MPC 152020

Malta Properties

Malta Properties Company plc
The Bastions, 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

In a meeting held earlier today 10 August 2020, the Board of Directors of the Company approved the Group Interim Unaudited Financial Statements for the six-month period ended 30 June 2020.

The Interim Financial Statements are available for viewing on the Company's website http://maltaproperties.com.mt/company-announcements/

Unquote

Dr. Francis Galea Salomone

Company Secretary

10 August 2020

MALTA PROPERTIES COMPANY P.L.C.

Condensed Consolidated
Interim Financial Statements

For the period 1 January 2020 to 30 June 2020

Company Registration Number: C 51272

Directors' Report pursuant to Listing Rule 5.75.2

This Half-Yearly Report is being published in terms of Chapter 5 of the Listing Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The half-yearly report comprises the reviewed (not audited) condensed consolidated interim financial statements for the six months ended 30 June 2020 prepared in accordance with International Financial Reporting Standards adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting'). The condensed consolidated interim financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statement of financial position has been extracted from the audited financial statements for the year ended 31 December 2019.

Principal activities

The main activities of the Group are property development and the holding of immovable property for rental to others. As the holding company of the Malta Properties Company (MPC) p.l.c. Group, MPC p.l.c is ultimately dependent upon the operations and performance of its subsidiaries and their respective operations. The parent company may, inter alia, directly or through subsidiary companies, acquire by any title whatsoever, and take on lease or sub-lease and dispose of, grant and/or lease and hold property of any kind, whether movable or immovable for the purposes of its business, and construct, develop and enter into arrangements with contractors and other service providers in connection with its properties.

Review of financial performance

The Group's revenues from the leasing of its properties amounted to €1,595,939 for the six-month period ended 30 June 2020 (2019: €1,728,925). The decrease from the previous period is as a result of properties which have been vacated and have either been sold or are subject to a promise of sale, netted off by inflationary increases. The lease agreements the Group has in place with its tenants secure revenues at these levels for the foreseeable future. Revenue is expected to increase once the Zejtun development is completed, the Swatar property is acquired, and in line with inflation.

During this six-month period, the Group's operating profit amounted to €1,151,491 (2019: €1,345,422). The decrease in operating profit reflects the decrease in revenue as explained above and, to a lesser extent, an increase in administrative expenses which totalled €459,826 (2019: €395,287) as a result of the Group's increase in operations and increased business development activity including due diligence exercises on possible acquisitions. Finance costs remained in line with the prior year and stood at €237,170 (2019: €240,260).

Profit for the period ended 30 June 2020 amounted to €699,828, a decrease of €59,817 from the prior year six-month profit of €759,645, mainly attributable to the decrease in rental income as a result of the vacation of a couple of properties for sale. Earnings per share in 2020 stood at €0.007 (2019: €0.007).

The Group continued to deliver a satisfactory financial performance with a strong financial position. During the first six months of 2020, the Group paid an amount of €885,500 on the preliminary agreement of the Swatar property and €1,013,101 in dividends and as at 30 June 2020 the Group's cash and cash equivalents amounted to €4,568,874 (2019: €3,752,831).

Related party transactions

During the period under review, dividends paid to the parent company amounted to €607,863 (2019: €607,863).

Directors' Report pursuant to Listing Rule 5.75.2 - continued

Commentary on performance

This half yearly report continues to show MPC's strong financial position as it delivers dividends and increased value to its shareholders through maximising the value of its current portfolio and looking also at extrinsic growth. The steady progress in the planned developments ensures the growth of MPC's revenue from its operations. MPC works at delivering quality leasable space and services to its tenants, aiming to be a leader in developing and providing premium commercial properties.

MPC has also continued to evaluate various projects during the six-month period ended 30 June 2020 with the intention of acquiring the right investments at an adequate return while minimising risk. Early during this period MPC signed a promise of sale agreement to acquire the HSBC Contact Centre in Swatar, an office building with over 3,000sqm of office space and 84 car spaces, with a lease agreement in place in favour of HSBC Global Services (UK) Limited. Bank financing is already in place for this acquisition.

