



# ENDEAVOUR HOLDINGS LIMITED

(“EHL”)

(A company incorporated in the Republic of Trinidad and Tobago and continued under the provisions of the Companies Act, Chapter 81:01 of the revised laws of the Republic of Trinidad and Tobago)

## Prospectus

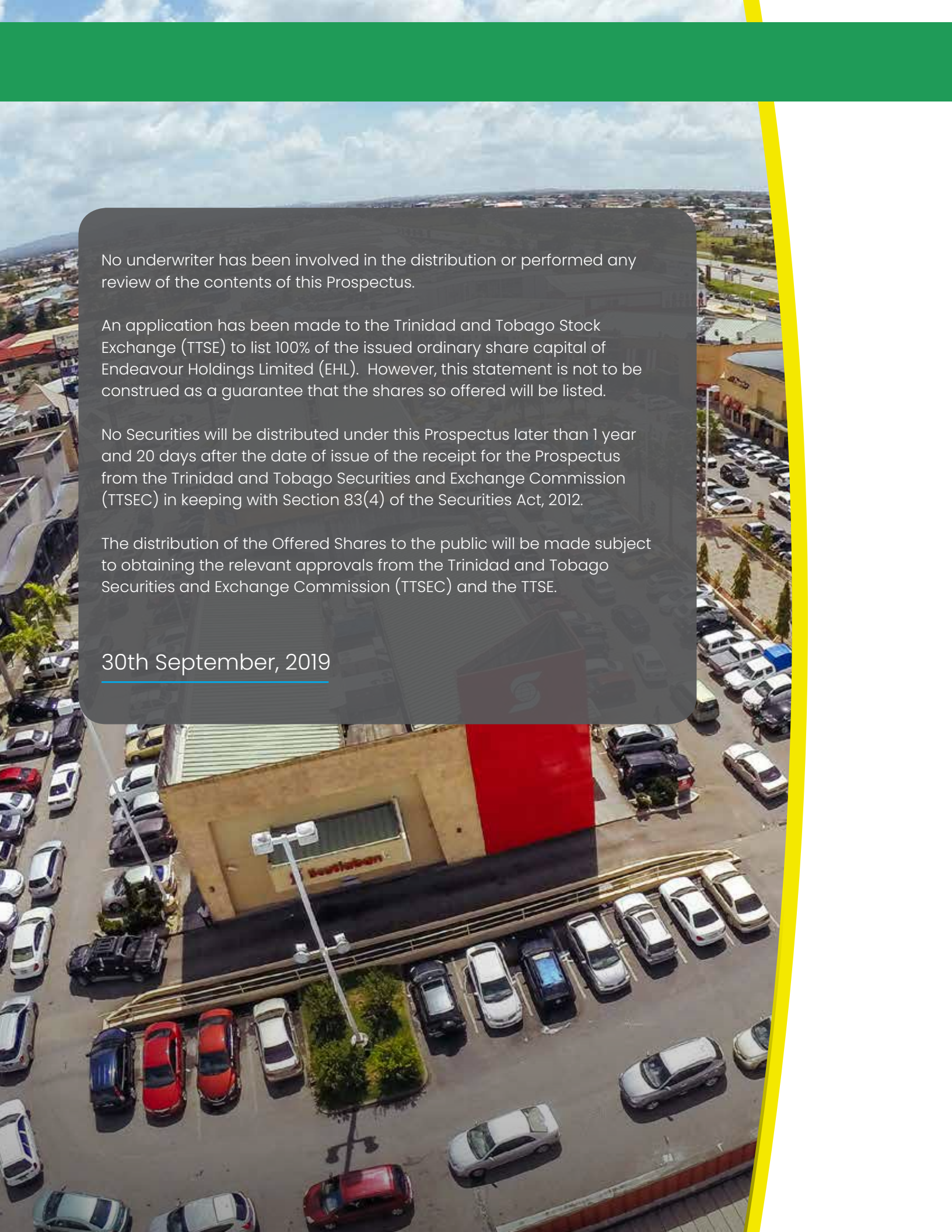
Offer for sale

**NOMINAL VALUE**                      **\$ 17,996,800**

Ordinary shares	1,439,744
Price per share	\$12.50
Prospectus Date	30th September, 2019
Opening Date	21st October, 2019
Closing Date	15th November, 2019
Registrar	Trinidad and Tobago

The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities distributed hereunder and any representation to the contrary is an offence.



An aerial photograph of a commercial area, likely a shopping center or office park. The image shows a large parking lot filled with cars, several multi-story buildings, and a road. A semi-transparent dark grey text box is overlaid on the left side of the image, containing the main text. The background is a bright, sunny day with some clouds in the sky.

No underwriter has been involved in the distribution or performed any review of the contents of this Prospectus.

An application has been made to the Trinidad and Tobago Stock Exchange (TTSE) to list 100% of the issued ordinary share capital of Endeavour Holdings Limited (EHL). However, this statement is not to be construed as a guarantee that the shares so offered will be listed.

No Securities will be distributed under this Prospectus later than 1 year and 20 days after the date of issue of the receipt for the Prospectus from the Trinidad and Tobago Securities and Exchange Commission (TTSEC) in keeping with Section 83(4) of the Securities Act, 2012.

The distribution of the Offered Shares to the public will be made subject to obtaining the relevant approvals from the Trinidad and Tobago Securities and Exchange Commission (TTSEC) and the TTSE.

30th September, 2019

**RESPONSIBILITY STATEMENT**

This Prospectus has been seen and approved by the Directors of Endeavour Holdings Limited ('EHL' or 'the Company'). The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement herein false or misleading.



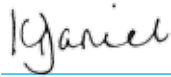
John Aboud  
**Director**



Anthony Rahael  
**Director**



Melissa Inglefield  
**Director**



W. Keith Daniel  
**Director**



John Tang Nian  
**Director**

## INVESTOR WARNING

This Prospectus contains information to help you make an informed investment decision and to help you understand your rights. It contains information about Endeavour Holdings Limited, as well as the names of persons responsible for its organization and management.

**You are encouraged to read this Prospectus in its entirety, prior to making any investment decision and you are advised to retain this Prospectus for future reference.**

Endeavor Holdings Limited has taken all reasonable care to ensure that the facts stated in this Prospectus in relation to the Company, are true and accurate in all material respects and are not misleading in any material respect, and that there are no other facts in relation to the Company, the omission of which would, in the context of the issuance and offering of the Offer, in this Prospectus be misleading in any material respect. EHL accepts responsibility accordingly.

Each investor contemplating purchasing shares is required to make his/her/its own independent investigation of the financial condition and affairs, and his/her/its own appraisal of the creditworthiness, of the Company.

Neither the delivery of the Prospectus nor the offering, sale and delivery of the shares shall create any implication that the information contained herein is correct at any time after the date hereof and that there has been no change in the financial condition and affairs of Endeavour Holdings Limited since the date hereof.

If you are in doubt as to any action you should take, it is recommended that you seek financial advice from your stockbroker or other independent financial advisor. Readers are also asked to carefully review the "Risk Factors" section in this Prospectus for a more complete discussion of the risks of an investment in the Offered Shares.

### Note

- i. All figures included in this Prospectus are in Trinidad and Tobago dollars (TT\$), except where otherwise stated.
- ii. Defined terms, as denoted by the capitalization of the first letter of such terms, have the meaning assigned to them in the "Key Definitions" of this Prospectus.

## KEY DEFINITIONS

The following words and phrases shall (save where the context requires otherwise) have the respective meanings set opposite them below:

Affiliates	of a specified Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or under the common control with the specified Person. For the purposes of this definition “control” when used with respect to any specified Persons, means the possession, directly or indirectly of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise, and the terms “controlling” and “control” have correlated meanings.
Anchor Tenant	means a major or primary tenant in a commercial property, typically retail but can also apply to mixed use buildings, which tend to take up a large share of space in comparison to other tenants.
Auditor	means PricewaterhouseCoopers or such other Person or Persons as may, for the time being and from time to time be duly appointed by the Board as auditor of the Company.
Board	means the board of directors of EHL.
Business Day	means a day on which commercial banks are open for business in Trinidad and Tobago.
Closing Date	means 15th November, 2019, or such other date as the Company may notify to the Investors as the date on which all subscriptions will be closed.
Common Area Maintenance	means fees paid for the maintenance and upkeep of the non-exclusive areas of the properties
Dividend Declaration Date	means the date on which EHL’s directors agree to issue a dividend.
Dividend Policy	has the meaning ascribed to it in Section 3.4.
Dollars or \$ or TT\$	means the lawful currency for the time being of the Republic of Trinidad and Tobago.
EHL or the Company	means Endeavour Holdings Limited.
EHL Bonds	means the bonds issued by EHL in 2015 pursuant to a Trust Deed dated the 30th day of September, 2015 made by EHL in favour of First Citizens Trustee Services Limited.

EHL Shares or Shares	means the shares issued from time to time by EHL.
Fair Market Value	means the price, expressed in terms of cash equivalents, at which an asset would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.
Financial Statements	means financial statements in the form referred to and in compliance with By-Law 3 of the Securities (General) By-Laws, 2015.
Independent Directors	means the directors from time to time on the Board of the Company who are appointed as Independent Directors in accordance with the By-Laws of the Company, as described in Section 4.2 below.
Investors	means investors in the Offering.
IPO	means the initial public offering of the Offered Shares.
Offer or Offering	means the offer made by EHL of the Offered Shares.
Offer Period	means a period beginning on the Opening Date and ending on the Closing Date.
Offer price	means \$12.50 per Offered Share.
Offered Shares	means the 1,439,744 common shares to be issued by EHL pursuant to the Offering.
Opening date	means 21st October, 2019.
Person	includes an individual, firm, company or other corporate body.
Property Portfolio	means the properties vested in EHL from time to time which, as at the date of this Prospectus are nine (9) commercial properties more particularly described in Section 5.1 herein.
Prospectus	means this Prospectus including the appendices and any prospectus or addenda from time to time issued in connection with the offer for the sale of Shares.
Register	means the register of Shareholders kept by the Registrar
Registrar	means the TTCD or such other Person as may, from time to time, be appointed by the Company to keep the Register.



Registrar Services Agreement	means the agreement between the TTCD and EHL relating to the register of Shareholders and any renewal or extension of such agreement or any agreement in substitution therefore where a Person is appointed Registrar.
Related Party	means any Person who beneficially owns or controls directly or indirectly, voting securities entitling him to more than ten percent (10%) of the voting rights attached to outstanding securities of the Company.
Shareholder	means a Person for the time being entered on the Register as the holder of a Share.
Stock Exchange	means the Trinidad and Tobago Stock Exchange Limited or any other securities exchange or self-regulatory organisation established under the laws of the Republic of Trinidad and Tobago for the purpose of facilitating transactions in securities.
Substantial Shareholder	means Endeavour ABRA Holdings Limited.
SME	means small or medium enterprise.
TTSE	means the Trinidad and Tobago Stock Exchange Limited.
TTSEC	means the Trinidad and Tobago Securities and Exchange Commission.
TTCD	means the Trinidad and Tobago Central Depository Limited.

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# 1. CORPORATE DIRECTORY

## ENDEAVOUR HOLDINGS LIMITED

<b>Chairperson</b>	Mr. John Aboud
<b>Deputy Chairperson</b>	Mr. Anthony Rahael
<b>Chief Financial Officer/ Corporate Secretary</b>	Mr. Razard Basil Ali
<b>Registered Office</b>	No. 1 El Socorro Road Extension San Juan Tel: (868) 675-5052 Fax: (868) 638-7670 Email: info@ehl.tt website: www.ehl.tt
<b>EHL Board of Directors</b>	Mr. Anthony Rahael Mr. John Aboud Ms. Melissa Inglefield Mr. W. Keith Daniel Mr. John Tang Nian
<b>Attorneys-at-Law</b>	M. Hamel-Smith & Co Attorneys at Law Eleven Albion Cor. Dere & Albion Streets Port of Spain Tel: (868) 299-0981 Fax: (868) 625-9177 Email: mhs@trinidadlaw.com
<b>Auditors</b>	PricewaterhouseCoopers Chartered Accountants 11-13 Victoria Avenue Port of Spain Tel: (868) 299-0700 Fax: (868) 623-6025 Website: www.pwc.com/tt
<b>Banker</b>	Republic Bank Limited Primary Bankers 72 Independence Square Port of Spain Tel: (868) 625-2711 Fax: (868) 627-4125 Website: www.republictt.com

# LISTING OF PERSONS INVOLVED IN THE ISSUE

## Professional advisors

<b>REGISTRAR/ TRANSFER AGENT</b>	<b>Trinidad and Tobago Central Depository Limited (TTCD)</b>	<b>10th Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain, Trinidad</b>
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The Trinidad and Tobago Central Depository Limited (TTCD) was incorporated as a subsidiary of the Trinidad and Tobago Stock Exchange Limited on September 30, 1998 and commenced operations on January 21, 2003. The TTCD is committed to the development of the securities market of Trinidad and Tobago. The Depository provides efficient, safe and prompt clearing and settlement of securities transactions for participants by employing an automated data processing book entry system. The TTCD was established by the Trinidad and Tobago Stock Exchange Limited to facilitate the safekeeping of security certificates and to enable investors buying and selling shares on the Exchange to settle such transactions through a computerized book entry system. This allows for the change of ownership of shares electronically between buyers and sellers without the need for the exchange of physical certificates.

<b>STOCK EXCHANGE</b>	<b>The Trinidad and Tobago Stock Exchange Limited</b>	<b>10th Floor, Nicholas Tower, 63-65 Independence Square, Port of Spain, Trinidad</b>
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<b>BROKER</b>	<b>First Citizens Brokerage and Advisory Services Limited (FCBAS)</b>	<b>17 Wainwright Street, St Clair, Port of Spain, Trinidad</b>
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First Citizens Brokerage and Advisory Services Limited ("FCBAS") commenced operations in Trinidad and Tobago in July 2001 as CMMB Securities Limited. In 2009, FCBAS became a fully owned subsidiary of First Citizens Bank. In 2012, First Citizens Investment Services Limited acquired 100% ownership of FCBAS from First Citizens Bank Limited. FCBAS is registered with the Trinidad and Tobago Securities and Exchange Commission (TTSEC) as a broker/dealer and is a member of the Trinidad and Tobago Central Depository (TTCD). FCBAS is a licensed broker-dealer on the Trinidad and Tobago Stock Exchange. FCBAS' parent company FCIS is registered with the Trinidad and Tobago Securities and Exchange Commission (SEC) as a broker/dealer to carry on the business of investment advisor, broker, dealer and underwriter under the Securities Industries Act (2012).

<b>PROPERTY MANAGER</b>	<b>Amera Caribbean Development Ltd</b>	<b>1 El Socorro Rd Extension San Juan, Trinidad</b>
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Amera Caribbean Development Limited (Amera) is the premier real estate development company in the Caribbean. Renowned for impeccable service and reputation in providing quality development solutions to clients and end users, Amera is committed to creating and enhancing the built surroundings, improving the quality of life by providing safe and inspiring communities. Amera fosters an environment that empowers and motivates our team to be committed to identifying and providing the highest and best use of real estate. Amera’s financial planning and effective project implementation maximizes return to our stakeholders.

Amera Caribbean Development Ltd, as part of its responsibilities may contract Amalgamated Security Services Ltd, a security services provider for each property in the property portfolio. Amalgamated Security Services Ltd is currently a connected party to EHL through common directorship.

<b>LEGAL ADVISOR</b>	<b>M. Hamel-Smith &amp; Co. Attorneys at Law</b>	<b>Eleven Albion Cor. Dere &amp; Albion Streets Port of Spain, Trinidad</b>
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Established in 1909, Hamel-Smith is recognised as a leader in the business community and the legal profession. Hamel-Smith is the Trinidad & Tobago member of Lex Mundi, the world’s leading association of independent law firms. Hamel-Smith has also been consistently ranked as a Band 1 firm in Trinidad and Tobago since 2006 in the Chambers Global directory issued annually by Chambers and Partners.

As a member of Lex Mundi, the world’s leading association of independent law firms, representing more than 160 jurisdictions worldwide, the firm is able to offer new and innovative client-focused solutions with the benefit of current and emerging technologies, including representation in nearly all Caribbean and Latin American jurisdictions. Working in conjunction with many of the world’s leading law firms in London and New York on world class energy-based projects in Trinidad, the firm has enhanced capabilities in dealing with complex and multifaceted cross-border transactions.

<b>AUDITOR</b>	<b>PricewaterhouseCoopers Chartered Accountants</b>	<b>P.O. Box 550 11-13 Victoria Avenue Port of Spain, Trinidad</b>
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PwC has been in operation for over 80 years in Trinidad and Tobago. With 11 partners, 180 professional staff and 46 support staff, PwC is the largest professional services firm in the country. As market leaders, PwC is sustained by delivering value through meaningful relationships and by working together with agility, passion and a focus on quality to help its clients resolve complex issues and identify opportunities.

The firm's expertise covers a number of key industries and sectors including energy, banking and capital markets, insurance, public sector and consumer and industrial products and services. PwC has a long history of delivering value-added professional services to its clients and uses its diverse experiences to help its people, clients and communities succeed. PwC helps organizations and individuals create the value they're looking for. PwC is a member firm of the PwC network of firms with more than 195,000 people who are committed to delivering quality every day in assurance, tax and advisory services.

<b>INDEPENDENT VALUER</b>	<b>Brent Augustus &amp; Associates Limited</b>	<b>18 Dundonald Street Port of Spain, Trinidad</b>
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Brent Augustus & Associates Limited is a limited liability company with its principal place of business at #32 Victoria Square, Port of Spain. Its core business is to provide professional support services in the valuation of all types of property including Residential, Commercial and Industrial, development advice on Land, Mall Investments, Office development, Residential Development etc. From time to time the Company also engages in Lease Rent Reviews, Compulsory Acquisition and other related property advice.

<b>INDEPENDENT VALUER</b>	<b>Terra Caribbean</b>	<b>5/7 Sweet Briar Road St. Clair, Port of Spain Trinidad</b>
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Terra Caribbean (Terra) is a regional real estate practice with offices in Barbados, Trinidad and Grenada. Terra is dedicated to creating exceptional real estate experiences for our clients and communities through the delivery of our diverse range of integrated services. Its office has a staff complement of 23 including 13 agents, 2 qualified Valuation Surveyors and various consulting and support staff. The firm's two major service lines are Brokerage and Valuations. Each division is individually managed and each works as a team. Together they offer the full and complete service required of a strong real estate organization.



## 2. INFORMATION SUMMARY

This Summary highlights information contained in the Prospectus and may not contain all the information that may be important to Investors. Readers are advised to read the entire Prospectus prior to deciding whether to invest in the Offered Shares.

### ABOUT ENDEAVOUR HOLDINGS LIMITED (EHL)

EHL was incorporated in March 2001 with its principal registered office located at No. 1 El Socorro Extension Road, San Juan, Trinidad and Tobago for the purpose of investing in real property in Trinidad and Tobago. EHL has been in existence for the past 17 years and its mandate has been to identify, acquire and develop real estate in Trinidad and Tobago to its highest and best use. Its focus is on creating market-shaping projects that build value for tenants, partners and the communities and optimizing return to its shareholders. EHL has an excellent track record of developing and maintaining its properties to the highest quality and standard.

EHL's investment portfolio currently consists of nine commercial properties (the "Property Portfolio" or the "Properties") which collectively have a total market value of \$831.6 million based on recent valuations (the 'Independent Valuations') performed by independent valuers within the last four years. Management's assessment (the 'Management Estimates') of the value of these Properties as at 30 April 2018 is the aggregate sum of \$861 million and the Company's 2018 audited financial statements take into account such value. Over the last four years there have been no major changes to the properties that could result in a significant change in the Independent Valuations. The details of the Independent Valuations of the Properties along with Management's Estimates as at 30 April 2018 are as follows:

PROPERTY	Independent Valuations		Management's Estimates as at 30 April 2018
	Estimated market value (TT\$)	Date of valuation	
1 Briar Place	\$ 160.0 million	24 January 2014	\$ 169.4 million
2 Price Plaza North	\$ 268.5 million	9 October 2014 & 2 April 2014	\$ 284.2 million
3 Price Plaza South	\$ 138.0 million	2 April 2014	\$ 137.3 million
4 Superpharm Chaguanas	\$ 25.4 million	31 January 2014	\$ 26.2 million
5 Superpharm Gulf View	\$ 66.0 million	31 January 2014	\$ 67.3 million
6 Superpharm Valsayn	\$ 17.6 million	31 January 2014	\$ 17.4 million
7 Superpharm Westmoorings	\$ 24.0 million	31 January 2014	\$ 26.1 million
8 Tumpuna Park	\$ 42.0 million	31 January 2014	\$ 43.2 million
9 Lot 17 D to H Aranguez	\$ 90.0 million	31 January 2014	\$ 89.9 million
10 Total	\$ 831.5 million		\$ 861.0 million

These Properties are described in further detail in Section 5 below.

## CORPORATE STRUCTURE

### EHL Shareholders Prior to the Offering

The following diagram indicates the ownership structure of EHL prior to the completion of the Offering. Endeavour ABRA Holdings limited was incorporated on 29 October 2018 in Trinidad and Tobago. This holding company was established by Rahael Holdings Limited and Pelican Investments Limited for the purpose of holding their respective shares in EHL. As at the date of this Prospectus, Endeavour ABRA Holdings Limited holds 100% of the outstanding shares in



### EHL

Fig [1.1] – Ownership structure prior to the Offering

At the date of this Prospectus, the Company's total share capital consists of 32,003,200 common shares. The shares are owned by Endeavour ABRA Holdings Limited, a joint venture company between Pelican Investments Limited and Rahael Holdings Limited.

**EHL SHAREHOLDERS FOLLOWING THE OFFERING**

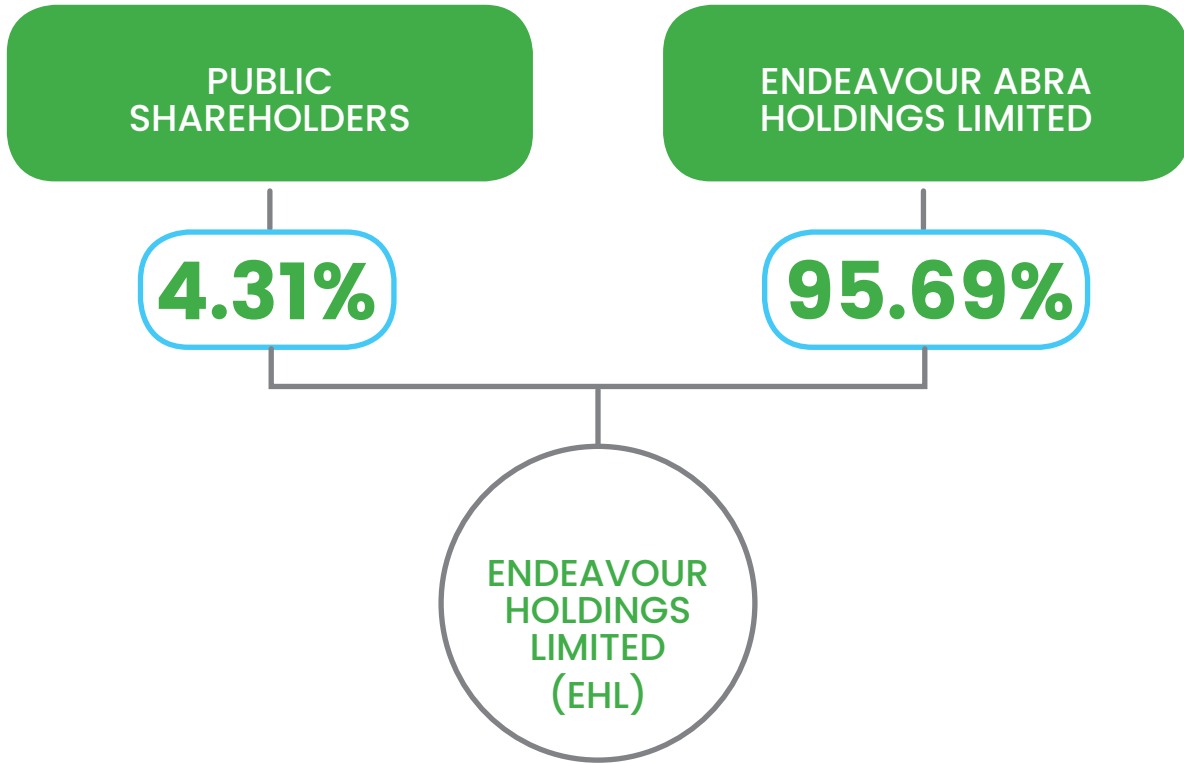


Fig [1.2] – Ownership structure following the Offering

Pursuant to the Offering, the Company proposes to issue 1,439,744 new common shares (representing an aggregate of 4.31% of the total issued shares in the Company) which shares will be subject to the IPO.

