

# REO SECURITIES LIMITED

## FINAL RESULTS FOR THE YEAR TO 31 DECEMBER 2008

### CHAIRMAN'S STATEMENT

#### Company Background

On 14 February 2008 the Royal Court of Jersey granted approval for a Scheme of Arrangement (described in a circular to the shareholders of Real Estate Opportunities Limited ('REO' or 'the Group') dated 18 December 2007). The Scheme involved the Zero Dividend Preference Shares ("ZDP Shares"), part of the share capital of REO being cancelled and, in exchange, New ZDP Shares were issued on a one for one basis by REO Securities Limited ('the Company'), a newly incorporated subsidiary of REO. Implementation of the Scheme will allow the new ZDP Shares to be repaid by way of winding up of REO Securities Limited on 31 May 2011 rather than the winding up or reconstruction of REO itself.

Admission of the 57,755,782 New ZDP Shares of REO Securities Limited to the Official List of the UK Listing Authority took place on 18 February 2008, with dealings therein on the London Stock Exchange commencing on the same day.

#### Going Concern

The Company's major asset is a receivable from its parent, Real Estate Opportunities Limited, a company incorporated in Jersey. REO Securities' ability to continue in business and satisfy its future obligations to the holders of the ZDP's is dependent on Real Estate Opportunities Limited. To that end, Real Estate Opportunities Limited and REO Securities Limited have entered into an arrangement pursuant to an Undertaking Agreement whereby the net assets of Real Estate Opportunities Limited will effectively be made available to meet the repayment entitlement of the ZDP Shares on the Repayment Date, 31 May 2011.

At 31 December 2008 REO had total borrowings of £1.711 billion. At that date, REO also had cash, cash equivalents and restricted cash of £94 million and consolidated shareholders equity of £150 million. REO has an investment and development property portfolio valued at £1.9 billion at 31 December 2008.

REO's future operating performance will be affected by general economic, financial and business conditions, many of which are beyond REO's control. REO's bank borrowings are mainly provided by financial institutions operating in Ireland and the United Kingdom. These financial institutions currently face financial difficulty and in many cases are being supported by the Government. Significant deterioration in the economic environment in Ireland and the United Kingdom could have a material adverse impact on the value of REO's property portfolio, REO's shareholders equity and as a consequence on REO's ability to obtain longer term debt or equity financing required to meet REO's longer term financing and liquidity requirements beyond 2010.

REO has prepared a financial plan for the period to 31 December 2010. The key assumptions made in preparing these forecasts include:

- Bank loans falling due for repayment in 2009 and 2010 of £441 million and £197 million respectively will be rolled over and renewed on broadly similar terms by REO's bankers.
- In the event that there is further decline in property values which would reduce the REO's Net Asset Value and results in breaches of REO's banking covenants, it is assumed that the existing bank facilities will remain in place and be renewed in such an environment, consistent with REO's recent experience.
- REO will realise £15 - £20 million in cash from the completion of one of a number of transactions that are currently being explored.
- No property acquisitions or disposals are assumed to occur during the period.

Based on these forecasts and the key assumptions noted above the Directors of REO believe that REO has sufficient cash, cash equivalents and investments to meet REO's liquidity requirements for at least the next twelve months.

The Directors of the Company have concluded that the above factors represent material uncertainties. Failure to deliver on the forecast assumptions may cast significant doubt on the ability of the Company to continue as a going concern and it may therefore be unable to realise its asset and discharge its future obligations to the holders of the ZDP's in the normal course of business. Nevertheless, having discussed the basis of preparation and the assumptions underlying REO's cashflow projections together with assessing the current status of

negotiations with REO's current lenders, and assuming the rollover and renewal of expiring facilities and required further waivers are put in place within the required timescales, the Directors of the Company have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for the foreseeable future. It is on this basis that the Directors consider it appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustment that would result from the going concern basis of preparation being inappropriate.

