



**HILI
PROPERTIES**

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COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Hili Properties p.l.c. (the “Company”) pursuant to the Capital Markets Rules issued by the Malta Financial Services Authority in accordance with the provisions of the Financial Markets Act (Chapter 345 of the Laws of Malta), as amended from time to time.

QUOTE

Information to the Market

The Company announces that its Board of Directors has evaluated the conditional voluntary public takeover bid for the acquisition of all the issued share capital of the Company (the ‘**Voluntary Bid**’) made by Hili Ventures Limited (C 57902), by means of an offer document dated February 21, 2025.

Having evaluated the effects of the implementation of the Voluntary Bid on employment, conditions of employment and the location of the Company’s place of business, the Statement of Opinion from the Board of Directors is attached to this Company Announcement (Annex A), as required in terms of Capital Markets Rules 11.28 and 11.29 and is available for viewing on the Company’s website <https://hiliproperties.com/>.

UNQUOTE

BY ORDER OF THE BOARD

Adrian Mercieca
Company Secretary
February 28, 2025



Annex A

Statement of Opinion of the Board of Directors of Hili Properties p.l.c.

This Statement of Opinion (or "**Statement**") is being made by the Board of Directors of Hili Properties p.l.c. (the "**Company**") pursuant to Rules 11.28 to 11.31 of the Capital Markets Rules issued by the Malta Financial Services Authority (the "**Capital Markets Rules**"). This Statement is made in relation to the offer document dated February 21, 2025 (the "**Offer Document**") published by Hili Ventures Limited (the "**Offeror**"). All undefined terms used in this Statement shall have the definitions and interpretation given to them in the Offer Document.

1. Introduction

By means of a Company Announcement dated February 18, 2025, the Company informed the public that it had been notified of the Offeror's intention to offer all the Eligible Target Shareholders of the Company the option to purchase and acquire all of the issued ordinary Shares in the Company.

In terms of Chapter 11 of the Capital Markets Rules, on February 21, 2025, the Offeror submitted its conditional voluntary public takeover bid (the "**Bid**"). Details of the Bid including the terms and the price offered per Target Share are contained in the Offer Document submitted by the Offeror and are available on both the Company's and the Offeror's websites. The Offeror has offered to pay the Offer Consideration of €0.24 per Target Share in cash, according to the terms set out in the Offer Document.

As required by Capital Markets Rules 11.23 and 11.24, a report by PricewaterhouseCoopers, being the expert appointed by the Offeror and who is independent from the Offeror and the Company, has been appended to the Offer Document as Annex 2 (the "**Expert's Report**").

The Board of Directors is issuing this Statement after having reviewed the Offer Document and the Expert's Report.

The Offeror has confirmed that it has sufficient financial resources to meet the consideration on full acceptance of the Offer and to pay the costs incurred with the Offer and therefore the Bid will be financed through the available cash resources.

2. Considerations

a) General

The intention of the Offeror is to acquire the entire issued share capital of the Company. Its Bid is conditional upon the Completion Conditions set out in sub-section 5.4 of the Offer Document being met. These are being reproduced hereunder:

“5.4 Completion Conditions

Completion of the Offer is subject to and conditional upon the fulfilment, or waiver by the Offeror, of all the following conditions (the “**Completion Conditions**”):

- (i) **no material adverse change** – no material adverse change taking place following publication of this Offer Document and until completion of the Offer, in relation to, inter alia, the financial condition, commercial position, business, assets or results of the Company;
- (ii) **conduct of business** – following publication of this Offer Document and until completion of the Offer, the Company continuing in all material respects to conduct its business in an ordinary manner and in accordance with applicable laws, regulations and decisions of public authorities, and also refraining from entering into agreements outside the ordinary course of business and not making or proposing changes to the Company’s capital structure, financing structure or corporate status or issuing securities or other rights to acquire Target Shares or securities issued or making any dividend declarations, distributions or redemption of Target Shares; and
- (iii) **no intervention** – no court or governmental or other regulatory authority (including any applicable securities regulator) having taken any legal action which restrains or prohibits the Offer or the completion of same in any manner.

