

COMPANY ANNOUNCEMENT

Hal Ferh

International Hotel Investments p.l.c. (IHI), the holding company for the Corinthia Hotels Group, is the owner of the site formerly known as Hal Ferh in Golden Bay. Title is held by way of a perpetual emphyteusis acquired from Government in 2009, limiting development to a footprint of not more than 16,700m², 20% of the site's overall area. Half the built footprint can be developed over two floors, and the other half to a single storey. Maximum development is not to exceed 25,000m² of gross floor area. The site currently enjoys a valid planning permit issued early in 2013 for a mass-market timeshare development comprising 216 self-catering apartments and a number of villa-style pavilions. The emphyteutical deed of 2009 cites tourism as a use for the site but included a mechanism for the conversion of part of the gross floor area to residential.

Upon taking over the site in 2015 as part of the acquisition of the Island Hotels Group, IHI declared its intention to re-design the development, whilst retaining the limitations on the overall footprint and volumes, as also a maximum height of two floors for half the buildings, and one floor for the rest. This is in keeping with its rural, Maltese context. On this basis, IHI intends to pursue an upmarket low-rise mixed development focused principally on a luxury hotel and spa complemented by serviced villas and bungalows. Having signalled these intentions, as per contractual mechanisms in the emphyteutical deed and the current planning permit, a series of processes has now commenced, the first being a public consultation on changes to the development brief for the site. When this process is complete, the normal planning application process will commence in parallel to a triggering of the emphyteutical deed's mechanisms for the adoption of a mixed-use scheme, all of which are public processes.

IHI wishes to reaffirm its intention to exalt the Maltese character of the development and retain the current limitations on footprints, heights and development volumes cited in the original title and development briefs for the site. This in keeping with Corinthia's international positioning as a luxury brand which aims to target a more discreet clientele by proposing a low-rise, extensively landscaped mixed-use development as found across the more upmarket destinations in the Mediterranean.

IHI will keep the market informed of developments as these take their course over the next months and years.



Jean-Pierre Schembri
Company Secretary

12 May 2020