### **Real Estate Opportunities Limited**

Shareholders' attention is drawn to the publication of the preliminary results for Real Estate Opportunities Limited issued on the 26<sup>th</sup> of March 2009 for reference.

### **Approval of Preliminary Announcement**

The financial information contained in this preliminary announcement are not the statutory financial statements of the Company, drawn up in accordance with the Companies (Jersey) Law 1991 (as amended). The directors approved the preliminary announcement in respect of the financial year ended 31 December 2008 on 25 March 2009.

We understand that our auditors, KPMG, will be drawing attention as an emphasis of matter, without qualifying their report with regards to the disclosures in note 2 (a).

# REO SECURITIES LIMITED

## Balance Sheet As at 31 December

	Note	2008	2007
<i>In thousands of pounds sterling</i>			
Assets			
Trade and other receivables	7	110,495	-
<b>Total non current assets</b>		<b>110,495</b>	
<b>Total assets</b>		<b>110,495</b>	
Equity			
Issued capital	8	-	-
Retained earnings	9	-	-
<b>Total shareholders' equity</b>		<b>-</b>	<b>-</b>
Liabilities			
Zero Dividend Preference Shares	10	110,495	-
<b>Total non-current liabilities</b>		<b>110,495</b>	
<b>Total liabilities</b>		<b>110,495</b>	
<b>Total shareholders' equity and liabilities</b>		<b>110,495</b>	<b>-</b>

# REO SECURITIES LIMITED

## Income Statement For the year/ period ended 31 December

		2008	2007
<i>In thousands of pounds sterling</i>	<b>Note</b>		
Finance income	4	8,058	-
Financial expense	4	<u>(8,058)</u>	-
<b>Net financing expense</b>		-	-
<b>Loss before tax</b>		-	-
Income tax expense	6	-	-
<b>Loss for the year/ period</b>		-	-
<b>Earnings per Share</b>			
Basic loss per Ordinary Share	5	-	-

## REO SECURITIES LIMITED

### Statement of recognised income and expense For the year/ period ended 31 December

*In thousands of pounds sterling*

	2008	2007
Loss for the year/ period	-	-
Total recognised income and expense for the year/ period	-	-

# REO SECURITIES LIMITED

## Statement of Cashflows For the year/ period ended 31 December

*In thousands of pounds sterling*

**2008**                      **2007**

### **Cash flows from operating activities**

Loss for the year	-	-
<i>Adjustments for:</i>		
Net financial expense	-	-
Increase in non current liabilities	110,495	-
Increase in trade and other receivables	(110,495)	-
<b>Net cash from operating activities</b>	<hr/>	<hr/>

<b>Net movement in cash and cash equivalents</b>	-	-
Cash and cash equivalents at 1 January 2008	-	-
<b>Cash and cash equivalents at 31 December 2008</b>	<hr/>	<hr/>

# REO SECURITIES LIMITED

## NOTES

### 1. Reporting Entity

REO Securities Limited ("the Company") is a company incorporated in Jersey.

### 2. Basis of Preparation

#### (a) Going concern

The Company's major asset is a receivable from its parent, Real Estate Opportunities Limited ('REO' or 'the Group'), a company incorporated in Jersey. REO Securities' ability to continue in business and satisfy its future obligations to the holders of the ZDP's is dependent on Real Estate Opportunities Limited. To that end, Real Estate Opportunities Limited and REO Securities Limited have entered into an arrangement pursuant to an Undertaking Agreement whereby, conditional upon the scheme becoming effective, the net assets of Real Estate Opportunities Limited will effectively be made available to meet the repayment entitlement of the ZDP Shares on the Repayment Date, 31 May 2011.

At 31 December 2008 REO had total borrowings of £1.711 billion. At that date, REO also had cash, cash equivalents and restricted cash of £94 million and consolidated shareholders equity of £150 million. REO has an investment and development property portfolio valued at £1.9 billion at 31 December 2008.