Moreover, progress on the Zejtun development continues and the project is expected to be completed during next year. The Group has also embarked on a strategy to diversify the Group's client base and portfolio property uses. The Group also strives to drive efficiency across its various operations, and to keep its cost at an acceptable level and looks for opportunities to create synergies and cut costs.

Covid19 has not resulted in any financial impact on the company and MPC has shown to be resilient in its business operations. As explained in the investment property note on page 11, MPC's income is secured for the medium term by lease agreements in place. There is a risk however that the pandemic will have an impact on the overall real estate market rate, which could to some extent impact the value of MPC's portfolio going forward. We will continue to monitor closely how the market evolves and we will adapt our strategy accordingly.

As a result of MPC's strategy, the Group continues to grow its portfolio of assets and shareholder value, while maintaining a strong financial position. The Group is grateful for the support of its shareholders and intends to continue adding outstanding value to all its stakeholders.

Directors

The Directors of the Company who held office during the period were:

Mr. Deepak S. Padmanabhan (Chairman)
The Noble Paul S. Testaferrata Moroni Viani
Mr. Mohsin Majid (resigned on 9 June 2020)
Dr. Cory Greenland (retired on 29 July 2020)
Mr. Mohamed Sharaf

Dr. Brigette Zammit was appointed as director on 13 July 2020. Dr. Cory Greenland retired from office on 29 July 2020 and Mr. Edmond Brincat was appointed in his stead.

In terms of Article 96.1 of the Articles of Association, the term of appointment of the Directors still in office expires at the end of the forthcoming Annual General Meeting.

Directors' Report pursuant to Listing Rule 5.75.2 - continued

Dividends

The Board of Directors has resolved to determine the extent of any dividend distribution for 2020 on the basis of the full year results. Accordingly, no dividends are declared upon the issue of the results for the six-month period ended 30 June 2020.

Approved by the Board of Directors on 10 August 2020 and signed on its behalf by

Deepak S. Padmanabhan
Chairman

Paul S. Testaferrata Moroni Viani
Director

Condensed consolidated statement of financial position

	As at 30.06.2020 Unaudited	As at 31.12.2019 Audited
	€	€
ASSETS		
Non-current assets		
Investment property	**76,364,284**	75,740,550
Property, plant and equipment	**833,611**	836,886
Trade and other receivables	**325,355**	158,493
Total non-current assets	**77,523,250**	76,735,929
Current assets		
Trade and other receivables	**1,168,932**	83,477
Deposits	**609,000**	609,000
Current tax assets	**11,864**	18,713
Cash and cash equivalents	**4,568,874**	6,724,714
Total current assets	**6,358,670**	7,435,904
Total assets	**83,881,920**	84,171,833

Condensed consolidated statement of financial position - continued

	As at 30.06.2020 Unaudited €	As at 31.12.2019 Audited €
EQUITY AND LIABILITIES		
Capital and reserves		
Share capital	**32,419,356**	32,419,356
Other reserve	**249,365**	249,365
Retained earnings	**20,337,474**	20,650,747
Total equity	**53,006,195**	53,319,468
LIABILITIES		
Non-current liabilities		
Borrowings	**19,959,568**	19,802,249
Deferred tax liability	**7,654,000**	7,654,000
Trade and other payables	**111,494**	173,594
Total non-current liabilities	**27,725,062**	27,629,843
Current liabilities		
Borrowings	**1,100,000**	825,000
Trade and other payables	**1,794,418**	2,252,036
Current tax liability	**256,245**	145,486
Total current liabilities	**3,150,663**	3,222,522
Total liabilities	**30,875,725**	30,852,365
Total equity and liabilities	**83,881,920**	84,171,833

The notes on pages 10 to 15 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 3 to 15 were authorised for issue by the Board on 10 August 2020 and were signed on its behalf by:

Deepak S. Padmanabhan
Chairman

Paul S. Testaferrata Moroni Viani
Director

Condensed consolidated income statement

	Six-months ended 30.06.2020 Unaudited	Six-months ended 30.06.2019 Unaudited
	€	€
Rental income	**1,595,939**	1,728,925
Other income	**15,378**	11,784
Administrative expenses	**(459,826)**	(395,287)
Operating profit	**1,151,491**	1,345,422
Finance income	**37**	-
Finance costs	**(237,130)**	(240,260)
Profit before tax	**914,398**	1,105,162
Tax expense	**(214,570)**	(345,517)
Profit for the period - total comprehensive income	**699,828**	759,645
Earnings per share	**0.007**	0.007

The notes on pages 10 to 15 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of comprehensive income

	Six-months ended 30.06.2020 Unaudited	Six-months ended 30.06.2019 Unaudited
	€	€
Comprehensive income		
Profit for the period	**699,828**	759,645
Other comprehensive income		
Items that may be subsequently reclassified to profit or loss		
Change in fair value of derivative designated as hedging instrument in cash flow hedge	-	19,565
Deferred tax on change in fair value of derivative	-	(6,848)
Total other comprehensive income for the period, net of tax	-	12,717
Total comprehensive income for the period	**699,828**	772,362

The notes on pages 10 to 15 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of changes in equity

Unaudited	Share capital €	Other reserve €	Retained earnings €	Total €
Balance at 1 January 2019	32,419,356	216,365	18,976,523	51,612,244
Comprehensive income				
Profit for the period	-	-	759,645	759,645
Other comprehensive income:				
Cash flow hedge, net of deferred tax	-	12,717	-	12,717
Total comprehensive income for the period	-	12,717	759,645	772,362
Transactions with owners				
Dividends paid to equity holders	-	-	(1,013,096)	(1,013,096)
Balance at 30 June 2019	**32,419,356**	**229,082**	**18,723,072**	**51,371,510**
Balance at 1 January 2020	32,419,356	249,365	20,650,747	53,319,468
Comprehensive income				
Profit for the period	-	-	699,828	699,828
Total comprehensive income for the period	-	-	699,828	699,828
Transactions with owners				
Dividends paid to equity holders	-	-	(1,013,101)	(1,013,101)
Balance at 30 June 2020	**32,419,356**	**249,365**	**20,337,474**	**53,006,195**

The notes on pages 10 to 15 are an integral part of these condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows

	Six-months ended 30.06.2020 Unaudited	Six-months ended 30.06.2019 Unaudited
	€	€
Cash flows from operating activities		
Cash generated from operations	**529,781**	929,625
Interest paid	**(237,130)**	(240,260)
Income tax paid	**(96,962)**	(216,470)
Net cash generated from operating activities	**195,689**	472,895
Cash flows from investing activities		
Additions to investment property	**(883,330)**	(978,140)
Purchase of property, plant and equipment	**(1,317)**	(235)
Payments on transfer of investment property	**-**	(510,100)
Payments on the property currently on promise of sale	**(886,100)**	-
Net cash used in investing activities	**(1,770,747)**	(1,488,475)
Cash flows from financing activities		
Dividends paid	**(1,013,101)**	(1,013,096)
Bank loan drawdown	**707,319**	907,403
Repayment of bank loan	**(275,000)**	-
Net cash used in financing activities	**(580,782)**	(105,693)
Net movement in cash and cash equivalents	**(2,155,840)**	(1,121,273)
Cash and cash equivalents at beginning of period	**6,724,714**	4,874,104
Cash and cash equivalents at end of period	**4,568,874**	3,752,831

The notes on pages 10 to 15 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

Basis of preparation

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting, have been extracted from the Group's unaudited accounts for the six months ended 30 June 2020 and have been reviewed in terms of ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". The half-yearly results are being published in terms of Chapter 5 of the Listing Rules of the Malta Financial Services Authority.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU.

The directors have concluded that at the time of approving these condensed consolidated interim financial statements the Group's business is considered to be a going concern.