Following the Offering, Endeavour ABRA Holdings Limited will remain the substantial shareholder of EHL.

**OVERVIEW OF EHL'S BUSINESS**

The Company is a real estate investment company and its primary assets consist of various commercial and retail income generating properties. The rental income received from such properties (less expenses) will be the main source of returns to Investors in the Offer. Further information regarding the Company's real estate investments as at the date of the Offer is set out in Section 5 herein.

## BOARD OF DIRECTORS AND SENIOR OFFICERS

The Board and Senior Management team as at the date of this Prospectus are as follows:

### EHL DIRECTORS

- John Aboud
- Anthony Rahael
- Melissa Inglefield
- W. Keith Daniel
- John Tang Nian

### CORPORATE SECRETARY

- Razard Basil Ali

### EXECUTIVE MANAGEMENT TEAM

As at the date of this Prospectus, Mr. Anthony Rahael performs the role of Chief Executive Officer and Mr Razard Basil Ali performs the role of Chief Operating Officer, Chief Financial Officer and Corporate Secretary of the Company both pursuant to a services agreement



### 3. DETAILS OF DISTRIBUTION

#### GENERAL INFORMATION

##### 3.1 KEY DATES

The following key dates relate to the Offering:

Commencement of the Offering	21st October, 2019
Closing Date by which all subscriptions must be submitted (or later at the discretion of the Company)	15th November, 2019
Expected electronic transfer of refunds via Automated Clearing House	6th December, 2019
Expected Listing Date	9th December, 2019
Expected Notification of allotment of securities	6th December, 2019

The Offer will open on 21st October, 2019 at 8 AM, and will close at 15th November, 2019 at 4 PM or on such other date as may be determined by the Company at its discretion. However, the Closing Date shall in no case be later than one (1) year and twenty (20) days from the effective date of the distribution statement relating to it in accordance with Section 83(4)(a) of the Securities Act, 2012 as amended.

##### 3.2 THE OFFERING

Endeavour Holdings Limited proposes to issue 1,439,744 common shares (the 'Offered Shares') of no par value at \$12.50 per share payable in full on application. Although 1,439,744 common shares will be offered to the public pursuant to the IPO, 33,442,944 common shares will be listed and registered on the SME.

Number of Offered Shares	Class of Offered Shares	Price per Share	Aggregate Proceeds	Percentage represented by Offered Shares
1,439,744	Common Shares	\$12.50	\$17,996,800	4.31%

The Offering will be available to employees of EHL and EHL's shareholders, individual Investors who are nationals of Trinidad and Tobago, institutional investors, other trust funds, mutual funds, credit unions and co-operatives, and companies registered in Trinidad and Tobago. The minimum subscription is one (1) share in multiples of one (1).

It is intended that the EHL Shares will be listed on the small & medium enterprise (SME) market (the 'SME Market') on the TTSE (subject to receipt of all requisite regulatory approvals). The listing of the EHL Shares gives Investors the opportunity to participate in the real estate sector without requiring significant capital outlay and exposure to construction risks, while allowing Investors to manage their real estate exposure through an investment in the Offered Shares.

## CHARACTERISTICS OF A REAL ESTATE INVESTMENT OFFERING

While a direct investment in real property is typically considered to be illiquid in nature, the EHL Shares may have greater potential for liquidity. A direct investment in real estate typically takes between ten (10) to fifteen (15) years to provide significant returns or cash yields depending on leverage structure (as the cash received on the property is typically required for debt repayment). Investors in the Offered Shares may benefit from potential capital appreciation usually associated with an investment in real property. Accordingly, an investment in the Offered Shares has the potential to provide a natural inflation hedge, particularly as EHL derives its income through the rental income derived from the Properties. The potential benefit of a hedge against inflation for Investors in EHL is supported by provision having been made in EHL's rental agreements for rent increases.

The Company may pursue the acquisition of new properties where such properties meet the criteria for properties which may be acquired in accordance with the Investment Policy set out at Paragraph 5.2 below.

EHL will continue to actively review its tenant's mix, property management and facility maintenance and marketing efforts to ensure optimum satisfaction for tenants and customers.

Construction of real estate in Trinidad and Tobago remains a major challenge for most. Challenges remain around obtaining approvals, the availability of financing, quality of construction and consistent availability of materials. Therefore, already-built, income-producing real estate in prime locations with strong tenants is a major asset to any diversified portfolio. A real estate investment is meant to be a long-term, stable one. Long-term leases and entrenched rental increases, an inflation hedge and proven historical cash flows buffer a diversified real estate portfolio from short-term economic shocks.

Notwithstanding the slowdown in the economy, quality properties in good locations seem to be doing very well as evidenced by the success of Park Place and South Park, both of which are recently finished developments completed by EHL's Affiliates. There has been a near zero impact on the occupancy of the EHL Portfolio of properties, a testimony to the quality of the product and the locations.

### 3.3 SHARE CAPITAL OF THE COMPANY

As at the date of this Prospectus, the stated capital of the Company stands at \$32,003,200 comprising 32,003,200 common shares of no par value. EHL is authorized to issue an unlimited number of common shares of no par value.

EHL's common shares are held as follows:

Common Shares	Number of Shares	% interest
Endeavour ABRA Holdings Limited	32,003,200	100.00%
<b>Total shares</b>	<b>32,003,200</b>	<b>100.00%</b>

After the successful completion of the IPO, the shareholding of the Company will be as follows:

Common Shares	Number of Shares	% interest
<b>Endeavour ABRA Holdings Limited</b>	32,003,200	95.69%
<b>Investors in the IPO</b>	1,439,744	4.31%
<b>Total shares</b>	33,442,944	100.00%

### SIGNIFICANT SHAREHOLDERS OF EHL

Endeavour ABRA Holdings Limited is currently the sole shareholder of EHL and will be its significant shareholder upon a successful completion of the IPO with a shareholding of 96.4% of the outstanding shares in the Company.

Endeavour ABRA Holdings Limited is a joint venture company established by Pelican Investments Limited and Rahael Holdings Limited for the sole purpose of holding the shareholdings of both entities in EHL.

Security holder	Number of Shares held in Endeavour ABRA Holdings Limited	Jurisdiction of Incorporation
<b>Rahael Holdings Ltd</b>	16,001,600	Trinidad and Tobago
<b>Pelican Investment Ltd</b>	16,001,600	Trinidad and Tobago

Endeavour ABRA Holdings Limited has no current intention to acquire additional EHL shares following the IPO. However, in keeping with the purpose of the offering described in graph 3.5 below, Endeavour ABRA Holdings Limited intends to dispose of EHL shares over time to realise its investments in EHL shares.

### 3.4 CHARACTERISTICS OF THE OFFERED SHARES

The Offered Shares are common shares issued by the Company pursuant to the Offering. The rights, privileges, restrictions and conditions of the Offered Shares are identical to the other common shares issued by the Company which are detailed below.

### VOTING AND OTHER RIGHTS

The common shares issued by the Company bear the following rights:

- (i) Voting Rights: Any holder of common shares issued by the Company is entitled to attend and vote at any meeting of the shareholders of the Company. A holder of common shares shall be entitled to one (1) vote for each such common share.

- (ii) Election of Directors: Under the Company's By-Laws, the election of Directors shall take place at each annual meeting of the shareholders or any special meeting of the shareholders convened for such purpose in accordance with such By-Laws.

In accordance with the Company's By-Laws, persons may be nominated for election to office where he/she:

- (a) is a Director who is retiring at the meeting;
  - (b) is recommended by the Directors for election; and
  - (c) is nominated by shareholders of the Company who represent in the aggregate not less than five (5) per cent of all the issued shares of the Company or five (5) per cent of all the issued shares of a class of shares of the Company, each of whom is duly qualified to be present and vote at the meeting at which the election is to take place and notice of such nomination, duly signed by the shareholders and the person being nominated, is delivered to the Company at least six (60) days before the anniversary date of the previous Annual Meeting.
- (iii) Dividends: Subject to the rights or restrictions attached to any other class or series of shares which may be issued by the Company from time to time in accordance with the Companies Act and EHL's Articles, all holders of common shares issued by the Company are entitled to receive dividends declared and paid by the Company from time to time in accordance with the Dividend Policy which is described in more detail below.
  - (iv) Property upon Dissolution: Subject to the rights or restrictions attached to any other class or series of shares which may be issued by the Company from time to time in accordance with the Companies Act and EHL's Articles, the holders of common shares issued by the Company are entitled to receive the remaining assets and other property of the Company upon dissolution or winding-up.

## DIVIDEND POLICY

EHL's dividend policy will be to distribute to its Shareholders funds which are surplus to its operating capital and strategic requirements, as determined by the Directors from time to time. The Company will declare dividends of at least 15 to 30% of net Profit after tax.

The target percentage set out above will not be changed without the prior approval of the Directors. Dividends will be declared by EHL, subject to the above noted requirements, twice per year. An interim dividend for the financial year will be paid based on the six (6) months financial results to October 31 and the final dividend will be paid following the approval of the audited financial statements of that financial year.

## 3.5 PURPOSE OF THE OFFERING

The purpose of the IPO of EHL is to provide an opportunity for broader participation in ownership of commercial real estate in Trinidad and Tobago and to improve the liquidity of the shares of the Company. As such, in circumstances where the volume of subscriptions received is less than \$7,500,000 or otherwise would result in EHL being unable to satisfy the thresholds required to list the Shares on the TTSE, EHL will return all subscriptions to the respective applicants together with any payments made pursuant thereto.



### 3.6 PRICING

The Offered Shares are being offered at a price of \$12.50 per share (the ‘Offer Price’), which sum shall be payable in full at the time of application. The Offer Price represents a discount of approximately 20% to the book value of EHL’s share as per audited financial statements as at April 2018 which was determined using generally accepted valuation approaches and methods outlined in Appendix 8.

In determining the Offer Price, EHL considered a number of factors including:

- The information set forth in this Prospectus about EHL and its operations;
- The prospects for the industry in which EHL competes;
- The overall economic prospects of Trinidad & Tobago;
- The assessment of EHL’s management;
- EHL’s prospects for future financial performance;
- The general condition of the securities markets, and the offering market in particular, at the time of the offering; and
- Other factors deemed relevant by EHL and its Lead Broker.

Neither EHL nor its Lead Broker can assure Investors that an active trading market will develop for the Offered Shares, or that the Offered Shares will trade in the public market at or above the public offering price.

### 3.7 USE OF PROCEEDS

Total expenses of approximately \$812,000 are expected to be incurred in relation to this Offer. The net proceeds of the IPO, being derived from the sale of the Offered Shares on the SME market less transaction expenses as outlined above, are expected to amount to a total sum of \$17.18 million. Such proceeds shall be used by EHL to fund its working capital requirements over a period of six months.

### 3.8 ALLOCATION OF SHARES

If the Offer is oversubscribed, consistent with EHL’s policy of promoting the widest possible participation in ownership of shares, priority to receive the allocation for up to the limits noted (as a percentage of the maximum offering) shall be given as stated in the Allocation Table below:

Class	Investor	Allocation %	No. of shares
1.	Individual investors	50%	719,872
2.	All other investors	50%	719,872

### 3.9 EXPENSES

Initial fees relating to the Offering and the listing of Offered Shares on the SME market are expected to be approximately \$812,000 and include the following:

- Broker fees in the sum of \$225,000;
- Registration fees for Reporting EHL on the TTSEC in the sum of \$8,000;
- Filing fees in respect of the Distribution Statement to be filed with the TTSEC for the registration of the distribution of securities in the sum of \$1,000;
- Market access fees to be paid to the TTSEC in the sum of \$41,803;
- Prospectus filing fees in the sum of \$17,500;
- TTSE SME Market listing fee in the sum of \$10,000;
- TTSE Supplementary SME Market Listing fee (SME Market) in the sum of \$1,000;
- Membership fee to be paid to the TTCD in the sum of \$7,500
- TTCD Listing fees in the sum of \$25,000
- Professional fees in relation to this listing estimated to be in the sum of \$475,000.

## 4. INFORMATION ABOUT ENDEAVOUR HOLDINGS LIMITED

### 4.1 BACKGROUND OF EHL

EHL was incorporated in March 2001 with its principal, registered office located at No. 1 El Socorro Extension Road, San Juan, Trinidad and Tobago for the purposes of investing in real property in Trinidad and Tobago. EHL has been in existence for the past 16 years and its mandate has been to identify, acquire and develop real estate in Trinidad and Tobago to its highest and best use. EHL's focus is on creating market-shaping projects that build value for tenants, partners and the communities and optimizing return to its shareholders. EHL takes pride in having an excellent track record of developing and maintaining its properties to the highest quality and standard.

EHL's investment portfolio currently consists of nine commercial properties (the "Initial Property Portfolio" or "Properties") which collectively have a total market value of \$831.5 million based on recent valuations performed by independent valuers. The acquisitions of these Properties were financed by both third party and shareholder debt, the total balance of which currently amounts to \$326 million. Such Properties have been successfully managed for the past ten (10) years with the assistance of Amera Caribbean Development Limited ("Amera Caribbean") which provides property management and leasing services to EHL for a monthly fee.

### DECISION MAKING

While the Board must observe the duty to act in the best interests of the company at all times in accordance with the law, some of their primary responsibilities and decision-making abilities may include (but are not limited to) the following:

- i. Acquisitions and disposals of properties;
- ii. Entering into any discussions or negotiations (whether formal or informal) in relation to the entering into of a new, or termination of an existing, tenancy or lease agreement;
- iii. Engaging in any discussions (whether formal or informal) in relation to and upon a dispute arising with any existing Anchor Tenant; and
- iv. Entering into any formal or informal discussions or negotiations in relation to and upon the occurrence of a review date in respect of any rent review contained in any lease or tenancy agreement.

### INCOME AND EXPENDITURE

EHL's income is derived from the rental payments received from the tenants of the Properties. The Company incurs regular expenditure in maintaining the common areas of the Properties in accordance with its obligations as landlord pursuant to the various lease agreements and insuring the Properties (where required). Such expenditure is typically recovered from the tenants through the payment of a common area maintenance fee ("CAM"). Usually, the CAM (or the methodology for determining and billing same) is agreed between EHL and its tenants in advance and such expenditure is usually included in EHL's annual budget.

## 4.2 BOARD OF DIRECTORS

The Board of Directors of the Company is required to comprise of a minimum of three (3) directors and a maximum of ten (10) directors, two of whom are required to be Independent Directors. Directors are appointed for a term of three (3) years and may be re-elected upon the expiration of his/her term. The Board of Directors meets at least once quarterly but meetings may be convened more often as and when required.

In assessing the independence of a director, the Company takes into account the independence criteria prescribed by its By-Laws which considers whether the director in question has any direct or indirect material relationship with the Company other than membership on the Board and who:

- (i) is not, and has not been in the past five (5) years, employed by the Company or its affiliates;
- (ii) does not have, and has not had in the past five (5) years, a material business relationship with the Company or its affiliates (either directly or as a partner, shareholder (other than to the extent to which shares are held by such Director pursuant to a requirement of applicable law to which the Company is subject relating to directors generally), and is not a director, officer or senior employee of a person that has or had such a relationship);
- (iii) is not affiliated with any non-profit organization that receives significant funding from the Company or its affiliates;
- (iv) does not receive and has not received in the past five (5) years any additional remuneration from the Company or its affiliates other than his or her director's fee and such director's fee does not constitute a significant portion of his or her annual income;
- (v) is not employed as an executive officer of another company where any of the Company's executives serve on that company's board of directors;
- (vi) is not, nor has been at any time during the past three (3) years, affiliated with or employed by a present or former auditor of the Company or any of its affiliates;
- (vii) does not hold a material interest in the Company or its affiliates (either directly or as a partner, shareholder, director, officer or senior employee of a person that holds such an interest); and
- (viii) is not a member of the immediate family (and is not the executor, administrator or personal representative of any such person who is deceased or legally incompetent) of any individual who would not meet any of the tests set out in (i) to (vi) (were he or she a director of the Company).

In this regard, a "material interest" is considered to be a direct or indirect ownership of voting shares representing at least three percent (3%) of the outstanding voting power or equity of the Company or any of its Affiliates.

Based on the above, the names, positions and independence of the board of directors of the Company are set out below:

Name	Position
Mr John Aboud	Director & Chairman of the Board
Mr Anthony Rahael	Director
Ms. Melissa Inglefield	Director
Mr W. Keith Daniel	<b>Director – Independent Director</b>
Mr John Tang Nian	<b>Director – Independent Director</b>

For further details on the shareholders’ rights to appoint the Company’s directors, refer to Section [3.4] above. The credentials of the Company’s directors are summarized as follows:

## JOHN ABOUD

John Aboud has been the Financial Director of Amalgamated Security Services Limited (ASSL) since its inception in 1983. ASSL, a multi-faceted security firm spread across five Caribbean islands and headquartered in Trinidad, has an annual turnover of almost \$500 million. Mr. Aboud’s involvement at ASSL extends to strategic leadership, management and operational activities ranging from financial responsibility to the business at large, with focus on sustainability, resilience, social responsibility and due diligence.

As a key stakeholder in the private security industry in Trinidad and Tobago, Mr. Aboud has held and maintained a level of leadership and influence at various levels. He is actively involved in government and private organizations where policies and decision-making have crucial consequences on both the private and public sectors. His present appointments include Chairman, Crime Stoppers Trinidad & Tobago (over 5 years); Chairman, Caribbean Bermuda & Latin America Crime Stoppers Inc. (2013); Chairman, Crime & Justice Committee – Trinidad and Tobago Chamber of Industry and Commerce; Member of the Cabinet appointed – National Drug Council (12 years); Member of the Association of Security Companies of Trinidad & Tobago and Member of the Private Security Network Commission.

In addition to the private security sector, over the course of his career since 1978, Mr. Aboud has been involved in several entrepreneurial undertakings including Garment and Shoe Manufacturing, Printing, Public Warehousing, Retail and Distribution Trade, Freezone Facility and Project Construction. His involvements in these sectors have included ownership, partnerships, investment, management, advisor and consultant. Mr. Aboud’s present positions in business ventures include Chairman, Endeavour Holdings Ltd. – Real Estate Development; Chairman, Intercontinental Business Park – Public Freezone Operations and Director, SuperPharm Limited – Member of the Agostini Group.

## **ANTHONY RAHAEL**

Anthony Rahael is the Group Chief Executive Officer for Broadway Properties; Amera Caribbean Development Limited; Trinity Housing Limited; Endeavour Holdings Limited, Rahael Holdings Limited and South Park Limited. For the subsidiaries of the RHL Group, Mr. Rahael directs all company operations and activities to maximize profitability; he establishes objectives, plans, policies and standards. Mr. Rahael possesses over 30 years of professional experience in business including manufacturing; wholesale and retail sales; finance; construction and business development. He has sat on the Board of Directors of National Entrepreneurship Development Company Limited; Premier Quality Services Limited and Trinidad & Tobago Bureau of Standards. He is a member of the Trinidad & Tobago Chamber of Commerce, Trinidad & Tobago Manufacturers' Association and the Downtown Owners & Merchants Association. Mr. Rahael is a past President of Trinidad & Tobago Manufacturers' Association and has also served as Chairman of Fashion Week of Trinidad & Tobago (FWTT).

## **MELISSA INGLEFIELD**

Melissa Inglefield is a Partner at M. Hamel-Smith & Co. and is a member of the Firm's Transactional Department. As part of Hamel-Smith's Property and Estates group, Ms. Inglefield has an active portfolio of Conveyancing matters ranging from the negotiation and preparation of commercial leases; acquisitions and sales of real property, including residential developments; and secured financing transactions involving the grant of security over real property. Ms. Inglefield is also an active member of the Firm's Banking and Finance group where she has represented both financing parties and issuers or borrowers (including EHL) in secured lending and securities transactions, loan financing, capital market transactions and banking and securities regulation.

## **W. KEITH DANIEL**

Keith was a partner for 21 years with Deloitte & Touche and Pricewaterhouse Coopers and has over 35 years' experience in the auditing and accounting fields. His experience also included two years in the Toronto office of Deloitte & Touche.

Keith was also a member of Council of the Institute of Chartered Accountants of Trinidad and Tobago and Chairman of the Auditing and Accounting Committees.

While at PricewaterhouseCoopers he was in charge of the Insurance group and also had responsibility for Human Resources and Learning and Education.

His experience includes working in the following industries: Insurance and Banking, Manufacturing, Retail, Service, Airline, Quick Service, and Petrochemicals industries in both the private and public sectors. Keith retired from Pricewaterhouse Coopers in June 2013 and now practices as a financial consultant. He also is the Chairman of a manufacturing company in the Construction sector.



## **JOHN TANG NIAN**

A career banker with over 42 years' experience at Republic Bank Ltd. John Tang Nian retired in 2010.

Over the course of his career, he held many senior management positions in various functions of the bank. Prior to his retirement, he was General Manager – Corporate Operations and Process Improvement, a key member of the executive management team with responsibility for the bank's operational risk management and other key operational/administrative functions. This responsibility also included the group's AML/CFT Compliance. John Tang Nian also served as General Manager – Corporate Business Division, with overall responsibility for the management of the Bank's Corporate Credit and Business Division.

As a member of the Group's Executive Management Team, he had gained valuable skills in Strategic Planning. He is also a skilled practitioner in Financial and Credit Analysis and Management Accounting.

He holds a Diploma in Business Management from the University of the West Indies/Institute of Business and over the years has solidified his expertise with significant overseas training, notably the Manchester Business School, UK and the International Banking Summer School in Dublin, Ireland.

Currently Mr. Tang Nian serves as the Bankers' Association of Trinidad & Tobago representative on the board of The Unit Trust Corporation of Trinidad & Tobago, an independent director on the boards of Massy Finance GFC Ltd, JMMB BANK (T&T) LTD and East Caribbean Financial Holding Company limited/Bank of Saint Lucia Limited as well as the Chairman of the board of The Export Import Bank of Trinidad and Tobago Ltd (EXIMBANK).

## **4.3 KEY MANAGEMENT TEAM**

EHL has for the past decade, outsourced administrative, management and accounting services. The Company intends to continue to use such experts who possess the relevant experience and a long track record, in the operations of its business. EHL outsources such services from pursuant to a services agreement made between EHL and Wazifa Services Limited ('WSL'). The costs of the services provided by WSL will not exceed market rates.

The primary service providers in WSL are listed below.

### **ANTHONY RAHAEL – GROUP CHIEF EXECUTIVE OFFICER**

Anthony Rahael is the Group Chief Executive Officer for Broadway Properties; Amera Caribbean Development Limited; Trinity Housing Limited; Endeavour Holdings Limited, Rahael Holdings Limited and South Park Limited. For the subsidiaries of the RHL Group, Mr. Rahael directs all company operations and activities to maximize profitability; he establishes objectives, plans, policies and standards. Mr. Rahael possesses over 30 years of professional experience in business including manufacturing; wholesale and retail sales; finance; construction and business development. He has sat on the Board of Directors of National Entrepreneurship Development Company Limited; Premier Quality Services Limited and Trinidad & Tobago Bureau of Standards. He is a member of the Trinidad & Tobago Chamber of Commerce, Trinidad & Tobago Manufacturers' Association and the Downtown Owners & Merchants Association. Mr. Rahael is a past President of Trinidad & Tobago Manufacturers' Association and has also served as Chairman of Fashion Week of Trinidad & Tobago (FWTT).

## **RAZARD BASIL ALI – GROUP CHIEF FINANCIAL OFFICER**

Razard Basil Ali performs the role of Chief Operating Officer and Chief Financial Officer for Endeavour Holdings Limited pursuant to the services agreement. He establishes and implements operating procedures and plans and directs daily operations of the company. Mr. Ali also manages the company's financial plans, policies and practices; he plans and directs treasury, budgeting, reporting and accounting functions; directs auditing; tax planning and maintains relationships with financing sources. He possesses over 40 years of professional experience in accounting, audit, finance, sales and marketing, procurement, production and operations. Prior to joining Rahael Holdings Limited Group of Companies, Mr. Ali was a Group Executive Director of Furness Trinidad Group of Companies. He is a member of the Society of Management Accountants of Canada (CMA) and the Institute of Chartered Accountants of Trinidad & Tobago (ICATT).

## **AARON BORDE – INTERNAL AUDITOR**

Aaron has a wealth of experience in the financial services sector with proven ability in managing teams for the corporate and commercial borrowing sectors. He has an established track record in risk assessment and mitigation as well as achieving financial goals and related targets.

Aaron performs the role of internal auditor for EHL, Aaron oversees and administers the Company's internal practices and procedures to ensure that it remains compliance with all statutory and financial obligations. He makes recommendations on any improvements that can be made in respect of EHL's internal controls and corporate governance processes. In addition, Aaron validates all payments to contractors and foreign consultants.