REO's future operating performance will be affected by general economic, financial and business conditions, many of which are beyond REO's control. REO's bank borrowings are mainly provided by financial institutions operating in Ireland and the United Kingdom. These financial institutions currently face financial difficulty and in many cases are being supported by the Government. Significant deterioration in the economic environment in Ireland and the United Kingdom could have a material adverse impact on the value of the property portfolio, shareholders equity and as a consequence on REO's ability to obtain longer term debt or equity financing required to meet REO's longer term financing and liquidity requirements beyond 2010.

REO has prepared a financial plan for the period to 31 December 2010. The key assumptions made in preparing these forecasts include:

- Bank loans falling due for repayment in 2009 and 2010 of £441 million and £197 million respectively will be rolled over and renewed on broadly similar terms by REO's bankers.
- In the event that there is further decline in property values which would reduce REO's Net Asset Value and results in breaches of REO's banking covenants, it is assumed that the existing bank facilities will remain in place and be renewed in such an environment, consistent with REO's recent experience.
- REO will realise £15 - £20 million in cash from the completion of one of a number of transactions that are currently being explored.
- No property acquisitions or disposals are assumed to occur during the period.

Based on these forecasts and the key assumptions noted above the Directors believe that REO has sufficient cash, cash equivalents and investments to meet REO's liquidity requirements for at least the next twelve months.

The Directors of the Company have concluded that the above factors represent material uncertainties. Failure by REO to deliver on the forecast assumptions may cast significant doubt on the ability of the Company to continue as a going concern and it may therefore be unable to realise its asset and discharge its future obligations to the holders of the ZDP's in the normal course of business. Nevertheless, having discussed the basis of preparation and the assumptions underlying REO's cashflow projections together with assessing the current status of negotiations with REO's current lenders, and assuming the rollover and renewal of expiring facilities and required further waivers are put in place within the required timescales, the Directors of REO Securities have a reasonable expectation that the Company will be able to meet its liabilities as they fall due for the foreseeable future. It is on this basis that the Directors consider it appropriate to prepare the financial statements on a going concern basis. These financial statements do not include any adjustment that would result from the going concern basis of preparation being inappropriate.

## REO SECURITIES LIMITED

### NOTES

#### 2. Basis of Preparation continued

##### (b) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and effective for the year ended 31 December 2008. These are the Company's first IFRS financial statements and IFRS 1 '*First-time adoption of International Financial Reporting Standards* has been applied.

An explanation of how the transition to IFRSs has affected the reported financial position, financial performance and cash flows of the Company is provided in note 12. There are no differences between the financial position and the financial performance reported under IFRS to that which would have been reported under UK GAAP.

The accounting policies below have been applied consistently to all periods presented in the financial statements. They have also been applied in preparing an opening IFRS Balance Sheet at 27 April 2007 for the purposes of transition to IFRSs as required by IFRS 1.

##### (c) Basis of measurement

The financial statements are prepared on the historical cost basis.

##### (d) Functional currency

The Company's functional currency is pounds sterling. All financial information is presented in pounds sterling, rounded to the nearest thousand, unless otherwise indicated.

##### (e) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future years.

#### 3. Significant Accounting Policies

##### (a) Trade and other receivables

Trade and other receivables are measured initially at fair value and are subsequently stated at amortised cost less impairment losses.

##### (b) Share capital

###### (i) *Ordinary share capital*

Ordinary shares are classified as equity

###### (ii) *Preference share capital*

Preference share capital is classified as a liability if it is redeemable on a specific date or at the option of the shareholders or if dividend payments are not discretionary.

##### (c) Finance expense

All borrowing costs are recognised in the income statement using the effective rate method.

# REO SECURITIES LIMITED

## NOTES

### 3. Significant Accounting Policies continued

#### (d) Earnings per share

The Company presents basic earnings per share (EPS) for its ordinary shares. EPS is calculated by dividing the entitlement attributable to shareholders by the weighted average of the number of shares outstanding during the period.

