

14. Delivery, exchange and replacement of certificates

14.1. Costs

Certificates shall be provided (whether by way of issue, delivery or exchange) by the Registrar and Transfer Agent without charge, save as otherwise provided in these Terms and Conditions. If any Tranche of the Notes is listed, separate costs and expenses relating to the provision of Certificates and/or the transfer of Notes may be levied by other persons under the Applicable Procedures and such costs and expenses shall not be borne by the Registrar and Transfer Agent or the Issuer. The costs and expenses of delivery of Certificates otherwise than by ordinary post (if any) and, if the Issuer shall so require, all charges that may be imposed in relation to such mode of delivery, shall be borne by the Noteholder.

14.2. Death or sequestration or liquidation

Any person becoming entitled to Notes in consequence of the death or liquidation of the relevant holder of such Notes may upon producing such evidence that he holds the position in respect of which he proposes to act under this Condition 13 or of his title to the relevant Notes as the Issuer and the Registrar and Transfer Agent may require, be registered himself as the holder of such Notes

or, subject to the requirements of the Applicable Procedures and of this Condition 12, may transfer such Notes. The Registrar and Transfer Agent, on behalf of the Issuer, shall be entitled to retain any amount payable upon the Notes to which any person is so entitled until such person shall be registered as aforesaid or shall duly transfer the Notes.

14.3. Replacement

If any Certificate is mutilated, defaced, stolen, destroyed or lost, it may be replaced at the registered office of the Issuer or at the office of the Registrar and Transfer Agent specified in the Applicable Pricing Supplement, on payment by the claimant of such costs and expenses as may be incurred in connection therewith and against the provision of such indemnity as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15. Transfer of notes

15.1. To transfer of Notes to be effected through the Register, and for the transfer to be recognized by the Issuer, each transfer of a Note:

- (a) requires the prior permission of the Issuer;
- (b) must be embodied in a Transfer Form;
- (c) must be signed by the relevant Noteholder and the transferee, or any representatives of that registered Noteholder and/or the transferee;
- (d) shall only be in the Specified Currency or a multiple thereof and consequently the Issuer will not recognize any fraction of the Specified Denomination;
- (e) for Listed Notes, must be made by following the Applicable Procedures;
- (f) for Notes that are not Listed must be made by way of the delivery of the Transfer Form to the Registrar and Transfer Agent together with the Certificate in question for cancellation or, if only part of the Notes represented by a Certificate is to be transferred, a new Certificate for the balance of the Notes not transferred, will be delivered to the transferor. The surrendered Certificate will immediately be cancelled and retained by the Registrar and Transfer Agent.
- (g) The Notes shall be freely transferable.

15.2. The transferor of any Notes represented by a Certificate shall remain the owner thereof until the transferee is registered in the Register as the holder thereof.

15.3. Before any transfer is registered, all relevant transfer taxes (if any) must have been paid and such evidence must be furnished as the Issuer may reasonably require as to the identity and title of the transferor and the transferee.

15.4. The Registrar and Transfer Agent will, within 3 Business Days of receipt by it of a valid Transfer Form (or such longer period as may be required to comply with any applicable taxation or other laws, regulations or Applicable Procedures), authenticate and deliver to the transferee (at the risk of the transferee) a new Certificate in respect of the Notes transferred.

15.5. No transfer will be registered while the Register is closed.

16. Register

16.1. The Register of Noteholders:

- (a) shall be kept at the registered office of the Registrar and Transfer Agent or such other person as may be appointed for the time being by the Issuer to maintain the Register;
- (b) shall reflect the number of Notes issued and Outstanding;
- (c) shall contain the name, address, and bank account details of the Noteholders;
- (d) shall set out the Principal Amount of the Notes issued to such Noteholders and shall show the date of such issue;
- (e) shall show the serial number of Certificates issued in respect of Notes;
- (f) shall be open for inspection during the normal business hours of the Issuer to any Noteholder or any person authorised in writing by any Noteholder; and
- (g) shall be closed from the Last Day to Register until each payment date of principal and interest in respect of the Notes, as the case may be.

16.2. The Registrar and Transfer Agent:

- (a) shall not be obliged to record any transfer while the Register is closed;
- (b) shall not be bound to enter any trust into the Register or to take notice of any or to accede to any trust executed, whether express or implied, to which any Note may be subject; and
- (c) shall alter the Register in respect of any change of name, address or bank account number of any of the Noteholders of which it is notified in accordance with these Terms and Conditions.

16.3. Except as provided for in these Terms and Conditions or as required by law, in respect of Notes, the Issuer will only recognise a Noteholder as the owner of the Notes registered in that Noteholder's name as per the Register.

16.4. Except as provided for in these Terms and Conditions or as required by law, the Issuer shall not be bound to enter any trust in the Register or to take notice of or to accede to the execution of any trust (express, implied or constructive) to which any Certificate may be subject.

17. Agent

17.1. The Issuer is entitled to vary or terminate the appointment of the Calculation Agent, the Paying Agent and the Registrar and Transfer Agent and/or appoint additional or other agents and/or approve any change in the specified office through which any such agent acts on the terms of the Agency Agreement(s), provided that there will at all times be an Agent with an office in such place as may be required by the Applicable Procedures. The Calculation Agent acts solely as the Calculation Agent and the Paying Agent acts solely as the Paying Agent and the Registrar and Transfer Agent acts solely as the Registrar and Transfer Agent of the Issuer and does not assume any obligation towards or relationship of agency or trust for or with any Noteholders. Inspection of copies detailing how the representative/agent may act can be found at the Issuer's address.

17.2. To the extent that the Issuer acts as the Calculation Agent, the Paying Agent and the Registrar and Transfer Agent (**Agent**) all references in these Terms and Conditions to:

- (a) any action, conduct or functions in such role shall be understood to mean that the Issuer shall perform such action, conduct or function itself; and

- (b) requirements for consultation, indemnification by or of, payment by or to, delivery by or to, notice by or to, consent by or to or agreement between the Issuer and such Agent shall be disregarded to the extent that the Issuer performs such role.

18. Notices

- 18.1. All notices to Noteholders shall be sent by email or delivered by hand to their addresses appearing in the Register. Any such notice shall be deemed to have been given on the seventh day after the day on which it is emailed and on the day of delivery if delivered.
- 18.2. A notice to be given by any Noteholder to the Issuer shall be in writing and given by lodging (either by hand delivery or by email) that notice, together with a certified copy of the relevant Certificate at the office of the Registrar and Transfer Agent specified in the Applicable Pricing Supplement.

19. Meetings of noteholders

- 19.1. The Issuer may at any time convene a meeting of the Noteholders or a meeting of Noteholders of any Series or Tranche of Notes subject to 15 days' notice prior written notice to such Noteholders. This notice is required to be given in terms of Condition 18 above. Such notice shall specify the date, place and time of the meeting to be held, which place shall be in Mauritius.
- 19.2. A director or duly appointed representative of the Issuer may attend and speak at a meeting of Noteholders, but shall not be entitled to vote, other than as a proxy or representative of a Noteholder.
- 19.3. Meetings of the Noteholders or of the Noteholders of a Series of Notes may also be convened and requisitioned Noteholders holding not less than 10 percent in nominal amount of the Notes in such Class of Noteholders for the time being Outstanding.
- 19.4. Subject to the remainder of this Condition 19.4, the quorum at any such meeting for passing a Special Resolution is one or more persons holding or representing not less than a clear majority in nominal amount of the Notes of such Class of Noteholders for the time being Outstanding, or at any adjourned meeting one or more persons being or representing such Class of Noteholders, whatever the nominal amount of the Notes so held or represented.
- 19.5. At any meeting the business of which includes the modification of certain provisions of any of the Notes (including, but not limited to, modifying the date of maturity of any of the Notes or any date for payment of interest thereof, reducing or cancelling the Principal Amount or the Interest Rate payable in respect of the Notes or modifying the majority required to pass a Special Resolution), the necessary quorum for passing a Special Resolution will be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes of such Class of Noteholders for the time being Outstanding, or at any adjourned such meeting not less than one-third in nominal amount of the Notes of that Class of Noteholders for the time being Outstanding.
- 19.6. A Special Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders of the relevant Class of Noteholders, whether they are present at the meeting.

20. Modification

- 20.1. No modification of these Terms and Conditions may be effected without the written agreement of the Issuer.
- 20.2. The Issuer may effect, without the consent of the relevant Class of Noteholders, any modification of the Terms and Conditions which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated and the governing law in accordance with which Notes are issued. Any such modification shall be binding on the relevant Class of Noteholders and any such modification shall be notified to the relevant Class of Noteholders in accordance with Condition 18 as soon as practicable thereafter.
- 20.3. Save as provided in Condition 20.2, no modification of these Terms and Conditions may be effected unless:
- (a) in writing and signed by or on behalf of the Issuer and by or on behalf of the members of the relevant Class of Noteholders holding not less than 75 percent, in nominal amount, of the Notes in that Class of Noteholders for the time being Outstanding; or
 - (b) sanctioned by a Special Resolution of the relevant Class of Noteholders.

21. Further issues

The Issuer shall be at liberty from time to time without the consent of any of the Noteholders to create and issue further Notes having terms and conditions the same as any of the other Notes issued under the Programme or the same in all respects save for the amount and date of the first payment of interest thereon, the Issue Price and the Issue Date, unless the relevant Notes have the benefit of Encumbrance(s) created pursuant to Security Documents, in which case the prior approval of the Noteholders holding such Notes will be required for the issue of any further Notes which are to share the benefit of such Encumbrance(s).

22. Governing law

Unless otherwise specified in the Applicable Pricing Supplement, the provisions of the Programme Memorandum and the Notes are governed by, and shall be construed in accordance with, the laws of the Republic of Mauritius.

23. Jurisdiction

The courts of Mauritius shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Programme Memorandum and the Notes.

USE OF PROCEEDS

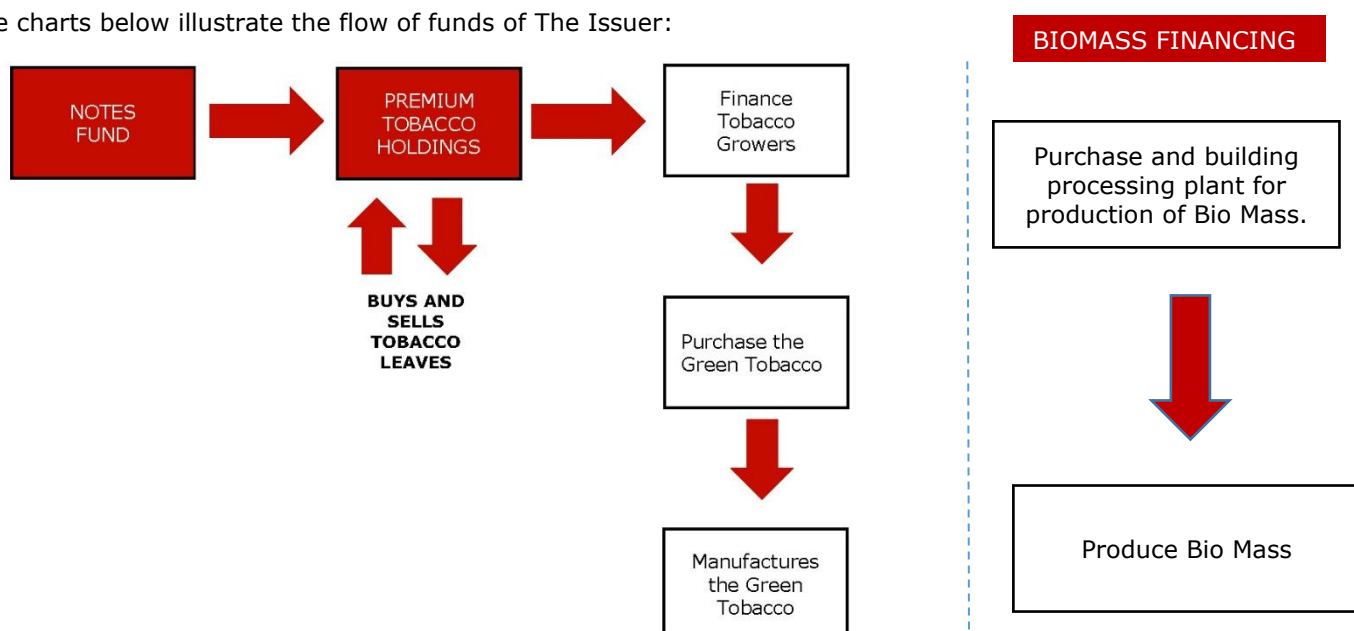
Tranche 1

The proceeds of the Notes will be used for general corporate purposes detailed as follows:

- To fund the short- and medium-term revolving working capital needs of the Issuer in line with its continued growth in purchase and sales of tobacco;
- The Issuer's main objectives is to be flexible and to be able to make quick decisions in the market they operate, therefore the need for a working capital that would allow less reliance on the traditional existing structured trade finance facilities which in turn increase the Issuer's sales and profitability; and
- To provide the necessary working capital to significantly increase the production of renewable bio mass utilizing its existing farmer base in Africa into a commercially viable product within both local and export markets.