## **ELIZABETH HOSEIN – TENANT RELATIONS OFFICER**

Elizabeth has almost 8 years of experience in a vast range of property related services, including property administration & management, real estate sales & rentals. Elizabeth completed her Degree in Business Management and a Certificate in Project Management & Administration and worked with large engineering and construction companies as the contracts project manager.

As EHL's tenant relations manager pursuant to the services agreement, Elizabeth is most known for her analytical approach in understanding clients' needs which assists her in pairing clients with the right properties especially in the commercial sector. Her objective is to ensure that the tenants are happy with an unparalleled level of customer service. These services include but is not limited to: (i) ensuring that tenants monthly rent are paid on time in accordance with their tenancy contracts; (ii) renewing of tenants contractual agreements; (iii) payment of utility bills; (iv) liaising with the designated maintenance services company to ensure the facilities are operational and in good/safe order; (v) liaising/coordinating with technicians/engineers for works to be carried out at property; (vi) coordinating onsite services as needed/required; (vii) ensuring that all equipment/furniture is cleaned and in good working condition and safe for use; and (viii) procuring of materials/furniture as may be required.

## 4.4 OTHER MATTERS REGARDING DIRECTORS AND OFFICERS REMUNERATION OF DIRECTORS AND OFFICERS

EHL's Board of Directors is responsible for fixing the remuneration payable to the Directors provided that such remuneration shall be based on prevailing market rates at the relevant time.

## INDEMNIFICATION

Under the Companies Act, directors and officers may be indemnified by the Company for any liability incurred by them for any acts they take (or do not take) in the performance of their duties unless such liability is the result of wilful neglect or failure to act on the part of the relevant director or officer. The Company has an insurance coverage for directors' and officers' liability.

## 4.5 CORPORATE GOVERNANCE

The Board of Directors has committed to adhering as closely as reasonably practicable to the Trinidad & Tobago Corporate Governance Code 2013 issued by the Caribbean Corporate Governance Institute, the Trinidad and Tobago Chamber of Industry and Commerce and the Trinidad and Tobago Stock Exchange Limited.

As at the date of this Prospectus, the Board of Directors has instituted one standing committee, the Audit Committee.

## AUDIT COMMITTEE

The audit committee serves as an independent committee and its role is to assist the Board of Directors with monitoring:

- the integrity of the Company's financial statements and public disclosures;
- the compliance by the Company with all applicable legal and regulatory requirements, including but not limited to the Company's compliance with Trinidad and Tobago's anti-money laundering legislation;
- adequacy and quality of corporate governance, internal control systems and risk management systems and the Company's compliance therewith; and
- the Company's internal and external auditing, accounting and financial reporting processes generally.

The audit committee is authorized and empowered to, amongst other things:

- recommend the appointment, compensation, and oversight of the work of the external auditors employed by the Company to conduct the annual audit;

- resolve any disagreements between the management and the external auditors regarding financial statements;
- authorize investigations into any matters within its terms of reference, charter and scope of responsibility;
- recommend the engagement of an independent counsel, accountant or other advisors to the board as it determines necessary to carry out its duties or assist in the conduct of investigation;
- Meet with the Company's officers, statutory/external/internal auditors, or outside counsel, as necessary.

## MEETINGS AND QUORUM

The audit committee is authorized to convene meetings, as circumstances require but shall meet at least quarterly.

Minutes shall be prepared for each audit committee meeting.

Two (2) members of the audit committee shall constitute a quorum.

## MEMBERS OF THE AUDIT COMMITTEE

In compliance with the Securities Act and the Companies Act, the Company's audit committee must be composed of not less than three (3) directors of the Company, the majority of whom are not officers or employees of the Company or any of its affiliates within the meaning of the Companies Act.

In accordance with the foregoing, the Company's audit committee consists of the following members as at the date of this Prospectus:

- Mr W. Keith Daniel (Chairman);
- Mr Anthony Rahael; and
- Mr John Tang-Nian.

## AFFILIATES OF EHL

EHL's primary affiliates are its substantial shareholder, Endeavour ABRA Holdings Limited, and the two shareholders of Endeavour ABRA Holdings Limited, each of which are listed below:

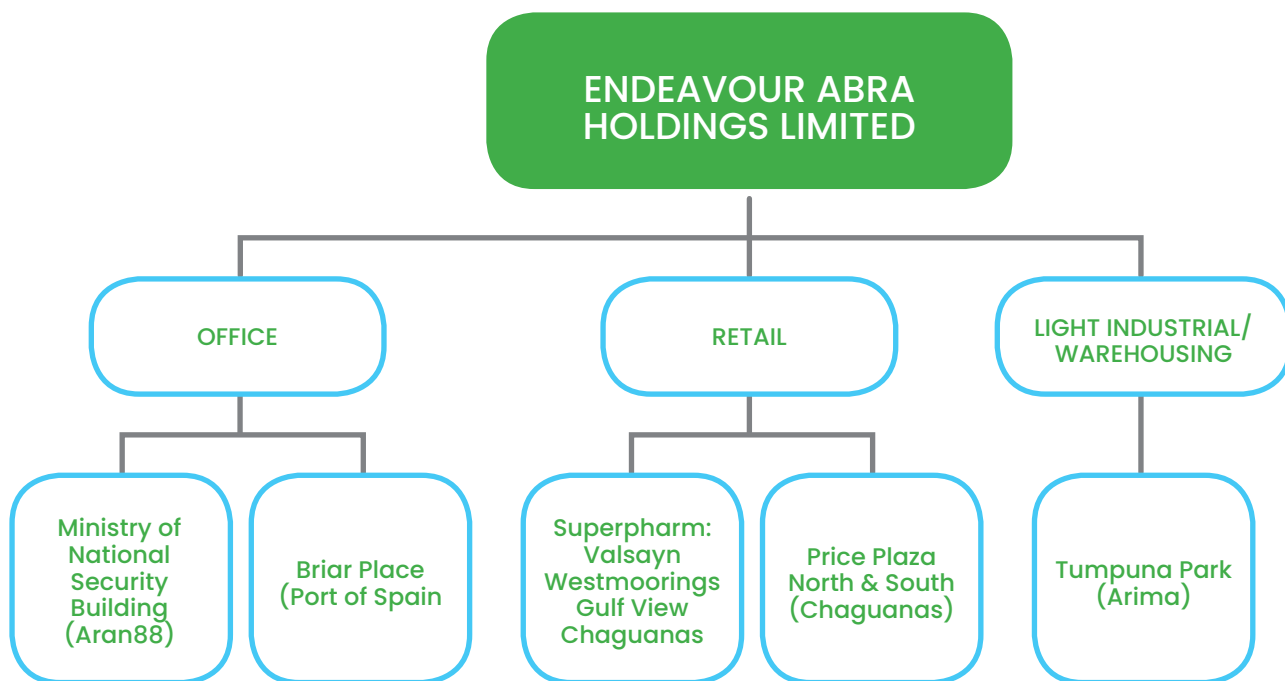
Affiliate	Endeavour ABRA Holdings Limited	Rahael Holdings Limited	Pelican Investments Ltd
<b>Date and jurisdiction of incorporation</b>	29 October 2018, Trinidad and Tobago	26 May 1983, Trinidad and Tobago	9 November 2004, Trinidad and Tobago
<b>Brief history</b>	Holding Company established by Rahael Holdings Limited and Pelican Investments Limited for the purpose of holding their respective shares in EHL	Holding Company for the Rahael family in respect of shares in both private and public companies and other investments	Family investment company with shares in both private and public companies and other investments
<b>Principal activities</b>	Holding Company	Holding Company	Holding Company
<b>Interest of EHL in affiliate</b>	As at the date of this Prospectus, Endeavour ABRA Holdings Limited holds 100% of the outstanding shares in EHL	As at the date of this Prospectus, Rahael Holdings Limited indirectly holds 50% of the outstanding shares of Endeavour ABRA Holdings Limited	As at the date of this Prospectus, Pelican Investments Limited indirectly holds 50% of the outstanding shares of Endeavour ABRA Holdings Limited
<b>Issued and paid up capital</b>	32,003,200	3125	2
<b>Shareholding</b>	Rahael Holdings Limited - 16,001,600  Pelican Investments Limited - 16,001,600	Convallaria Investments Limited - 32%  Cornus Investment Limited - 32%  Lilium Investments Limited - 32%  Anthony Rahael - 4%	John Aboud - 50%  Michael Aboud - 50%

## 5. EHL PROPERTY PORTFOLIO

### 5.1 EHL'S PROPERTY PORTFOLIO

As at the date of this Prospectus, EHL's real estate portfolio (the 'Property Portfolio') of EHL comprises nine fully occupied commercial properties with a total rentable area of approximately 596,018 sq. ft. which are spread geographically across Trinidad. The aggregate appraised value of the Property Portfolio is \$831.6 million based on independent valuations conducted in 2014. Management's appraisal of the property portfolio as at 30 April 2018 was \$861 million.

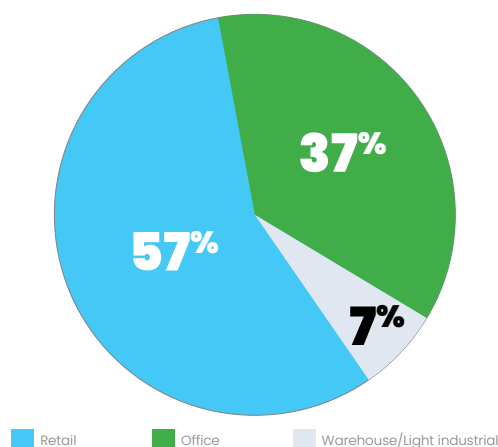
### EHL'S PROPERTIES BY MARKET SEGMENT AND LOCATION



The properties are all fully developed and consist of a diverse and quality tenant base with high tenant retention rates as well as staggered lease maturities. With this mixed use portfolio rental income is generated from retail space (56%), office space (37%) and light industrial/warehouse (7%).

The properties provide a steady monthly lease income stream with a combined annual gross rental income of approximately \$78 million. The current occupancy rate 95% with a 5% vacancy in the Tumpuna Park property. There are currently 80 tenants in total occupying the nine properties with more than 50% attributed to Price Plaza (North and South). The tenant base spans a myriad of

PROPERTY TYPE MIX BASED ON RENTAL INCOME



is



industries including financial, energy, pharmaceuticals, food, entertainment and technology.

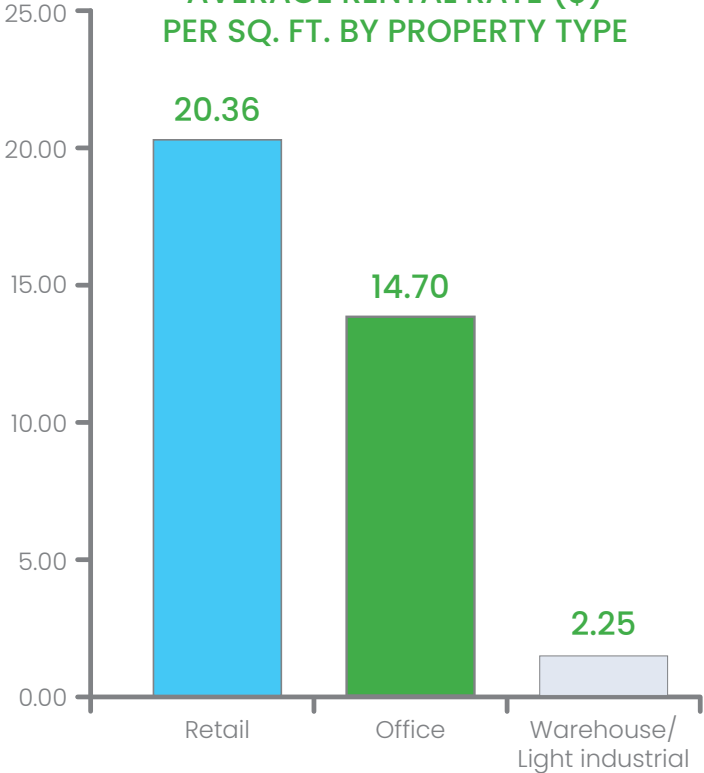
Given the diversity of the tenant pool, leases mature at various intervals with varying terms. Smaller spaces are renewed on a monthly basis while larger spaces occupied usually by anchor tenants tend to have longer leases with terms of five years or more. To manage the vacancy risk, 45% of the tenancies consist of long term leases (greater than five years), 11% are medium term (one to five years) and the remaining tenancies are on a month to month basis.

Additionally, 73% of rental income is generated from long term leases with 25% of such income being generated from those with remaining tenors of approximately five years or more.

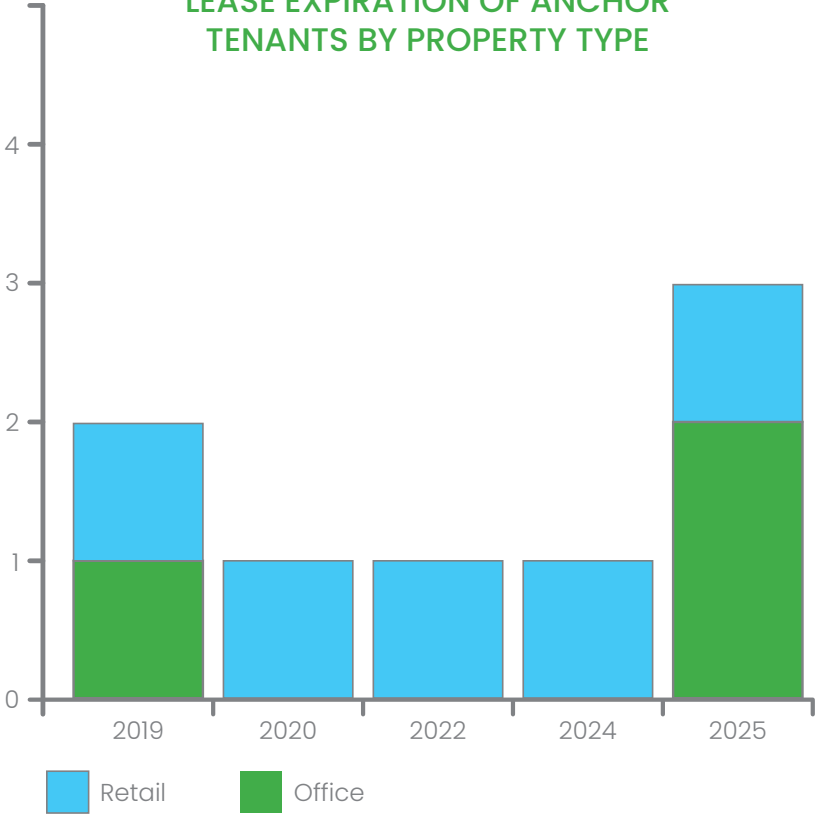
The high quality of the investment property portfolio is driven by:

- Location in prime shopping and commercial areas;
- Approximately 70% of the total rentable space is occupied by anchor tenants;
- Investment of capital by tenants in the outfitting of the building and retail stores; and
- Varying expiration dates of lease terms during a ten year period.

**AVERAGE RENTAL RATE (\$) PER SQ. FT. BY PROPERTY TYPE**



**LEASE EXPIRATION OF ANCHOR TENANTS BY PROPERTY TYPE**



LOCATION	RENTABLE AREA (sq. ft.)	OFFICE	RETAIL	WAREHOUSE/LIGHT INDUSTRY
North	62,709	Briar Place	-	-
East	80,000	Lot 17D to H Aranguez (occupied by Ministry of National Security)	-	-
Central	106,913	Price Plaza North (22,204 sq. ft.)	Price Plaza North	-
Central	49,870	-	Price Plaza South	-
Central	9,158	-	Superpharm – Chaguanas	-
West	7,994	-	Superpharm – Westmoorings	-
South	21,056	-	Superpharm – Gulf View	-
East	8,718	-	Superpharm – Valsayn	-
East	249,600	-	-	Tumpuna Park

## EHL'S MAJOR SUPPLIERS

EHL's primary suppliers and their related services include the following:

Supplier	Service provided
Amera Caribbean Development Ltd	Property Management
Amalgamated Security Services Ltd	Security
BK Holdings Ltd	Storage and removal of garbage
Digicel	Telephone
Flow	Cable and internet
Frank's Landscaping	Garden maintenance
Heller Security Services Ltd	Baton duty and guard service
Precision Air Control	Air condition services
Rentokil	Sanitact maintenance and pest control

## 5.2 INVESTMENT POLICY

### PROPERTY ACQUISITIONS

In accordance with the investment policy (the 'Investment Policy') established by its Board, EHL may from time to time consider expanding its investment portfolio by the acquisition of new properties (the 'Future Properties' and together with the properties comprising the Initial Property Portfolio, the 'Properties').

The acquisition of any new property must be approved in advance by a resolution passed by a three-fourths majority of the Board, in accordance with the following guidelines and criteria:

1. The investment evaluation (referred to below) must have been received and considered favourably by the Board.
2. Any new acquisition must be in respect of property situated in Trinidad and Tobago which is used or intended to be used for commercial purposes and which bears or which is expected to bear a similar risk profile to the Property Portfolio.
3. In circumstances where the new property is not already an income generating property, the Company must secure, or must be reasonably certain that it can secure, binding commitments from potential tenants in respect of such property.
4. The funding of the acquisition shall be at the discretion of the Board, via:
  - a. the funds standing to the credit of an acquisition reserve which may be established by the Company
  - b. third-party financing obtained by the Company; or
  - c. the proceeds from the disposal of any of the Properties in accordance with this Investment Policy.

## PROPERTY DISPOSALS

A property from the Property Portfolio may be disposed of by EHL in the circumstances set out below and where the disposal is approved by a resolution passed by a three-fourths majority of the Board:

1. The Investment Evaluation must have been received and considered favourably by the Board.
2. The disposal is at least at fair market value, as determined by an independent approved valuator.

## INVESTMENT EVALUATION

The Property Manager is responsible for, amongst other things, conducting a detailed real estate appraisal and for making a suitable investment recommendation to the Board prior to a decision being made for the disposal of any of such properties or the acquisition of a new property.

The Property Manager's recommendation shall include the most appropriate terms and conditions for the relative acquisition or disposal in order to ensure that such disposal and acquisition is in the best interests of both the Company and its shareholders. It must also include an assessment of the prevailing economic and market conditions, independent property valuations, necessary financial and legal due diligence and other pertinent analysis prepared by external independent advisors.

The Board shall have the final responsibility of reviewing and evaluating all of the investment recommendations submitted by the Property Manager in determining whether to proceed with an acquisition or disposal.

## 5.3 PROPERTY PROFILES AND MAJOR TENANTS

### BRIAR PLACE

Briar Place is a multi-storey office building located in the commercial district of St. Clair and is considered an A class property. The construction of this property was completed in 2005. The leasehold land is secured by three leases, all expiring in 2083.

Briar Place's major anchor tenants have been at the location between four and nine years and their average lease term ranges between six and twelve years with rent escalations of approximately 6% to 10% every three years.

This multi tenanted building has basement and sub-basement parking for approximately 200 vehicles which bears a significant competitive advantage in Port of Spain.

### BRIAR PLACE QUICK FACTS

PROPERTY FACTS	
Location	St. Clair, Port of Spain
Title	Leasehold
BUILDING FACTS	
Land size	32,650 sq. ft.
Total rentable area	62,709 sq. ft.
Occupancy	100%
TENANT FACTS	
Total tenants	7
Major/Anchor Tenants	2
Profile of Anchor Tenants	Energy, government, health, food/retail and professional services
Total area occupied by Anchor Tenants	44,026 sq. ft. (70%)
Average lease term of Anchor Tenants	6-12 years





## PRICE PLAZA SOUTH

Price Plaza is one of the island’s most popular shopping centers. Price Plaza South was constructed in 2002. It began with the construction of PriceSmart Shoppers Club. Since then a full retail mall has emerged. The property is located in Chaguanas, just off the Uriah Butler Highway and enjoys visibility from the highway.

The major Anchor Tenants have an average lease term ranging between five to ten years with rent escalations of between 10% and 12% every two to three years. Most tenants have been located at this shopping center for over 10 years.

Price Plaza South is now home to approximately 38 tenants operating in a wide cross section of the commercial and retail sector.

<b>PRICE PLAZA SOUTH QUICK FACTS</b>	
<b>PROPERTY FACTS</b>	
Location	Endeavour Rd, Chaguanas
Title	Freehold
<b>BUILDING FACTS</b>	
Land size	435,594 sq. ft.
Total rentable area	49,870 sq. ft.
Occupancy	100%
<b>TENANT FACTS</b>	
Total tenants	38
Major/Anchor Tenants	3-4
Profile of Anchor Tenants	Food, financial services, clothing, and other retail
Total area occupied by Anchor Tenants	13,057 sq. ft. (26%)
Average lease term of Anchor Tenants	3-6 years



## PRICE PLAZA NORTH

The construction of this property was completed in 2010 and is the expansion of what is now known as Price Plaza South.

Price Plaza North is occupied by 21 tenants in the entertainment, food, clothing and specialty retail sectors. A parking garage has been constructed that added approximately 150 additional car park spaces as well as a 27,650 sq. ft. retail leasable space.

Unlike Price Plaza South which caters for many smaller retail clients, Price Plaza North is geared towards large anchor tenants who account for 60% of the rentable space. The average lease terms for such tenants range between nine and ten years with rent escalations of between 12% and 15% every three years.

### PRICE PLAZA NORTH QUICK FACTS

PROPERTY FACTS	
Location	Endeavour Rd, Chaguanas
Title	Freehold
BUILDING FACTS	
Land size	277,956 sq. ft.
Total rentable area	106,659 sq. ft.
Occupancy	100%
TENANT FACTS	
Total tenants	21
Major/Anchor Tenants	4
Profile of Anchor Tenants	Entertainment, Food, Movie Towne
Total area occupied by Anchor Tenants	73,946 sq. ft. (69%)
Average lease term of Anchor Tenants	9-10 years



## FOUR (4) SUPERPHARM LOCATIONS

EHL neither owns the Superpharm chain nor does it operate any of the Superpharm stores. The Superpharm chain is owned by Agostini Ltd, a publicly listed Trinidad and Tobago company.

EHL is the landlord to four properties located in the Gulfview, Valsayn, Chaguanas and Westmoorings regions which are each tenanted by Superpharm Limited ('Superpharm').

Each of the four properties is in a strategic location which affords good visibility and access. Further, the properties serve densely populated catchment areas. They are also in close proximity to large retail centres/malls.

Each Superpharm lease contains contractual escalations of the rent payable under the respective leases, initially by 11% every three (3) years and, thereafter by 12.5% every three (3) years.

Two of the locations, namely Valsayn and Westmoorings, are occupied solely by Superpharm; the other locations each have secondary tenants. At the Chaguanas property, Rituals Coffee Shop occupies 16% of total rentable space while at the Gulf View location, First Citizens Bank Limited, occupies 62.3% of the rentable space. The lease rate for this secondary tenant of the Gulf View branch will escalate by 10% every three years.

### SUPERPHARM QUICK FACTS

PROPERTY FACTS	GULF VIEW	VALSAYN
Location	#2 South Trunk Road, Gulf View, La romain	Corner Morequito Avenue and Churchill Highway, Valsayn
Title	Freehold	Freehold
<b>BUILDING FACTS</b>		
Land size	43,552 sq. ft.	20,281 sq. ft.
Total rentable area	21,056 sq. ft.	8,718 sq. ft.
Occupancy	100%	100%
<b>TENANT FACTS</b>		
Total tenants	2	1
Major/Anchor Tenants	1	1
Profile of Anchor Tenants	Retail/Pharmacy	Retail/Pharmacy
Total area occupied by Anchor Tenants	7,918 sq. ft. (69%)	8,718 sq. ft.
Average lease term of Anchor Tenants	5-10 years	10 years

All buildings situated at the Superpharm locations have similar structure and design with a retail open floor plan, and the first floor level is used for office and staff facilities. The exception is Chaguanas where the second tenant only has ground floor accommodation. The outfitting of the properties is the responsibility of the tenants.

<b>SUPERPHARM QUICK FACTS</b>		
<b>PROPERTY FACTS</b>	<b>CHAGUANAS</b>	<b>WESTMOORINGS</b>
Location	Endeavour Rd, Chaguanas	1 Columbus Circle, Westmoorings
Title	Freehold	Leasehold
<b>BUILDING FACTS</b>		
Land size	27,192 sq. ft.	18,839 sq. ft.
Total rentable area	9,158 sq. ft.	7,994 sq. ft.
Occupancy	100%	100%
<b>TENANT FACTS</b>		
Total tenants	2	1
Major/Anchor Tenants	1	1
Profile of Anchor Tenants	Retail/Pharmacy	Retail/Pharmacy
Total area occupied by Anchor Tenants	7,691 sq. ft. (69%)	7,994 sq. ft.
Average lease term of Anchor Tenants	10 years	15 years





## TUMPUNA PARK

Tumpuna Park (the Park) was constructed in 1997. It is a 10.23 acre property that forms part of an industrial compound. On the compound there are six buildings which are used by tenants for light industrial and storage facilities.

