

From: [REDACTED]
To: [Manston Airport](#)
Cc: [Richard Price](#)
Subject: Interim submission
Date: 10 May 2019 11:50:02

Dear Case Team,

We have undertaken an initial review of the Applicant's submissions regarding its "restructuring" and would like to bring an number of matters to the attention of the Examining Authority at the earliest opportunity

We will be providing a comprehensive submission at Deadline 7, which addresses the wider funding points and a number of other material matters regarding the veracity of the Applicant's Deadline 6 submissions, but thought it important to flag our concerns regarding the manner in which the Applicant has presented its restructure.

It is worth noting that in the Applicant's Response for Deadline 1: Enclosure 1 to Main Letter re. s51 Advice on Funding it stated that:

"The Applicant has recognised that the lack of transparency in relation to the Belize entity in particular has given rise to a number of questions."

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It is therefore literally incredible that the Applicant considers the so-called restructuring to have improved the level of transparency. SHP has reviewed the information submitted by the Applicant at Deadline 6 and other publically available information. For the which shows;

1. The only change is that the 9,000 shares in the Applicant (each with a nominal value of £0.0001) that were previously held by MIO Investments Ltd have been transferred to, RiverOak Investments (UK) Ltd ,a new UK SPV incorporated on 23 April 2019. That UK company is now owned 60% by a BVI company, HLX Nominees Ltd, on which no information is available (although when undertaking a search on Google, the company is named in the Panama papers leaks).
2. The 9,000 shares that were transferred had a nominal value of **only £0.90.**
3. It is considered highly unlikely that the transfer price of these shares was anything other than £0.90, as the shares in the Applicant (which have a total nominal value of £1), have no intrinsic value.
4. The true value of the Applicant's shares is the cumulative sum of the value of the shares in each of its subsidiaries. However, as all the expenses, costs and investments of these entities have been fully funded by loans from MIO Investments Ltd (now claimed by the Applicant to exceed £15m), it is not possible to see how there could be any value in the shares of the Applicant's subsidiary companies.
5. As explained by Mr Rothwell at the CA hearing on 20 March 2019, the only "assets" held by the RiverOak companies is the Jentex land it acquired in 2018, which is owned by RiverOak Fuels Limited. MIO Investments Ltd, as providers of the loan to RiverOak Fuels

Ltd, would require to have its loan fully repaid (with interest, fees and costs), which significantly exceeds the £2.3m paid for the land, before any value would attach to its shares.

6. The same would be true of the other loans claimed to be provided to RiverOak Operations Limited. Based on the Applicant's recent submissions, these loans appear to be total c.£12.5m. As there are no assets in RiverOak Operations Ltd, the shares have no intrinsic value.
7. It is important to note that ALL the funding has been provided by the Belize based MIO Investments Ltd on which no relevant information has been provided. The Applicant intends that MIO will continue to provide funding but provides no evidence.
8. In our Deadline 6 Submissions in our comments on the Applicant's written summary of oral submissions put at the CA hearing, we set out a number of issues / concerns regarding the JV Agreement, why it does not say what the Applicant says it does and why the £15m "loan agreement" is essentially meaningless as any payments are completely at the discretion of MIO Investments under the terms of the wider documentation.

In summary, it is clear that the Applicant has done nothing meaningfully to improve transparency.

The majority beneficial ownership of the Applicant's shares has simply been transferred from MIO to another offshore company. The new UK SPV provides no more transparency. Furthermore, as the sum total of the equity investment by the shareholders of the Applicant appears to be £1, the information on the funders is of more relevance than the shareholders.

However, despite the power MIO Investments (who provide all the funding and hold all the economic value) wield over decision making of the Applicant (see JV Agreement), no relevant information has been disclosed on MIO Investments.

It is also clear that the "new investors" heralded by the Applicant have not materialised.

As we have clearly set out in our previous submissions, we are hugely frustrated by the wasted and unnecessary expense we and other parties (including statutory bodies) are being required to incur on a process where the Applicant is acting so unreasonably.

Best regards
Jamie

Jamie Macnamara
Stone Hill Park Ltd