#### (e) Classification of financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial instruments issued by the Company are treated as equity (i.e. forming part of Shareholders' funds) only to the extent that they meet the following two conditions:

(i) they include no contractual obligations on the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

(ii) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Finance payments associated with financial liabilities are dealt with as part of financial expenses.

#### (f) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these financial statements.

- IFRIC 13, Customer loyalty programmes (effective date: financial year beginning 1 July 2008)
- IFRIC 16, Hedges of a net investment in a foreign operation (effective date: financial year beginning 1 October 2008)
- IFRS 8, Operating segments (effective date: financial year beginning 1 January 2009)
- Revised IAS 1, Presentation of financial statements (effective date: financial year beginning 1 January 2009)
- Revised IAS 23, Borrowing costs (effective date: financial year beginning 1 January 2009)
- Amendment to IFRS 2, Share-based payment - Vesting conditions and cancellations (effective date: financial year beginning 1 January 2009)
- Amendment to IAS 32, Financial instruments: Presentation and IAS 1, Presentation of financial statements - Puttable financial instruments and obligations arising on liquidation (effective date: financial year beginning 1 January 2009)
- Amendment to IFRS 1, First-time adoption of International Financial Reporting Standards, and IAS 27, Consolidation and separate financial statements - Cost of an investment in a subsidiary, jointly - controlled entity or associate (effective date: financial year beginning 1 January 2009)
- Improvements to IFRSs (effective date: financial year beginning 1 January 2009 or 1 July 2009)
- IFRIC 15, Agreements for the construction of real estate (effective date: financial year beginning 1 January 2009)
- Revised IFRS 1, First-time adoption of International Financial Reporting Standards (effective date: financial year beginning 1 July 2009)
- Basis for conclusions on revised IFRS 1, First-time adoption of International Financial Reporting Standards

**(f) New standards and interpretations not yet adopted** continued

- Implementation guidance on revised IFRS 1, First-time adoption of International Financial Reporting Standards
- Revised IFRS 3, Business combinations (applies to business combinations for which the acquisition date is on or after the beginning of first annual reporting period beginning on or after 1 July 2009)
- Amendment to IAS 27, Consolidated and separate financial statements (effective date: financial year beginning 1 July 2009)
- Amendment to IAS 39, Financial instruments: Recognition and measurement - Eligible hedged items (effective date: financial year beginning 1 July 2009)
- IFRS 17, Distribution of non-cash assets to owners (effective date: financial year beginning 1 July 2009)
- IFRIC 18, Transfer of assets from customers (effective date: applies to transfers of assets from customers received on or after 1 July 2009)

The standards and interpretations addressed above will be applied for the purposes of the financial statements with effect from the dates listed.

Upon the adoption of the above new standards it is not expected that there will be an effect on reported income or net assets.

#### **4. Financial Income/(expense)**

*In thousands of pounds sterling*

	Year ended 31 December 2008	Period ended 31 December 2007
Income on REO intercompany advance	8,058	
Interest in respect of zero dividend preference shares	(8,058)	-
Net finance expense recognised in income statement	-	-

#### **5. Earnings per share**

*In thousands of pounds sterling, except shares*

	Year ended 31 December 2008	Period ended 31 December 2007
<b>Basic Earnings per Share</b>		
Loss attributable to equity holders	-	-
	-	-
Weighted average number of Ordinary Shares	2	-
<b>Basic loss per Ordinary Share (£'000)</b>	-	-

# REO SECURITIES LIMITED

## NOTES

### 6. Taxation

The Company is entitled to exempt company status in Jersey under the provisions of article 123(A) of the Income Tax (Jersey) Law 1961 on payment of an annual fee which is currently £600 per company. The Company has obtained exempt company status for the year ended 31 December 2008 and accordingly, income and capital gains of the Company, other than Jersey source income (excluding bank deposit interest), are exempt from taxation in Jersey for the financial year 2008.