FLOW OF FUNDS

The charts below illustrate the flow of funds of The Issuer:



NET PROCEEDS (TRANCHE 1)

Use of proceeds	USD
Proceeds from sale of Notes	30,000,000
Legal Fees	20,000
Listing Sponsor Fees	45,000
SEM Listing Fees	6600
Funds available to The Issuer	29,928,400

OVERVIEW OF THE CONSTITUTION AND LEGAL SYSTEM OF MAURITIUS

THE CONSTITUTION OF MAURITIUS

The Constitution is the supreme law of Mauritius. It proclaims that Mauritius is a democratic state.

The Constitution guarantees the protection of the fundamental rights and freedoms of the individual, including: the freedom of conscience, the freedom of association, movement and opinion, the freedom of expression, the right to hold private property and to be free from racial and other discrimination. The Constitution also provides for the separation of powers amongst the legislature, the judiciary and the executive.

Legal System of Mauritius

Mauritius as a former French and British colony enjoys a hybrid legal system. The Civil Code and the Code de Commerce (both of French origin) and English common law and case law form an integral part of the legal system.

The Judiciary

The Judiciary in Mauritius is vested by the Constitution with the powers and duties to administer justice in Mauritius.

The Supreme Court

The Supreme Court has unlimited jurisdiction to hear and determine any civil or criminal proceedings under any law other than a disciplinary law and such jurisdiction and powers as may be conferred upon it by the Constitution or any other law. It is the principal court of original civil and criminal jurisdictions. It exercises general powers of supervision over all District, Intermediate and Industrial Courts and other special courts set up by law.

The Judicial Committee of the Privy Council

Appeals from the Supreme Court (sitting in its appellate jurisdiction) lie to the Judicial Committee of the Privy Council.

DESCRIPTION OF THE ISSUER

OVERVIEW OF THE ORGANIZATION

The Issuer was established in 2002 with the defined objective of undertaking targeted infrastructure and agronomy investments coupled with an aggressive sales mandate to:

- a) Provide a flexible alternative in the highly concentrated tobacco merchant sector;
- b) Establish a differentiated competitor to the smaller and trading dealers; and
- c) Provide sound returns to shareholders.

HISTORY

The Issuer was established by a group of experienced professionals with strong backgrounds in the leaf tobacco industry was a deliberate move intended to shake up an oligopolistic industry structure. This structure was exacerbated by further consolidation within a few years of Premium starting. The founding shareholders formerly held senior executive management positions with large multinationals in the industry, or owned smaller, successful tobacco companies and merged their businesses into the Group. Shareholders have assumed key executive positions and are directly involved in sales, operations and controlling positions, though succession planning has been an important initiative in recent years and the succession management Issuer has bought an equity stake.

The Issuer was established with the objective of developing a global group structure. The Issuer’s aims have been, and still are, to maximize efficiency throughout selected local tobacco supply chains, securing robust and effective marketing channels and penetrating industry niches. At the time the large cigarette manufacturers needed, and strongly desired, an efficient third global player to dilute sector concentration risk and strengthen competition in the tobacco leaf merchant sector.

TIMELINE

2002	Creation of Premium Tobacco group with the incorporation of Premium Tobacco Holdings Limited.
2002	Premium’s first processing and agronomy investment was in Brazil, given the country’s leading global export status. Premium Tabacos do Brasil (PTdB) was formed by Carlos Brand and Romeu Müller, two experienced Brazilian tobacco industry professionals, who still manage The Issuer and own 43% of its equity. The remaining 57% of PTdB’s shares are owned by Premium Tobacco Brazil Holdings Limited, which are stapled to Premium Tobacco Holdings Limited’s shares.
2006	The Issuer’s next major investment was in Thailand. The merger of Standard Commercial and Dimon, that created Alliance One International, resulted in a de facto monopoly market in Thailand. Both growers and manufacturers wanted a new merchant to enter the Thai market and large manufacturers approached Premium about establishing an integrated operation to ensure that there was competition in the market. This resulted in the establishment of Premium Tobacco Thailand Ltd , though this was subsequently closed in 2016 as customer demand moved to African origins.

2007	<p>An opportunity arose to establish an African based business as a leaf merchant company in Malawi, initially processing with third parties. Premium Tama Tobacco Limited (PTTL) is the Issuer's subsidiary with some local shareholders, management and Malawi's largest farmer group (the Tobacco Association of Malawi).</p>
2008	<p>Premium Active Tanzania Limited (PATL) was established as a joint venture merchant operation in Tanzania with currently 90% owned by The Issuer and 10% owned by a local investor. PATL has contracts with 13 grower primary societies in the Chunya region and 3 primary societies in the Mpanda region.</p> <p>The Issuer decided to strengthen its position in Malawi by investing in a new processing business - Kanengo Tobacco Processors Limited (KTPL).</p>
2009	<p>The Issuer decided to separate the Brazilian activities under a sister company named Premium Tobacco Brazil Holding Ltd, with shares being stapled to Premium Tobacco Holdings Limited shares. The objective being to insulate the rest of the group from the then volatility of the Brazilian Real.</p>
2011	<p>The Issuer entered into an exclusive agreement with Boost Africa Traders Pvt Ltd in Zimbabwe through a JV marketing arrangement. With a growing demand for Zimbabwe tobacco and an increasing and stabilizing supply situation, Premium determined it was strategically advantageous to enter the market and capitalise on potential growth into what has traditionally been an exceptionally important flavour FCV market for many manufacturers.</p>
2014	<p>Given the ongoing changes in the market and to better position The Issuer for the future, a global rationalization programme was implemented to improve efficiencies, increase asset utilization and reduce operating costs in all origins.</p>
2015	<p>As a result of falling demand for Thai burley, The Issuer decided to close its agronomy and processing operations in Thailand and evaluate re-deployment opportunities within The Issuer for the processing equipment.</p>

<p>2016</p>	<p>To take advantage of a strategic opportunity to acquire a substantial grower base, numerous highly qualified and respected personnel and equity in a processing factory, The Issuer decided to make an investment in Zimbabwe to meet strong and growing customer demand for this sought-after tobacco.</p> <p>Premium Leaf Zimbabwe (Pvt) Limited was created in July 2016 and it is a wholly owned subsidiary of Premium Tobacco Holdings and The Issuer is responsible for contracting local farmers, processing and exporting Zimbabwe tobaccos.</p>
<p>2016</p>	<p>Boost Africa Traders elected to remain independent and the JV with them was closed down.</p> <p>An exclusive JV agreement was entered into with Uganda Tobacco Services Limited (UTS) to market tobaccos from the desirable Ugandan crop on a worldwide basis. This development gave the JV a near monopoly position in the Ugandan tobacco export business.</p>
<p>2017</p>	<p>To further develop the Ugandan JV and to reduce the product cost structure, The Issuer moved the Thai processing factory equipment to Uganda and established an additional JV, the Nilus Group with UTS to process JV and third party Ugandan tobaccos. Prior to this investment there was no processing factory in Uganda and green tobacco was exported for processing and subject to an export tax.</p> <p>An exclusive marketing agreement was signed with Cooperative de Tabacaleros de Juyjuy Ltda, a large Argentinian tobacco co-op that grows and processes tobacco. The agreement covers the whole world excluding China. Argentina grows a substantial virginia crop and has a solid customer base.</p>
<p>2018</p>	<p>Completion of a USD100m non-recourse discount facility for sales to China Tobacco International and subsidiaries.</p> <p>Official opening of the Nilus processing facility in Uganda by the Speaker of the House of the Parliament of Uganda</p> <p>Soft launch of White Charcoal, a renewable bio mass fuel for cooking and heating in Tanzania</p>

The three main types of tobacco produced globally are Virginia (FCV), Burley (ACB), and Oriental. Premium chose to concentrate on the larger volume demands of Virginia and Burley.

THE ISSUER’S STRENGTHS

The Issuer’s strengths include:

- a) Regional diversification

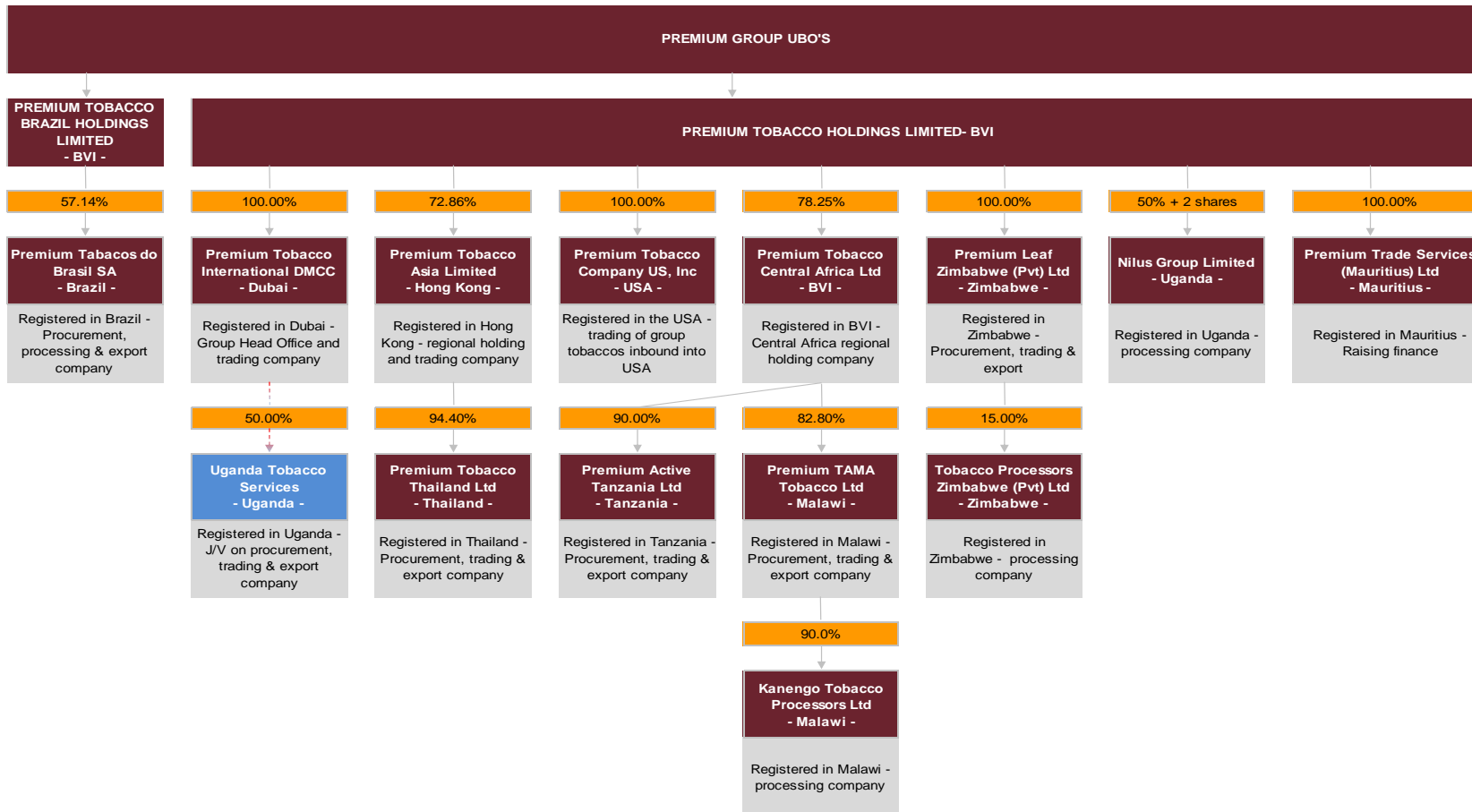
- b) Significant executive management experience with a broad depth of product knowledge
- c) A significant international experience in agronomy, leaf sourcing and sales.
- d) Security of global procurement
- e) A balanced and stable customer mix
- f) Broad product offering in terms of variety and price
- g) A profitable business with balanced gearing
- h) A tax efficient structure
- i) Sizable retained earnings giving a strong capital base to support seasonal borrowings
- j) Building up a dividend track record
- k) Investment in people and infrastructure
- l) Sufficiency in credit lines for stable structured commodity financing
- m) At the forefront in reducing use of fossil fuels and indigenous wood within the tobacco industry with development of renewable resources for cultivation and curing of tobacco in all core growing areas where the Issuer has a presence.

THE ISSUER'S TRADING PROSPECTS

For the 1st quarter ended June 2019, the Group's performance was better compared to that of 1st quarter ended June 2018. Whilst the Group experienced a loss in the first quarter, this is normal for a tobacco crop cycle as the majority of shipments take place in the second half of the financial year. The Group's financial performance for the 2nd quarter is expected to be generally positive.

CORPORATE STRUCTURE

Premium Tobacco Group - Group Structure 2019



SUMMARY OF SHAREHOLDING IN SUBSIDIARIES

* (Information is as at of date of the Programme Memorandum)

	Activity	Held Directly % Shareholding	Paid up Share Capital	Investment by Premium Tobacco Holdings Ltd	Date of Incorporation
Direct Holding					
Premium Tobacco do Brazil	Procurement- Processing and Export	57.14%	9,937,118	5,678,070	03 October 2002
Premium Tobacco International DMCC	Group Head office and trading company	100%	300,000	300,000	30 May 2011
Premium Tobacco Asia Limited-Hongkong	Regional holding and trading company	72.86%	5,500,000	4,007,143	20 September 2004
Premium Tobacco Company Inc-USA	Trading of group tobaccos inbound into the USA	100%	10,000	10,000	23 August 2002
Premium Tobacco Central Africa Ltd-BVI	Central Africa regional holding Company	78.25%	50,000	39,125	14 February 2007
Premium Leaf Zimbabwe (Pvt) Ltd-Zimbabwe	Procurement Trading and Export company	100%	999,000	999,000	08 July 2016
Nilus Group Limited-Uganda	Processing Company	50%	1,440,000	720,000	23 November 2016
Premium Trade Services (Mauritius) Ltd- Mauritius	Raising Finance	100%	750,000	750,000	02 May 2018

DETAILS ON THE ISSUER'S STRUCTURE

The Issuer's structure is split in two. On one side all non-Brazilian subsidiaries, joint ventures and associates are consolidated under Premium Tobacco Holdings Limited ("PTH"). In Brazil, Premium Tabacos do Brasil SA is majority owned by Premium Tobacco Brazil Holdings Ltd ("PTBH"). Both holding companies have the exact same shareholding structure with share transactions being stapled.

The principal rationale for the split structure setup in 2009 (between PTH and PTBH) was to shield normal Issuer operations and financial results from the impact of the extreme volatility of the Brazilian Real vs the

US Dollar as a result of the global financial crisis in late 2008 / early 2009. Specifically, this was in response to a rapid decline more than 45% in the value of the Brazilian Real in late 2008.

Shareholder risk, control and commitment are unchanged. The effect of the reorganization was to take Brazilian economic and currency risk up one level directly to shareholder level. The Issuer was recapitalized by the shareholders by USD 1.5m.

Premium Tobacco International DMCC ("PTID") is a 100% owned subsidiary of Premium Tobacco Holdings Ltd and the main borrower and trading entity for the Issuer, with the responsibility for the financing and providing a sales channel for all tobacco origins.

In 2011 the legacy UK and Irish offices were closed, and the functions relocated and consolidated in Dubai. The combining of senior management, sales, logistics and the finance and administration departments in one location provides better co-ordination, improved service levels and cost reductions. In addition, the move helped the Issuer maintain a competitive tax structure.

The main operating entities of the Issuer are:

Premium Tabacos do Brasil SA ("PTdB") operates in the Southern Region of Brazil, where it purchases tobacco from local growers (~13,000 farmers), which is then blended and processed at The Issuer's factory in Santa Cruz and exported. The trading is run through PTID and / or Premium Tobacco Company US, Inc. to the Issuer's final end users.

Premium Tobacco Malawi Ltd ("PTML") operates in Malawi and is predominantly burley tobacco focused. PTML is the growing, buying and exporting company through PTID and/or Premium Tobacco Company US, Inc.) to the Issuer's end customers. **Kanengo Tobacco Processors Ltd** (KTPL) is the processing entity in Malawi.

Premium Active Tanzania Ltd ("PATL") operates in Tanzania where it purchases tobacco through its extensive Integrated Production System (IPS) local grower's base. The crop is then blended and processed at the Alliance One International factory and the tobacco is then exported through PTID and/or Premium Tobacco Company US, Inc. to the Issuer's final end customers.

Premium Tobacco Company U.S., Inc. ("PTUS") operates in the USA and is the invoicing entity and customer support entity for all USA based customers. It supports the Issuer origins.

Premium Leaf Zimbabwe Pvt Ltd ("PLZ") operates in Zimbabwe where it purchases tobacco from auction floors and through its extensive IPS local grower's base. The crop is then blended and processed at **Tobacco Processors (Zimbabwe) Ltd**, in which the Issuer has a 15% equity stake. Export sales run through PTID and / or Premium Tobacco Company US, Inc. to the Issuer's final end users.

Nilus Group Limited ("NGL") operates in Uganda and is a joint venture with Uganda Tobacco Services Ltd.

THE ISSUER BUSINESS AND STRATEGY

The tobacco merchant industry is quite unique among soft commodities and as such requires specialist skill sets that only come through experience in the industry and are much in demand among competitors. As a tobacco merchant, the Issuer manages its farmer base, selects, purchases, blends, processes, packs, stores, ships tobacco. The

Company adapts its business model to demand needs, purchasing most of the leaf tobacco according to customer orders, supply contracts, or customer indications of anticipated needs.

The purchase is done by grade of green or unprocessed leaf and is done either directly from in-house contracted farmers in the Integrated Production System (IPS) or on auction floors, which depends on the origin's marketing system. Processed tobaccos are purchased for The Issuer's pure trading businesses.

Processing involves:

- a) Breaking up the farmer tied leaf bundles
- b) Adding moisture to improve yields
- c) Removing dirt and other non-tobacco related material

- d) Separating the main leaf stem from the rest of the lamina
- e) Removing excess moisture to avoid fungal growth during storage
- f) Packed in an industry standard cardboard case

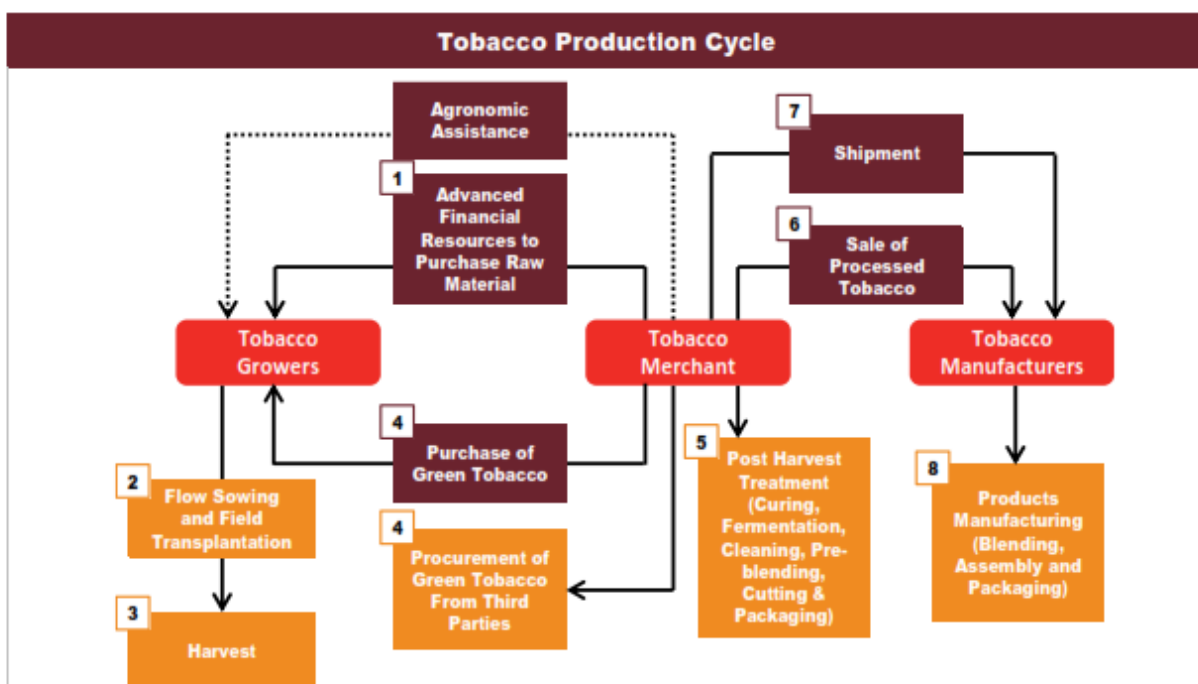
Leaf grading, processing and packing specifications are dictated by manufacturer requirements or by standard industry grades. Manufacturers take the merchant supplied leaf and further blend it according to their own brand specifications before any flavouring, cutting and actual cigarette manufacture.

The Issuer manages complex agronomy and logistics to deliver consistent quality to global clients. This role is crucial where it operates in countries where tobacco is grown by thousands of small IPS farmers and aggregated and processed for global customers. Some tobacco products manufacturers purchase directly green tobacco from the growers if they operate vertically integrated supply chains, though even these manufacturers do buy some volumes through the trade.

