

**Date of Announcement: 26 August 2025**

**Reference: 13/2025**



The following is a company announcement issued by HH Finance plc (the “Company”), bearing company registration number C-84461, pursuant to the Prospects MTF Rules.

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**APPROVAL OF INTERIM UNAUDITED FINANCIAL STATEMENTS AND  
PUBLICATION OF RECAST FORECASTS**

**QUOTE**

The Company hereby announces that during its meeting held earlier today, the Board of Directors approved the Company’s interim unaudited financial statements for the six-month period ended 30 June 2025.

The interim financial statements are attached to this announcement and are also available for viewing and downloading in the Investors section on the Company’s website: <https://www.hhfinance.com.mt/investor-relations/>.

The Company is able to confirm that there have been no material deviations in the business and the actual financials of the Company for the period ended 30 June 2025 reported in the unaudited interim financial statements published today relative to the projections published on 29 April 2025 (Announcement MSE Ref: HHF78, Company Ref: 5/2025).

This notwithstanding, the Company reminds the market of a series of transactions announced on 29 July 2025 (Announcement MSE Ref: HHF81, Company Ref: 8/2025) (the “**July Announcement**”) and executed recently, as noted therein, in an effort to rationalise and consolidate the Company’s and its related group of companies’ financial arrangements in readiness for the prospective issue of a new bond to the public on the main market for the aggregate amount of twenty seven million Euro (€27,000,000.00) in secured bonds (or the New Bonds, as defined in the July Announcement), and related growth plans.

With the crystallisation of those transactions, the Company’s financial profile, including its income statement and balance sheet, will see material changes to the financial projections of the Company for the second half of the year as described in the same July Announcement.

In view of this, the Company is today publishing recast consolidated financial projections for the year ending 31 December 2025, also attached to this announcement and available for viewing and downloading in the Investors section on the Company's website – which projections provide for and reflect the abovementioned transactions.<sup>1</sup>

***UNQUOTE***

**By order of the Board.**



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**Dr Emma Grech**  
Company Secretary

26 August 2025

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<sup>1</sup> The Board notes that the projections have been published on a consolidated basis today in view of the fact that the Company, as explained in the July Announcement, recently acquired a new subsidiary, namely All Round Entertainment Ind. Limited (C-34949), and shall therefore, going forward, be publishing financial statements on a consolidated basis.

**HH FINANCE PLC**

**Reg. No.: C 84461**

**Unaudited Half-Yearly Financial Report**

**For the period ended 30<sup>th</sup> June 2025**

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**Interim directors' report pursuant of Prospects Rule 4.11.12****For the period ended 30<sup>th</sup> June 2025**

This Half-Yearly report is being published in terms of Chapter 4 of the Prospects Rules of the Malta Stock Exchange. The Half-Yearly report comprises the reviewed unaudited condensed interim financial statements for the period ended 30<sup>th</sup> June 2024 prepared in accordance with IAS 34, 'Interim Financial Reporting'.

**Principal activity**

The principal activity of the Company, which is unchanged during the course of the reporting period, is the leasing of its investment property to a fellow subsidiary.

**Review of business development and financial position**

During the period under review, profit before taxation amounted to €585,798 while accrued bond interest payable amounted to €125,000 based on the unaudited Half-Yearly financial report for the period ended 30<sup>th</sup> June 2025.

Whilst the Company has performed during the reporting period in line with expectations, it has also, subsequent to the 30<sup>th</sup> of June 2025, announced to the market and its investors through the Prospects MTF Market the execution of a series of transactions seeking to rationalise the financial arrangements for the Company with a view to seeking new financing for its future growth plans. These transactions included the acquisition of All Round Entertainment Ind. Limited (C-34949), the rationalisation of intra-group payables and receivables as well as the issue of additional authorised and issued share capital as explained in the announcement of the Company published on 29 July 2025 (Announcement MSE Ref: HHF81, Company Ref: 8/2025).

**Dividend**

No interim dividends are being proposed.

Approved by the Board of Directors on 26 August 2025 and signed by:



Mr. Luke Chetcuti  
**Director**



Mr. Kari Pisani  
**Director**

**Directors' statement on condensed financial statements**

We hereby confirm that, to the best of our knowledge, the condensed set of financial statements for the period ended 30<sup>th</sup> June 2025, which have been prepared in accordance with IAS 34, '*Interim Financial Reporting*', gives a true and fair view of the financial position and the financial performance and cash flows of HH FINANCE PLC and that the interim directors' report includes a fair review of the information.