With effect from 3 June 2008, the income tax rate for companies in Jersey was reduced from 20% to 0% and exempt company status for all new companies was abolished. The existing exempt company status of the Company will remain in place until 31 December 2008 at which time they will move to a 0% rate of income tax.

With effect from 6 May 2008, a 3% Goods and Services Tax ("GST") was introduced under the Goods and Services Tax (Jersey) Law 2007. The Company may apply for an exemption under the Goods and Services Tax (International Service Entities) (Jersey) Regulations 2008 on payment of an annual fee of £100. The Company has been granted international service entity status for the year 2008.

### 7. Trade and other receivables – non current

*In thousands of pounds sterling*

	31 December 2008	31 December 2007
Amounts due by parent undertaking	110,495	-
	<u>110,495</u>	<u>-</u>

### 8. Called –Up Share Capital

	31 December 2008 £	31 December 2007 £
<b>Authorised</b>		
1,000 ordinary shares of £1	1,000	1,000
60,000, 000 Zero Dividend Preference (ZDP) Shares of £0.00001	600	600
	<u>1,600</u>	<u>1,600</u>
<b>Allotted, called up and paid in full</b>		
2 ordinary shares of £1	2	2
57,755,782 Zero Dividend Preference (ZDP) Shares of £0.00001	578	-
	<u>580</u>	<u>2</u>
<b>Presented as debt</b>		
57,755,782 Zero Dividend Preference (ZDP) Shares of £0.00001	578	-
<b>Presented as Equity</b>		
2 ordinary shares of £1	2	2
	<u>580</u>	<u>2</u>

# REO SECURITIES LIMITED

## NOTES

### 8. Called –Up Share Capital continued

On 18 February 2008 the Company was listed on the London Stock Exchange and 57,755,782 New ZDP shares were issued at 0.001p per New ZDP share. These new ZDP shares were issued on a one for one basis in exchange for the cancelled ZDP shares in Real Estate Opportunities Limited, the holding company of REO Securities Limited.

Rights attaching to the ZDP Shares and the Ordinary shares:

(a) As to dividends:

- the Ordinary shares carry the right to receive the profits of the Company (including accumulated revenue reserves) available for distribution and determined to be distributed by way of interim and/or final dividend.
- the ZDP shares carry no right to receive dividends out of the revenue or any other profits of the Company.

(b) As to winding-up, after the payment of the Company's liabilities in full:

- the holders of the Ordinary Shares are entitled to the surplus assets of the company available for distribution.
- the holders of the ZDP shares are entitled to an amount equal to 100p per ZDP share as increased each day from 22 June 2001 up to and including 31 May 2011 at the daily compound rate, which results in a fixed entitlement of 235.51p on 31 May 2011.

(c) As to voting:

- the ordinary shareholders have the right to vote at general meetings of the Company and each shareholder present shall have 1 vote in respect of each share held.
- the ZDP Shareholders shall not have the right to attend or vote at any general meeting of the Company unless the business of the meeting includes any resolution to vary, modify or abrogate any of the special rights attached to the ZDP shares, or any resolution to wind up the Company. At any meeting when such business is to be conducted, such holders shall be entitled to vote in relation to that business only. When entitled to vote, each holder present, in person or proxy, shall have 1 vote in respect of each share held.

### 9. Retained Earnings

*In thousands of pounds sterling*

	<b>31 December 2008</b>	<b>31 December 2007</b>
At 1 January 2008	-	-
Loss for the year	-	-
Balance at the 31 December 2008	<u>-</u>	<u>-</u>

### 10. Non current Liabilities

*In thousands of pounds sterling*

	<b>31 December 2008</b>	<b>31 December 2007</b>
Zero Dividend Preference Shares	<u>110,495</u>	-
	<u>110,495</u>	<u>-</u>

The Zero Dividend Preference Shares are due to be repaid on the 31 May 2011 or earlier on winding up of the Company.