Accounting policies

The accounting policies used in the preparation of the condensed consolidated interim financial statements are consistent with those of the annual financial statements of Malta Properties Company p.l.c. for the year ended 31 December 2019, as described in those financial statements. Adoption of new standards, amendments and interpretations to existing standards that are mandatory for accounting period beginning on 1 January 2020 did not result in changes to the Company's and its subsidiaries' accounting policies and did not require retrospective adjustments.

Standards, interpretations and amendments to published standards effective during the reporting period

During the financial period under review, the Group and Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Group and the Company's accounting period beginning on 1 January 2020.

Investment property

	As at 30.06.2020 €	As at 31.12.2019 €
Opening carrying amount	**75,740,550**	72,482,147
Additions	**623,734**	1,508,554
Net gains from changes in fair value	-	1,749,849
Closing carrying amount	**76,364,284**	75,740,550
Cost or valuation	**58,116,019**	57,492,285
Net fair value gains	**18,248,265**	18,248,265
Carrying amount	**76,364,284**	75,740,550

Investment property comprises commercial property mainly leased out to a related party.

Notes to the condensed consolidated interim financial statements - continued

Investment property

Fair valuation of land and buildings

The Group's investment property were revalued on 31 December 2019 by an independent firm of property valuers having appropriate recognised professional qualifications and experience in the location and category of the property being valued. The Directors have reviewed the carrying amounts of the properties as at 31 December 2019, on the basis of an assessment by the independent property valuers, and the carrying amounts were adjusted accordingly during such financial year. Valuations by an independent firm of property valuers were not carried out for the period ended 30 June 2020. Nevertheless, the directors believe that there is no significant movement in terms of the valuations done last December 2019.

Valuations were made on the basis of open market value after considering the returns being attained by the property and its intrinsic value.

Most of the Group's investment properties are covered by medium term leases which secure the Group's income and returns for the coming years, and no difficulty in collecting rent due is foreseen. The fair value of the properties which will be vacated in the short term is not considered to be significantly different from their book value. The St. George's property, which is currently on promise of sale, is expected to be sold at the contracted amount, which is higher than the book value of the property.

The Group is required to analyse non-financial assets carried at fair value by level of the fair value hierarchy within which the recurring fair value measurements are categorised in their entirety (Level 1, 2 or 3). The different levels of the fair value hierarchy have been defined as fair value measurements using:

- Quoted prices (unadjusted) in active markets for identical assets (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- Inputs for the asset that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Group's investment property comprises various exchanges and offices. All the recurring property fair value measurements at 30 June 2020 use significant unobservable inputs and are accordingly categorised within Level 3 of the fair valuation hierarchy.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. There were no transfers between different levels of the fair value hierarchy during the six-month period ended 30 June 2020.

A reconciliation from the opening balance to the closing balance for recurring fair value measurements categorised within Level 3 of the value hierarchy, is reflected in the table above. The movement during the six-month period ended 30 June 2020 reflects additions during the period.

Valuation processes

The valuations of the properties are performed annually on the basis of valuation reports prepared by independent and qualified valuers. These reports are based on both:

- information provided by the Group which is derived from the Group's financial systems and is subject to the Group's overall control environment; and
- assumptions and valuation models used by the valuers - the assumptions are typically market related. These are based on professional judgement and market observation.

Notes to the condensed consolidated interim financial statements - continued

Investment property - continued

Valuation processes - continued

The information provided to the valuers, together with the assumptions and the valuation models used by the valuers, are reviewed by the Chief Financial Officer (CFO). This includes a review of fair value movements over the period. When the CFO considers that the valuation report is appropriate, the valuation report is recommended to the Audit Committee of the parent Company. The Audit Committee considers the valuation report as part of its overall responsibilities.

At the end of every reporting period, the CFO assesses whether any significant changes or developments have been experienced since the last external valuation. This is supported by an assessment performed by the independent firm of property valuers. The CFO reports to the Audit Committee on the outcome of this assessment.