**Signed by:**

Mr. Luke Chetcuti  
**Director**



Mr. Kari Pisani  
**Director**

**Registered address:**

2, St Georges Court A  
St Augustine Street  
St Julians  
Malta

## Condensed statement of comprehensive income

For the period ended 30<sup>th</sup> June 2025

	Note	30 June 2025 (unaudited) (6 months) €	30-Jun-24 (unaudited) (6 months) €
Revenue	4	1,022,000	1,022,000
Administrative expenses		(35,742)	(44,173)
<b>Operating profit</b>	<b>5</b>	<b>986,258</b>	<b>977,827</b>
Interest income	6	240,775	200,852
Interest expense	7	(641,235)	(628,340)
<b>Profit before tax</b>		<b>585,798</b>	<b>550,339</b>
Taxation		(205,029)	(192,619)
<b>Profit for the financial period</b>		<b>380,769</b>	<b>357,720</b>
<b>Total comprehensive income for the period</b>		<b>380,769</b>	<b>357,720</b>
<b>Earnings per share</b>	<b>16</b>	<b>2.54</b>	<b>2.38</b>

Condensed statement of financial position as at 30<sup>th</sup> June 2025

	Note	30 June 2025 (unaudited) (6 months) €	31 December 2024 (audited) €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment property	8	42,700,000	42,700,000
Loans receivable	9	11,745,919	10,736,587
Other receivables	10	1,949,855	1,803,855
		<u>56,395,774</u>	<u>55,240,442</u>
<b>Current assets</b>			
Other receivables	10	535,945	572,772
Current tax receivable		-	-
Cash and cash equivalents	15	3,656	8,552
		<u>539,601</u>	<u>581,324</u>
<b>TOTAL ASSETS</b>		<u>56,935,375</u>	<u>55,821,766</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	11	150,000	150,000
Retained earnings		15,939,429	15,654,623
<b>TOTAL EQUITY</b>		<u>16,089,429</u>	<u>15,804,623</u>
<b>Provisions for liabilities and charges</b>			
Deferred tax liabilities	13	4,796,490	4,246,875
<b>Non-current liabilities</b>			
Borrowings	12	31,012,066	30,835,431
Other payables	14	4,352,034	4,017,417
		<u>35,364,100</u>	<u>34,852,848</u>
<b>Current liabilities</b>			
Trade and other payables	14	220,659	358,443
Current tax payable		464,696	558,977
		<u>685,355</u>	<u>917,420</u>
<b>TOTAL LIABILITIES</b>		<u>40,845,945</u>	<u>40,017,143</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>56,935,375</u>	<u>55,821,766</u>

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The financial statements on pages 4 to 15 were approved by the directors on 26 August 2025 and signed by:

A stylized, cursive signature in black ink, likely belonging to Mr. Luke Chetcuti.

Mr. Luke Chetcuti  
**Director**

A stylized, cursive signature in black ink, likely belonging to Mr. Kari Pisani.

Mr. Kari Pisani  
**Director**



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**Condensed statement of changes in equity**
**For the period ended 30<sup>th</sup> June 2025**

	<i>Share capital</i> €	<i>Retained earnings</i> €	<i>Total equity</i> €
<b>Financial year ended 31 December 2024</b>			
Balance at 1 January 2024	150,000	14,942,952	15,092,952
Total comprehensive income for the year	-	711,671	711,671
<b>Balance as at 31 December 2024</b>	<b>150,000</b>	<b>15,654,623</b>	<b>15,804,623</b>
<b>Financial period ended 30 June 2025</b>			
Balance at 1 January 2025	150,000	15,654,623	15,092,952
Total comprehensive income for the period	-	380,769	380,769
<b>Balance as at 30 June 2025</b>	<b>150,000</b>	<b>16,035,392</b>	<b>15,473,721</b>