Each of the six buildings has a mezzanine floor which is used as storage or as small ancillary offices. Currently three of the six warehouses are occupied by one tenant while two others are divided into smaller accommodations for multiple tenants. The major anchor tenant has been at this location for a period ranging between three and eight years approximately.

EHL is currently in the process of renewing its lease contract with the Government. This tenant typically renews for a three year lease period. However, until the contract has been fully renewed, the Government is leasing the space from EHL on a monthly basis.

Having regard to the existing market rates in properties of a similar nature in similar locations, EHL considers the rental rates to be at the lower end of market rates therefore there may be potential for upside increases.

### TUMPUNA QUICK FACTS

PROPERTY FACTS	
Location	Tumpuna Road, Guanapo
Title	Freehold
BUILDING FACTS	
Land size	445,619 sq. ft.
Total rentable area	249,600 sq. ft.
Occupancy	96%
TENANT FACTS	
Total tenants	7
Major/Anchor Tenants	2
Profile of Anchor Tenants	Government, manufacturing
Total area occupied by Anchor Tenants	198,400 sq. ft. (79%)
Average lease term of Anchor Tenants	2 years



## LOT 17D TO H ARANGUEZ, OCCUPIED BY MINISTRY OF NATIONAL SECURITY

This building was constructed in 2011. It is occupied solely by the Ministry of National Security. The building is purpose-built to meet the occupant's special requirement housing the Inter Agency Task Force (IATF) and the Guard and Emergency Branch (GEB) of the Ministry of National Security.

It is located along Garden Road, Aranguez in the emerging south Aranguez area. This area is rapidly growing due to the recently built Aranguez interchange and the newly constructed road network.

The Ministry of National Security has been a tenant for approximately seven years.

### MINISTRY OF NATIONAL SECURITY BUILDING QUICK FACTS

PROPERTY FACTS	
Location	Garden Road, Aranguez
Title	Freehold
BUILDING FACTS	
Land size	103,614 sq. ft.
Total rentable area	80,000 sq. ft.
Occupancy	100%
TENANT FACTS	
Total tenants	1
Major/Anchor Tenants	Government
Profile of Anchor Tenants	80,000 sq. ft.
Total area occupied by Anchor Tenants	5 years
Average lease term of Anchor Tenants	10-11 years





## 6. RISKS

The following does not purport to be a comprehensive summary of all of the risks associated with an investment in the Offered Shares. Rather, the following are only certain risks to which EHL is subject and potential investors should discuss and evaluate in detail with their professional advisors. Other risks and uncertainties that EHL does not presently consider to be material, or of which EHL is not presently aware, may become important factors that affect EHL's future financial condition and results of operations. The occurrence of any of the risks discussed below could materially and adversely affect the business, financial condition, financial performance or cash flows of EHL. Potential investors in the Offered Shares should carefully consider these risks before investing in the shares and take advice from a stockbroker or other appropriate professional.

Investors should appreciate that there are inherent risks in all types of investments. Prices of investments can move erratically and be unpredictably affected by many diverse factors, including political and economic events but also rumours and sentiment.

### CONCENTRATION IN ONE ASSET CLASS

EHL's primary assets are the real estate investment properties. Its investment in one asset class is a concentration risk. The Property Portfolio mix based on rental income consists of office (37%), retail (56%) and light industrial/warehousing segments (7%).

### PRICING, LIQUIDITY AND VALUATIONS OF THE PROPERTY PORTFOLIO

There is a risk that the price at which an asset is valued may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market. Investments in immovable property are relatively illiquid and more difficult to realise than most equities or bonds. If an asset cannot be liquidated in a timely manner then it may be more difficult to attain a reasonable price.

### FLUCTUATIONS IN VACANCY RATES AND PROPERTY VALUES

Vacancy rates and property values may fluctuate due to adverse economic or market conditions. The result of such fluctuations may adversely affect overall market demand for office, warehouse and retail space notwithstanding the diversity in the type of commercial real estate comprising the Property portfolio (e.g. office, retail and light industrial/ warehousing) as well as the tenant profile consisting of tenants across a wide range of industries. Furthermore, newly constructed space may also affect the competitiveness of the portfolio.

The distributions payable by EHL to shareholders are dependent on the income derived primarily from

the Property Portfolio owned by EHL. The receipt of any rental income due and payable in respect of the Property Portfolio, and the possibility that tenants may default on their rental obligations, creates a consequential risk in that it could cause a decline in EHL's income available for distribution to shareholders.

## PERFORMANCE OF THE PROPERTY PORTFOLIO

EHL is required to only acquire properties which comply with its Investment Policy. However, there can be no certainty concerning the future performance of the underlying investment or of any property acquired in the future, even to the extent that it complies in all respects with the Investment Policy.

The value of the underlying property and the value of shares can go down as well as up. The valuation of the Property Portfolio is based upon the subjective opinion of the Independent Valuer. Past performance is not indicative of future performance.

## NON-RENEWAL OF TENANT LEASES

Future rental income and therefore distributions to shareholders may be adversely impacted by the non-renewal of leases by existing tenants of the Property Portfolio. This is also an inherent risk with any commercial real estate investment. Certain significant expenses, such as operating expenses, must be met by the owner even if the Property is vacant.

## DISPOSAL OF PROPERTIES

There is no guarantee that EHL will be able to dispose of the properties in its Property Portfolio at their stated portfolio values on account of: (a) market conditions; (b) the size or value of the overall portfolio; or (c) the specialised nature of the properties in question. It may prove necessary to dispose of properties at values which the Board of Directors of EHL considers are reasonable in the circumstances, but which represent discounts to book valuations, in order to satisfy redemptions.

## OWNERSHIP CONTROL BY THE SPONSORS

The current shareholders of EHL will initially own approximately 98% of the total Offered Shares to the extent that the Offering is fully subscribed. Therefore as long as these shareholders own and hold the majority of Offered Shares, they will have the ability to make all major decisions with respect to the operations of EHL.

## IMPACT OF NATURAL DISASTERS

Hurricanes, earthquakes, fires and other disasters may threaten or destroy a property. Time and cost to replace can have serious (and unplanned) adverse impact on the cash generation after any natural disaster. While the Property Manager will be required to ensure that each property owned by EHL is appropriately and fully insured, we cannot assure you that the proceeds of same will be adequate to compensate for any losses incurred or delays caused. However, the beneficiaries of all insurance policies for the Property Portfolio are in the name of the EHL.

## ECONOMIC CLIMATE

EHL is dependent upon the Trinidad and Tobago property market. As a result, EHL's business is dependent on macroeconomic factors as well as the conditions of the Trinidad and Tobago commercial property market. EHL may accordingly be adversely affected by any factor that reduces rental values in the Trinidad and Tobago commercial property market.

In addition, the recent drop in oil and gas prices and reduced production levels have resulted in a major economic challenge for Trinidad and Tobago, whose exports are heavily dependent on the energy market. Lower crude oil and gas prices and production have resulted in a slowdown in the country's GDP growth. These effects go beyond the energy sector as the performance of a number of other industries including the real estate sector will experience trickle down effects of this downturn.

## RELIANCE ON KEY PERSONNEL

EHL has a strong senior management team which has significant experience in the property development, maintenance and commercial rental market. EHL's senior management team has developed strong reputations and relationships among those with whom EHL does business. EHL's future success depends in large part upon the continued service of its senior management team, who are critical to the overall management of EHL as well as the development of its products, culture and strategic direction. The loss of any member of the senior management team or the inability to attract and retain key managers or skilled employees generally could have a material adverse effect on EHL's operating results, business prospects and financial condition.

## CONSTRUCTION AND OPERATIONAL RISKS.

A property that is newly acquired by EHL in accordance with its Investment Policy may result in certain risks arising for the Company from the construction and operation of the project targeted for such property. Such risk can be influenced by a number of unforeseen factors, such as: political opposition, regulatory and permitting delays, labour and materials shortages, strikes, disputes, environmental issues, and force majeure. A material delay or increase in unabsorbed cost could significantly impair the financial viability of a new project and result in a material adverse effect on the Company's investment. While in certain investments, creditworthy and appropriately insured third parties may bear some of these risks, there can be no assurance that any or all such risk can be mitigated or that such parties, if present, will perform their obligations or that insurance will be available on commercially reasonable terms.

## 7. INVESTOR BENEFITS

The following outlines the benefits which potential investors may expect to derive from their decision to invest in the shares of EHL. Several of the investor benefits described below are also considered to be mitigating factors for the risks outlined in the previous section.

### ENDEAVOUR HOLDINGS LIMITED RATED CARI A+

As of 13th December, 2018, EHL's issued bonds received a Cari A+ rating by CariCris under Appendix 5, the Caribbean's regional credit rating agency. Caribbean Information and Credit Rating Services (CariCRIS) is the Caribbean's leading credit rating agency, with shareholding by regional Central Banks, several major regional commercial banks, and CRISIL, an associate company of the globally-recognized rating agency Standard & Poor's. A Cari A+ rating indicates the level of credit worthiness of this debt obligation, adjudged in relation to other obligations in the Caribbean and within Trinidad and Tobago, is good.

### AFFORDABLE OPTION TO INVESTING IN QUALITY COMMERCIAL REAL ESTATE

An investment in the Offered Shares should provide Investors with a medium to invest in commercial real estate at relatively low costs and effort compared to direct purchase of properties. Furthermore, the properties owned by EHL represent high quality developments, many of which are well known across Trinidad and Tobago.

### STRONG PROPERTY PERFORMANCE AND CAPITAL APPRECIATION

Cash flows generated by EHL will be driven by rental income from properties with potential for increases in income from rental rate escalations, which is a typical feature of commercial leases. This feature therefore has the potential to provide Investors with a natural hedge against inflation. Based on EHL's review of the market, it considers that there is the potential for upside opportunity to be gained by EHL in respect of the Property Portfolio as lease rates for the Properties are currently set at the lower range of the applicable market rent in respect of properties in a similar location and used for a similar purpose.

EHL's properties have historically enjoyed solid appreciation in market values.

### PROVIDES POTENTIAL LIQUIDITY TO INVESTORS

The Company intends to apply to have its shares listed on the TTSEC. Therefore, subject to receiving the requisite approval to list and to the extent a market develops for the shares, shareholders may have the benefit of a potentially liquid investment.

## DIVERSE AND QUALITY TENANCY PROFILE

There are approximately 80 tenants occupying EHL's properties, which span a myriad of industries such as financial, energy, pharmaceuticals, food, entertainment and technology (see section on "Real Estate Portfolio" for more information on EHL's tenants). EHL considers that this tenant diversity reduces tenant concentration risk.

Many of the properties consist of a number of anchor tenants with medium to long term leases, which may reduce the overall vacancy risk of the Property Portfolio.

Leases of major tenants have renewal option clauses and landlord-tenant discussions around renewals are carried out several months prior to lease expiration, which has the potential to reduce the risk of vacancy in respect of the Properties.

Given the diversity of the Property Portfolio, lease expirations are at varying times so the impact of non-renewal by any one tenant at any time is not expected to have a significant impact on vacancy of the entire portfolio and hence rental income.

Major tenants have leases with medium to long-term expiration dates with rent increases (averaging 12%) every three years agreed in the lease contracts.

## 8. BASIS OF PREPARATION OF THREE YEARS UNAUDITED SUMMARY FINANCIAL STATEMENTS

The accompanying summary financial statements were extracted from the actual issued audited financial statements for years ended 30th April, 2018 and 2017 which included the Restated financial statements for years 2016.

The 2016 restatements were required as the appropriate deferred tax on investment properties was not previously recognized in line with the Company's business model, which is to possibly sell the properties in the future, although there are no specific plans to do so, and to hold the properties to earn rental income until such time.

Previously, deferred tax was recognized on the basis that the properties' economic benefits will be consumed over time not through sale.

The effects of these restatements are shown in Note 26 of the audited issued financial statements for 30th April, 2017 which will be available for viewing as indicated in item 16.



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Anthony Rahael  
**Chief Executive Officer**  
18 February 2019



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Razard Bazil Ali CPA, CMA; CA  
**Chief Financial Officer**  
18 February 2019

## 9. EHL – THREE YEAR UNAUDITED SUMMARY FINANCIAL STATEMENTS TO 30 APRIL 2018

### ENDEAVOUR HOLDINGS LIMITED

Statement of Financial Position (Extracted from issued audited financials)  
(Expressed in Trinidad and Tobago Dollars)

	2018	Year Ended 30 April 2017	Restated 2016
	\$	\$	\$
<b>Assets</b>			
<b>Non-current assets</b>			
Investment property	861,000,000	852,900,000	842,300,000
Property, plant and equipment	2,773,988	4,595,980	4,701,505
	<u>863,773,988</u>	<u>857,495,980</u>	<u>847,001,505</u>
<b>Current assets</b>			
Trade and other receivables	17,773,725	10,970,804	10,153,206
Due from related parties	672,540	672,540	50,762,148
Cash and cash equivalents	15,351,069	10,894,096	6,548,353
	<u>33,797,334</u>	<u>22,537,440</u>	<u>67,463,707</u>
<b>Total assets</b>	<u>897,571,322</u>	<u>880,033,420</u>	<u>914,465,212</u>
<b>Equity and liabilities</b>			
<i>Equity attributable to equity holders of the company</i>			
Share capital	32,003,200	32,003,200	32,003,200
Maintenance reserve fund	3,558,757	--	--
Retained earnings	466,911,856	427,901,031	417,411,723
Total equity	<u>502,473,813</u>	<u>459,414,231</u>	<u>449,414,923</u>
<b>Non-current assets</b>			
Deferred income tax liability	44,776,672	41,663,242	31,836,563
Borrowings	297,734,013	325,630,616	353,464,266
	<u>342,510,685</u>	<u>367,293,858</u>	<u>385,300,829</u>
<b>Current liabilities</b>			
Due to related parties	583,479	233,904	1,089,955
Loans from related parties	--	--	263,731
Maintenance reserve fund	--	4,422,687	4,045,515
Borrowings	28,461,538	28,461,538	28,833,044
Trade and other payables	16,130,153	13,059,800	44,325,615
Taxation payable	7,365,273	6,657,402	757,336
Bank overdraft	46,381	--	434,264
	<u>52,586,824</u>	<u>52,835,331</u>	<u>79,749,460</u>
<b>Total equity and liabilities</b>	<u>897,571,322</u>	<u>880,003,420</u>	<u>914,465,212</u>

## ENDEAVOUR HOLDINGS LIMITED

Statement of Comprehensive Income (Extracted from issued audited financials)  
(Expressed in Trinidad and Tobago Dollars)

	<b>2018</b>	<b>Year Ended 30 April 2017</b>	<b>Restated 2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Rental income</b>	78,200,858	78,697,543	78,419,555
<b>Rental expenses</b>	(20,484,746)	(24,440,321)	(20,375,536)
<b>Net rental income</b>	57,716,112	54,257,222	58,044,019
<b>Other income</b>			
Fair value adjustment on investment property	8,100,000	10,508,831	6,291,926
Other income	15,185,504	17,010,418	12,760,215
	23,285,504	27,519,249	19,052,141
<b>Expenses</b>			
Administrative	(3,318,750)	(3,234,123)	(4,997,451)
Operating	(2,939,850)	(2,531,051)	(1,079,431)
	(6,258,600)	(5,765,174)	(6,076,882)
<b>Operating profit</b>	74,743,016	76,011,297	71,019,278
Finance cost	(21,104,609)	(22,840,033)	(23,293,031)
<b>Profit before income tax</b>	53,638,407	53,171,264	47,726,247
<b>Taxation</b>			
Current	(9,014,152)	(7,453,911)	(1,311,617)
Deferred taxation	(3,113,430)	(9,826,679)	(7,602,391)
	(12,127,582)	(17,280,590)	(8,914,008)
<b>Profit for the year</b>	41,510,825	35,890,674	38,812,239
<b>Earnings per share</b>			
Basic earnings per share	\$1.30	\$1.12	\$ 1.21



## ENDEAVOUR HOLDINGS LIMITED

Statement of Changes in Equity (Extracted from issued audited financials)  
(Expressed in Trinidad and Tobago Dollars)

	Share Capital	Retained Earnings	Maintenance Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 May 2015 - restated</b>	32,003,200	420,340,188	--	452,343,388
<b>Total Comprehensive income for the year -</b>				
Profit for the year	--	38,812,239	--	38,812,239
<b>Transactions with owners in their capacity as owners</b>				
Dividends for the period	--	(41,740,704)	--	(41,740,704)
<b>Balance at 30 April 2016</b>	32,003,200	417,411,723	--	449,414,923
	Share Capital	Retained Earnings	Maintenance Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 May 2016</b>	32,003,200	417,411,723	--	449,414,923
<b>Total Comprehensive income for the year -</b>				
Profit for the year	--	35,890,674	--	35,890,674
<b>Transactions with owners in their capacity as owners</b>				
Dividends for the period	--	(25,401,366)	--	(25,401,366)
<b>Balance at 30 April 2017</b>	32,003,200	427,901,031	--	459,904,231
	Share Capital	Retained Earnings	Maintenance Reserve	Total
	\$	\$	\$	\$
<b>Balance at 1 May 2017</b>	32,003,200	427,901,031	--	459,904,231
<b>Total Comprehensive income for the year -</b>				
Profit for the year	--	41,510,674	--	41,510,674
<b>Transfer to Maintenance Reserve</b>	--	--	3,558,757	3,558,757
<b>Transactions with owners in their capacity as owners</b>				
Dividends for the period	--	(2,500,000)	--	(2,500,000)
<b>Balance at 30 April 2018</b>	32,003,200	466,911,856	3,558,757	502,473,813

## ENDEAVOUR HOLDINGS LIMITED

Statement of Cash Flows (Extracted from issued audited financials)  
(Expressed in Trinidad and Tobago Dollars)

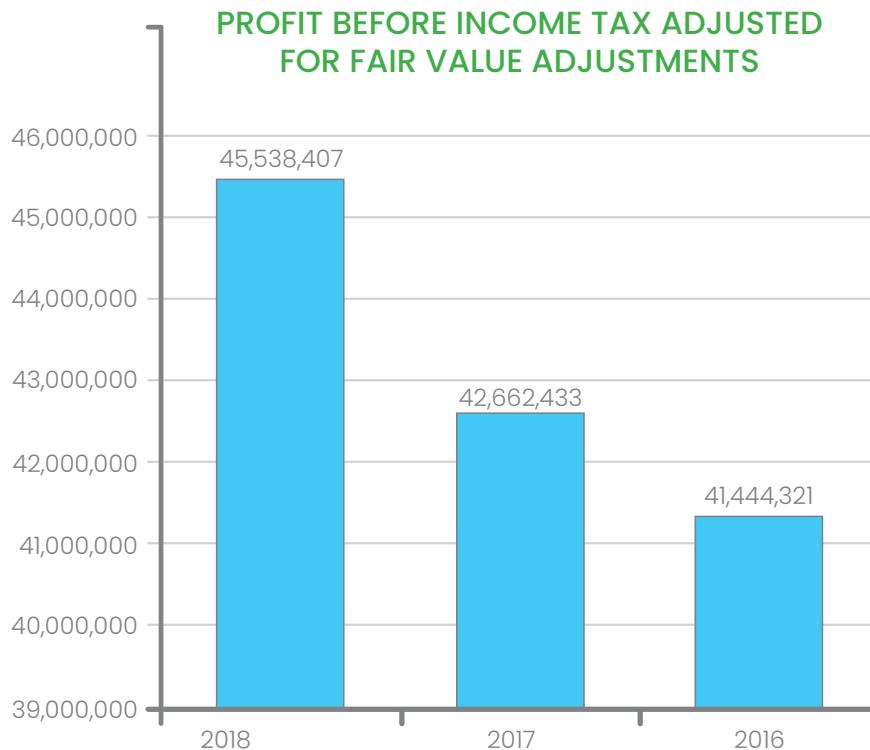
	2018	Year Ended 30 April 2017	Restated 2016
	\$	\$	\$
<b>Cash flows from operating activities</b>			
Profit before income tax	53,638,407	53,171,264	47,726,247
<i>Adjustments for:</i>			
Fair value adjustment on investment property	(8,100,000)	(10,508,831)	(6,291,926)
Finance cost	21,104,609	22,840,033	23,293,031
Depreciation	1,911,059	1,391,467	236,276
<b>Operating profit before working capital changes</b>	68,554,075	66,893,933	64,963,628
Increase in trade and other receivables	(6,802,921)	(817,599)	(2,438,636)
Decrease/(increase) in trade and other payables	3,159,271	3,434,182	(2,618,096)
Decrease/(increase) in due from related parties	--	24,688,242	(50,762,148)
Increase/(decrease) in due to related parties	349,575	(1,119,782)	(57,858,341)
Cash generated from/(used in) operations	(3,294,075)	26,185,043	(113,677,221)
Interest paid	(20,628,592)	(22,299,456)	(21,050,286)
Tax paid	(8,306,281)	(1,466,530)	(932,770)
<b>Net cash inflow/(outflow) from operating activities</b>	36,325,127	69,312,990	(70,696,649)
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment	(89,067)	(1,285,942)	(3,903,908)
Additions to investment property	--	(91,169)	(4,458,074)
<b>Cash used in investing activities</b>	(89,067)	(1,377,111)	(8,361,982)
<b>Cash flow from financing activities</b>			
Proceeds from borrowings	--	--	395,815,437
Repayments of borrowings	(28,461,538)	(28,833,044)	(306,753,883)
Transfer to/(from) maintenance reserve fund	(863,930)	377,172	404,535
Dividend paid	(2,500,000)	(34,700,000)	(20,616,071)
<b>Cash (used in)/provided by financing activities</b>	(31,825,468)	(63,155,872)	68,850,018
Increase/(decrease) in cash and cash equivalents	4,410,592	4,780,007	(10,208,613)
<b>Cash and cash equivalents at beginning of the year</b>	10,894,096	6,114,089	16,322,702
<b>Cash and cash equivalents at end of the year</b>	15,304,688	10,894,096	6,114,089

## 10. THREE YEAR PERFORMANCE SUMMARY 2016 – 2018

### PROFIT OVERVIEW

Profit before income tax has increased year-over-year from 2016 – 2018. During the period fair value adjustments to investment properties impacted the profit before income tax. The following table and graph shows profit before income tax without the fair value adjustments and as a percentage of rental income.

	2018	2017	2016
Profit Before Income Tax	53,638,407	53,171,264	47,726,247
Fair Value Adjustments	(8,100,000)	(10,508,831)	(6,291,926)
Profit Before Income Tax adjusted for Fair Value Adjustments	45,538,407	42,662,433	41,434,321
Profit before income tax adjusted for fair value adjustments as a percentage of Rental Income	58%	54%	53%



## INCOME

	2018	2017	2016
Rental Income	78,200,858	78,697,543	78,419,555
Rental Expenses	(20,484,746)	(24,440,321)	(20,375,536)
Net Rental Income	57,716,112	54,257,222	58,044,019
Rental Expenses as percentage of Rental Income	26%	31%	26%

Rental Income is the main income source for the company and it accounted for 84% of 2018 revenue, 82% of the 2017 revenue and 86% of the 2016 revenue after making fair value adjustments. Other Income relates mainly to electricity, common area maintenance (CAM) and water charges. In 2017 the overall increase in rental expenses was primarily due to a provision for property taxes of \$4,604,971. Of this amount a recoverable amount of \$3,716,976 was included in other income under Common Area Maintenance income.

## EXPENSE

	2018	2017	2016
Rental Expenses	20,484,746	24,440,321	20,375,536
Administrative Expenses	3,318,750	3,234,123	4,997,451
Operating Expenses	2,939,850	2,531,051	1,079,431
Finance Cost	21,104,609	22,840,033	23,293,031

## RENTAL EXPENSES

2018: 20.4M vs 2017: \$24.4M this decrease was primarily due to the provision for property taxes for years 2016 and 2017 of \$4.6M recorded in 2017. An amount of \$3.7M was also provided for as recoverable under Common Area Maintenance Income and included in other income.

## ADMINISTRATION EXPENSES

2018: \$3.3M vs 2017: \$3.2M, increase due to management fees (\$0.5M) and decrease in legal fees (\$0.3M)  
2017: \$3.2 vs 2016: \$5.0, decrease was due to the net effect of management fees (\$0.6M) for services rendered to the company as well as a reduction in legal and professional fees (\$0.7 M).

## OPERATING EXPENSE

2018: \$2.9M vs 2017: \$2.5M, increase was attributable to depreciation charges (\$0.5M)  
2017: \$2.5M vs 2016: \$1.1M, increase was attributable to depreciation charges on new office additions.

## FINANCE COST

2018: \$21.1M vs 2017: \$22.8M, this decrease is due to reduction in principal due to normal amortization.

2017: \$22.8M vs 2016: \$23.2M, this decrease is due to reduction in principal due to normal amortization.