The Issuer’s strengths include regional diversification with IPS farmer bases to give security of a global procurement reach, a broad product offering in terms of variety, style and price, and very significant international experience in leaf and sales.

THE ISSUER’S BUSINESS MODEL

Premium employs an integrated business model, that aligns with the below tobacco production cycle, when contracting farmers or farmers’ societies to grow tobacco according to its requirements and specifications and through to processing customer requirements.



Details on the different steps

Step 1a. Advancing Financial Resources to Purchase Crop Inputs

Tobacco growers are small-scale farmers and lack the financial resources necessary for efficient tobacco growing. Premium advances financial resources and / or agricultural inputs so that the farmer can plant and grow his crop and, as a result, the farmer becomes an integral part of the Premium supply-chain. Premium has a highly developed in house credit control and merit program across all origins where it provides pre-finance for farmers and as such record's minimal bad debts against farmer advances. The debt is recovered, with an element of margin, when the farmer sells his crop to Premium.

Globally Premium contracts in excess of 50,000 small scale farmers with a major focus on the African producing countries. Small scale farmers are required to use no more than 50% of their available land to growing tobacco with Premium insisting that they grow at least one food crop and one other crop of their choice. This ensures that the farmers do not have a total reliance on tobacco production as well as good crop rotation and soil management

Normally the contract covers one cropping season during which the grower must liquidate his debt. However, there are situations when the grower's debt with Premium can be paid over a slightly longer period when advances are made for capital equipment.

Step 1b. Agronomic Assistance

Besides advancing financial resources and / or agricultural inputs to growers, Premium provides agronomic assistance to the farmers to help ensure inputs are used effectively. Technicians supervise the purchase of approved seeds and agricultural inputs to ensure compliance with pre-set guidelines. Agronomic assistance is concentrated in the first half of the season when soil preparation, seedling growing and transplantation into the fields is carried out and continues during the crop's growth in order to avoid issues that could damage tobacco quality or the yield. Agronomic support is also provided at harvest to ensure the leaf is reaped at the correct time and in the correct stalk position order. Technical help ensures that curing is carried out correctly as this process has a crucial impact on overall leaf quality. In addition, Premium conducts regular workshops available to all contract farmers to provide a continued education program to all of its farmer base.

Step 2. Flow Sowing and Field Transplantation

Tobacco is not planted directly into the fields as the seedlings are grown in specialized seed beds and are then transplanted into the fields when the seedlings are established.

Step 3. Harvest

Harvest consists of reaping the tobacco leaves when they reach the right maturity. Quality is a crucial factor in tobacco processing and cigarette manufacturing, so tobacco must be harvested under the correct conditions and stalk position.

Step 4. Tobacco Purchase/ Procurement

This phase is the buying of green tobacco from the growers and third parties. The farmers will deliver the green tobaccos to buying stations or the auction floors where the tobacco will be assessed, weighed and prices agreed. Premium pays the farmer and takes full title to the tobacco.

Prices are either negotiated by individual merchant companies with the farmers' unions or by grower industry bodies, who determine the costs of production each year, which forms the basis of the minimum pricing level on a grade by grade basis.

Step 5. Post-Harvest Processes

After the tobacco leaves are harvested, they go through a drying and curing process. Curing removes some moisture and changes the chemical composition and leaf colour to give the taste and smoking characteristics. There are four main types of curing processes: flue-curing, fire-curing, air-curing, and sun-curing. Tobaccos are classified by the curing method used, which defines the principal usage.

- a) **Flue-curing uses** fuel generated heat in specialized barns fitted with flues that circulates the heat. Virginia tobacco is usually flue-cured.

- b) **Fire-curing** exposes tobacco leaves to the heat and smoke of a fire so that leaves absorb the aroma of the smoke. This process changes the tobacco's taste and depends on the length of the cure and the type of burning fuel i.e.: wood, rice husk etc.
- c) **Air-curing** is the natural curing of tobacco, though in some humid countries this can be supplemented by artificial heat to help the curing. Air-curing requires the use of open barns, usually a wood or bamboo structure, where the tobacco leaves are hung to dry. This air-curing process is used to cure burley tobacco.
- d) **Sun-curing** consists of exposing tobacco leaves to direct sunlight to remove moisture. oriental tobacco and certain types of virginia tobacco utilize this method of curing.
- e) Brown and dark tobaccos can also be fermented. After curing, some tobaccos are, such as virginia and some burley are re-dried to reduce the moisture content and ensure there is minimal degradation during storage. The processors merchants will re-grade and blend tobacco to meet manufacturer's specifications.

Step 6. Sales of Processed Tobacco

During the annual selling season, the main customers will visit the merchants' factories to confirm volumes, inspect the green tobacco, set up their blends and conduct the annual pricing negotiations. The shipping schedule is often usually given at this point.

Some customers buy against samples that are sent to them by Premium along with an offer sheet.

Step 7. Shipment

The customer sets the shipping schedule. Some ship all their purchases to their own warehouses, while other customers will set out a shipping programme. Shipping is an ongoing programme all year round and tends to be on an FOB basis and usually in 40ft container units.

Step 8. Final Product Manufacturing

Manufacturers of cigarettes and other tobacco products blend different types of tobaccos, sometimes with flavorings additives to make products to brand specifications.

THE ISSUER'S CLIENTELE

The Issuer has a global reach with a presence in the important tobacco origins covering the main tobacco varieties.

Countries- Buying regions

Brazil

Brazil is one of the main supply origins for the Issuer with approximately a quarter of the traded volumes coming from this origin. Brazil is the world's second largest tobacco producer, after China and the biggest exporter. The purchasing operations in Brazil are controlled by Premium Tabacos do Brasil ("PTdB"), which has about a 6.5% market share, and handles all agronomy, purchasing, processing, warehousing and export. PTdB, located in the city of Santa Cruz do Sul, State of Rio Grande, has achieved impressive growth since its formation and is a significant contributor to the Issuer turnover.

PTdB has built a substantial base of approximately 13,000 contracted IPS farmers, the industry model in Brazil, since starting operations in 2002. PTdB's contracted farmers specialize in the growing of flue cured virginia and burley tobaccos

Brazil produces between 550-700m kgs of flue cured virginia tobacco, making it easily the largest exporter of this variety of tobacco in the world. In addition, it produces between 75-95m kgs of burley tobacco per year as well as dark and sun cured tobaccos for the cigar market. Variances are usually strongly related to weather conditions.

Malawi

Malawi is predominantly a burley tobacco producer which accounts for over 50% of the country's export earnings and is grown by small scale farmers. Malawi burley is a key blend component for many major

international manufacturers. Tobacco is the largest employer in the country and a key driver of the economy. Premium has historically maintained a market share of between 11% and 15%.

Zimbabwe

Zimbabwe is predominantly a flavour flue-cured virginia market where farmers grow some of the best quality of this variety in the world. Zimbabwe has a long history of growing highly sought-after full flavour tobaccos and is regarded as a key component of China Tobacco International's blends. Premium sources through contracted commercial farmers, small scale growers and over the auction floors. Premium contracts in excess of 19,000 small scale farmers. Premium's market share is about 20%.

China

China is the largest grower of tobacco leaf in the world, producing 1.9 million tons per annum, or about one-third of global tobacco production. Most of the tobacco leaf produced in China is used for domestic cigarette production. To balance the supply of tobacco with demand, the State Tobacco Monopoly Association (STMA) sets a tobacco leaf production quota. The STMA controls Chinese tobacco leaf production and procurement prices, and cigarette manufacturing and marketing. China Tobacco International (CTI) is a subsidiary and controls all imported tobaccos.

Tanzania

Tobacco is one of the major agricultural export crops in Tanzania being the third largest foreign currency earner after coffee and cashew nuts. As a cash crop it is a major source of household income to approximately 72,000 smallholder farmers. The crop grown is of the flue-cured virginia variety and is in high demand as a semi-flavour by major multinational manufacturers.

The Issuer contracts local farmer primary societies and typically purchases around 15% of the total country crop production. The growers are in the south west and are almost exclusive to Premium.

Main customers

Japan Tobacco International (JTI)

Japan Tobacco International, founded in 1999, is the international tobacco division of Japan Tobacco a leading international tobacco product manufacturer. The Issuer is the world's third largest international tobacco company and sells its brands in 120 countries.

China Tobacco International (CTI)

CTI, founded in 1982, is a Chinese state-owned importer of tobacco products. It enjoys a monopoly for imports in China which is the world's largest manufacturer of tobacco products measured by revenues.

Phillip Morris International (PMI)

Philip Morris International, established in 1967, is an American global cigarette and tobacco company, with products sold in over 200 countries with approximately 16% of the international cigarette market outside the United States. PMI is a leading international tobacco company and manufactures seven of the world's top 15 international brands, including Marlboro, the world's best-selling cigarette brand.

British American Tobacco (BAT)

British American Tobacco plc (B.A.T.) is a British multinational cigarette and tobacco manufacturing company headquartered in London, United Kingdom. It is the largest publicly traded tobacco company in the world. BAT has a market-leading position in over 50 countries and operations in around 180 countries. Its four largest-selling brands are its native brand Dunhill and US brands Lucky Strike, Kent and Pall Mall. Other brands that The Issuer markets include Benson & Hedges and Rothmans. BAT has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 Index. It has a secondary listing on the Johannesburg Stock Exchange, on the Nairobi Recognised Exchange(s) and the Zimbabwe Stock Exchange as well as the New York Stock Exchange.

PT. Sumatra Tobacco Trading Company (STTC)

STTC is the biggest manufacturer on non-kretek cigarettes in Indonesia. About 88% of Indonesian cigarettes contain clove and are called kreteks. The Issuer offers cigarettes and chewing tobacco. STTC is based in Sumatra, Indonesia.

Societe Nationale des Tabacs et Allumettes SpA (SNTA)

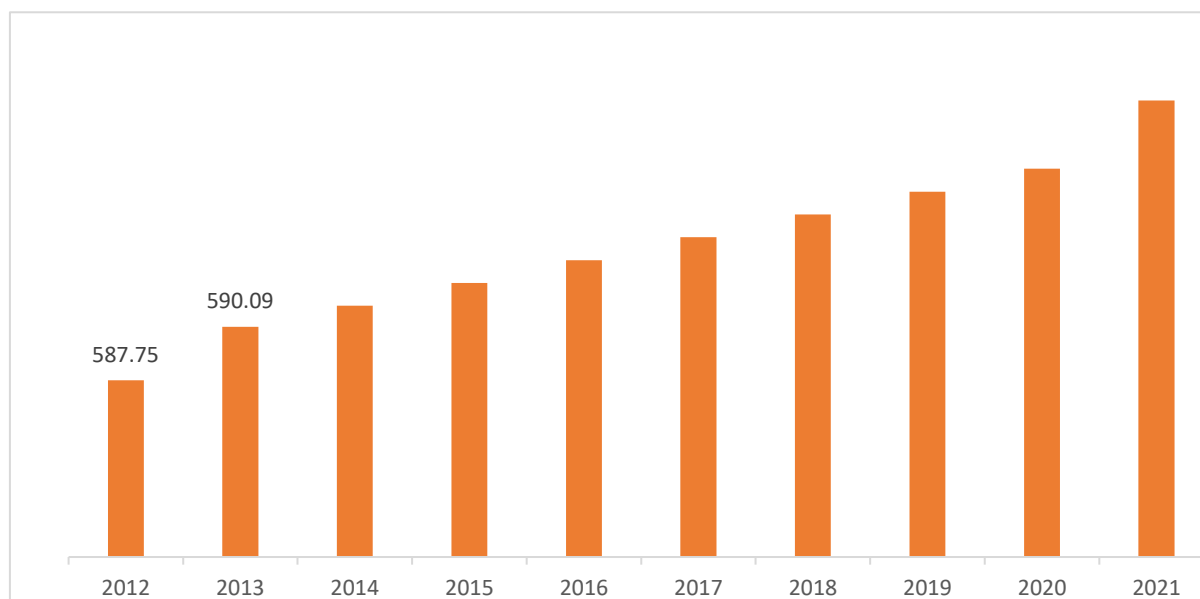
SNTA manufactures and markets tobacco products. The Issuer's products include cigarettes, chewing tobacco, and match boxes. SNTA is based in Algiers, Algeria.