## Condensed statement of cash flows

For the period ended 30<sup>th</sup> June 2025

	Note	30 June 2025 (unaudited) (6 months) €	30 June 2024 (unaudited) (6 months) €
<b>Cash from operating activities:</b>			
Profit before tax		585,798	550,339
<b>Adjustment for:</b>			
Interest expense		641,265	628,340
Interest income		(240,775)	(200,852)
<b>Profit from operations</b>		<b>986,288</b>	<b>977,827</b>
Increase in other receivables		(977,420)	(699,136)
Decrease/(Increase) in trade and other payables		(219,500)	(223,475)
<b>Cash from operating activities</b>		<b>(210,632)</b>	<b>55,126</b>
Payment of income taxes		(299,656)	(10,715)
<b>Net cash flows from operating activities</b>		<b>(510,288)</b>	<b>44,501</b>
<b>Cash used in financing activities:</b>			
Repayments from a fellow subsidiary		630,392	115,059
Advances to a fellow subsidiary		-	-
Payments of interest		(125,000)	(125,000)
<b>Net cash flows used in financing activities</b>		<b>505,392</b>	<b>(9,941)</b>
<b>Net cash increase in cash and cash equivalents</b>		<b>(4,896)</b>	<b>34,560</b>
<b>Cash and cash equivalents at beginning of period</b>		<b>8,552</b>	<b>41,090</b>
<b>Cash and cash equivalents at end of period</b>	15	<b>3,656</b>	<b>75,650</b>

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**Notes to the condensed financial statements****For the period ended 30<sup>th</sup> June 2025****1 Basis of preparation****1.1 Basis of measurement and statement of compliance**

The interim condensed financial statements of HH FINANCE PLC have been prepared in accordance with International Accounting Standard 34, *'Interim Financial Reporting'* and in terms of Rule 4.11.12 of Prospects which is operated and regulated by the Malta Stock Exchange.

The financial information has been extracted from the Company's unaudited interim financial statements for period ended 30<sup>th</sup> June 2023.

**1.2 Functional and presentation currency**

The financial statements are presented in euro, which is the Company's functional currency.

**2 Significant accounting policies****2.1 Investment property**

Investment properties are freehold land and/or buildings held for long-term rental and capital appreciation that are not occupied by the Company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured at fair value. Movements in fair value are recognised directly in profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected. Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

**2.2 Financial instruments**

Financial assets are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income; and
- financial assets at fair value through profit or loss.

The Company's financial assets are mainly financial assets at amortised cost.

Financial liabilities are classified at initial recognition in accordance with how they are subsequently measured, as follows:

- financial liabilities at amortised cost; and
- financial liabilities at fair value through profit or loss.

The Company's financial liabilities are mainly financial liabilities at amortised cost.

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**Notes to the condensed financial statements****For the period ended 30<sup>th</sup> June 2025****2 Significant accounting policies (Cont'd)****2.3 Ordinary shares**

Ordinary shares issued by the Company are classified as equity.

**2.4 Cash and cash equivalents**

Cash in hand and at banks and short-term deposits which are held to maturity are carried at cost. Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**2.5 Income taxes**

The tax charge in the profit or loss for the year normally comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period.

Deferred income tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised and/or sufficient taxable temporary differences are available. Deferred tax assets are reduced to the extent that is no longer probable that the related tax benefit will be realised.

**3 Turnover**

Turnover represents lease income from a fellow subsidiary on the lease of the hotel. Lease income is recognised on a straight-line basis over the term of the lease.

## Notes to the condensed financial statements

For the period ended 30<sup>th</sup> June 2025**4 Revenue**

	<b>30 June 2025</b> <b>(unaudited)</b> <b>(6 months)</b> €	<b>30 June 2024</b> <b>(unaudited)</b> <b>(6 months)</b> €
Rental income	<u>1,022,000</u>	<u>1,022,000</u>

**5 Operating profit**

	<b>30 June 2025</b> <b>(unaudited)</b> <b>(6 months)</b> €	<b>30 June 2024</b> <b>(unaudited)</b> <b>(6 months)</b> €
Auditors' remuneration	4,155	3,823
Directors' remuneration	<u>23,250</u>	<u>19,200</u>
	<u>27,405</u>	<u>23,023</u>

**6 Interest income****INTEREST INCOME**

	<b>30 June 2025</b> <b>(unaudited)</b> <b>(6 months)</b> €	<b>30 June 2024</b> <b>(unaudited)</b> <b>(6 months)</b> €
On related party loans	<u>240,775</u>	<u>200,852</u>