## INVESTMENT PROPERTIES

These are located at prime locations throughout Trinidad and include, shopping malls, commercial rental (includes Class A office buildings) and light industrial properties. These properties are valued at fair values for the respective periods as follows:

	2018	2017	2016
Shopping Mall	421,000,000	418,000,000	413,900,000
Commercial Rental	396,300,000	393,100,000	386,400,000
Light Industrial Property	43,200,000	41,800,000	42,000,000
Total	861,000,000	852,900,000	842,300,000

The increases each year in the portfolio were a direct result of fair value adjustments. These investment properties generate rental income which is the main driver for the total income.

## DEFERRED TAX

This is determined using tax rates that have been enacted or substantively enacted at the date of the statement of financial position. This calculation is based on the temporary differences and consequences arising from recovery through use with possibility of sale.

	2018	2017	2016
Deferred Tax Liability	44,776,672	41,663,242	31,836,563

# 11. MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS FOR FINANCIAL YEAR ENDED 30 APRIL 2018

## OVERVIEW

The following discussion aims to provide Management's perspective of the financial statements and the general operations for the year ended 30 April 2018.

The company is involved in rental of prime real estate throughout Trinidad and include shopping malls, commercial rental (including Class A office buildings) and light industrial properties.

The financial statements attached should be read in conjunction with this discussion. The information provided aims to assist readers in understanding the financial performance during the period specified and any trends which may have impacted on performance and future performance.

All amounts are stated in Trinidad & Tobago dollars unless otherwise stated.

## CRITICAL ACCOUNTING POLICIES

The accounting and reporting policies of the company conform to International Financial Reporting Standards (IFRS). Developments to these standards are actively monitored and disclosure is provided in accordance with IFRS.

## SUMMARY

The reported profit before income tax for 2018 was \$53.6M inclusive of fair value adjustments of \$8.1M. The adjusted profit before income tax exclusive of fair value adjustments is \$45.5M. This represents as 58% of rental income.

Profits after income tax include deferred tax and fair value adjustments which had an impact on the reported results. See table 1 below for further details.

Deferred Tax is determined using tax rates that have been enacted or substantively enacted at the date of the statement of financial position. This calculation is based on the temporary differences and consequences arising from recovery through use and with a possibility of sale.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions. Changes in fair values are recognised in the statement of comprehensive income.

Table1: Profits adjusted for deferred tax and fair value adjustments:

	<b>2018</b>	<b>2017</b>
	<b>\$M</b>	<b>\$M</b>
Net Profit for the Year	41.5	35.8
Less : Fair Value Adjustment on Investment Property	(8.1)	(10.5)
Add: Deferred Tax	3.1	9.8
Adjusted Profit	<b>36.5</b>	<b>35.1</b>
Rental Income	<b>78.2</b>	<b>78.6</b>
Profit as a percentage of Income	<b>46.6%</b>	<b>44.6%</b>

Total assets of the company increased by \$17.5M from \$880.0M in 2017 to \$897.5M in 2018 mainly due to the increases in investment properties revaluations of \$8.1M, bank balances \$4.5M, receivables of \$6.7M which is primarily the property taxes recoverable from tenants for years 2016 to 2018, and a decrease in property, plant and equipment of \$1.8M due to depreciation.

Current liabilities decreased marginally from \$52.8M in 2017 to \$52.5M in 2018.

The non-current liabilities decreased from \$367.2M in 2017 to \$342.0M in 2018 due to decrease in principal from loan payments during the financial year.

## RENTAL INCOME

Over the fiscal period rental income remained stable at \$78M as compared to 2017.

## EXPENDITURE

Rental expenses decreased 16% from 2018: \$20.5M vs 2017: \$24.4M due to the first time provision of \$4.6M made for estimated property taxes for years 2016 and 2017. An amount of \$3.7M was also included as recoverable income in Other income under Common Area Maintenance (CAM) in 2017.

Administration expenses increased marginally from 2018: \$3.3M vs 2017: \$3.2M, the main increase of \$0.5M was for management fees and this was offset by a reduction in legal and professional fees of \$0.3M.

Finance cost decreased by 7.6% from 2018: \$21.1M vs 2017: \$22.8M, as a result of the repayment of principal in accordance with the loan agreement.

Operating expense increased by 16% from 2018: \$2.9M vs 2017: \$2.5M which was primarily attributable to the increase in depreciation of \$0.5M.



## BORROWINGS

During 30th September 2015, the company restructured its borrowing portfolio to a new loan payable to First Citizens Trustee Services Limited. This loan is stamped to cover \$400M on the investment properties and the assignment of all risk insurance. The borrowing balances over the period have decreased due to repayments towards principal as per agreement.

## RISK ASSESSMENT

### Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, credit risk and liquidity risk). Risk management is carried out by the finance department under policies approved by the Company's directors. There is no exposure to fair value interest rate risk or price risk as there are no financial instruments carried at fair value. There is no exposure to cash flow interest rate risk as there are no financial instruments with variable rates. There have been no changes to policies and procedures compared to the prior year.

### Foreign exchange risk

The Company does not operate internationally and is thus not exposed to foreign exchange risk arising from various currency exposures. The majority of the Company's financial assets, financial liabilities and rental income is determined and collected in Trinidad and Tobago dollars.

### Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, only reputable local institutions are recognised. Customers consist of third parties who are involved in medium to long term contracts and as such risk of default is not considered significant or are long standing customers with no history of default. Credit limits were not exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparts.

### Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short term funds and the availability of funding through an adequate amount of committed credit facilities. The expected collection and repayment dates of assets and liabilities are important factors in assessing the liquidity of this Company.

### Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and other stakeholders and to maintain an optimal capital structure.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital.

### CONCLUSION

Endeavour Holdings Limited continued to perform strongly in 2018 and had a vibrant and substantially tenanted portfolio of Investment Properties. As the industry leader in construction and design of properties we continue to invest in Trinidad and Tobago despite the perceived challenges within the local economy. Our company has and will continue to maintain its position as a competitive property investment and developer in the country.

## 12. RELATED PARTY TRANSACTIONS

A description of the EHL's related party transactions is included below. These transactions will be at arm's length and approved by the Board of Directors.

Affiliate	Amalgamated Security Services Limited	Amera Caribbean Development Ltd	Albertwood Limited
Nature of transaction(s)	Provision of security services	Provision of property and facility management services	Rental of office
Date/ Frequency of transactions	Monthly	Monthly	Monthly
Relationship of each of the parties to EHL	Common Director – John Aboud Under the control of the same shareholders as that of Pelican Investments Limited	Common Director – Anthony Rahael 100% owned by Rahael Holdings Limited	Common Director – Anthony Rahael – John Aboud 100% owned by R&A Developments Limited
Value of transaction	Approx. TT\$90,000 per month	Approx. TT\$182,568 per month	Approx. TT\$32,218 per month
Any future transactions involving the parties	Yes, as described above	Yes, as described above	Yes, as described above

- Further, it should be noted that M. Hamel-Smith & Co, EHL's Attorneys at Law will be paid legal fees payable pursuant to the IPO (disclosed in Section 3.9 Expenses as part of professional fees associated with this IPO). M. Hamel-Smith & Co could be deemed a related party given that Melissa Inglefield, a Partner at M. Hamel-Smith & Co, also holds directorship of EHL.

## 13. DIRECTORS REPORT

### RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge and belief, after due inquiry by us, that in the period following the last audited financial statements, 30 April 2018 to the date of this Prospectus, XX XXX 2019:

- The business of EHL has, in our opinion, been satisfactorily maintained;
- There have not been, in our opinion, any circumstances arising which have adversely affected the trading or the value of the assets of EHL;
- The current assets of EHL appear in the books at values which are believed to be realisable in the ordinary course of business;
- There are no contingent liabilities which have arisen by reason of guarantees or indemnities given by EHL; and
- There have been no significant changes affecting the financial position of EHL.



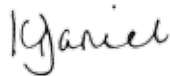
John Aboud  
**Director - Endeavour Holdings Ltd**



Anthony Rahael  
**Director - Endeavour Holdings Ltd**



Melissa Inglefield  
**Director - Endeavour Holdings Ltd**



W. Keith Daniel  
**Director - Endeavour Holdings Ltd**



John Tang Nian  
**Director - Endeavour Holdings Ltd**

## 14. LEGAL PROCEEDINGS

EHL is not involved in any litigation or other legal or regulatory proceedings, the outcome of which would, individually or in the aggregate, have a material adverse effect on EHL.

## 15. STATEMENT OF RIGHTS

Section 139 (1) of the SA, 2012, provides that a purchaser of a security distributed under a prospectus has a right of action for damages against each of the persons set out in this section for any loss or damage sustained by him by reason of any misrepresentation in the prospectus and each person shall be liable for any such loss or damage.

Section 140 (1) of the SA, 2012, provides purchasers with remedies for rescission and repayment of the price that has been paid in respect of the security if the Prospectus or any amendment contains a misrepresentation.

Section 75(2) of the SA, 2012 provides purchasers with the right to withdraw from an agreement to purchase securities, provided that this right is exercised within two business days after receipt of a prospectus and any amendment.

The purchaser should refer to the SA, 2012 as amended and the By-Laws thereunder, for the particulars of these rights or consult with a legal adviser.

## 16. DOCUMENTS AVAILABLE FOR INSPECTION

The following material agreements/documents will be available to potential Investors for inspection between 9am and 4pm from 21st October, 2019 to 15th November, 2019 at the office of the Lead Broker and on the Company's website at <https://ehl.tt/>

- a. EHL's Articles of Incorporation, Articles of Amalgamation and Articles of Amendment;
- b. EHL's By-Laws;
- c. The broker agreement between EHL and its Lead Broker;
- d. The Registrar Services Agreement;
- e. EHL Audited accounts for years ended 30 April 2016 to 30 April 2018;
- f. The valuation reports for the Properties and the consent letters from the respective valuers; and
- g. Receipt for the Prospectus from the TTSEC.



## 17. CERTIFICATE OF EHL

The foregoing constitutes full, true and plain disclosure of all material facts relating to EHL and the securities distributed by this Prospectus as required by the Securities Act, 2012 and the By-Laws thereunder.



John Aboud  
**Director - Endeavour Holdings Ltd**



Anthony Rahael  
**Director - Endeavour Holdings Ltd**



Razard Basil Ali  
**Chief Financial Officer**

## 18. CONSENT LETTERS

To include Consent letters from EHL's Auditors and the valuers authorizing the use of the EHL Audited accounts for the year ended 30 April 2018 and providing copies of valuations.



26<sup>th</sup> March 2019

The Directors  
Endeavour Holdings Limited  
No. 1 El Socorro Extension Road  
San Juan  
Port-of-Spain

Attention: Mr. Anthony Rahael

**BRENT AUGUSTUS  
& ASSOCIATES LTD.**

PROFESSIONAL VALUERS  
&  
PROPERTY CONSULTANTS

32 VICTORIA SQUARE (SOUTH),  
PORT OF SPAIN,  
TRINIDAD, W.I.  
TELEPHONE: 868-623-1946  
868-624-7128  
E-MAIL: brent-augustus-valuer@hotmail.com



Dear Sir,

Re: Consent Letter

In accordance with section 78 of the Securities Act, 2012 we consent to being named in and to authorize the use of the following Property valuation reports ( inclusive of public viewing) in the prospectus to be filed by Endeavour Holdings Limited ("the Issuer") with the Trinidad and Tobago Securities Exchange Commission.

PROPERTY	VALUATION DATED	VALUE
Price Plaza North	2nd April 2014	\$190,000,000.00
Price Plaza Retail /Commercial & Car Park	9th October 2014	\$ 78,500,000.00
Price Plaza South	2nd April 2014	\$138,000,000.00
Superpharm Chaguanas	31 st January 2014	\$ 25,400,000.00
Superpharm /FCB Gulf View	31 <sup>st</sup> January 2014	\$ 66,000,000.00
Superpharm Valsayn	31 <sup>st</sup> January 2014	\$ 17,650,000.00
Superpharm Westmoorings	31 <sup>st</sup> January 2014	\$ 24,000,000.00
Tumpuna Park Limited	31 <sup>st</sup> January 2014	\$ 42,000,000.00
Lot 17-D,E,F,G-H	31 <sup>st</sup> January 2014	\$ 90,000,000.00

We also confirm we are external valuers and that we have no interest in Endeavour Holdings Limited and are independent of the Issuer in all respects.

Yours faithfully,

Brent Augustus  
For and on behalf of  
Brent Augustus & Associates Ltd



February 15<sup>th</sup> 2019

Basil Ali  
Group Chief Operating Officer  
Endeavour Holdings Limited (RHL)  
No. 1 El Socorro Road Extension, El Socorro, San Juan.

***Re: Confidentiality of Valuation Report reference T18546 Briar Place, Nos. 10-14 Sweet Briar Road, St. Clair, Port of Spain. (INO Amera Caribbean Development Limited).***

Dear Basil Ali:

I refer to your recent e-mail and telephone conversation in connection with our report and valuation on the caption property.

We wish to advise that the valuation report is confidential between Terra Caribbean and Amera Caribbean Development Limited, which we understand is a subsidiary of the RHL group. In this regard, you may wish to refer to paragraph 11 of our Statement of Limiting Conditions attached to our report. We also wish to emphasize that the above report is dated January 24<sup>th</sup> 2014 and its contents inclusive of our opinion should not be relied upon for any other purpose or subsequent date without prior consultation with the valuer.

However, consent having been sought by Endeavour Holdings Limited (a subsidiary of the RHL group), we therefore grant to Endeavour Holdings Limited consent to use the captioned valuation report (inclusive of public viewing) in the prospectus to be filed with the Trinidad and Tobago Securities and Exchange Commission. However, we wish to emphasize that all clauses stated in our report remain applicable and our confidentiality clauses stated in paragraphs 10 and 11 of our Statement of Limiting Conditions attached to our valuation report are extended to Endeavour Holdings Limited.

If you have any questions, or if you require additional information, please do not hesitate to contact us. Again, we appreciate the opportunity to be of service to you, as well as your future consideration in any valuation related matters.

Yours sincerely,  
**TERRA CARIBBEAN**

.....  
**Kameel Khan FRICS**  
Registered Valuer  
Sales | Rentals | Valuations | Consultancy  
Tel: (868) 628-2391  
Fax: (868) 628-2900  
[www.terra-caribbean.com](http://www.terra-caribbean.com)

Terra Caribbean (Trinidad) Limited  
577 Sweet Briar Road, St. Clair  
Tel: (868) 628-2391 | Fax: (868) 628-2900

## 19. SUBSCRIPTION INFORMATION

### APPLICATION FOR OFFERED SHARES

Application to purchase Offered Shares under the public offer must be made on the Share Subscription Form included under Appendix 6 of this Prospectus. Copies of the Prospectus and Share Subscription Forms are available from the Lead Broker. Each Application Form must be completed in accordance with the terms thereof and lodged with a payment in full of \$12.50 per share with the Lead Broker. A valid account with the TTCD is required as no paper certificates will be issued.

It is strongly recommended that persons with an existing TTCD account submit an application through their broker. Persons without a TTCD account can visit the Lead Broker to open a TTCD account and submit their application. Refer to Appendix 7 for a checklist of information/requirements to open a TTCD account. A separate remittance must accompany each Share Subscription Form and any Share Subscription Form which does not comply with the requirements set out in that form may be refused. Cheques must be made payable to [FCBAS - EHL - IPO]. In accordance with Section 75 of the Securities Act, 2012, applications submitted may be rescinded by an Investor if written notice of his/her/its intention to withdraw his/her/its application is received by FCBAS within two business days after receipt of a prospectus by such Investor. Such rescission notice should be addressed to and delivered to FCBAS.

EHL reserves the full and unconditional right to accept or reject any application or to accept any application in part only. If any application is not accepted, or is accepted for less Offered Shares than those applied for, the remittance of the Offer Price or the excess amount, as the case may be, will be returned as soon as possible by electronic funds transfer Automated Clearing House (ACH) at the risk of the applicant.

### OFFER TO PURCHASE OFFERED SHARES

This offer is made on the basis that the Investor offers to purchase from EHL at the Offer Price the number of Offered Shares indicated in their application (or any smaller number in respect of which their application is accepted) on the Terms and Conditions of application.

Once the Investor expresses interest in the purchase (by way of the application for purchase) it will be on the basis that his/her/its application cannot be revoked unless written notice of Investor's intention to withdraw his/her/its application is provided to FCBAS within two business days after submission of the application. The Investor also promises that the cheque or draft accompanying his/her/its application will be honoured on first presentation.

EHL reserves the right to extend the closing date.

If a Share Subscription Form is not completed correctly, or if the accompanying Managers' Cheque, bankers' draft or electronic payment, as applicable, is for the wrong amount, it may still be treated as valid. In these circumstances, EHL may, in its sole discretion, decide to treat such an application as valid or otherwise, and EHL's decision as to how to construe, amend or complete the application shall be final. The Investor will not, however, be treated as having offered to purchase more Offered Shares than is indicated on its application for Offered Shares.

## ACCEPTANCE OF OFFER TO PURCHASE OFFERED SHARES

EHL may accept an application to purchase (if such application is received, valid, processed and not rejected) or notify the TTSE of the basis of allocation (in which case the acceptance will be on that basis). The acceptance may be in respect of the whole or any part of an application and accordingly, the number of Offered Shares in an application to purchase may be reduced. If EHL accepts an application to purchase (in whole or in part), there will be a binding contract under which the Investor will be required to purchase the Offered Shares in respect of which their application has been accepted.

## PAYMENT FOR OFFERED SHARES

This offer is made on the basis that the Investor will undertake to pay the Offer Price for the Offered Shares in respect of which their application for purchase is accepted. The Manager's Cheque or bankers' draft accompanying an application may be presented for payment before acceptance of an application, but this will not constitute acceptance of an application either in whole or in part. Electronic payments will be accepted for amounts in excess of \$500,000 subject to appropriate anti-money laundering disclosures. The proceeds of this presentation will be held pending acceptance and if an application is accepted, will be applied in discharging the consideration which is due upon acceptance. Following full payment of the Offer Price EHL will arrange for the Offered Shares which the Investor has agreed to purchase, to be transferred to the Investor via the Trinidad and Tobago Central Depository.

If an application is invalid, is rejected or is not accepted in full, any proceeds of the Manager's Cheque, bankers' draft or electronic payment accompanying that application (or, if an application is accepted in part, the unused balance of those proceeds) will be refunded to the Investor without interest.

## ALLOCATIONS

The results of the allocation of the Offered Shares is expected to be announced within 30 days from the Closing Date. If an application is successful in whole or in part, the Investor will be sent notification in writing to the address noted on the quoted TTCD account, of the applicable number of Offered Shares allocated to them applicable. In the event of excess demand, the Investor may be allocated fewer Offered Shares than applied for. If an application is not accepted, all monies paid upon application will be returned (without interest). If an application is accepted in part, the Investor will receive (without interest) a refund of the balance of monies paid upon application.

If the Offer is oversubscribed, consistent with EHL's policy of promoting the widest possible participation in ownership of shares, priority to receive the allocation for up to the limits noted (as a percentage of the maximum offering) shall be given as stated in the Allocation Table below:

Class	Investor	Allocation %	No. of shares
1.	Individual investors	50%	719,872
2.	All other investors	50%	719,872

Employees of EHL are also eligible to apply for the Offered Shares and will fall within the “Individual investor” allocation. EHL and its affiliates may, in their discretion, offer loans to those of their respective employees who wish to subscribe for Offered Shares.

In the event that Offered Shares in any of the above categories are undersubscribed, all investors in that category will receive 100% of their application and the excess will be allocated to the remaining classes of investor in descending order of priority, i.e. class 1 to class 2. In the event that any one category is oversubscribed, all Investors will receive a pro-rated number of Offered Shares based on the total number of Offered Shares applied for in that category, the number of Offered Shares applied for by the Investors and the total number of Offered Shares set to be allocated to that category.

Brokers have been advised that provisions must be made to ensure that all Investors who subscribe are treated equitably and have the same chances of receiving securities in the distribution.

## NOTIFICATION OF ALLOCATIONS

It is expected that the Application Forms will be processed and successful applicants for the Offer will be notified in writing of their allocations and refunded in respect of any unsuccessful applications, where appropriate, within 30 days from the Closing Date.

## WARRANTIES

The Investor is required to warrant in the application for purchase that:

- They are not under 18 years of age on the date of application.
- In making the application, the Investor is relying only on the Prospectus, subject to independent advice, and not on any other information or representation outside of the Prospectus concerning the Offered Shares or the Offer. The Investor agrees that no person responsible for the Prospectus or any part of it will have any liability for any other information or representation relied on by the Investor, other than as set out in this Prospectus.
- If the laws of any place outside the Republic of Trinidad and Tobago are applicable to an application, the Investor has complied with all such laws and neither EHL nor its agents will infringe any laws outside the Republic of Trinidad and Tobago as a result of the acceptance of an application to purchase or any actions arising from the Investor’s rights and obligations under these Terms and Conditions of Application, and the Articles and By-Laws of EHL.
- If the person signing the application is not the applicant, that person warrants that he has authority to do so on behalf of the applicant and that this authority is vested in him by virtue of any power of attorney, a copy of which accompanies the application for purchase.
- The declarations on the Application Form are true and correct. The rights and remedies of EHL under the terms and conditions of application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of others.



Details uploaded to the TTCD accounts, electronic funds transfers made and/or all documents sent will be at the Investor's risk. The information provided by the Investor in its application for purchase will be used for all future correspondence (written or electronic).

The Investor will agree to be bound by the Articles and By-Laws of EHL once the Offered Shares they have agreed to purchase have been transferred to them.

An application by the Investor, any acceptance of that application and the contract resulting therefrom, will be governed by and construed in accordance with the Laws of Trinidad & Tobago.

## TAXATION

The tax information provided in the prospectus is in summary form and intended for general guidance only. It is not intended to be a substitute for detailed advice on the specific circumstances of potential shareholders or the exercise of professional judgment. All potential shareholders are strongly urged to seek advice from tax professionals.

Shareholders will be subject to Trinidad & Tobago taxation as summarised below:

### Resident Shareholders

Resident individuals who own shares in EHL should be exempt from Income Tax and Business Levy on dividends received from EHL by virtue of Sections 8(1)(w) and 5A(2)(a) respectively of the Income Tax Act. Resident corporate shareholders should be exempt from Corporation Tax and Business Levy on dividends paid by a resident Trinidad and Tobago company by virtue of Sections 6(1)(a) and 3A(2)(c) respectively of the Corporation Tax Act. However, in accordance with Part XIV of the Miscellaneous Taxes Act where shares are held through either a partnership or a company, there shall be a Green Fund Levy payable on dividends received.

### Capital Gains

Trinidad and Tobago does not tax long term capital gains. Resident individuals are charged to tax on income derived from short-term capital gains by virtue of Section 5(1)(f) of the Income Tax Act, whilst a resident company is charged to tax on the profits derived from short term capital gains by virtue of Section 3(1)(e) of the Corporation Tax Act.

The First Schedule of the Income Tax Act outlines the rules as it pertains to the taxation of capital gains. These Rules, along with Section 2 of the Income Tax Act define 'short-term capital gains' to mean a gain that occurs on the sale of a capital asset within 12 months of its acquisition. In accordance with Paragraphs 6(2)(e) and 6(3) of the First Schedule of the Income Tax Act, where a gain arises on the sale of securities, including shares, it will not be chargeable to tax if the gain relates to the sale of shares in a company incorporated in Trinidad and Tobago. This provision should apply to exempt a sale of shares in EHL from short-term capital gains tax.



### Non-resident Shareholders

Where dividend payments are made to non-resident individuals and companies, such payments would fall to be subject to withholding tax at the rate of 10%. However, where the shareholder is the parent company of the company making payment of the dividends, withholding tax shall be levied at the rate of 5% on such distribution. These rates may be modified where there is a double taxation agreement in force. In accordance with Article II, Paragraph 2 of the CARICOM Double Taxation Treaty, where a payment of dividends is made from the Issuer to a resident of another Member State, such dividends are only subject to tax in Trinidad & Tobago and the rate of withholding tax is 0%.

### Stamp Duty

Pursuant to the First Schedule of the Stamp Duty Act, where an individual or company purchases or disposes of shares in the Issuer, such purchase or disposal will be exempt from stamp duty if the shares are traded in accordance with the rules of the Trinidad and Tobago Stock Exchange. However, if the shares are traded off the Trinidad and Tobago Stock Exchange, stamp duty will be chargeable on the purchase and disposal of shares in the Issuer at the rate of 5% of the value of the traded shares. While there is no stipulation in law as to whether a purchaser or seller must pay the stamp duty on a share sale/purchase, the common practice in Trinidad and Tobago is for the purchaser of shares to pay stamp duty due thereon.