The Offeror shall be entitled to waive one, some or all of the Completion Conditions, in whole or in part, in its sole and absolute discretion.”

In terms of the Capital Markets Rules, the Board of Directors of the Company is required to provide its opinion on the Bid and the reasons on which it is based, including its views on the effects of the implementation of the Bid on all the Company’s interests and specifically employment, and on the Offeror’s strategic plans for the Company and their likely repercussions on employment and the locations of the Company’s places of business, as set out in the Offer Document in accordance with Capital Markets Rule 11.22.9.

b) Strategic Outlook

In section 8 of its Offer Document (Offeror’s Intentions with regard to the future business of the Company), the Offeror states that:

“The Offeror currently holds just over 74.83% of the issued share capital of the Company and, therefore, pursuant to the Offer, the Offeror does not intend to implement any material changes to the general business of the Company as a direct consequence of acquiring the Target Shares.



The Offeror's intention is to continue to execute the Company's current business strategy, to deliver income and capital growth through active property management. It will also continue to optimise the property portfolio through acquisitions and disposal of properties, while seeking opportunities to improve profitability through further investment and operational efficiency.

Vision and main synergies to be pursued between the Company and the Offeror

The Offeror is a non-trading company and was purposefully set up to hold shares in various companies and to act as a holding company. As a result, there are no plans to change the current operation of the two companies and no repercussions on employment."

c) Directors and Employees

The Offeror has declared its intention to retain the services of the current directors and employees of the Company.

d) Squeeze-out

The Offeror states in sub-section 9.1 of the Offer Document that if, as a result of the Offer, the Offeror acquires and holds 90% or more of the issued share capital and votes in the Company as at the Closing Date, it intends to exercise its right to require all the remaining Target Shareholders to sell and transfer the remaining Target Shares to the Offeror, and each remaining Target Shareholder will have the right to require the Offeror to purchase the remaining Target Shares, in both cases at a fair price, payable in cash within a maximum period of three (3) months from the Closing Date.

e) De-listing

Sub-section 9.2 of the Offer Document declares the Offeror's intention, on completion of the Offer and dependent on the number of Target Shares acquired by the Offeror pursuant to the Offer, to propose to the Board of Directors and the general meeting of the Company, to apply to the Malta Financial Services Authority for the de-listing of the Shares in the Company from the Official List of the Malta Stock Exchange, on the basis that the conditions for listing can no longer be fulfilled. In sub-section 9.2 of the Offer Document, the Offeror further states that subject to any direction which may be given by the Malta Financial Services Authority and subject to the observance of all procedures and formalities as set out in the Capital Markets Rules, the Offeror intends to request that the Company be de-listed from the Official List of the Malta Stock Exchange.



3. Opinion

The Board of Directors of the Company has evaluated the Bid, taking the best interests of the Company and its long-term development into consideration.

Based on the representations made in the Offer Document and the content of the Expert's Report, which forms part of the Offer Document, the Board of Directors of the Company is of the opinion that the acquisition of all the Shares in the Company by the Offeror should not result in any material change to the operations, strategy and business model of the Company.

It is the Board of Directors' understanding that the Bid should not presently generate any significant changes to:

- (i) the actual employment structure of the Company; and
- (ii) the conditions of employment of the Company's employees and management.

No opinion is being given on the price offered which, in the opinion of the Board of Directors, should be evaluated taking into consideration the numerous aspects detailed above, as well as the current needs, aspirations and individual circumstances of each individual Target Shareholder.

Nothing in this document should be interpreted or construed as providing or purporting to provide advice to Target Shareholders, whether to accept the Bid or not.

Likewise, the Board of Directors recommends that each Target Shareholder seeks independent advice and guidance from their own stockbrokers and/or financial consultants to fully assess the terms of the Offer Document and to make an informed decision on whether to accept the Bid or not in the light of each Target Shareholder's individual position.

Pier Luca Demajo
Chairman of the Board of Directors

February 28, 2025