# REO SECURITIES LIMITED

## NOTES

### 11. Financial instruments

The Company's activities are exposed to a variety of financial and market risks which include:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

#### Capital Management

The Company has a fixed life and will be wound up on the 31 May 2011. The Company's objective is to settle the entitlement of the ZDP's on the winding up date.

#### (a) Credit Risk

Credit risk is the risk of financial loss to the Company, if a counterparty to a financial instrument, fails to meet its contractual obligations and arises wholly from the Company's exposure to the amount due from its parent Company, REO. The maximum exposure to credit risk as 31 December was £110,495,000 (2007: £nil).

#### (b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective is to settle the entitlement of the ZDP's on the winding up date on or before the 31 May 2011.

## REO SECURITIES LIMITED

### NOTES

#### 11. Financial instruments continued

##### (i) Fair Value

The fair values together with the carrying amounts shown on the balance sheet are as follows:

Primary financial instrument held or issued to finance the Company's operation	Carrying amount	Fair value	Carrying amount	Fair value
<i>In thousands of pounds sterling</i>				
Zero Dividend Preference Shares	(110,495)	(21,947)	-	-
Trade and other receivables	110,495	110,495	-	-
	-	<b>88,548</b>	-	-

The fair value of the Zero Dividend preference shares is based on quoted market prices at the balance sheet date.

Trade and other receivables have fair values that approximate their carrying value amounts

#### 12. Explanation of transition to IFRS

As stated in note 2(b), these are the Company's first financial statements for part of the period covered by the first annual financial statements prepared in accordance with IFRSs.

In preparing its opening IFRS balance sheet, comparative information for the period ended 31 December 2007, the Company was not required to adjust amounts reported previously in accordance with previous GAAP.

An explanation of how transition from previous GAAP to IFRSs has affected the Company's financial position and performance is set out below.

	Previous GAAP	Effect of transition to IFRS 31 December 2007	IFRS's
	£	£	£
<b>(i) Reconciliation of Assets</b>			
Current Assets	2	-	2
Net Assets	<u>2</u>	<u>-</u>	<u>2</u>
<b>(ii) Reconciliation of Equity</b>			
Share Capital	2	-	2
Total Equity and Liabilities	<u>2</u>	<u>-</u>	<u>2</u>

#### 13. Group Membership

The Company is a wholly owned subsidiary of Real Estate Opportunities Limited, a company incorporated in Jersey. The consolidated financial statement of Real Estate Opportunities may be obtained from Whiteley Chambers, Don Street, St Helier, Jersey JE49WG, Channel Islands.

## **REO SECURITIES LIMITED**

### **NOTES**

#### **14. Related party disclosures**

REO Securities Limited was incorporated for the purpose of facilitating a scheme of arrangement to cancel the Zero Dividend Preference (ZDP) shares in Real Estate Opportunities Limited and to issue the New ZDP shares in REO Securities Limited on a one for one basis to the existing shareholders of Real Estate Opportunities Limited.

This transaction completed in February 2008. Although the New ZDP shares are entitled to a pre-determined capital repayment on the ZDP Repayment Date, being the 31 May 2011, this is not guaranteed. The rights of the New ZDP share are substantially similar to the rights of the ZDP shares in Real Estate Opportunities Limited which were cancelled as part of the scheme of arrangement.

In order for REO Securities Limited to have sufficient assets to repay the ZDP Shares, Real Estate Opportunities Limited and REO Securities Limited have entered into an arrangement pursuant to an Undertaking Agreement whereby the net assets of Real Estate Opportunities Limited will effectively be made available to meet the repayment entitlement of the ZDP Shares on the Repayment Date, 31 May 2011.

Pursuant to the Undertaking Agreement, Real Estate Opportunities Limited agrees to contribute to the Company (by way of gift, capital contribution or otherwise) such an amount as will result in REO Securities Limited having sufficient assets to satisfy the then current or, as the case may be, final capital entitlement of the ZDP Shares on the Repayment Date or any earlier winding up of the Company.

The related party transaction referred to above was made on an arms length basis.