# APPENDICES

## APPENDIX 1 – INDEPENDENT AUDITOR’S REPORT



### **Independent Auditor's Report**

To the shareholders of  
Endeavour Holdings Limited

### **Report on the audit of the financial statements**

#### **Our opinion**

In our opinion, the financial statements present fairly, in all material respects the financial position of Endeavour Holdings Limited (the Company) as at 30 April 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### ***What we have audited***

The Company's financial statements comprise:

- the statement of financial position as at 30 April 2018;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Independence***

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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## **Independent Auditor's Report (Continued)**

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers*

18 December 2018  
Port of Spain  
Trinidad, West Indies

## APPENDIX 2 – AUDITED FINANCIAL STATEMENTS AS AT 30 APRIL 2018

### ENDEAVOUR HOLDINGS LIMITED

Financial Statements

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

## Endeavour Holdings Limited

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## **Endeavour Holdings Limited**

### **Statement of Management's Responsibilities**

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Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Endeavour Holdings Limited (the Company) which comprise the statement of financial position as at 30 April 2018, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of company operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.



Chief Executive Officer  
12 December 2018



Chief Financial Officer  
12 December 2018



**Endeavour Holdings Limited**

**Statement of Financial Position**

(Expressed in Trinidad and Tobago Dollars)

	Notes	2018 \$	As at 30 April 2017 \$
<b>Assets</b>			
<i>Non-current assets</i>			
Investment properties	6	861,000,000	852,900,000
Property, plant and equipment	7	<u>2,773,988</u>	<u>4,595,980</u>
		<u>863,773,988</u>	<u>857,495,980</u>
<i>Current assets</i>			
Trade and other receivables	8	17,773,725	10,970,804
Due from related parties	9	672,540	672,540
Cash and cash equivalents	10	<u>15,351,069</u>	<u>10,894,096</u>
		<u>33,797,334</u>	<u>22,537,440</u>
<b>Total assets</b>		<u>897,571,322</u>	<u>880,033,420</u>
<b>Equity and liabilities</b>			
<i>Equity attributable to equity holders of the company</i>			
Share capital	13	32,003,200	32,003,200
Maintenance reserve fund	25	3,558,757	--
Retained earnings		<u>466,911,856</u>	<u>427,901,031</u>
<b>Total equity</b>		<u>502,473,813</u>	<u>459,904,231</u>
<i>Non-current liabilities</i>			
Deferred income tax liability	14	44,776,672	41,663,242
Borrowings	15	<u>297,734,013</u>	<u>325,630,616</u>
		<u>342,510,685</u>	<u>367,293,858</u>
<i>Current liabilities</i>			
Due to related parties	9	583,479	233,904
Maintenance reserve fund	25	--	4,422,687
Borrowings	15	28,461,538	28,461,538
Trade and other payables	16	16,130,153	13,059,800
Taxation payable		7,365,273	6,657,402
Bank overdraft	10	<u>46,381</u>	<u>--</u>
		<u>52,586,824</u>	<u>52,835,331</u>
<b>Total equity and liabilities</b>		<u>897,571,322</u>	<u>880,033,420</u>

The notes on pages 8 to 35 are an integral part of these financial statements.

On 12 December 2018, the Board of Directors of Endeavour Holdings Limited authorised these financial statements for issue.



Director



Director

## Endeavour Holdings Limited

### Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 April	
		2018 \$	2017 \$
<b>Rental income</b>		78,200,858	78,697,543
<b>Rental expenses</b>	17	<u>(20,484,746)</u>	<u>(24,440,321)</u>
<b>Net rental income</b>		<u>57,716,112</u>	<u>54,257,222</u>
<b>Other income</b>			
Fair value adjustment on investment property	6	8,100,000	10,508,831
Other income	18	<u>15,185,504</u>	<u>17,010,418</u>
		<u>23,285,504</u>	<u>27,519,249</u>
<b>Expenses</b>			
Administrative	19	(3,318,750)	(3,234,123)
Operating	20	<u>(2,939,850)</u>	<u>(2,531,051)</u>
		<u>(6,258,600)</u>	<u>(5,765,174)</u>
<b>Operating profit</b>		74,743,016	76,011,297
Finance costs	21	<u>(21,104,609)</u>	<u>(22,840,033)</u>
<b>Profit before income tax</b>		<u>53,638,407</u>	<u>53,171,264</u>
<b>Taxation</b>			
Current	22	(9,014,152)	(7,453,911)
Deferred taxation	22	<u>(3,113,430)</u>	<u>(9,826,679)</u>
		<u>(12,127,582)</u>	<u>(17,280,590)</u>
<b>Profit for the year</b>		41,510,825	35,890,674
<b>Other comprehensive income</b>		—	—
<b>Total comprehensive income for the year</b>		<u>41,510,825</u>	<u>35,890,674</u>
<b>Earnings per share</b>			
Basic earnings per share	26	<u>\$1.30</u>	<u>\$1.12</u>

The notes on pages 8 to 35 are an integral part of these financial statements.



**Endeavour Holdings Limited**

**Statement of Changes in Equity**

*(Expressed in Trinidad and Tobago Dollars)*

	Notes	Share Capital \$	Maintenance Reserve \$	Retained earnings \$	Total equity
<b>Balance at 1 May 2016</b>		32,003,200	--	417,411,723	449,414,923
<b>Total comprehensive income for the year</b>					
Profit for the year		--	--	35,890,674	35,890,674
<b>Transactions with owners in their capacity as owners</b>					
Dividends for the period	24	--	--	(25,401,366)	(25,401,366)
<b>Balance at 30 April 2017</b>		<u>32,003,200</u>	<u>--</u>	<u>427,901,031</u>	<u>459,904,231</u>
<b>Balance at 1 May 2017</b>		32,003,200	--	427,901,031	459,904,231
<b>Total comprehensive income for the year</b>					
Profit for the year		--	--	41,510,825	41,510,825
Transfer to Maintenance reserve	25	--	3,558,757	--	3,558,757
<b>Transactions with owners in their capacity as owners</b>					
Dividends for the period	24	--	--	(2,500,000)	(2,500,000)
<b>Balance at 30 April 2018</b>		<u>32,003,200</u>	<u>3,558,757</u>	<u>466,911,856</u>	<u>502,473,813</u>

The notes on pages 8 to 35 are an integral part of these financial statements.

## Endeavour Holdings Limited

### Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 April	
		2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
Profit before income tax		53,638,407	53,171,264
<i>Adjustments for:</i>			
Fair value adjustment property	6	(8,100,000)	(10,508,831)
Finance costs	21	21,104,609	22,840,033
Depreciation	7	<u>1,911,059</u>	<u>1,391,467</u>
<b>Operating profit before working capital changes</b>		<u>68,554,075</u>	<u>66,893,933</u>
Increase in trade and other receivables		(6,802,921)	(817,599)
Increase in trade and other payables		3,159,271	3,434,182
Decrease in due from related parties		--	24,688,242
Increase/(decrease) in due to related parties		<u>349,575</u>	<u>(1,119,782)</u>
Cash (used in)/generated from operations		<u>(3,294,075)</u>	<u>26,185,043</u>
Interest paid		(20,628,592)	(22,299,456)
Tax paid		<u>(8,306,281)</u>	<u>(1,466,530)</u>
<b>Net cash inflow from operating activities</b>		<u>36,325,127</u>	<u>69,312,990</u>
<b>Cashflow from investing activities</b>			
Purchase of property, plant and equipment	7	(89,067)	(1,285,942)
Additions to investment property	6	--	(91,169)
<b>Cash used in investing activities</b>		<u>(89,067)</u>	<u>(1,377,111)</u>
<b>Cashflow from financing activities</b>			
Repayments of borrowings		(28,461,538)	(28,833,044)
Transfer (from)/to maintenance reserve fund		(863,930)	377,172
Dividend paid		<u>(2,500,000)</u>	<u>(34,700,000)</u>
<b>Cash used in financing activities</b>		<u>(31,825,468)</u>	<u>(63,155,872)</u>
<b>Increase in cash and cash equivalents</b>		4,410,592	4,780,007
<b>Cash and cash equivalents at beginning of the year</b>		<u>10,894,096</u>	<u>6,114,089</u>
<b>Cash and cash equivalents at end of the year</b>	10	<u>15,304,688</u>	<u>10,894,096</u>

The notes on pages 8 to 35 are an integral part of these financial statements.

## Endeavour Holdings Limited

### Notes to the Financial Statements 30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 1 General information

Endeavour Holdings Limited is incorporated in the Republic of Trinidad and Tobago and was re-registered under the Companies Act, 1995 on 1 March 2001. On 22 April 2015, articles of amalgamation were filed with the Company Registry. The principal activity of the Company is property rental and real estate holdings. Its registered address is Tradezone No.1 El Socorro Extension Road, San Juan.

#### 2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### a. *Going concern*

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

##### b. *Basis of preparation*

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

##### c. *Changes in accounting policy and disclosures*

###### (i) *New and amended standards adopted by the Company*

There were no new standards, amendments and interpretations which are effective for the financial year beginning on 1 May 2017 that are material to the Company.

###### (ii) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 April 2018 reporting periods and have not been early adopted by the Company. None of these is expected to have a significant effect on the financial statements of the Company, except the following:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset.

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## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Summary of significant accounting policies (continued)

##### c. Changes in accounting policy and disclosures (continued)

##### (iii) New standards and interpretations not yet adopted (continued)

- Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. The Company is in the process of assessing the impact of IFRS 9 on its financial statements.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations. This standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Company is assessing the impact of IFRS 15, but the impact is not expected to be significant.
- IFRS 16 - Leases (effective 1 January 2019) eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead all leases are treated in a similar way to finance leases applying IAS 17. Leases are 'capitalised' by recognising the present value of the lease payments and showing them either as lease assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a company also recognises a financial liability representing its obligation to make future lease payments. The most significant effect of the new requirements will be an increase in lease assets and financial liabilities. The Company is in the process of assessing the impact of IFRS 16 on its financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a significant impact on the Company.

**Endeavour Holdings Limited**

**Notes to the Financial Statements (continued)**

**30 April 2018**

*(Expressed in Trinidad and Tobago Dollars)*

**2 Summary of significant accounting policies (continued)**

**d. Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within finance costs or income. All other foreign exchange gains and losses are presented separately on the statement of comprehensive income.

**e. Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Company as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it was a finance lease.

Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs (Note n).

After initial recognition, investment property is carried at fair value. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable. Investment property under construction for which the fair value cannot be determined reliably, but for which the Company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are periodically performed by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. Annually, management reviews these valuations and make the necessary amendments to the valuations if key assumptions and inputs have changed.

These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.



## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 2 Summary of significant accounting policies (continued)

e. *Investment property (continued)*

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- Status of construction permits.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the statement of financial position is added back to arrive at the carrying value of the investment property for accounting purposes.

Changes in fair values are recognised in the statement of comprehensive income. Investment properties are derecognised when they have been disposed.

Where the Company disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the statement of comprehensive income within net gain from fair value adjustment on investment property.

f. *Property, plant and equipment*

Property, plant and equipment comprise mainly fixtures and fittings and leasehold improvements and is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributed to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be reliably measured. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Land and building are not depreciated. Depreciation on other assets is calculated using the reducing balance basis to allocate their cost to their residual values over their estimated useful lives, or in the case of leasehold improvements, the shorter lease term as follows:

Furniture, fixtures and equipment	-	20%
Motor vehicles	-	25%
Leasehold improvements	-	33 1/3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 2 Summary of significant accounting policies (continued)

g. *Impairment of non-financial assets*

Assets that are subject to amortisation are reviewed for impairment at a minimum on an annual basis or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date.

h. *Financial assets*

(i) *Classification*

The Company classifies its financial assets as loans and receivables.

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the date of the statement of financial position. These are classified as non-current. Receivables are classified as 'trade and other receivables' and "due from related parties" in the statement of financial position.

(ii) *Recognition and measurement*

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

i. *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

j. *Impairment of financial assets*

*Assets carried at amortised cost*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Summary of significant accounting policies (continued)

##### j *Impairment of financial assets (continued)*

###### *Assets carried at amortised cost (continued)*

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

##### k. *Trade and other receivables*

Trade receivables are amounts due from customers for rental income earned during the ordinary course of business. If receipt of funds is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, default or delinquency in payments, and where observable data indicates that there is a measurable decrease in future cash flows, such as changes in arrears or economic conditions that correlate with defaults, are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income. If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

##### l. *Cash and cash equivalents*

Cash and cash equivalents include cash in hand and at bank and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.



## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 2 Summary of significant accounting policies (continued)

##### m. Borrowings

Borrowings are recognised initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facilities will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as non-current liabilities in the statement of financial position when the first repayment begins twelve months after statement of financial position date.

##### n. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of comprehensive income in the financial year in which they occurred.

##### o. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, if any, are shown in equity as a deduction, net of tax, from the proceeds.

##### p. Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Summary of significant accounting policies (continued)

q. *Trade payables*

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

r. *Maintenance reserve fund*

The purpose of the maintenance reserve fund is to ensure the availability of funds for the major capital expenditure for Briar Place as per tenants' lease terms.

s. *Revenue recognition*

Revenue includes rental income, service charges and management charges from properties. Revenue is shown net of value added tax.

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Company provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

(i) *Rental income*

Revenue from rental of property is recognised in the statement of comprehensive income on an accruals basis. Service and management charges are recognised in the accounting period in which the services are rendered.

(ii) *Electricity and water income*

This revenue is generated from tenant reimbursements for their electricity consumption and water charges on premises they lease. These are recognised when the service has been received from utility providers.

(iii) *Common area maintenance (CAM)*

This is one of the net charges billed to tenants in, and are paid by tenants to the landlord of a commercial property. A CAM charge is an additional rent, charged on top of base rent, and is mainly composed of maintenance fees for work performed on the common area of a property.

The monthly CAM charges a tenant pays as a part of the rent are actually estimates of that tenant's monthly, pro-rated CAM charge for the current fiscal year. The estimate is created from a property's budget by the property manager based on expected works. After the fiscal year ends, an audit is done of the paid CAM charges versus the actual CAM charges, and the difference is either paid to the landlord or the tenant.

(iv) *Reimbursable income*

These are amounts for expenses paid by the landlord on behalf of tenants and rebilled to the tenant. They are recognised when the expense amounts are known and allocated and invoices are generated.

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## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 2 Summary of significant accounting policies (continued)

t. *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

u. *Current and deferred income tax*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or a liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

The Company's business model for investment properties is to hold for rental income until possible sale, although there are no specific plans for sale. The Company's business model is not to substantially consume all economic benefits of the investment property over time through use. As such the presumption of recovery through sale is not rebutted. The deferred tax is then calculated based on the temporary differences and tax consequences arising from recovery through sale.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

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#### 2 Summary of significant accounting policies (continued)

##### v. Leases

###### (a) Company is the lessee

###### (i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including pre-payments, made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

Properties leased under operating leases are included in investment properties. See Note 2(e) for the accounting policy relating to land held on an operating lease and used as investment property.

###### (ii) Finance lease

Leases of assets where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are recognised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. The interest element of the finance cost is treated as borrowing costs and expensed/capitalised over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Investment properties recognised under finance leases are carried at their fair value.

The lease liabilities are not significant as only peppercorn rents (less than \$10.00 per annum) are paid for these leases.

###### (b) Company is the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the statement of financial position.

###### (c) Company is the lessor - fees paid in connection with arranging leases and lease incentives

The Company makes payments to agents for services in connection with negotiating lease contracts with the Company's lessees. The letting fees are capitalised within the carrying amount of the related investment property and amortised over the lease term.

Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

##### w. Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved.

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## Endeavour Holdings Limited

### Notes to the Financial Statements (continued) 30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 2 Summary of significant accounting policies (continued)

##### x. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Company has determined that its chief operating decision-maker is the chief executive officer (CEO) of the Company.

#### 3 Financial risk management

##### a. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. Risk management is carried out by the finance department under policies approved by the Company's shareholders. There is no exposure to fair value interest rate risk or price risk as there are no financial instruments carried at fair value. There is no exposure to cash flow interest rate risk as there are no financial instruments with variable rates. There have been no changes to policies and procedures compared to prior year.

##### (i) Market risk

###### Foreign exchange risk

The Company does not operate internationally and is thus not exposed to foreign exchange risk arising from various currency exposures. The majority of the Company's financial assets, financial liabilities and rental income is determined and collected in Trinidad and Tobago dollars (TTD). However, there is some rental income billed in United States Dollars (USD), for which there is exposure to foreign exchange risk.

At 30 April 2018, if the USD had weakened/strengthened by 0.1% (2017: 1.8%), against the TTD with all other variables held constant, post-tax profit for the year would have been \$2,177 lower (2017: \$3,306), mainly as a result of foreign exchange gains/losses on translation of USD denominated trade receivables.

##### (ii) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and financial institutions, only reputable local institutions are accepted. Customers consist of third parties who are involved in medium to long term contracts and as such risk of default is not considered significant or are long standing customers with no history of default. Credit limits were exceeded during the reporting period, but management does not expect any significant losses from non-performance by these counterparties.

##### (iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short term funds and the availability of funding through an adequate amount of committed credit facilities.

The expected collection and repayment dates of assets and liabilities are important factors in assessing the liquidity of this Company.

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## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 3 Financial risk management (continued)

##### a. Financial risk factors (continued)

##### (iii) Liquidity risk (continued)

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$
<b>As at 30 April 2018</b>				
Borrowings	47,378,128	45,770,898	225,771,267	111,247,269
Due to related parties	583,479	--	--	--
Trade and other payables, excluding non-financial liabilities	14,754,380	--	--	--
	<u>62,715,987</u>	<u>45,770,898</u>	<u>225,771,267</u>	<u>111,247,269</u>

	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$
<b>As at 30 April 2017</b>				
Borrowings	48,892,598	47,239,213	131,843,487	249,461,079
Due to related parties	233,904	--	--	--
Trade and other payables, excluding non-financial liabilities	12,904,518	--	--	--
	<u>62,031,020</u>	<u>47,239,213</u>	<u>131,843,487</u>	<u>249,461,079</u>

##### b. Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and other stakeholders and to maintain an optimal capital structure.

The Company monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. The decrease in this ratio was due to repayment of loans during the fiscal year. There have been no changes to policies and procedures from prior year.

	2018 \$	2017 \$
Total borrowings (Note 15)	326,195,551	354,092,154
Less: Cash and cash equivalents (Note 10)	<u>(15,304,688)</u>	<u>(10,894,096)</u>
Net debt	<u>310,890,863</u>	<u>343,198,058</u>
Total equity	<u>502,473,813</u>	<u>459,904,231</u>
Total capital	<u>813,364,676</u>	<u>803,102,289</u>
Gearing ratio	<u>38%</u>	<u>43%</u>

**Endeavour Holdings Limited**

**Notes to the Financial Statements (continued)**  
**30 April 2018**

*(Expressed in Trinidad and Tobago Dollars)*

**3 Financial risk management (continued)**

**b. Capital risk management (continued)**

The following are the loan covenants arising from the borrowings (Note 15):

*Covenant*

(i) Minimum debt service coverage ratio of 1.25:1	EBITDA	<u>\$76,654,075</u>	1.56
	Total debt repayment	\$49,031,513	
(ii) Minimum free cashflow to total debt repayment of 1.0:1	Free cash flow	<u>\$61,561,956</u>	1.26
	Total debt repayment	\$49,031,513	
(iii) Maximum total financial debt to tangible fixed assets of 50%	Total financial debt	<u>\$326,195,552</u>	38%
	Tangible fixed asset	\$863,448,070	

**c. Fair value estimation**

The carrying value less impairment provision of trade receivables, cash and cash equivalents and payables are assumed to approximate their fair values.

There were no investments measured at fair value at year end.

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

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#### 4 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### a. Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (i) Fair value measurement of investment properties

###### *Fair values of land and buildings*

The fair value of investment properties is determined by using valuation techniques. Further details of the judgements and assumptions made are disclosed in Note 6.

##### (ii) Property tax

Property tax has been estimated and accrued for the years 2016, 2017 and 2018 as the moratorium under the Property Tax Act 2009 ended at the end of 2015. There is uncertainty surrounding when the tax authorities will commence collection of the tax. Management has accrued for the obligations using their best estimate of the tax according to the provisions of the currently enacted legislation.

##### b. Critical judgments in applying the entity's accounting policies

###### *Deferred tax on investment properties*

The Company has not rebutted the presumption contained within IAS 12 Income Taxes that the carrying amount of the investment properties will be recovered through sale.

The Company's business model is based on possible sale, although it currently has no specific plans to sell the investment properties and there is no business model to substantially consume all the economic benefits of the investment property over time. Accordingly, the deferred income tax implications have been calculated based on the tax consequences of sale.

#### 5 Operating segment

The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Company has determined that its chief operating decision-maker is the chief executive officer (CEO) of the Company.

##### (a) Management has determined there is one operating segment – Investment Property based on the reports reviewed by the CEO in making strategic decisions.

The operating segment derives its revenue primarily from rental income from lessees. The Company's main business activities is reported within the above segment. There is also a corporate office function which carries out support functions in the areas of accounting, information technology and human resources and is not considered an operating segment as its activities and expenses incurred are only incidental to the core business. Although not an operating segment, results for the corporate activities are also presented to show how the segmental information presented below reconciles to the statement of comprehensive income.

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**Endeavour Holdings Limited**

**Notes to the Financial Statements (continued)**

**30 April 2018**

(Expressed in Trinidad and Tobago Dollars)

**5 Operating segment (continued)**

The segment information provided to the CEO for the operating segment for the year ended 30 April 2018 is as follows:

	Investment property \$	Corporate office \$	Total \$
Total segment revenue:			
Revenue and other income from external customers	93,358,779	27,583	93,386,362
Operating profit/ (loss) Included in operating profit:	78,298,628	(3,555,612)	74,743,016
Depreciation	49,375	1,861,684	1,911,059
Fair value adjustment on investment property	8,100,000	–	8,100,000
Not included in operating profit			
Interest expense	21,104,609	–	21,104,609
Income tax expense	12,127,582	–	12,127,582

The segment information provided to the CEO for the operating segment for the year ended 30 April 2017 is as follows:

	Investment property \$	Corporate office \$	Total \$
Total segment revenue:			
Revenue and other income from external customers	94,690,350	1,017,611	95,707,961
Operating profit Included in operating profit:	77,874,470	(1,863,173)	76,011,297
Depreciation	–	1,391,467	1,391,467
Fair value adjustment on investment property	10,508,831	–	10,508,831
Not included in operating profit			
Interest expense	22,840,033	–	22,840,033
Income tax expense	17,280,590	–	17,280,590

The CEO assesses the performance of the operating segment based on a measure of operating profit. The operating profit and profit or loss of the Company's operating segments reported to the CEO are measured in a manner consistent with that in profit or loss. A reconciliation of operating profit to profit before tax is therefore not presented separately.

The amounts provided to the CEO in respect of total assets and total liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset. As all assets and liabilities have been allocated to the one operating/reportable segment, reconciliation of the reportable segment's assets to total assets, and of the reportable segment's liabilities to total liabilities, are not presented.

The breakdown of revenue from all services is as follows:

Analysis of revenue by category	2018 \$	2017 \$
Rental income		
- shopping mall	37,676,206	38,440,673
- commercial rental	35,397,652	35,000,517
- light industrial	<u>5,127,000</u>	<u>5,256,353</u>
Total rental income	78,200,858	78,697,543
Service and management charges	<u>15,185,504</u>	<u>17,010,418</u>
<b>Total revenue</b>	<u>93,386,362</u>	<u>95,707,961</u>
		(22)

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 5 Operating segment (continued)

Revenues are derived from a large number of tenants and in 2018, there were 2 tenants who contributed more than 10% of the company's revenue. Revenues from these tenants amounted to \$16,961,202 (2017:\$ 19,499,408) and are included within the Investment Property segment.

#### 6 Investment properties

##### Year ended 30 April 2018

	1 May 2017 \$	Additions \$	Fair value adjustment \$	30 April 2018 \$
Shopping mall	418,000,000	--	3,500,000	421,500,000
Commercial rental	393,100,000	--	3,200,000	396,300,000
Light industrial property	41,800,000	--	1,400,000	43,200,000
Total carrying value	852,900,000	--	8,100,000	861,000,000

##### Year ended 30 April 2017

	1 May 2016 \$	Additions \$	Fair value adjustment \$	30 April 2017 \$
Shopping mall	413,900,000	91,169	4,008,831	418,000,000
Commercial rental	386,400,000	--	6,700,000	393,100,000
Light industrial property	42,000,000	--	(200,000)	41,800,000
Total carrying value	842,300,000	91,169	10,508,831	852,900,000

All investment properties in the current and prior year are classified as Level 3 in the fair value hierarchy as per IFRS 13 Fair Value Measurement as the inputs for the valuations are not based on observable market data.

There were no investment properties measured at cost.

**Endeavour Holdings Limited**

**Notes to the Financial Statements (continued)**

**30 April 2018**

(Expressed in Trinidad and Tobago Dollars)

**6 Investment properties (continued)**

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers in fair value hierarchy levels in the current year.