Eastern Company SAE

Eastern manufactures and markets tobacco products. The Issuer's products include cigarettes, shisha tobacco and roll-your-own; The Issuer also produce PMI brands for the Egyptian market under a manufacturing agreement. Eastern is based in Cairo, Egypt.

TOBACCO MARKET OVERVIEW

Global Market Size, 2012-2021 (USD Billion)



Global Tobacco Revenue

The global tobacco market size was valued at USD 604.35 billion in 2015 and is poised to register a CAGR of 2.8% from 2016 to 2021. Globally, the market has faced several challenges, including stringent government policies, rising health consciousness, increasing popularity and availability of substitutes, and economic concerns.

In addition, availability of traditional nicotine replacement therapies such as gum, patches, and lozenges, which help alleviate cravings, threaten to impede market growth. Electronic cigarettes (e-cigs) are currently the largest threat to the industry on a global scale, with several countries proving to be key markets for such products. As a result, tobacco and associated product manufacturers are looking for innovative ways to sell their products in the market. Improving public awareness about the adverse impact of smoking on health and overall wellness, combined with rising government initiatives to control consumption such as graphic adverts on television as well as on product packaging, will be a barrier for new entrants.

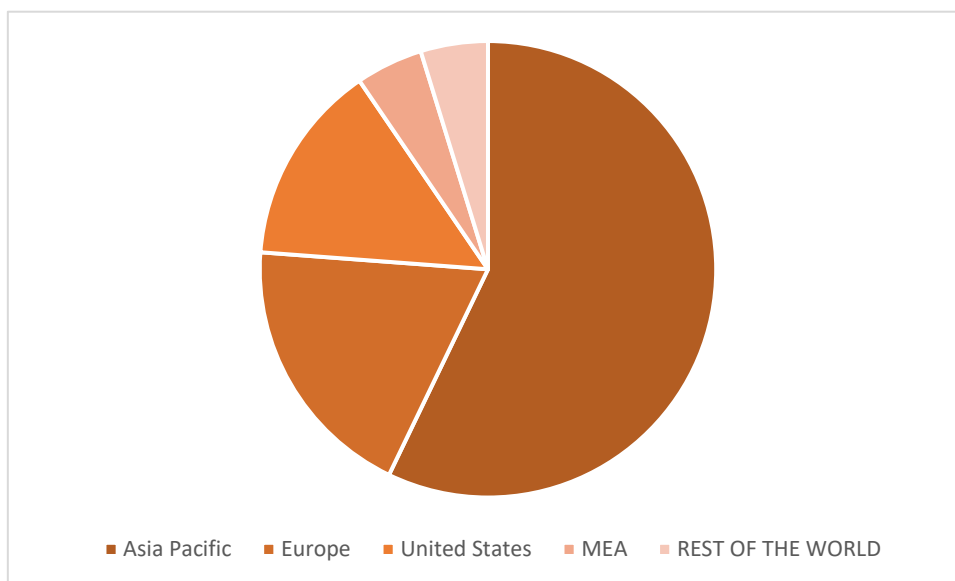
Type Insights

Based on type, the market has been segmented into on cigarettes, smoking tobacco and cigars and cigarillos. Cigarettes enjoyed the dominant share in the global market in 2016, accounting for 93.0% of the overall revenue generated. Smoking tobacco formed the second-largest segment, with a 3.4% share that year. In several developed countries, however, smokeless tobacco holds a key share in the overall market.

Regional Insights

China forms the largest tobacco market, followed by U.S., U.K., and Canada. Convenience stores form the most prominent channel of sales of tobacco products. However, increasing health awareness among consumers, stricter government regulations pertaining to these products, and rising popularity of and preference for substitutes threaten to restrict the growth of the China market. Moreover, manufacturers are hiking per unit price of cigarettes and other tobacco products due to increased tax. This has led consumers to look to more value-for-money products. Despite this, premium cigarettes will continue to hold consumer preference owing to the perception that they are less harmful.

Global Market Share by region, 2016 (%)



U.S. is the second largest market but is currently witnessing a long-term downward trend. This can be attributed to rising health consciousness among the people, coupled with rising government initiatives to curb tobacco-related diseases. In August 2016, the U.S. Food and Drug Administration (FDA) implemented a rule to regulate vaped tobacco such as hookah, e-cigarettes, and pipe tobacco. Nevertheless, despite a continuously changing regulatory framework, the market will gain revenue through high per unit price resulting from increased tax levied on tobacco products.

Tobacco Market Share Insights

Key industry participants include Altria Group, Inc.; Reynolds American Inc.; Hongyuhonghe Tobacco (Group) Co.; British American Tobacco p.l.c. (BAT), Ltd.; Japan Tobacco Inc.; Imperial Brands PLC; and Philip Morris International Inc. These companies are engaged in strategic initiatives such as new product development and acquisition, which are intended to augment growth and expand their business with new technologies and products. The market is fragmented in nature; nevertheless, presence of large multinational companies intensifies competition.

SUMMARY AUDITED FINANCIAL STATEMENTS

The Issuer's financial information set out below has, unless otherwise indicated, been derived from its audited consolidated financial statements as at and for the years ended 31 March 2017 to 2019, in each case prepared in accordance with IFRS as issued by the International Accounting Standards Board.

AUDITED STATEMENTS OF COMPREHENSIVE INCOME

Consolidated Income Statement	2017	2018	2019
for the year ended 31 March	USD 000	USD 000	USD 000
Revenue	425,485	531,584	519,349
Cost of sales	(365,293)	(446,466)	(439,541)
Gross profit	60,192	85,118	79,808
Other operating gains	2,209	1,384	379
Foreign exchange (losses)/gains	42	(43)	(629)
Distribution costs	(9,602)	(10,977)	(8,904)
Sales and administration expenses	(26,934)	(33,932)	(36,643)
Operating profit	25,907	41,550	34,011
Finance costs	(19,845)	(22,935)	(24,881)
Finance income	780	1,763	25,196
Finance costs - net	(19,065)	(21,172)	315
Profit for the year from continuing operations before taxation	6,842	20,378	34,326
Taxation	(1,654)	(3,106)	(2,410)
Profit for the year from continuing operations	5,188	17,272	31,916
Other comprehensive income			
Exchange differences on translating foreign operations	106	259	188
Losses on property revaluation	(90)	(3,690)	(131)
Other sundry movements	(123)	668	(431)
Other comprehensive (loss) for the year (net of tax)	(107)	(2,763)	(374)
Total comprehensive income for the year	5,081	14,509	31,542

From 2016-2017, there has been a drop-off in performance of the Group's EBITDA because of the fact that the Brazilian Harvest was affected by El Nino. Premium Tobacco pays their farmers on delivery of goods hence it is the farmers who bears the risks related to the climate conditions. Whilst Brazil's market faces a significant vertical integration, the Company chose the route of reduction in purchase of stocks as opposed to increased volume of uncommitted stocks. This led to increased production costs and reduced margin in for that year. The following year, however normal production targets resumed.

AUDITED STATEMENTS OF FINANCIAL POSITION

Consolidated Statement of Financial Position as at	2017 USD 000	2018 USD 000	2019 USD 000
Assets			
Non-current assets			
Property, plant and equipment	46,016	50,114	51,692
Assets held for sale	4,790	5,288	5,104
Intangible assets	27	36	57
Investments	-	1,356	1,366
Taxes recoverable	-	4,395	5,785
Deferred taxation assets	2,303	1,457	2,262
Loans receivable	6,931	9,249	10,001
	60,067	71,895	76,267
Current assets			
Taxes recoverable	4,216	5,195	4,694
Inventories	65,711	66,787	70,122
Loans receivable	3,127	7,217	6,380
Trade and other receivables	237,911	307,363	231,621
Cash and cash equivalents	17,963	8,656	28,835
	328,928	395,218	341,652
Total assets	388,995	467,113	417,919
Equity and Liabilities			
Current liabilities			
Trade payables	26,076	74,370	38,001
Other payables	23,502	30,547	24,489
Borrowings	252,170	259,228	217,807
Current taxation liabilities	149	890	930
	301,897	365,035	281,227
Non-current liabilities			
Borrowings	4,584	8,562	18,236
Deferred taxation liabilities	2,992	6,703	7,374
Other payables	813	103	1,620
	8,389	15,368	27,230
Equity			
Ordinary shares	100	100	100
Share premium	900	900	900
Capital contribution	6,990	7,202	7,455
Other reserves	2,290	922	877
Retained earnings	51,062	63,588	89,250
Total shareholders' equity	61,342	72,712	98,582
Non-controlling interest	17,367	13,998	10,880
Total equity	78,709	86,710	109,462
Total equity and liabilities	388,995	467,113	417,919

AUDITED STATEMENTS OF CASH FLOWS'

Consolidated Statement of Cash Flows	2017	2018	2019
for the year ended 31 March	USD 000	USD 000	USD 000
Cash (outflow) / generated from operations	(7,145)	13,249	64,809
Interest paid	(19,845)	(22,935)	(24,881)
Interest received	780	1,763	2,264
Taxation (paid) / received	(185)	(850)	(2,342)
Net cash (outflow) / generated from operating activities	(26,395)	(8,773)	39,850
Cash flow from investing activities			
Payments on purchase of investment in associate	-	(1,356)	-
Payments on purchase of intangible assets	-	(33)	(33)
Payments on purchase of property, plant and equipment	(5,204)	(6,606)	(4,454)
Net cash used in investing activities	(5,204)	(7,995)	(4,487)
Cash flow from financing activities			
Purchase of shares from minorities in subsidiaries	(925)	(720)	(791)
Capital contribution from minorities in subsidiaries	720	213	-
Payment of dividends to shareholders	(2,100)	(2,901)	(5,578)
Proceeds from borrowings	684,753	1,647,086	1,319,212
Repayments of borrowings	(657,228)	(1,608,827)	(1,330,234)
Net cash (used) / generated from financing activities	25,220	34,851	(17,391)
Effect of exchange rate changes	(72)	30	8
Net decrease in cash and cash equivalents	(6,451)	18,113	17,980
Cash and cash equivalent at beginning of year	(4,325)	(10,776)	7,337
Cash and cash equivalent at end of year	(10,776)	7,337	25,317

Whilst the financials show a negative cash flow for the years 2016 and 2017 as a result of timing of receivables, the Company has now resolved this situation by engaging with one or more banking institutions which have agreed to discount their receivables especially linked to debtors related to China. It is therefore expected that future cash flows will remain highly positive due to discounting of such receivables.

INTERIM FINANCIAL STATEMENTS

Once listed, Premium Tobacco Holdings Limited will periodically publish interim financial statements every quarter. The interim financial statements will be available at the registered office of the Issuer

CORPORATE GOVERNANCE STATEMENT

Premium Tobacco Holdings Ltd is fully committed to complying with The National Code of Corporate Governance for Mauritius (2016).