**7 Interest expense**

	<b>(unaudited)</b> <b>(6 months)</b> €	<b>(unaudited)</b> <b>(6 months)</b> €
Interest on bonds	125,000	125,000
Interest on related party borrowings	339,500	339,500
Effective interest amortisation on related party borrowings	<u>176,735</u>	<u>163,840</u>
	<u>641,235</u>	<u>628,340</u>

## Notes to the condensed financial statements

For the period ended 30<sup>th</sup> June 2025

## 8 Investment property

	<b>30 June 2025 (unaudited) (6 months) €</b>	<b>31 December 2024 (audited) €</b>
<b>At fair value</b>		
Opening balance	42,700,000	42,700,000
Change in fair value	-	-
	<u>42,700,000</u>	<u>42,700,000</u>

## 9 Loans receivable

	<b>30 June 2025 (unaudited) (6 months) €</b>	<b>31 December 2024 (audited) €</b>
Loan facility to a fellow subsidiary company	786,809	773,145
Credit facility to a fellow subsidiary company	10,959,110	9,963,442
	<u>11,745,919</u>	<u>10,736,587</u>

## 10 Other receivables

	<b>30 June 2025 (unaudited) (6 months) €</b>	<b>31 December 2024 (audited) €</b>
<b>Non-current</b>		
Accrued income	<u>1,949,855</u>	<u>1,803,855</u>
<b>Current</b>		
Accrued income	146,000	292,000
Deferred bond issue costs	56,250	-
Amounts owed by related parties	327,278	278,068
Prepayments	6,417	2,704
	<u>535,945</u>	<u>572,772</u>

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**Notes to the condensed financial statements**
**For the period ended 30<sup>th</sup> June 2025**
**11 Share capital**

	<b>30 June 2025</b> <i>(unaudited)</i> <i>(6 months)</i> €	<b>31 December 2024</b> <i>(audited)</i> €
<b>Authorised, issued and full paid up</b>		
149,999 Ordinary A shares at €1 each	149,999	149,999
1 Ordinary B share at €1	1	1
	<u>150,000</u>	<u>150,000</u>

**12 Borrowings**

	<b>30 June 2025</b> <i>(unaudited)</i> <i>(6 months)</i> €	<b>31 December 2024</b> <i>(audited)</i> €
Amounts owed to the parent company	26,012,066	25,835,431
€5,000,000 bonds, 5%, 2023-2028	5,000,000	5,000,000
	<u>31,012,066</u>	<u>30,835,431</u>

**13 Deferred tax liability**

	<b>30 June 2025</b> <i>(unaudited)</i> <i>(6 months)</i> €	<b>31 December 2024</b> <i>(audited)</i> €
The balance represents temporary differences attributable to:		
Accrued income	1,380,490	830,875
Fair valuation of investment property	3,416,000	3,416,000
	<u>4,796,490</u>	<u>4,246,875</u>

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Notes to the condensed financial statements
For the period ended 30<sup>th</sup> June 2025**14 Trade and other payables**

	<b>30 June 2025</b> <b>(unaudited)</b> <b>(6 months)</b> €	<b>31 December 2024</b> <b>(audited)</b> €
<b>Non-current</b>		
Accrued interest	<u>4,352,034</u>	<u>4,017,417</u>
<b>Current</b>		
Trade payables	36,666	-
Accrued interest	169,550	164,569
Amounts due to related party	435	435
Accruals	12,945	15,888
Other taxes	196,796	26,311
VAT payable	267,900	150,177
Other payables	<u>1,063</u>	<u>1,063</u>
	<u>685,355</u>	<u>358,443</u>

**15 Cash and cash equivalents**

	<b>30 June 2025</b> <b>(unaudited)</b> <b>(6 months)</b> €	<b>31 December 2024</b> <b>(audited)</b> €
Bank balances	<u>3,656</u>	<u>8,552</u>

**16 Earnings per share**

	<b>30 June 2025</b> <b>(unaudited)</b> <b>(6 months)</b> €	<b>31 December 2024</b> <b>(audited)</b> €
Profit for the financial period/year	€ 380,769	€ 711,671
Weighted average number of ordinary shares	<u>149,999</u>	<u>149,999</u>
<b>Basic earnings per share</b>	<u>€ 2.54</u>	<u>€ 4.74</u>

**17 Financial risk management**

Financial assets include cash held at bank and in hand. Financial liabilities include creditors and other borrowings.