At 30 April 2018, the Company had no unprovided contractual obligations for future repairs and maintenance (2017: Nil).

Bank borrowings are secured on investment property valued at \$861,000,000 (2017: \$852,900,000), see Note 15.

Direct operating expenses recognised in the statement of comprehensive income of \$20,484,746 (2017: \$24,440,321) relate to investment properties that were let throughout the year (Note 17).

Sensitivity analysis of investment property for 2018

The properties were sensitised using the capitalisation rates.

Property	Current valuation \$	Cap rate %	Impact \$	Cap rate (.5% higher) %	Impact \$	Cap rate (.5% lower) %
Lot 17 D to H Garden Road	89,900,000	9.50	85,400,000	10.00	94,900,000	9.00
Briar Place, Sweet Briar Road, St Clair	169,400,000	8.00	159,800,000	8.50	180,700,000	7.50
Lot 1# Price Plaza Mall	197,300,000	8.25	186,000,000	8.75	210,000,000	7.75
Price Plaza North Car Park Area	86,900,000	8.25	81,900,000	8.75	92,500,000	7.75
Price Plaza South	137,300,000	8.25	129,500,000	8.75	146,200,000	7.75
Lot H Price Plaza - Superpharm Chaguana	26,200,000	8.25	24,700,000	8.75	27,900,000	7.75
#2 Kairi Road, Valsayn - Superpharm Valsayn	17,400,000	8.50	16,400,000	9.00	18,500,000	8.00
Lot #2 South Trunk, - Superpharm Gulf View	67,300,000	8.50	63,600,000	9.00	71,500,000	8.00
Lot L1A Columbus Boulevard Westmoorings - Superpharm	26,100,000	8.50	24,700,000	9.00	27,700,000	8.00
Tumpuna Park Limited	<u>43,200,000</u>	8.50	<u>40,800,000</u>	9.00	<u>45,900,000</u>	8.00
	<u>861,000,000</u>		<u>812,600,000</u>		<u>915,800,000</u>	

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## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 6 Investment properties (continued)

##### Sensitivity analysis of investment property for 2017

The properties were sensitised using the capitalisation rates.

Property	Current valuation \$	Cap rate %	Impact \$	Cap rate (.5% higher) %	Impact \$	Cap rate (.5% lower) %
Lot 17 D to H Garden Road	89,900,000	9.50	85,400,000	10.00	94,900,000	9.00
Briar Place, Sweet Briar Road, St Clair	169,400,000	8.00	159,500,000	8.50	180,700,000	7.50
Lot 1# Price Plaza Mall	192,500,000	8.25	181,500,000	8.75	204,900,000	7.75
Price Plaza North Car Park Area	84,600,000	8.25	79,800,000	8.75	90,100,000	7.75
Price Plaza South	140,900,000	8.25	132,800,000	8.75	150,000,000	7.75
Lot H Price Plaza - Superpharm Chaguanas	26,200,000	8.25	24,700,000	8.75	27,900,000	7.75
#2 Kairi Road, Valsayn - Superpharm Valsayn	16,700,000	8.50	15,800,000	9.00	17,800,000	8.00
Lot #2 South Trunk, - Superpharm Gulf View	67,300,000	8.50	63,600,000	9.00	71,500,000	8.00
Lot L1A Columbus Boulevard Westmoorings - Superpharm	23,600,000	8.50	22,300,000	9.00	25,000,000	8.00
Tumpuna Park Limited	<u>41,800,000</u>	8.50	<u>39,500,000</u>	9.00	<u>44,400,000</u>	8.00
	<u>852,900,000</u>		<u>804,900,000</u>		<u>907,200,000</u>	



## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 6 Investment properties (continued)

##### Valuation processes of the Company

The Company's management performed the valuation of the investment properties in the current year. This was done by reviewing the last independent valuer's opinion performed in 2014/2015, in addition to considering current market conditions and outlook. For all properties, their current use equates to the highest and best use.

At each financial year end the Management:

- verifies all major inputs to calculate outgoings;
- assesses property income potential via rent rolls; and
- identifies appropriate capitalisation rates to apply to the cash flows.

As part of this assessment, the finance department reviews the reasons for the fair value movements.

For all shopping malls, commercial properties and light industrial properties classified into Level 3, with total carrying amounts of \$881,000,000 (2017: \$852,900,000) the valuations were determined using discounted cash flow (DCF) projections based on significant unobservable inputs. These inputs include:

##### a. *Future rental cash inflow*

Based on the location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties.

##### b. *Discount rate*

Reflecting current market assessments of the uncertainty in the amount and timing of cashflows.

##### c. *Maintenance costs*

Including necessary investments to maintain functionality of the property for its expected useful life.

##### d. *Capitalisation rates*

Based on actual location, size and quality of the properties and taking into account market data at the valuation date.

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 7 Property, plant and equipment

	Furniture, fixtures and equipment \$	Leasehold improvements \$	Motor vehicles \$	Total \$
<b>At 30 April 2016</b>				
Cost or valuation	732,767	3,903,908	1,481,536	6,118,211
Accumulated depreciation	(514,575)	—	(902,131)	(1,416,706)
Net book amount	218,192	3,903,908	579,405	4,701,505
<b>Year ended 30 April 2017</b>				
Opening net book amount	218,192	3,903,908	579,405	4,701,505
Additions	34,929	1,251,013	—	1,285,942
Depreciation charge	(36,053)	(1,210,563)	(144,851)	(1,391,467)
Closing net book amount	217,068	3,944,358	434,554	4,595,980
<b>At 30 April 2017</b>				
Cost or valuation	767,696	5,154,921	1,481,536	7,404,153
Accumulated depreciation	(550,628)	(1,210,563)	(1,046,982)	(2,808,173)
Net book amount	217,068	3,944,358	434,554	4,595,980
<b>Year ended 30 April 2018</b>				
Opening net book amount	217,068	3,944,358	434,554	4,595,980
Additions	89,067	—	—	89,067
Depreciation charge	(49,375)	(1,753,048)	(108,636)	(1,911,059)
Closing net book amount	256,760	2,191,310	325,918	2,773,988
<b>At 30 April 2018</b>				
Cost or valuation	856,763	5,154,921	1,481,536	7,493,220
Accumulated depreciation	(600,003)	(2,963,611)	(1,155,618)	(4,719,232)
Net book amount	256,760	2,191,310	325,918	2,773,988

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**Endeavour Holdings Limited**

**Notes to the Financial Statements (continued)**

**30 April 2018**

*(Expressed in Trinidad and Tobago Dollars)*

8 Trade and other receivables	2018 \$	2017 \$
Gross rent and CAM receivable	20,356,055	10,140,232
Less provision for impairment	<u>(3,032,291)</u>	--
Rent and CAM receivable, net of provision for impairment	17,323,764	10,140,232
Insurance prepaid	449,961	588,596
Prepayments	<u>--</u>	<u>241,976</u>
	<u>17,773,725</u>	<u>10,970,804</u>

Invoices are considered past due if they have not been paid 30 calendar days after the invoice date. As of 30 April 2018, trade receivables of \$5,702,497 (2017: \$3,846,950) were past due but not impaired. Provision has been made for past due trade receivables \$3,032,291 (2017: Nil).

The ageing analysis of these trade receivables is as follows:

30- 60 days	1,844,464	1,280,651
60-90 days	1,346,292	518,311
over 90 days	<u>2,511,741</u>	<u>2,047,988</u>
	<u>5,702,497</u>	<u>3,846,950</u>

The individually impaired receivables are over six months past due and mainly relate to certain tenants in office buildings and malls. A provision is recognised for amounts not expected to be recovered. Movements in the accumulated impairment losses on trade receivables were as follows:

Accumulated impairment losses at 1 May	--	--
Additional impairment losses recognised during the year, net	<u>3,032,291</u>	<u>--</u>
Accumulated impairment losses at 30 April	<u>3,032,291</u>	<u>--</u>

The ageing analysis of these impaired trade receivables is as follows:  
over 90 days

<u>3,032,291</u>	<u>--</u>
------------------	-----------

The carrying value of trade and other receivables approximates the fair value. The Company does not hold any collateral as security. Trade receivables denominated in USD amount to \$2,839,512 (2017:\$254,795).

The other classes within trade and other receivables do not contain impaired assets.

**9 Related party transactions**

a. *Identity of related parties*

The ownership of the company is as follows:

Company	2018	2017
Amalgamated Security Services Limited	--	3.13%
Broadway Properties Limited	--	3.13%
Pelican Investment Limited	50.00%	46.87%
Rahael Holdings Limited	50.00%	46.87%

During the year, the shares held by Broadway Properties Limited were transferred to Rahael Holdings Limited and the shares held by Amalgamated Security Services Limited were transferred to Pelican Investment Limited.

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 9 Related party transactions (continued)

##### b. Related party transactions and balances

The following transactions were carried out with related parties:

The balances below are interest free and there are no fixed repayment terms.

	1 May 2017 \$	Purchases \$	Payment \$	30 April 2018 \$
<i>Due to related parties</i>				
Amalgamated Security Services Limited	225,551	1,091,635	(991,896)	325,290
Amera Caribbean Development Limited	8,353	2,763,310	(2,514,756)	256,907
Albertwood Limited	--	809,290	(808,008)	1,282
Rahael Holdings Limited	--	22,140	(22,140)	--
	<u>233,904</u>	<u>4,686,375</u>	<u>(4,336,800)</u>	<u>583,479</u>
	1 May 2016 \$	Purchases \$	Payment \$	30 April 2017 \$
<i>Due to related parties</i>				
Amalgamated Security Services Limited	905,004	1,442,771	(2,122,224)	225,551
Amera Caribbean Development Limited	217,315	2,698,981	(2,907,943)	8,353
Inter co AR	(32,364)	32,364	--	--
	<u>1,089,955</u>	<u>4,174,116</u>	<u>(5,030,167)</u>	<u>233,904</u>

The balance payable to Amalgamated Security Services Limited represents security services provided to Endeavour Holdings Limited during the period.

Amera Caribbean Development Limited represents property management services as well as asset management services provided.

Endeavour Holdings Limited also has a rental agreement with Albertwood Limited for rental of premises of \$773,628 (2017:\$ 702,853) (Note 17).



**Endeavour Holdings Limited**

**Notes to the Financial Statements (continued)**  
**30 April 2018**

(Expressed in Trinidad and Tobago Dollars)

**9 Related party transactions (continued)**

b. *Related party transactions and balances (continued)*

	1 May 2017 \$	Purchases/ advances/transfer \$	Payments \$	30 April 2018 \$
<i>Due from related parties</i>				
Pelican Investments Limited	336,270	6,030,000	(6,030,000)	336,270
Rahael Holdings Limited *	336,270	--	--	336,270
	<u>672,540</u>	<u>(6,030,000)</u>	<u>6,030,000</u>	<u>672,540</u>

	1 May 2016 \$	Purchases/ advances/transfer \$	Payments \$	30 April 2017 \$
<i>Due from related parties</i>				
18-20 London St	390,000	--	(390,000)	--
Albertwood Limited	497,817	845,567	(1,343,384)	--
JMC Entertainment Limited	6,384,122	33,797,924	(40,182,046)	--
Ramsey Gardens Limited	8,453,939	10,687,823	(19,141,762)	--
Pelican Investments Limited	336,270	--	--	336,270
Rahael Holdings Limited	--	5,436,270	(5,100,000)	336,270
Milshirv Properties Limited	34,700,000	1,000	(34,701,000)	--
	<u>50,762,148</u>	<u>50,768,584</u>	<u>(100,858,192)</u>	<u>672,540</u>

c. *Transactions with key management personnel*

The employee services of the Company are outsourced to Amera Caribbean Development Limited, who retains staff. The directors are not remunerated for their services to the Company. The management fees paid amounted to \$1,779,794 (2017: \$1,773,853).

There were no guarantees or collateral given to or received from any related party.

**10 Cash and cash equivalents**

	2018 \$	2017 \$
Cash and cash equivalents including bank overdraft	<u>15,304,688</u>	<u>10,894,096</u>
Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
Cash and cash equivalents excluding bank overdraft	15,351,069	10,894,096
Less: bank overdraft	<u>(46,381)</u>	<u>--</u>
	<u>15,304,688</u>	<u>10,894,096</u>

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued) 30 April 2018

(Expressed in Trinidad and Tobago Dollars)

#### 11 Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

<b>Assets as per statement of financial position</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<i>Loans and receivables</i>		
Trade and other receivables, excluding prepayments	17,323,764	10,140,232
Cash and cash equivalents, excluding bank overdraft	15,351,069	10,894,096
Due from related parties	<u>672,540</u>	<u>672,540</u>
<b>Total</b>	<b><u>33,347,373</u></b>	<b><u>21,706,868</u></b>
<b>Liabilities as per statement of financial position</b>		
	<b>\$</b>	<b>\$</b>
<i>Other financial liabilities measured at amortised cost</i>		
Borrowings	326,195,551	354,092,154
Trade and other payables, excluding non-financial liabilities	14,754,380	12,231,978
Due to related parties	583,479	233,904
Bank overdraft	<u>46,381</u>	<u>—</u>
<b>Total</b>	<b><u>341,579,791</u></b>	<b><u>366,558,036</u></b>

Prepayments and non-financial liabilities are excluded from the receivables and payables figures above, as this analysis is only required for financial instruments.

#### 12 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

##### *Trade receivables*

Counterparties without external credit rating:

Existing customers (more than 6 months) with some defaults in the past	<u>11,621,267</u>	<u>6,293,282</u>
--	-------------------	------------------

##### *Cash at bank and short term bank deposits*

*Local banks/cash in hand:*

Cash in bank	15,299,688	10,889,096
Cash in hand	<u>5,000</u>	<u>5,000</u>
	<b><u>15,304,688</u></b>	<b><u>10,894,096</u></b>

Cash at bank is held with reputable local financial institutions.

**Endeavour Holdings Limited**

**Notes to the Financial Statements (continued)**  
**30 April 2018**

(Expressed in Trinidad and Tobago Dollars)

<b>13</b>	<b>Share capital</b>	<b>2018</b>		<b>2017</b>
		\$		\$
	Issued and fully paid			
	32,003,200 ordinary shares of no par value	<u>32,003,200</u>		<u>32,003,200</u>

The total authorised number of no par value shares is unlimited. All issued shares are fully paid.

**14 Deferred income tax liability**

Deferred income taxes are calculated in full on temporary differences under the liability method. Current and deferred income tax are computed using a rate of 30% (2017: average of 30%).

The movement in the deferred income tax account is as follows:

<i>Deferred tax liability – investment properties</i>	<b>2018</b>		<b>2017</b>
	\$		\$
Beginning of the year	41,663,242		31,836,563
Charge for the year (Note 22)	<u>3,113,430</u>		<u>9,826,679</u>
End of year	<u>44,776,672</u>		<u>41,663,242</u>

**15 Borrowings**

2018			2017		
Current	Non-current	Total	Current	Non-current	Total
\$	\$	\$	\$	\$	\$
<u>28,461,538</u>	<u>297,734,013</u>	<u>326,195,551</u>	<u>28,461,538</u>	<u>325,630,616</u>	<u>354,092,154</u>

The borrowings include amounts secured on investment property to the market value of \$861,000,000 (2017: \$852,900,000) (Note 6). The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

This bond was granted by First Citizens Trustee Services Limited on 30 September 2015. It is repayable in three tranches.

The security held over this facility is first demand debenture over the fixed and floating assets of the company: the properties located at Price Plaza Chaguanas Lot#1 Price Plaza, Superpharm, Lot H Price Plaza, Chaguanas, Superpharm, #2 Kariri Road Valsayn, Superpharm Lot1 A Columbus Boulevard Westmoorings, Superpharm-Gulf View, Briar Place, #10 Sweet Briar Road St Clair, Ministry of National Security, Lot 17D to H Garden Road, Aranguez and Tumpuna Park LP# 155 Tumpuna Road Guanapo. It is stamped to cover \$400 million, as well as the assignment of all risk insurance.

Tranche A is over seven (7) years, rate of interest is fixed at 5.50% per annum, total value \$240 million. Tranche A - Equal semi-annual payments of principal payable in arrears commencing six months after issue date with a 50% balloon payment due at maturity. The maturity date of this facility is 30 September 2022. The effective interest rate is 2.87%.

Tranche B is over fifteen (15) years, rate of interest is fixed at 6.25% per annum, total value \$120 million. Tranche B - Equal semi-annual payments of principal payable in arrears commencing six months after issue date. The maturity date of this facility is 30 September 2030. The effective interest rate is 3.22%.

Tranche C is over twenty (20) years, rate of interest is fixed at 6.90% per annum, total value \$40 million. Tranche C - Equal semi-annual payments of principal payable in arrears commencing six months after issue date. The maturity date of this facility is 30 September 2035. The effective interest rate is 3.53%.

(32)

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued) 30 April 2018

(Expressed in Trinidad and Tobago Dollars)

16 Trade and other payables	2018 \$	2017 \$
Accruals	10,259,169	6,931,264
Tenant deposits	3,342,385	3,440,981
Accounts payable	1,152,826	1,859,733
Value - added tax	703,233	155,282
Dividend payable (Note 24)	<u>672,540</u>	<u>672,540</u>
	<u>16,130,153</u>	<u>13,059,800</u>

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

17 Rental expenses		
Electricity	5,744,808	5,874,049
Repairs and maintenance	2,208,404	3,904,229
Security	4,575,622	4,679,460
Insurance	1,404,584	1,728,304
Janitorial and landscaping	1,472,841	2,243,977
Rental - premises	773,628	702,853
Maintenance reserve expense	351,372	336,384
Rates and taxes	3,794,176	4,947,701
Commissions	109,936	23,364
Depreciation	<u>49,375</u>	<u>--</u>
	<u>20,484,746</u>	<u>24,440,321</u>

18 Other income		
Common area maintenance (CAM)	9,294,787	10,395,409
Electricity income	5,348,837	5,081,205
Other income	310,256	1,217,599
Reimbursable income	214,154	279,657
Water income	15,629	35,488
Bank interest	<u>1,841</u>	<u>1,060</u>
	<u>15,185,504</u>	<u>17,010,418</u>

The period of leases whereby the Company leases out its investment property under operating leases is three years or more.

Contingent rents in 2018 and 2017 recognised as income were nil.

19 Administrative expenses		
Management fees	2,800,767	2,346,694
Audit fees	341,150	434,000
Legal and professional	<u>176,833</u>	<u>453,429</u>
	<u>3,318,750</u>	<u>3,234,123</u>

(33)



**Endeavour Holdings Limited**

**Notes to the Financial Statements (continued)**

**30 April 2018**

*(Expressed in Trinidad and Tobago Dollars)*

20	<b>Operating expenses</b>	<b>2018</b>	<b>2017</b>
		<b>\$</b>	<b>\$</b>
	Depreciation	1,861,684	1,391,467
	Bad debt	435,583	236,954
	Advertising and public relations	365,312	757,270
	License fees	129,532	35,184
	Printing, postage and stationery	60,969	40,817
	Telephone	30,073	3,591
	Rental - cable & internet	24,113	9,387
	General	18,188	14,850
	Travel	7,069	2,115
	Transport	4,000	20,296
	Entertainment	3,327	19,120
		<u>2,939,850</u>	<u>2,531,051</u>
21	<b>Finance costs</b>		
	Interest on borrowings	20,995,990	22,724,492
	Bank charges and interest	58,619	65,541
	Finance charges	50,000	50,000
		<u>21,104,609</u>	<u>22,840,033</u>
22	<b>Income tax expense</b>		
	<i>Current taxation</i>		
	Green fund levy	296,056	275,973
	Corporation tax	8,718,096	7,177,938
	<i>Total current tax</i>	<u>9,014,152</u>	<u>7,453,911</u>
	<i>Deferred tax (Note 14)</i>		
	Origination and reversal of temporary differences	3,113,430	9,826,679
	Tax charge in statement of comprehensive income	<u>12,127,582</u>	<u>17,280,590</u>
	The tax on profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profits as follows:		
	Profit before tax	<u>53,638,407</u>	<u>53,171,264</u>
	Tax calculated at statutory rate 25%	--	250,000
	Tax calculated at statutory rate 30%	16,091,522	15,651,379
	Tax effects of:		
	- Income not subject to tax	(2,353,154)	(2,346,013)
	- Other permanent differences	(1,906,840)	3,449,251
	Green fund levy	296,054	275,973
	Tax charge in statement of comprehensive income	<u>12,127,582</u>	<u>17,280,590</u>
			(34)

## Endeavour Holdings Limited

### Notes to the Financial Statements (continued)

30 April 2018

(Expressed in Trinidad and Tobago Dollars)

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#### 23 Subsequent events

On 14 November 2018, the Company restructured its shareholdings from Rahael Holdings Limited (EHL) and Pelican Investments Limited (PIL) to Endeavour ABRA Holdings Limited which is owned by RHL and PIL.

The Company plans to offer 3.74% of its issued shares in an IPO within the next few months. Following the Offering, Endeavour ABRA Holdings Limited will remain the substantial shareholder of the Company.

The proceeds of the IPO shall be used by the Company to fund its working capital requirements.

#### 24 Dividends

Total dividends declared for the year amounted to \$2,500,000 (\$0.08 per share) (2017: \$25,401,366 (\$0.79 per share)).

Dividends payable at year end were \$672,540 (2017: \$672,540).

#### 25 Maintenance reserve fund

During the year, amounts for maintenance reserve fund, previously recognised as deferred income, which was accumulated over a number of years, was transferred to equity as these should not have been deferred and instead recognised as income upon receipt. This was not material to warrant restatement to the financial statements.

#### 26 Earnings per share

	2018 \$	2017 \$
Profit attributable to shareholders	<u>41,510,825</u>	<u>35,890,874</u>
Number of common shares in issue during the year	<u>32,003,200</u>	<u>32,003,200</u>
Basic earnings per share	<u>\$1.30</u>	<u>\$1.12</u>

#### 27 Commitments and contingencies

There were no capital commitments or contingent liabilities existing at year end 2018 and 2017.