In so doing, the Directors recognise the need to conduct the enterprise with integrity and in accordance with generally acceptable corporate practices. This includes timely, relevant and meaningful reporting to its shareholders and other stakeholders and providing a proper and objective perspective of the Issuer and its activities.

The Directors have, accordingly, established mechanisms and policies appropriate to the Issuer's business according to its commitment with best practices in Corporate Governance in order to ensure compliance with The Report on Corporate Governance for Mauritius. The Board will review these mechanisms and policies from time to time.

The formal steps taken by the Directors are summarised below:

BOARD OF DIRECTORS

The Board comprises of 5 executive directors and one non-executive director. The Board will ensure that there is an appropriate balance of power and authority on the Board, such that no one individual or block of individuals dominates the Board's decision-taking. The non-executive directors are individuals of calibre, credibility and have the necessary skills and experience to bring independent judgement on issues of strategy, performance, resources, and standards of conduct and evaluation of performance.

The Board is responsible for the strategic direction of the Issuer. It will set the values which the Issuer will adhere to and will formulate in this regard a Code of Ethics which will be applied throughout the Issuer, as provided below.

The Board will establish a framework for delegation of authority. The Board will ensure that the role and function of the executive directors will be formalised and amended from time to time if required, and that the executive directors' performance is evaluated against specified criteria.

The current Board's diversity of professional expertise and demographics make it a highly effective Board with regard to the Issuer's current strategies. The Board shall ensure that, in appointing successive Board members, the Board as a whole will continue to reflect, whenever possible, a diverse set of professional and personal backgrounds.

The information needs of the Board will be reviewed annually and directors will have unrestricted access to all company information, records, documents and property to enable them to discharge their responsibilities efficiently. Efficient and timely methods of informing and briefing Board members prior to Board meetings will be developed and, in this regard, steps have been taken to identify and monitor key risk areas, key performance areas and non-financial aspects relevant to The Issuer. In this context, the Directors will be provided with information in respect of key performance indicators, variance reports and industry trends.

The Board will establish a formal induction program to familiarise incoming directors with the Issuer's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities. Directors will receive further briefings from time to time on relevant new laws and regulations as well as on changing economic risks.

Directors will ensure that they have a working understanding of applicable laws. The Board will ensure that the Issuer complies with applicable laws and considers adherence to non-binding industry rules and codes and standards. In deciding whether or not non-binding rules shall be complied with, the Board will factor the appropriate and ethical considerations that must be taken into account. New directors with no or limited Board experience will receive appropriate training to inform them of their duties, responsibilities, powers and potential liabilities.

The Board will disclose details in their directors' report of how it has discharged its responsibilities to establish an effective compliance framework and process.

A sub-committee appointed by the Board, will appraise the performance of the executive directors at least annually.

All directors will be subject to retirement by rotation and re-election by The Issuer's shareholders every year in accordance with the Issuer's Constitution.

The Board will develop a charter setting out its responsibilities for the adoption of strategic plans, monitoring of operational performance and management, determination of policy and processes to ensure the integrity of the Issuer's risk management and internal controls, communication policy and director selection, orientation and evaluation.

Although certain responsibilities are delegated to committees or management executives, the Board acknowledges that it is not discharged from its obligations in regard to these matters. In particular, the Board acknowledges its responsibilities in the following areas:

- a) The adoption of strategic plans and ensuring that these plans are carried out by management;
- b) Monitoring of the operational performance of the business against predetermined budgets;
- c) Monitoring the performance of management at both operational and executive levels;
- d) Ensuring that the Issuer complies with all laws, regulations and codes of business practice; and
- e) Ensuring a clear division of responsibilities at Board level to ensure a balance of power and authority in terms of Issuer policies.

Board meetings will be held at least quarterly, with additional meetings convened when circumstances necessitate. The Board will set the strategic objectives of the Issuer and determine investment and performance criteria as well as being responsible for the sustainability, proper management, control, compliance and ethical behaviour of the businesses under its direction. The Board will establish a number of committees to give detailed attention to certain of its responsibilities and which will operate within defined, written terms of reference.

The Board will determine a policy for detailing the manner in which a Director's interest in transactions is to be determined and the interested Director's involvement in the decision-making process. Real or perceived conflicts will be disclosed to the Board and managed in accordance with the pre-determined policy used to assess a Director's interest in transactions. The independence of non-executive directors will be reviewed from time-to-time. The Issuer does not propose to conduct a rigorous and extensive review of the independence of the non-executive directors. It is the Issuer's belief that, unless the Directors have newly acquired recent interest in The Issuer, passage of time does not lead to a lack of independence.

The Board as a whole and individual Directors will have their overall performance periodically reviewed in order to identify areas for improvement in the discharge of individual director's and the Board's functions on an annual basis. This review will be undertaken by a sub-committee appointed by the Board and, if so, determined by the Board, an independent service provider. An overview of the appraisal process, results and action plan will be disclosed in the Directors' report. Nominations for the re-appointment of a director will only occur after the evaluation of the performance and attendance of the director at Board meetings.

The Board will determine a policy for detailing the procedures for appointments to the Board. Such appointments are to be formal and transparent and a matter for the Board as a whole assisted where appropriate by the Corporate Governance Committee.

The development and implementation of nomination policies will be undertaken by the Corporate Governance Committee and the Board as whole, respectively.

The Board has delegated certain functions to the Audit and Risk Committee and the Corporate Governance Committee. The Board is conscious of the fact that such delegation of duties is not an abdication of the Board members' responsibilities. The various committees' terms of reference shall be reviewed annually and such terms of reference will be disclosed in the Issuer's Directors' report.

External advisors and executive directors who are not members of specific committees shall attend committee meetings by invitation, if deemed appropriate by the relevant committees.

The Board will establish a procedure for Directors, in furtherance of their duties, to take independent professional advice, if necessary, at The Issuer's expense. All Directors will have access to the advice and services of The Issuer administrator.

The Board's independence from the executive management team is ensured by the following:

- a) Separation of the roles of the chairperson and managing director;
- b) The Board being comprised by a majority of non-executive directors;
- c) The Audit and Risk Committee having a majority of non-executive directors;
- d) All Directors having access to the advice and services of the company secretary; and
- e) With prior agreement from the chairperson, all Directors are entitled to seek independent professional advice concerning the affairs of The Issuer, at the Issuer's expense.
- f) The criteria used to assess the independence of the Directors are as follows:
 - Whether the director is a representative of a shareholder who has the ability to control or significantly influence management or the Board;
 - Whether the director has a direct or indirect interest in the Issuer which exceeds 5% of The Issuer's total number of shares in issue;
 - Whether the director has a direct or indirect interest in the Issuer which is less than 5% of the Issuer's total number of shares in issue, but is material to the director's personal wealth;
 - Whether the director has been employed by The Issuer of which it currently forms part of in any executive capacity, or appointed as the designated auditor or partner in The Issuer's external audit firm, or senior legal advisor for the preceding financial year;
 - Whether the director is a member of the immediate family of an individual who is or has during the preceding financial year been employed by The Issuer in an executive capacity;
 - Whether the director is a professional advisor to the Issuer other than in the capacity as a director;
 - Whether the director is free from any business or other relationship (contractual or statutory) which could be seen by an objective outsider to interfere with the directors' capacity to act in an independent manner, such as being a director of a material customer or supplier to the Issuer; and
 - Whether the director receives remuneration contingent upon the performance of The Issuer.

AUDIT COMMITTEE

The Audit committee consist of 3 persons. Glyn Morgan, Erasmo de Moura-Director, Premium Tobacos do Brasil SA and Pat Drea Independent consultant ICAI membership number 016388. The audit committee meets regularly or by telephone conference call with the Issuer auditors and will make representation, report findings and any recommendations to the Board of directors at every Board meeting

RISK COMMITTEE

The risk committee consists of 5 persons. John Parker, Kevin Thomson, Paul Gardiner, Andre Konzen Director of Finance (Operations) of Premium Tobacco International DMCC and Shane Heppell Commercial Director of Premium Tobacco International DMCC. The role of the risk committee primarily is to ascertain any country risk concerns, set credit risk policy, conduct due diligence and set credit limits for any new suppliers or buyers.

Executive Committee

The executive committee consists of John Parker, Kevin Thomson, Paul Gardiner Erasmo de Moura and Andre Konzen. This committee is responsible for reviewing annual budgets presented by the 'in country' operations, reviewing consolidated budgets and forward-looking forecasts. The committee is also responsible for ensuring that each operation complies with set policies with regards fair treatment of staff, compliance to social

responsibility, carbon reduction and bribery and corruption policies. The Executive Committee prepares and makes final reports to the Board at each Board meeting.

Compliance and Sustainability Committee

This Committee is represented by Glyn Morgan and Anthony Jackson, Director Group Agronomy. This committee is responsible for ensuring the groups compliance to the various good agricultural practises and agronomy programs throughout the world. This includes sitting on the Board of independent agencies like Elimination of Child Labour in Tobacco and CORESTA. The committee works with and reports directly to AB Sustain an independent body that monitors all merchants field operations as well as reporting directly to major customer with regards our work in the field. It is also responsible for overseeing the development and commercialisation of the group's non-tobacco renewable fuel source utilising the groups existing farmer base predominantly in Africa. Glyn Morgan is responsible for reporting to the Board of Directors during the regular Board meetings.

STRUCTURE OF THE BOARD

Premium Tobacco Holdings Limited has a unitary Board of directors which comprises of 6 directors: The Board is ultimately responsible for ensuring that the business is a going concern, and to this end effectively controls the group and its management and is involved in all directions that are material for this purpose.

Board meetings are held on a quarterly basis and whenever the Board needs to consider and decide on important issues relating to the Group's business.

Director's name	Nationality	Address
Glyn John Morgan	British	PO BOX 2133598, Units 3601-3606, 36 th Floor, Building no JBC 5, Cluster W, Jumeriah Lakes Towers, Dubai, United Arab Emirates
Kevin Gordon Thomson	Irish	PO BOX 213598, Units 3601-3606, 36 th Floor, Building no JBC 5, Cluster W, Jumeriah Lakes Towers, Dubai, United Arab Emirates
Carlos Alberto Brand	Brazilian	PO BOX 213598, Units 3601-3606, 36 th Floor, Building no JBC 5, Cluster W, Jumeriah Lakes Towers, Dubai, United Arab Emirates
John Anthony Housman Parker	British	PO BOX 213598, Units 3601-3606, 36 th Floor, Building no JBC 5, Cluster W, Jumeriah Lakes Towers, Dubai, United Arab Emirates
Romeu Alvicio Muller	Brazilian	PO BOX 213598, Units 3601-3606, 36 th Floor, Building no JBC 5, Cluster W, Jumeriah Lakes Towers, Dubai, United Arab Emirates
Michael William Jessup	American	PO BOX 213598, Units 3601-3606, 36 th Floor, Building no JBC 5, Cluster W, Jumeriah Lakes Towers, Dubai, United Arab Emirates

Company Secretary	Nationality	Address
Paul Gardiner	British	PO BOX 213598, Units 3601-3606, 36th Floor, Building no JBC 5, Cluster W, Jumeriah Lakes Towers, Dubai, United Arab Emirates

Glyn John Morgan- Regional Director

Mr Glyn Morgan is Premium’s Regional Director, Asia and is seconded to Premium Tobacco Asia Limited as Managing Director. Mr Morgan is a chartered accountant and holds an MBA. Before joining Premium, Mr Morgan was Managing Director of Universal Leaf – Asia. Country operations in China, India and Indonesia reported directly to him, as they do now within Premium. Mr Morgan is based in Chiang Mai, Thailand.

