



Malta Properties Company plc  
Triq Emvin Cremona, Floriana. FRN 1281  
t. +356 2123 0032  
www.maltaproperties.com.mt

## COMPANY ANNOUNCEMENT

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

### Quote

#### Class 1 Transaction

Malta Properties Company p.l.c., a company registered in Malta bearing registration number C 51272 and with registered office at Triq Emvin Cremona, Floriana FRN 1281, Malta (“MPC”), is a public limited liability company and is in the business of *inter alia* the acquisition and disposal of property.

By virtue of an agreement dated 15 January 2020, MPC entered into a promise of sale agreement (the “Agreement”) with HSBC Bank Malta p.l.c., bearing registration number C 3177 and with registered office at 116, Archbishop Street, Valletta VLT 1444, Malta (“HSBC”) which carries on the business of banking in Malta, whereby HSBC promised and bound itself to sell and transfer to MPC who bound itself to purchase and acquire the building complex officially numbered twenty-two (22) known as HSBC Contact Centre originally known as ‘Price Club’, built on plots of land numbered one (1) to eight (8) forming part of the lands known as ‘Ta’ Sqaq it-Torri’ measuring circa one thousand three hundred and thirty-eight point eight six square meters (1,338.86sqm) at Swatar in the limits of Birkirkara including the parking area adjacent to this building complex, which parking area occupies plot of land numbered nine (9) forming part of the lands known as ‘Ta’ Sqaq it-Torri’ measuring circa three hundred and three point four nine square meters (304.49sqm) (the “Property”) with all its rights and appurtenances, including the overlying airspace and subterrain of the Property as freehold.

The Property is being sold free and unencumbered, subject to the following:

- i. a lease agreement in place in favour of HSBC Global Services (UK) Limited (the “Lease Agreement”). MPC has bound itself to, as from the date of publication of the final deed of sale and purchase in respect of the Property (the “Deed”), honour the terms of the Lease Agreement and, HSBC has bound itself to, prior to the publication of the Deed, obtain from HSBC Global Services (UK) Limited, an obligation in writing that the said HSBC

- Global Services (UK) Limited shall, as from the date of the Deed, recognise MPC as its landlord and abide by the terms and conditions of the Lease Agreement; and
- ii. the inability, due to the Property having been acquired by HSBC by means of judicial auction, of HSBC to guarantee in favour of MPC that the Property is free from any burdens, servitudes, valid hypothecs and privileges, charges, cautions, third party rights, whether real or personal or whatever type or nature, enforcement orders, requisition orders, expropriate and any rights in favour of any third party or parties provided that MPC shall have the right to not appear on the Deed without forfeiture, penalty or any liability and shall be entitled to the immediate refund of the Deposit (as hereunder defined) should it appear that the Property is indeed burdened.

MPC shall also have the right to not appear on the Deed without forfeiture, penalty or any liability and shall be entitled to the immediate refund of the Deposit (as hereunder defined) in the following cases:

- i. should MPC not obtain an Acquisition of Immovable Property in Malta by Non Residents permit (the **"AIP Permit"**) in terms of the Immovable Property (Acquisition by Non-Residents) Act Chapter two hundred and forty six (CAP.246) of the Laws of Malta; or
- ii. should MPC determine Property due diligence results in terms of a due diligence exercise which is currently being undertaken to be unsatisfactory; or
- iii. should MPC fail to obtain, within five (5) weeks from the date Agreement, a sanction letter in terms of bank financing to fund the purchase of the Property.

Furthermore, HSBC has undertaken to carry out refurbishment works to the Property for an amount of not less than one million Euro (EUR1,000,000).

The consideration for the sale and acquisition of the Property is eight million and fifty thousand Euro (EUR 8,050,000) (the **"Price"**) payable as follows:

- i. eight hundred and five thousand Euro (EUR 805,000) (the **"Deposit"**) as part of the Price under the terms and conditions set out in the Agreement; and
- ii. the balance of the Price which amounts to seven million two hundred and forty five thousand Euro (EUR 7,245,000) shall be paid by the Purchaser on the Deed on account of the Price.

HSBC and MPC agree that the Deposit is a payment made on account of the Price and not earnest and they agree as follows:

- i. should MPC terminate the Agreement or not appear for the publication of the Deed, for a valid reason contemplated in the Agreement or for any other reason valid at law, including any defect in the title to the Property, MPC shall have the right to the immediate refund of the Deposit;
- ii. should the MPC fail to appear for the publication of the Deed for no reason or for a reason that is not valid in terms of the Agreement or at law, HSBC shall have the option to:
  - a. proceed against MPC in the manner stipulated by Article 1357 of the Civil Code, Chapter 16 of the Laws of Malta and sue for specific performance; or alternatively
  - b. request or retain (as the case may be) the payment of the Deposit in its favour by way of pre-liquidated damages.

The Agreement shall remain valid and effective for a period of five (5) months from the date of the Agreement provided that the Agreement will be automatically extended for a further period of three (3) months should the application process for the AIP Permit still be underway. Notary Pierre Attard was appointed by MPC and HSBC to register the promise of sale agreement with the Inland Revenue Department.

Upon publication of the Deed, the Property will form part of the property portfolio of MPC resulting in MPC receiving the lease payments made in terms of the Lease Agreement. As the Property is neither a business or a company, there are no profits attributable to the Property, nor are there key individuals that need to be identified pursuant to Listing Rules 5.164.5 and 5.164.9.

***Unquote***



**Dr. Francis Galea Salomone**

**Company Secretary**

**15 January 2020**