**APPENDIX 3 – UNAUDITED SUMMARY ACCOUNTS FOR 6 MONTHS ENDED 31 OCTOBER 2018**

**ENDEAVOUR HOLDINGS LIMITED**

Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	As at 31st October 2018	As at 30th April 2018
	\$	\$
	Unaudited	Audited
<b>Assets</b>		
<b>Non-current assets</b>		
Investment property	861,000,000	861,000,000
Property, plant and equipment	1,881,870	2,773,988
	862,881,870	863,773,988
<b>Current assets</b>		
Trade and other receivables	16,942,432	17,773,725
Due from related parties	--	672,540
Cash and cash equivalents	22,160,660	15,351,069
	39,103,092	33,797,334
<b>Total assets</b>	901,984,962	897,571,322
<b>Equity and liabilities</b>		
<i>Equity attributable to equity holders of the company</i>		
Share capital	32,003,200	32,003,200
Maintenance reserve fund	3,747,342	3,558,757
Retained earnings	484,935,991	466,911,856
Total equity	520,686,533	502,473,813
<b>Non-current liabilities</b>		
Deferred income tax liability	46,177,716	44,776,672
Borrowings	283,723,163	297,734,013
	329,900,879	342,510,685
<b>Current liabilities</b>		
Due to related parties	--	583,479
Borrowings	28,461,538	28,461,538
Trade m payables	16,052,458	16,130,153
Taxation payable	6,883,554	7,365,273
Bank overdraft	--	46,381
	51,397,550	52,586,824
<b>Total equity and liabilities</b>	901,984,962	897,571,322

  
\_\_\_\_\_  
Date: 17 December 2018

Director

  
\_\_\_\_\_  
Director

## ENDEAVOUR HOLDINGS LIMITED

### Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	<b>Six Months 31 October 2018</b>	<b>Year Ended 30 April 2018</b>
	<b>\$</b>	<b>\$</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Rental income</b>	40,288,640	78,200,858
<b>Rental expenses</b>	(10,704,658)	(20,484,746)
<b>Net rental income</b>	29,583,982	57,716,112
<b>Other income</b>		
Fair value adjustment on investment property	--	8,100,000
Other income	6,187,587	15,185,504
	6,187,587	23,285,504
<b>Expenses</b>		
Administrative	(402,602)	(3,318,750)
Operating	(1,054,660)	(2,939,850)
	(1,457,262)	(6,258,600)
<b>Operating profit</b>	34,314,307	74,743,016
Finance cost	(9,922,489)	(21,104,609)
<b>Profit before income tax</b>	24,391,818	53,638,407
<b>Taxation</b>		
Current	(4,966,639)	(9,014,152)
Deferred taxation	(1,401,044)	(3,113,430)
	(6,367,683)	(12,127,582)
<b>Profit for the year</b>	18,024,135	41,510,825
	--	--
	18,024,135	41,510,825
<b>Earnings per share</b>		

Basic earnings per share

\$0.56

\$1.30

## ENDEAVOUR HOLDINGS LIMITED

### Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Share Capital	Maintenance Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 May 2017</b>	32,003,200	--	427,901,031	459,904,231
<b>Total Comprehensive income for the year -</b>				
Profit for the year	--	--	41,510,825	41,510,825
Transfer to Maintenance reserve	--	3,558,757	--	3,558,757
<b>Transactions with owners in their capacity as owners</b>				
Dividends for the period	--	--	(2,500,000)	(2,500,000)
<b>Balance at 30 April 2018</b>	32,003,200	3,558,757	466,911,856	502,473,813
<b>Balance at 1 May 2018 (Audited)</b>	32,003,200	3,558,757	466,911,856	502,473,813
<b>Total Comprehensive income for the period -</b>				
Profit for the period	--	--	18,024,135	18,024,135
Transfer to Maintenance reserve	--	188,585	--	188,585
<b>Transactions with owners in their capacity as owners</b>				
Dividends for the period	--	--	--	--
<b>Balance at 31 October 2018 (Unaudited)</b>	32,003,200	3,747,342	484,935,991	520,686,533

## ENDEAVOUR HOLDINGS LIMITED

### Statement of of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Period Ended 31 October 2018	Year Ended 30 April 2018
	\$	\$
	Unaudited	Audited
<b>Cash flows from operating activities</b>		
Profit before income tax	24,391,818	53,638,407
<i>Adjustments for:</i>		
Appropriated to maintenance reserve	188,585	--
Fair value adjustment on investment property	--	(8,100,000)
Finance cost	9,922,489	21,104,609
Depreciation	898,872	1,911,059
<b>Operating profit before working capital changes</b>	35,401,764	68,554,075
Increase in trade and other receivables	831,893	(6,802,921)
Decrease/(increase) in trade and other payables	(77,694)	3,159,271
Decrease/(increase) in due from related parties	672,540	--
Increase/(decrease) in due to related parties	(583,479)	349,575
<b>Cash generated from/(used in) operations</b>	842,660	(3,294,075)
Interest paid	(10,404,208)	(20,628,592)
Tax paid	(4,966,639)	(8,306,281)
<b>Net cash inflow/(outflow) from operating activities</b>	20,873,577	36,325,127
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(6,754)	(89,067)
Additions to investment property	--	--
<b>Cash used in investing activities</b>	(6,754)	(89,067)
<b>Cash flow from financing activities</b>		
Repayments of borrowings	(14,010,851)	(28,461,538)
Transfer (from)/to maintenance reserve fund	--	(863,930)
Dividend paid	--	(2,500,000)
<b>Cash used in financing activities</b>	(14,010,851)	(31,825,468)
Increase in cash and cash equivalents	6,855,972	4,410,592
<b>Cash and cash equivalents at beginning of the period</b>	15,304,688	10,894,096
<b>Cash and cash equivalents at end of the period</b>	22,160,660	15,304,688


Notes: The accounting policies used in the preparation of the six months results are consistent with those used in the audited financial statements for the year ended 30 April 2018.

**APPENDIX 4 – UNAUDITED SUMMARY ACCOUNTS FOR 9 MONTHS ENDED  
31 JANUARY 2019**

**ENDEAVOUR HOLDINGS LIMITED**

Statement of Financial Position  
(Expressed in Trinidad and Tobago Dollars)

	<b>As at 31st January 2019</b>	<b>As at 30th April 2018</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Non-current assets</b>		
Investment property	861,000,000	861,000,000
Property, plant and equipment	1,431,646	2,773,988
	<u>862,431,646</u>	<u>863,773,988</u>
<b>Current assets</b>		
Trade and other receivables	19,259,710	17,773,725
Due from related parties	--	672,540
Cash and cash equivalents	25,637,526	15,351,069
	<u>44,897,236</u>	<u>33,797,334</u>
<b>Total assets</b>	<u>907,328,882</u>	<u>897,571,322</u>
<b>Equity and liabilities</b>		
<i>Equity attributable to equity holders of the company</i>		
Share capital	32,003,200	32,003,200
Maintenance reserve fund	3,836,014	3,558,757
Retained earnings	484,307,741	466,911,856
Total equity	<u>520,146,955</u>	<u>502,473,813</u>
<b>Non-current liabilities</b>		
Deferred income tax liability	46,878,237	44,776,672
Borrowings	283,893,741	297,734,013
	<u>330,771,978</u>	<u>342,510,685</u>
<b>Current liabilities</b>		
Due to related parties	--	583,479
Borrowings	28,461,538	28,461,538
Trade m payables	20,639,302	16,130,153
Taxation payable	7,309,109	7,365,273
Bank overdraft	--	46,381
	<u>56,409,948</u>	<u>52,586,824</u>
<b>Total equity and liabilities</b>	<u>907,328,882</u>	<u>897,571,322</u>

  
\_\_\_\_\_  
Date: 8 May 2019  
Director

  
\_\_\_\_\_  
Director

## ENDEAVOUR HOLDINGS LIMITED

### Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	<b>Nine Months 31 January 2019</b>	<b>Year Ended 30 April 2018</b>
	<b>\$</b>	<b>\$</b>
	<b>Unaudited</b>	<b>Audited</b>
<b>Rental income</b>	60,797,274	78,200,858
<b>Rental expenses</b>	(15,745,064)	(20,484,746)
<b>Net rental income</b>	45,052,210	57,716,112
<b>Other income</b>		
Fair value adjustment on investment property	--	8,100,000
Other income	9,359,288	15,185,504
	9,359,288	23,285,504
<b>Expenses</b>		
Administrative	(738,928)	(3,318,750)
Operating	(1,529,304)	(2,939,850)
	(2,268,231)	(6,258,600)
<b>Operating profit</b>	52,143,267	74,743,016
Finance cost	(14,683,994)	(21,104,609)
<b>Profit before income tax</b>	37,459,273	53,638,407
<b>Taxation</b>		
Current	(7,911,823)	(9,014,152)
Deferred taxation	(2,101,565)	(3,113,430)
	(10,013,388)	(12,127,582)
<b>Profit for the year</b>	27,445,885	41,510,825
	--	--
	27,448,885	41,510,825
<b>Earnings per share</b>		
Basic earnings per share	\$0.86	\$1.30



## ENDEAVOUR HOLDINGS LIMITED

Statement of Changes in Equity  
(Expressed in Trinidad and Tobago Dollars)

	Share Capital	Maintenance Reserve	Retained Earnings	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 May 2017</b>	32,003,200	--	427,901,031	459,904,231
<b>Total Comprehensive income for the year -</b>				
Profit for the year	--	--	41,510,825	41,510,825
Transfer to Maintenance reserve	--	3,558,757	--	3,558,757
<b>Transactions with owners in their capacity as owners</b>				
Dividends for the period	--	--	(2,500,000)	(2,500,000)
<b>Balance at 30 April 2018</b>	32,003,200	3,558,757	466,911,856	502,473,813
<b>Balance at 1 May 2018 (Audited)</b>	32,003,200	3,558,757	466,911,856	502,473,813
<b>Total Comprehensive income for the period -</b>				
Profit for the period	--	--	27,445,885	27,445,885
Appropriated to Maintenance reserve	--	277,257	--	277,257
<b>Transactions with owners in their capacity as owners</b>				
Dividends for the period	--	--	(10,050,000)	(10,050,000)
<b>Balance at 31 January 2019 (Unaudited)</b>	32,003,200	3,836,014	484,307,741	520,146,955

## ENDEAVOUR HOLDINGS LIMITED

### Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Period Ended 31 January 2019	Year Ended 30 April 2018
	\$	\$
	Unaudited	Audited
<b>Cash flows from operating activities</b>		
Profit before income tax	37,459,273	53,638,407
<i>Adjustments for:</i>		
Appropriated to maintenance reserve	277,257	--
Fair value adjustment property	--	(8,100,000)
Finance costs	14,683,994	21,104,609
Depreciation	1,349,096	1,911,059
<b>Operating profit before working capital changes</b>	53,769,620	68,554,075
Decrease/(increase) in trade and other receivables	(1,485,985)	(6,802,921)
(Decrease)/increase in trade and other payables	5,013,365	3,159,271
Decrease/(increase) in due from related parties	672,540	--
(Decrease)/increase in due to related parties	(583,479)	349,575
<b>Cash (used in)/generated from operations</b>	3,616,441	(3,294,075)
Interest paid	(14,740,156)	(20,628,592)
Tax paid	(7,911,824)	(8,306,281)
<b>Net cash inflow/(outflow) from operating activities</b>	34,734,081	36,325,127
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(6,754)	(89,067)
Additions to investment property	--	--
<b>Cash used in investing activities</b>	(6,754)	(89,067)
<b>Cash flow from financing activities</b>		
Repayments of borrowings	(14,344,489)	(28,461,538)
Transfer (from)/to maintenance reserve fund	--	(863,930)
Dividend paid	(10,050,000)	(2,500,000)
<b>Cash used in financing activities</b>	(24,394,489)	(31,825,468)
Increase in cash and cash equivalents	10,332,838	4,410,592
<b>Cash and cash equivalents at beginning of the period</b>	15,304,688	10,894,096
<b>Cash and cash equivalents at end of the period</b>	25,637,526	15,304,688

Notes: The accounting policies used in the preparation of the nine months results are consistent with those used in the audited financial statements for the year ended 30 April 2018.

**APPENDIX 5 – CARICRIS CREDIT RATING**



**CariCRIS**  
Caribbean Information &  
Credit Rating Services Limited

**MEDIA RELEASE**

December 21, 2018

**CariCRIS reaffirms overall 'good creditworthiness' ratings for  
Endeavour Holdings Limited**

<i>ftA+</i>	<b>Local Currency National Scale Rating</b>
<i>CariA+</i>	<b>Local Regional Scale</b>

Caribbean Information and Credit Rating Services Limited (CariCRIS) reaffirmed the credit ratings of *CariA+* (Local and Foreign Currency Ratings) on the regional rating scale and *ftA+* (Local Currency Rating) on the Trinidad and Tobago (T&T) national scale to the Endeavour Holdings Limited (EHL) TT \$400 million bond issue. These ratings indicate that the level of creditworthiness of this debt obligation, adjudged in relation to other obligations in the Caribbean and within T&T is **good**.

CariCRIS has also revised the outlook on the ratings to stable. The stable outlook is based on the slowly improving macroeconomic conditions in Trinidad and Tobago, which should lead to continued healthy financial performance for EHL over the next 12 - 15 months, underpinned by stable and predictable cash flows and continued high occupancy rates.

EHL's ratings reflect the company's strong competitive position supported by good asset quality and a diversified real estate portfolio in Trinidad and Tobago. The Company's real estate portfolio is supported by a high occupancy and tenant retention rate. EHL's financial performance also continues to be healthy as evidenced by good profitability metrics. Further, the loss of rent insurance reduces risk of lower income from property damage. These strengths are tempered by the challenging economic environment in which EHL operates. CariCRIS is also of the view that corporate governance may be improved by the addition of qualified independent directors to the Board and notes that the addition of 3 qualified independent directors to the Board is planned within the next 6 months.

# APPENDIX 6 – SUBSCRIPTION FORM TERMS AND CONDITIONS

<b>SHARE SUBSCRIPTION FORM</b>					
OFFER FOR SALE OF 1,200,000 Ordinary shares of no par value in ENDEVOUR HOLDINGS LIMITED at a price of \$12.50 per share (TO BE COMPLETED IN BLOCK LETTERS)					
BROKER NAME	<input style="width: 95%;" type="text"/>	TTCD ACCOUNT NUMBER	<input style="width: 95%;" type="text"/>	JOINTLY HELD (Y/N)	<input style="width: 95%;" type="checkbox"/>
<b>TO BE COMPLETED BY COMPANY/NOMINEE/INSTITUTION APPLICANT</b>					
COMPANY/INSTITUTION OR NOMINEE AND RELATED COMPANY:	<input style="width: 95%;" type="text"/>				
DATE OF INCORPORATION	<input style="width: 20px;" type="text"/> M	<input style="width: 20px;" type="text"/> M	<input style="width: 20px;" type="text"/> D	<input style="width: 20px;" type="text"/> D	<input style="width: 20px;" type="text"/> Y
REGISTRATION NUMBER	<input style="width: 95%;" type="text"/>				
<b>TO BE COMPLETED BY INDIVIDUAL APPLICANTS/UNDERLYING NOMINEE HOLDER</b>					
PRIMARY ACCOUNT HOLDER:	TITLE	FIRST NAME	MIDDLE NAME	LAST NAME	
DATE OF BIRTH	<input style="width: 20px;" type="text"/> M	<input style="width: 20px;" type="text"/> M	<input style="width: 20px;" type="text"/> D	<input style="width: 20px;" type="text"/> D	<input style="width: 20px;" type="text"/> Y
IDENTIFICATION:	<input style="width: 30px;" type="text"/> PASSPORT	<input style="width: 30px;" type="text"/> PICTURE ID & BIRTH CERTIFICATE	<input style="width: 30px;" type="text"/> NATIONAL ID	<input style="width: 30px;" type="text"/> PICTURE ID & CERTIFICATE OF NATURALIZATION	
CONTACT INFORMATION:	TELEPHONE#	<input style="width: 95%;" type="text"/>		E-MAIL ADDRESS	<input style="width: 95%;" type="text"/>
JOINT ACCOUNT HOLDER #1:	TITLE	FIRST NAME	MIDDLE NAME	LAST NAME	
ID TYPE:	<input style="width: 20px;" type="checkbox"/> DP	<input style="width: 20px;" type="checkbox"/> NAT ID	<input style="width: 20px;" type="checkbox"/> PP	TELEPHONE#	<input style="width: 95%;" type="text"/>
E-MAIL ADDRESS	<input style="width: 95%;" type="text"/>				
JOINT ACCOUNT HOLDER #2:	TITLE	FIRST NAME	MIDDLE NAME	LAST NAME	
ID TYPE:	<input style="width: 20px;" type="checkbox"/> DP	<input style="width: 20px;" type="checkbox"/> NAT ID	<input style="width: 20px;" type="checkbox"/> PP	TELEPHONE#	<input style="width: 95%;" type="text"/>
E-MAIL ADDRESS	<input style="width: 95%;" type="text"/>				
JOINT ACCOUNT HOLDER #3:	TITLE	FIRST NAME	MIDDLE NAME	LAST NAME	
ID TYPE:	<input style="width: 20px;" type="checkbox"/> DP	<input style="width: 20px;" type="checkbox"/> NAT ID	<input style="width: 20px;" type="checkbox"/> PP	TELEPHONE#	<input style="width: 95%;" type="text"/>
E-MAIL ADDRESS	<input style="width: 95%;" type="text"/>				
<b>APPLICATION DETAILS</b>					
INVESTOR TYPE:	<input style="width: 30px;" type="text"/>	(Insert the number as outlined in part (i) in the Terms & Conditions on the reverse of this page)			
NUMBER OF SHARES APPLIED FOR:	<input style="width: 100px;" type="text"/>	CONSIDERATION:	TT\$	CHEQUE #	<input style="width: 100px;" type="text"/>
Cheques must be made to "FCBAS - EHL IPO" for the exact amount payable and must be drawn in the same name as the applicant or by order of the applicant.					

**REMITTANCE DETAILS (will be used for refunds where applicable)**

**NOTE: CURRENCY OF THE ACCOUNT FOR REMITTANCE MUST BE IN TRINIDAD AND TOBAGO DOLLARS**

NAME ON ACCOUNT:  BANK:

ACCOUNT NUMBER:  BRANCH:

ACCOUNT TYPE: CHEQUING/CURRENT  SAVINGS

Disclaimer: The Lead Broker will not be held responsible for incorrect/incomplete/invalid banking instructions submitted.

*I/we agree: (1) that the information stated above is true and correct and (2) to the terms & conditions on the reverse of this page.  
I/We declare that I/We are not under 18 years of age on the date of application.  
I/We declare that I/We have read the Prospectus and will not rely on any other information or representation outside the Prospectus. No person responsible for the Prospectus or any part of it will have any liability for any such other information or representation.*

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**SIGNATURES/AUTHORISATION - COMPANY/NOMINEE/INSTITUTION APPLICANT**

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
SIGNATORY

\_\_\_\_\_  
DATE & TIME

COMPANY STAMP

---

**SIGNATURES/AUTHORISATION- INDIVIDUAL APPLICANTS**

\_\_\_\_\_  
PRIMARY ACCOUNT HOLDER

\_\_\_\_\_  
JOINT ACCOUNT HOLDER #1

\_\_\_\_\_  
JOINT ACCOUNT HOLDER #2

\_\_\_\_\_  
JOINT ACCOUNT HOLDER #3

\_\_\_\_\_  
DATE & TIME

BROKER/DISTRIBUTOR STAMP

**OFFER CLOSES ON 15TH NOVEMBER, 2019 AT 4PM**

- a. I/We agree that this application made by way of submitting a Share Subscription Form shall not be binding on me/us if I/we provide written notice to the Lead Broker, within two business days after submission of this application that I/we intend to withdraw my/our application. This written notice should be addressed and delivered to the Lead Broker.
- b. I/We apply for Shares as indicated in this form (or such lesser number of Shares as may be allotted to me/us) on the terms and conditions of the Prospectus. If the Shares are allotted to me/us, I/we hereby instruct the Lead Broker to proceed with any necessary actions in order to establish a valid account, as provided overleaf, with the Trinidad and Tobago Central Depository to receive the allotted Shares.
- c. Multiple applications and suspected multiple applications may be rejected. Where an investor, is the primary party to more than one application, whether individually or jointly, after the first application to which he is the primary party has been fully processed, all other applications may be rejected.
- d. Subject to (a) above, I/We undertake to buy the said number of Shares set out in the front of this application and shall not revoke this subscription.
- e. (If the applicant is a Company) I/We attach or agree to provide a list of persons authorized to sign on behalf of the applicant.
- f. I/we certify that this application is the only application for Shares under the Offer submitted by me/us; and no application for Shares under the Offer is being submitted by a Custodian on my/our behalf.
- g. If I am/we are completing this application as a custodian, I/we certify that :
  - i. I/we hold the Shares directly or indirectly as a custodian for beneficial owners;
  - ii. the beneficial owners for which I am/we are holding those Shares as custodian is set out in the front of this application
  - iii. the beneficial owner on whose behalf I am/ we are submitting this application is named on the front of this form and is an investor who is qualified in one of the categories listed in (j) below, and that the beneficial owner has instructed me/us to apply for and accept, under this Offer, the number of shares set out on the front of this application.
  - iv. the beneficial owner on whose behalf I am/we are submitting this application is not making an application on his/its own as an eligible investor.
- h. I certify that all supporting documents (source of funds, etc.) submitted with this application are true and correct.
- i. I/We understand that the trading value of the Shares is not guaranteed as they can fluctuate.
- j. If the maximum Offer is oversubscribed, consistent with the Company's policy of promoting the widest possible participation in share ownership, priority to receive the allocation applied for up to the limits noted (as a percentage of the maximum Offer) shall be given in descending order of priority to the categories identified below:
 

1.	<b>Individual investors</b>	50%
2.	<b>Other investors</b>	50%
- k. Applications may be rejected for the following reasons:
  - i. If the application for purchase is incomplete;
  - ii. If it is discovered that the investor is the primary party to more than one application, whether through an application submitted directly by the investor or through a custodian acting on the investor's behalf;



- iii. If the investor's identity is fictitious and not supported by valid identification; and
- iv. If the investor is not classified into one of the approved categories of investors
- v. If the application for purchase, as presented, contravenes any existing law or statute.

## NOTES

1. A Corporation may execute this application either under its common seal or under the hand of a duly authorized officer, who should state his capacity, and supply a list of authorized signatories. It should insert its registered or head office address.
2. If this form is signed under power of attorney, a duly certified copy thereof, must accompany this form.
3. No certificates for registered holdings will be issued. Quarterly statements will be sent by post to the applicant's address provided that there is activity on the Trinidad and Tobago Central Depository account during the quarter. If there is no activity, a statement will be sent out annually beginning 31st December, 2019.
4. When this Share Subscription Form is duly completed, it must be delivered to the Lead Broker:

First Citizens Brokerage and Advisory Services Limited  
17 Wainwright Street, St. Clair, Port of Spain,

A copy of the Prospectus can be obtained at First Citizens Brokerage & Advisory Services Limited or at <https://ehl.tt/>

## APPENDIX 7 – TTCD ACCOUNT OPENING CHECK LIST

To subscribe for shares in this IPO a subscriber must have a brokerage account and must complete and submit a Subscription Form.

**If subscribers need to open a Brokerage Account, the following are the minimum requirements to complete the account opening process:**

- Two forms of valid government issued photo identification (ID card, drivers permit, passport)
- Proof of address: a utility bill not more than three (3) months old
- Proof of income: a job letter or payslip not more than one month old Proof of chequing or savings account number at a commercial bank in Trinidad and Tobago, for dividend remittance details; Accounts must not be dormant or inactive.

Brokerage account openings can be done at any broker and the above requirements may vary. Companies wishing to open a brokerage account should contact their broker of choice for requirements.

**If subscribers already have a brokerage account and would like to submit a subscription, the following must be provided along with a subscription form:**

- Brokerage Account number
- Valid government issued photo identification of all parties to the brokerage account Proof of chequing or savings bank account number at a commercial bank in Trinidad and Tobago to complete remittance details; Accounts must not be dormant or inactive.
- Payment with a TT dollar cheque, in the exact amount related to the number of shares subscribed. Cheques are to be made payable to “FCBAS – EHL-IPO” and can be personal or manager/bank cheques and must be issued by any one of the holders or a combination of holders of the TTCD account. Third party cheques will not be accepted.
- Subscriptions valued at TT\$90,000\*\* or more will require a completed source of funds along with proof of same

Companies wishing to submit a subscription form should contact their broker for requirements.

**\*\*Subscriptions valued at TT\$90,000 or more MUST be submitted to the subscriber’s broker**

Account Openings and Subscription Submissions at the Lead Distribution Agent **First Citizens Brokerage and Advisory Services (FCBAS)** offices are **BY APPOINTMENT ONLY:**

- 17 Wainwright Street, St. Clair, Port of Spain: 622-3247 ext. 5976
- Lady Hailes Avenue, San Fernando: 657-2662 ext. 6207
- Email: [brokerage@firstcitizenstt.com](mailto:brokerage@firstcitizenstt.com)

## APPENDIX 8 – METHODOLOGY FOR VALUATION OF EHL SHARES

The price of the Offered Shares is based on fair market value of the shares which was determined using generally accepted valuation approaches and methods. The valuation methods to be considered include:

1. **The Income Approach** – EHL’s major operating assets are properties which are all income generating. Therefore greater reliance will be placed on the income approach and more specifically the Discounted Cash Flow method when valuing the EHL shares. Under this method the present value of the projected net operating income of EHL’s properties as well as the properties’ residual value are derived based on a discount rate. A DCF analysis involves forecasting cash flows over an appropriate period and then discounting each year’s cash flow to a present value at an appropriate discount rate. This discount rate should consider the time value of money, inflation and the risk inherent in ownership of the asset or security interest being valued. If cash flows are expected to continue beyond the period for which reliable cash flows are available, the present value of the terminal or reversionary value is calculated and added to the discounted income stream to arrive at the total present market value of the enterprise or assets. The value of the asset or interest at the end of the projection period (often referred to as the “Terminal Value”) is estimated using either a perpetual growth assumption (i.e., “Gordon Growth Model”) or an “exit” multiple as applied to the expected earnings or cash flow level for the final year of the projection.
2. **Other Approaches** – The market and net asset approaches are alternative methodologies which should also be considered when valuing EHL shares.
  - Under the market approach, market comparables of similar companies will be determined. Market approach methodologies applied in the determination of Total Enterprise Value (TEV) normally are based on the application of a market multiple. The multiple expresses the relationship between observed market prices and an observable business factor, such as revenue or earnings. The multiple expresses the relationship between observed market prices and an observable business factor, such as revenue or earnings. Where prices are based on business sale transactions, multiples are described as “transaction multiples”; where prices are drawn from the trading of shares in the market, multiples are described as “trading multiples”. Trading multiples can be based on various earnings or revenue measures. Earnings or revenues are usually adjusted or “normalized” to eliminate unusual or non-representative historical revenues and expenses, with the objective of making results representative of expected future operations. Trading multiples applied to earnings are most commonly applied at the Earnings level (the total of “returns of” and “returns on” invested capital); at the EBIT level (the total “return on” invested capital); or at the net income level.
  - Under the net asset approach, EHL’s assets and liabilities will be fair valued and the net asset value determined. The fair value of its properties will be determined through independent property valuations which are scheduled to be conducted on an annual basis.

**ENDEAVOUR**  
**HOLDINGS LTD.**



Tradezone, 1 El Socorro Ext. San Juan



(868) 675-5052



(868) 638-7670



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