Kevin Thomson- Business Development Director

Mr Kevin Thomson Group Business Development Director. Mr Thomson has over 30 years of experience in the tobacco industry and, prior to joining Premium, was the Managing Director of Silver spring Tobacco, a company that dealt with tobacco products to niche markets. Mr Thomson was also the General Manager of Universal Leaf - Eastern Europe and led Universal’s investment drive into this region, including Russia. Mr Thomson grew this region to become a valued profitable division within the group. Before joining Universal, he was the Director of Operations for Casalee Services Ltd. in the UK, with responsibility for operational effectiveness in all Asian and European country operations. Mr Thomson is based in Dubai, UAE.

Carlos Alberto Brand- Co-Managing (Administration) Director

Mr Carlos Brand is a joint Managing Director of Premium Tabacos do Brasil, together with Mr. Romeu Müller. Mr Brand has 30 years’ experience in the tobacco industry and holds an MBA from Dom Cabral Foundation. Mr Brand was a major shareholder and Managing Director of Meridional de Tabacos Ltd, the fourth largest Brazilian tobacco company before he sold it to Standard Commercial (currently Alliance One International). Under his management, Meridional reached annual revenues of US\$100 million, sustained by a farmer base of 9,000 growers and heavy investments in upgrading plant and equipment. He also managed key customers accounts. Mr Brand is based in Santa Cruz do Sul, Brazil.

John Anthony Housman Parker -Managing Director

Mr John Parker is the Managing Director of the Premium Tobacco Group. He has in excess of 30 years of experience in the tobacco industry. Until 1993, Mr Parker was the Sales Director for the Casalee Group S.A. and Managing Director of Casalee (U.K.) Limited, which was the entity responsible for The Issuer’s European, American, and Asian operations.

Following the acquisition of Casalee by Universal Leaf Tobacco Company, Mr Parker was appointed Executive Vice-President and Sales Director of Universal. Mr Parker sat on the Tobacco Planning Committee and the combined Executive Committee of the Universal Leaf Tobacco Company and Universal Corporation boards until he left in 2001. Mr Parker was also Managing Director of Universal Leaf International. Mr Parker has extensive experience in all major tobacco producing countries and is based in Dubai, UAE.

Romeu Alvicio Müller-Managing Director

Mr Romeu Müller is joint Managing Director of Premium Tabacos do Brasil. Mr Müller has worked in the tobacco industry for over 30 years and is the managing director of Especialidades em Tabacos Ltda, which he started in 1997. This company specializes in supplying value added tobacco products to small Brazilian manufacturers. Before his tenure at Especialidades, Mr Müller held a senior sales position in Universal Leaf Tabacos - Brazil. Mr Müller also worked for Kliemann, a Brazilian tobacco company, as the factory General Manager. Mr Müller is based in Santa Cruz do Sul, Brazil.

Michael William Jessup- Non-executive director

Mr Michael Jessup is the President of Premium Tobacco USA and Group Sales Director. He has over 30 years of experience in the tobacco industry. Before joining Premium, Mr Jessup was Senior Vice-President

for Universal Leaf - North America, where he was responsible for all of Universal’s leaf purchasing in the USA. Mr Jessup also managed some key customer accounts and all the contracted farmers and agents on their behalf. Before this position, Mr Jessup was the President of Universal’s Argentine operation. Other relevant positions that Mr Jessup has held include Sales Director for Universal Leaf - North America and Senior VP for Casalee America where he managed all business in the USA, Canada and Mexico. Mr Jessup is based in Pilot Mountain, North Carolina.

Paul Gardiner – Group Secretary

Mr Paul Gardiner joined the Premium Group in April 2008. Mr Gardiner has 30 years of experience working within Finance and Treasury operations within the tobacco industry. Formerly with Intabex Services Ltd and DIMON UK for the first 12 years of his career, he then went on to set up and run the finance and treasury department for Tribac Leaf Ltd for the next 10 years prior to joining Premium. He lives in Dubai, UAE.

DIRECTOR’S INTEREST

As at the date of this Programme Memorandum, Directors’ direct or beneficial interests in the share capital of the Issuer are as detailed below:

Director’s name	Direct	Indirect
Glyn John Morgan		11.01%
Kevin Gordon Thomson		5.82%
Carlos Alberto Brand		11.63%
John Anthony Housman Parker		22.23%
Romeu Alvicio Muller		17.45%
Michael William Jessup		9.71%

DIRECTOR'S REMUNERATION

The remuneration and benefits (in USD) to be paid by the Issuer to the directors of Premium Tobacco Holdings Ltd in their capacity as directors (or in any other capacity) for the financial year ending 31 December 2018 will be as set out below:

Directors	Basic Salary	Directors' fees	Other fees	Performance bonus	Expense allowance	Other material benefits	Pension scheme	Commission	Shares/Share options or	Share of Dividend profit Dividend	Total (USD)
Glyn John Morgan	250000									660600	910600
Kevin Gordon Thomson	314000									349200	663200
Carlos Alberto Brand	280000									697800	977800
John Anthony Housman Parker	417000									13338000	1750800
Romeu Alvicio Muller	280000									1047000	1327000
Michael William Jessup		84000								582600	666600

SUBSCRIPTION AND SALE (INCLUDING SELLING RESTRICTIONS)

SUBSCRIPTION PROCEDURE

The Notes are offered for subscription by way of a private placement directly by the Issuer or through the Placing Agent. If the Issuer fails to raise the Minimum Subscription Amount, all proceeds from the private placement will be returned to investors.

To subscribe for Listed Notes, the subscriber or an intermediary on its behalf must have a securities account, opened with the relevant CDS in its own name or in the name of its nominee.

The Subscription Agreement for Notes shall be submitted in the form set out by the Issuer, to the Issuer directly marked for the attention of the Head of Investment Banking or to any of the Placing Agents. Subscription Agreement must reach the Issuer or the Placing Agents before 10:00 am on the date specified in the Applicable Pricing Supplement.

The Issuer or the Placing Agent shall submit a confirmation to each subscriber evidencing the satisfaction or rejection of the Subscription Agreement submitted by the subscriber, which confirmation shall be made by e-mail to the e-mail address provided by the subscriber in the Subscription Agreement.

Upon rejection of the subscriber's Subscription Agreement, the Issuer shall indicate the reasons for such rejection in the confirmation. Subscriptions will not be reduced.

SELLING RESTRICTIONS

General

The Issuer, and the Placing Agents have represented and agreed that it will observe all applicable laws and regulations in any jurisdiction in which it may offer, sell, or deliver Notes and it will not directly or indirectly offer, sell, resell, re offer or deliver Notes or distribute this Programme Memorandum, circular, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

The Issuer and the Placing Agents have represented and agreed that neither it, nor any of its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to any Notes.

If the offering is by way of public offer, the Issuer, and Placing Agent will not offer, sell and/ or distribute issue any Note to the public unless: (a) the Issuer, and/or Placing Agent has received the relevant regulatory approval; and (b) such offer, sale and distribution is in compliance with applicable laws.

Selling restrictions may be supplemented or modified by the Issuer. Any such supplement or modification will be set out in the Applicable Pricing Supplement (in the case of a supplement or modification relevant only to a particular Series of Notes) or in a supplement to this Programme Memorandum.

Mauritius

The Issuer, and the Placing Agents has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public, the Programme Memorandum or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made only (a) as a private placement, (b) to sophisticated investors and (c) to qualified investors as defined in, and in accordance with, section 1 and section 70 of the Securities Act 2005, and chapter 18 part B of the Listing Rules.

PAYMENT FOR THE NOTES AND DELIVERY

Payment for the Notes is to be made in full to the Issuer in cleared funds by the date set out in the Applicable Pricing Supplement. The Notes will be delivered to investors not later than 15 days after the Issue Date specified in the Applicable Pricing Supplement.

MAURITIUS TAXATION

The comments below are intended as a general guide to the current position under the laws of the Republic of Mauritius ('Mauritius'). The contents of this section do not constitute tax advice and persons who are in any doubt as to their tax position should consult their professional advisers.

Words used in this section shall have the same meanings as defined in the Terms and Conditions, unless they are defined in this section or this is clearly inappropriate from the context.

Income Tax

Interest paid by the Issuer to a Noteholder is subject to income tax at the applicable rate of fifteen (15%) percent per annum. Interest is defined in the Income Tax Act as including premiums attaching to notes and debentures.

As at the date of these Listing Particulars, the Issuer is required by the Income Tax Act to withhold income tax at the rate of ten (10%) percent from any interest paid to a Noteholder who is not resident in Mauritius.

As at the date of these Listing Particulars, the Issuer is not required by the Income Tax Act to withhold income tax from any interest paid to a Noteholder who is resident in Mauritius. The income of such persons is however taxable in accordance with the Income Tax Act.

Gains made by a Noteholder who is a physical person or société resident in Mauritius are considered as capital gains and are not subject to income tax.

Gains derived by a Noteholder that is a company resident in Mauritius from the sale of Notes held for a period of at least six (6) months prior to the sale by the Noteholder are considered as capital gains. Whether gains derived by such a Noteholder from Notes held for a period of less than 6 months are chargeable to income tax depends on the nature of the business that the Noteholder carries on. Where the Noteholder is resident in Mauritius and hold the Notes as fixed assets, gains derived from the disposal of the Notes are treated as capital gains.

Gains made by a Noteholder that is not a resident of Mauritius is not chargeable to income tax.

Stamp and registration duty

No stamp or registration duty is payable on the issue and registration of Notes issued under the Programme.

No registration duty is payable on the registration of a Transfer Form witnessing the transfer for consideration of Notes.

Capital gains tax

There is no capital gains tax on the disposal of the Notes in Mauritius

GENERAL INFORMATION

Capitalized terms not separately defined in this section headed shall bear the meaning given to them in the Terms and Conditions.

THE ISSUER

Incorporation

The Issuer has been established and incorporated as a public company with The Issuer number 517245 in accordance with the laws of British Virgin Islands on the 14th of October 2002, having its registered office at Craigmuir Chambers, Road Town, Tortola, VG 1110 British Virgin Island.

Registered office and address where statutory records are kept

Premium Tobacco Holdings Ltd. Craigmuir Chambers, Road Town, Tortola, VG 1110 British Virgin Island

Administration

<p>Issuer</p> <p>Premium Tobacco Holdings Ltd (Registered Company Number 517245) Registered Office: Craigmuir Chambers, Road Town, Tortola, VG 1110 British Virgin Island</p>	<p>SEM Authorised Representative and Listing Sponsor</p> <p>Safyr Capital Partners Ltd (Registered Company Number C16136372) 11th Floor, Bramer House Cybercity Ebene Mauritius</p>
<p>Company auditor</p> <p>BDO LLP 55, Baker Street London W1U 7EU United Kingdom (Registration number: 05177887)</p>	<p>Legal advisors</p> <p>Eversheds Sutherland Mauritius Suite 310, 3rd Floor Barkly Wharf, Le Caudan Waterfront, Port Louis (Registration number:)</p>
<p>Principal banker of the issuer</p> <p>Standard Advisory London Ltd, 20 Gresham Street, London EC2V 7JE</p>	<p>Company secretary and administrator</p> <p>Paul Gardiner PO BOX 213598 Units 3601-3606, 36th Floor Building no JBC 5 Cluster W, Jumeriah Lakes Towers, Dubai, United Arab Emirates</p>
<p>Security Agent</p> <p>SBM (NBFC) Holdings Ltd Address: Level 12, Hennessy Tower, Pope Hennessy street, Port-Louis, Republic of Mauritius.</p>	<p>Paying Agent</p> <p>SBM (NBFC) Holdings Ltd Address: Level 12, Hennessy Tower, Pope Hennessy street, Port-Louis, Republic of Mauritius.</p>

Share capital

The authorised and issued share capital of The Issuer is as follows

Description	Number of Shares	USD
Authorised Capital	5,000	5,000
Issued Capital	100	100

Financial Ratios

As long as the Notes remain outstanding, the Issuer will ensure that the following financial ratios are adhered to:

Covenant	Description/Definition	Minimum level
Long-term debt: Total Equity	Long-term debt being borrowings that have a maturity of longer than 2 year	Should not to exceed 40%
Total debt: Total Equity	Total debt being all the borrowings of The Issuer including debt longer than 1 year and debt with a maturity over total equity in The Issuer	Should not to exceed 6 times equity
Total assets: total debt	Total assets of The Issuer divided by total borrowings of The Issuer	should not be less than 1.70x

If either one of these covenants are breached, the Issuer has 30 days to remedy the breach.