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**Notes to the condensed financial statements****For the period ended 30<sup>th</sup> June 2025****17 Financial risk management (Cont'd)****Risk management policies**

- a) Credit risk on amounts receivable is limited through the systematic monitoring of outstanding balances, and the presentation of receivables net of allowances for doubtful debts, where applicable. The loans receivable and other receivables are mainly receivables from a fellow subsidiary. Cash is placed with reputable banks. The resulting expected credit loss has been assessed to be not material to this financial report.
- b) Liquidity risk is limited as the company has the ability to raise finance to meet its financial obligations as they arise. Moreover, financing from the parent company is readily available in order to support the Company in meeting its obligations when they fall due.

**18 Related party transactions**

The Company had related party transactions with related companies which are related by virtue of being under common control, by having common significant shareholders. Balances with related companies are shown in notes 9, 10 and 12.

**HH Finance plc – C 84461****Updated Projected Consolidated Income Statement for year ending 31 December 2025**

	<b>2025</b>
	<b>€000s</b>
<b>Revenue</b>	
Rent from Related Parties	2,854
Rent from Third Parties	580
Royalty and service fees	326
<b>Total Revenue</b>	<b>3,760</b>
<b>Administrative expenses</b>	
Audit fees	(12)
Directors' fees	(51)
Professional fees	(34)
Registration fees	(9)
Utilities	(103)
Licenses and Insurance	(18)
Commissions	(8)
Repairs & Maintenance	(1)
Other	(1)
	<hr/> (237) <hr/>
<b>Operating Profit</b>	<b>3,523</b> <hr/>
<b>Interest expense</b>	
Effective interest amortisation on related party borrowings	(601)
Interest on related party borrowings	(679)
Interest on bond	(250)
Amortisation of IP	(375)
	<hr/> (1,905) <hr/>
<b>Interest Income</b>	
Interest on related party loans	<b>505</b>
<b>Profit before tax</b>	<b>2,123</b>
Tax charge for the year	(627)
<b>Profit after tax</b>	<div style="border: 1px solid black; display: inline-block; padding: 2px;"><b>1,496</b></div>

**HH Finance plc – C 84461****Updated Projected Consolidated Statement of Financial Position for year ending 31 December 2025**

	<b>2025</b> <b>€000s</b>
<b>Assets</b>	
<b>Non-current assets</b>	
Investment Property	135,800
Intangible Assets	6,300
	<hr/> <b>142,100</b>
<b>Current assets</b>	
Trade & Other receivables	450
Cash and cash equivalent	12,232
	<hr/> <b>12,682</b>
<b>Total Assets</b>	<hr/> <b>154,782</b>
<b>Equity and Liabilities</b>	
<b>Capital and reserves</b>	
Share capital	250
Retained earnings	17,151
	<hr/> <b>17,401</b>
<b>Total equity</b>	<hr/> <b>17,401</b>
<b>Provision for liabilities and charges</b>	
Deferred tax liability	<hr/> <b>10,547</b>
<b>Non-current liabilities</b>	
Amounts owed to parent company	98,074
Debt securities in issue	26,501
Other payables	1,013
	<hr/> <b>125,561</b>
<b>Current Liabilities</b>	
Trade and other payables	646
Current Tax payable	627
	<hr/> <b>1,273</b>
<b>Total Liabilities</b>	<hr/> <b>137,381</b>
<b>Total Equity and Liabilities</b>	<hr/> <b>154,782</b>

**HH Finance plc – C 84461****Updated Projected Consolidated Statement of cashflows for year ending 31 December 2025**

	<b>2025</b> <b>€000s</b>
<b>Profit before tax</b>	<b>2,123</b>
<b>Adjustment for:</b>	
Interest expense	1,905
Interest income	(505)
Profit from operations	<hr/> <b>3,523</b>
<b>Cashflows from operating activities</b>	
Movement in working capital	835
Tax paid	(1,758)
<b>Cashflows from operating activities</b>	<hr/> <b>2,600</b> <hr/>
<b>Cashflows from investing activities</b>	
Payment to fellow subsidiary	<b>(13,609)</b>
<b>Cashflows from financing activities</b>	
Securities in issue	<b>21,460</b>
Payment of interest	<b>(250)</b>
<b>Net increase in cash and cash equivalents</b>	<b>9,908</b>
Cash and cash equivalents at beginning of year	2,031
<b>Cash and cash equivalents at end of year</b>	<hr/> <b>12,232</b> <hr/>