Authorization

The Issuer has authorised the creation and issue of up to USD 100 000 000 in aggregate principal amount of the Notes under Programme, pursuant to a resolution of the Directors 27 May 2019.

All consents, approvals, authorisations or other permissions of the Issuer as well as of all regulatory authorities required by the Issuer under all applicable laws have been obtained for the establishment of the Programme and the issue of Notes and for the Issuer to undertake and perform its obligations under the Notes, the Programme Memorandum, the Noteholders' Representative Agency Agreement(s), Agency Agreement(s) and Payment guarantee agreement and Agency Agreement(s).

Security

Security on the notes will be specified in the Applicable Pricing Supplement.

Non-Current borrowings of Premium Tobacco Holdings Limited

	2019 US \$ 000
Shareholders' Loans	2,250
Bank Borrowings	14,247
Loans from Key Management	914

Loans from other related parties	-
Other loans	581
Finance Lease Liabilities	244
Total	18,236

(Based on a consolidated basis)

Note-Long term debt is either secured by land/buildings or in some cases by a guarantee from the Issuer.

Documents Available for Inspection

For a period not less than ten (10) working days from the date of this Programme Memorandum and for as long as Notes are in issue under the Programme, copies of the following documents will, when published, be available during normal business hours (Saturdays, Sundays and public holidays excepted) from the registered office of the Issuer:

- a) the constitutional documents of the Issuer;
- b) the audited Annual Consolidated Financial Statements of the Issuer for the years ended 31 March 2017, 2018 and 2019, prepared in accordance with IFRS;
- c) the latest publicly available audited consolidated annual and unaudited interim financial statements (if any) of the Issuer, prepared in accordance with IFRS;
- d) the Programme Memorandum dated [date];
- e) the Agency Agreement(s) entered into by and between the Issuer and the agent in respect of the relevant Notes;
- f) the placing agreement entered into by and between the Issuer and the Placing Agent(s) in respect of the relevant Notes; and
- g) any future supplements to this Programme Memorandum and any other documents incorporated herein or therein by reference, including the Applicable Pricing Supplements.

Litigation

Save as disclosed herein, the Issuer is not engaged (whether as defendant or otherwise) in any governmental, legal, arbitration or other proceedings, the results of which might have or have had during the 12 months prior to the date of this Programme Memorandum a material effect on the financial position or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

Material Contracts

No contracts (not being entered into in the ordinary course of business) have been entered into by the Issuer and are, or may be, material, and contain provisions under which the Issuer has an obligation or entitlement which is, or may be, material to the ability of the Issuer to meet its obligations in respect of the Notes issued.

Minimum Subscription

Each Tranche is subject to a minimum subscription rate of 50% of the aggregate amount of the Tranche. As such, where the minimum subscription amount is not achieved, the Issuer will not proceed to accept bids or allot any Notes.

Oversubscription

In the event of an oversubscription of any Tranche issued under the Programme, additional Notes may be allotted up to the over-subscribed amount, up to a maximum amount stated in the applicable Pricing Supplement, and subject to (i) the overall outstanding principal of Notes in issue not exceeding the Programme Amount and, (ii) the approval of the Recognised Exchange being obtained to list the additional

Notes (where applicable). The supplementary proceeds will be utilised for the same purposes stated in this Programme Memorandum.

Conflicts of Interest

At the date of this Programme Memorandum, there are no potential conflicts of interests between any duties to the Issuer of the members of its administrative, management or supervisory bodies and their private interests. However, it cannot generally be ruled out that such persons may have an interest at the time of the offer or issue of Notes; whether this is the case will depend upon the facts at the time of the offer or issue. A description of any potential conflicting interests that are of importance to an offer or issue of Notes will be included in the Applicable Pricing Statement, specifying the persons involved and the types of interests.

Auditors

BDO LLP, Chartered Accountants, have acted as the auditors of the Issuer for the three financial years ended 31 March 2017, 31 March 2018 and 31 March 2019, and in respect of these years, issued unqualified audit reports in respect of the Issuer. The address of BDO LLP is 55, Baker Street London, W1U 7EU, United Kingdom. BDO LLP is a member of the Institute of Chartered Accountants in England and Wales and has no shareholding in the Issuer or the right to subscribe or nominate persons to subscribe for securities in the Issuer.

Consents

BDO LLP, Chartered Accountants, have given and have not withdrawn their consent to the issue of this Programme Memorandum with the inclusion of their name and the reference to their name, as applicable, in the form and context in which they appear.

Important dates and times:

Opening date of the Mauritian placing at 09:00 (Mauritius time) on	
Closing date of the Mauritian placing at 12:00 (Mauritius time) on	
Notification of allotments	
Payment of subscription amount and accounts at banks or brokers updated on or before 12:00 (Mauritian time) on	
Listing of placement Notes on the SEM at commencement of trade on or around	
Accounts at banks or brokers updated in respect of dematerialized noteholders that subscribed for shares in terms of the Mauritian placing on or around	

Notes:

- (1) All times quoted are local time in Mauritius.
- (2) The above dates and times are subject to amendment. Any such amendment will be published in the press in Mauritius.

Annex 1. Pro forma Note Certificate

Premium Tobacco Holdings Limited

(Incorporated with limited liability under business registration number 517245 in the British Virgin Islands)

Certificate Number: []

Note Number: []

Tranche: []

Series: []

Issue of: []

Issued in terms of Programme Memorandum dated [] and subject to the terms and conditions as contained therein.

Name and address of registered holder: []

This is to certify that the above named is the registered holder of [] Notes having a Principal Amount value as specified below:

Amount: []

Registered Office:

.....
.....

Registrar and Transfer Agent: []

Authenticated for and on behalf the Registrar and Transfer Agent (without recourse, warranty or liability)

By [] (duly authorised by [])

Unless the certificate of authentication hereon has been executed by the Registrar and Transfer Agent by the manual signature of one of its duly authorised officers, this Note shall not be valid or obligatory for any purpose.

This Note is governed by, and shall be construed in accordance with the laws of the Republic of Mauritius.

This Certificate has been signed by one or more of the Issuer's duly authorised officers.

Dated as of: []

Given on behalf of Premium Tobacco Holdings Limited at Mauritius

Authorised signatory

Name:

Title:

Authorised signatory

Name:

Title:

Annex 2. Pro forma Applicable Pricing Supplement

Premium Tobacco Holdings Limited

Description of the Notes	
1.1. Issuer	[]
1.2. Issue:	
1.2.1. Tranche Number	[]
1.2.2. Series Number	[]
1.2.3. Specified Currency(ies)	[]
1.3. Aggregate Nominal Amount	[]
1.3.1. Tranche	[]
1.3.2. Series 1	[]
1.3.3. Series 2	[]
1.3.3. Minimum subscription	For the issue to be successful, a minimum of 50% of the amount issued per Tranche must be subscribed.
1.4. Issue Date	[]
1.5. Specified Denomination of Notes	[]
1.6. Issue Price	[]
1.7. Security of the Notes	[]
1.8. Final Redemption Amount	[]
1.9. Form of Notes:	[]
1.10. Record Date	[*]
1.11. Closing Date	[*]
1.12. Notification of Allotment	[]
1.13. Method of Sale	[]
1.14. Use of proceeds	[]

1.15 Listing	[]
1.16 1 st day of Listing	[]
2. Provisions relating to Interest Payable	
2.1 Fixed Rate Note Provisions	
i. Fixed Rate of Interest	[]
ii. Broken Amount(s)	[]
iii. Fixed Rate Note Margin	[]
iv. Fixed Coupon Amount	[]
v. Day Count Fraction	Actual / 365 (Fixed)
vi. Interest Commencement Date	[]
vii. Interest Determination Date	The period during which the register is closed, being ten (10) Business Days as prior to each Interest Payment Date each year until the Redemption Date or such other periods as the Issuer may decide.
viii. Minimum Interest Rate	Not Applicable
ix. Maximum Interest Rate	Not Applicable
x. Interest Payment Dates	[]
xi. Maturity Date	[]
xii. Default Rate	[]
xiii. Other terms relating to the method of calculating interest for the Fixed Rate Notes.	Not Applicable
3. Provisions regarding Redemption	
3.1 Issuer's Early Redemption	Not Applicable
3.2 Issuer's Optional Redemption	Not Applicable
3.3 Other terms applicable on Redemption	Following an Event of Default pursuant to Conditions 11 of the Terms and Conditions
3.4 Attach pro forma put notices	Not Applicable
Note: Subordinated Notes may only be redeemed in accordance with the Terms and Conditions	

4. Distribution	
4.1 Provisions regarding distribution	In line with Mauritius laws applicable to Private Placements
4.2 Method of distribution	Private Placement
General	
5. Additional selling restrictions	Not Applicable
6. Financial Centre(s) or other provisions relating to payment dates:	Not Applicable
7. Settlement procedures and settlement instructions	By electronic funds transfer in immediately available funds
8. Details of bank account(s) to which payments are to be made in respect of the Notes Settlement Procedures and Settlement Instructions	[*]
10. ISIN Number	[*]
11. Business Centre(s)	[]
ADDITIONAL INFORMATION	
12. Specify Agents(s), if different from Listing Particulars.	[*]
13. Books Closed Period:	[*]
14. Last Day to Register:	[*]
15. Additional Business Centre:	[*]
Offer opens:	[*]
Offer closes:	All application forms are to be received by the Placing Agents at their specified offices before [*]
Allotment date:	All applicants will be notified by email, fax or telephone of their allotment by no later than [*]
Announcement date:	[*]
Payment date:	Payment for good value by successful applicants must be received by [*]
Issue Date:	The Notes will be issued to the Registrar by [*].

Delivery date:	The Registrar will make the Notes available for delivery or dispatch to the successful applicants against cleared funds within 15 days of the Issue Date.
MATERIAL ADVERSE CHANGE STATEMENT [Except as disclosed in this document,] there has been no significant change in the financial, trading position or prospects of the Issuer since [insert date of last audited accounts or interim accounts (if later)].	
RESPONSIBILITY The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Listing Particulars [and any supplementary Listing Particulars] referred to above, contains all information that is material in the context of the issue of the Notes. The Issuer certifies that, to the best of its knowledge and belief, there are no facts that have been omitted from the Listing Particulars which would make any statement false or misleading; that all reasonable enquiries to ascertain such facts have Premium Tobacco Holdings Limited	
Signed at[•] on[•]	
By:	By:
Duly authorised signatory who warrants his authority hereto	Duly authorised signatory who warrants his authority hereto