Valuation techniques

The external valuations of the Level 3 property have been performed using a variety of methods, including an adjusted sales comparison approach and the discounted cash flow approach. Each property was valued using the method considered by the external valuers to be the most appropriate valuation method for that type of property.

In view of a limited number of similar or comparable properties ad property transactions, comprising sales or rentals in the respective markets in which the properties are located, the valuations have been performed using unobservable inputs. The significant inputs to the approaches used are generally those described below:

- Discounted cash flow approach considers the free cash flows arising from the projected income streams expected to be derived from the operation of property, discounted to present value using an estimate of the weighted average cost of capital that would be available to finance such an operation. The significant unobservable inputs utilised with this this technique include:

  Projected pre-tax cash flows which are initially mainly based on the existing rental income streams less operating costs that reflect the existing cost structure. Going forward all the rental streams are adjusted to reflect contracted rental adjustments including annual growth rates. An average growth rate of 1.41% per annum is being assumed. In the case of properties currently under development, estimated development costs to complete were also considered.

  Discount rates based on current market interest rates and a risk premium that reflects the valuers assessment to specific risk attached to the property being valued and its underlying activity.

- The adjusted sales approach - The significant input to the sales comparative approach is generally a sales price per square metre related to transactions in comparable properties located in proximity to the Group's property, with significant adjustments for differences in the size, age, exact location and condition of the property. The term airspace is a conceptual unit representing a packet of three-dimensional accessible, usable and developable space. The concept of sales price factor per airspace or square metre is the value expected to be fetched on the open market and represents the present value of the property after deduction of all development, refurbishment and related costs.

Notes to the condensed consolidated interim financial statements - continued

Investment property - continued

Information about fair value measurements using significant unobservable inputs (Level 3)

	Fair value at 30 June 2020 €000	Valuation technique	Significant unobservable input	Range of unobservable inputs
Land and buildings				
Current use as office premises	30,401	Discounted cash flow approach	Discount rate	6.1% - 6.5%
Developable land for industrial/commercial use	19,077	Discounted cash flow approach	Discount rate	6.0% - 6.7%
Marketed as extended-commercial premises	11,400	Adjusted sales approach	Sales price per square metre	€4,770
	6,276	Discounted cash flow approach	Discount rate	6.1%
Marketed as residential-commercial developments	9,210	Discounted cash flow approach	Discount rate	6.1%

	Fair value at 31 December 2019 €000	Valuation technique	Significant unobservable input	Range of unobservable inputs
Land and buildings				
Current use as office premises	30,355	Discounted cash flow approach	Discount rate	6.1% - 6.5%
Developable land for industrial/commercial use	18,500	Discounted cash flow approach	Discount rate	6.0% - 6.7%
Marketed as extended-commercial premises	11,400	Adjusted sales approach	Sales price per square metre	€4,770
	6,276	Discounted cash flow approach	Discount rate	6.1%
Marketed as residential-commercial developments	9,210	Discounted cash flow approach	Discount rate	6.1%

For the sales comparative approach, the higher the rate per square metre, the higher the resultant fair valuation. Conversely, the lower the capitalisation rate, the higher the resultant fair valuation.

In respect of the discounted cashflow approach, the higher the annualized net cash inflows, and growth rate, the higher the fair value. Conversely, the lower the discount rate, the estimated development costs, and capitalisation rate used in calculating the annualized net cash inflows, the higher the fair value.

Notes to the condensed consolidated interim financial statements - continued

Commitments

Commitments which have been authorised and contracted for relating to the development of investment property not provided for in the interim financial statements amounted to €981,827 as at 30 June 2020 (2019: €321,394). Commitments which have been authorised but not yet contracted for relating to the development of investment property not provided for in the interim financial statements amounted to €2,306,085 as at 30 June 2020 (2019: €3,101,501).

Moreover, early during this period MPC signed a promise of sale agreement to acquire the HSBC Contact Centre in Swatar, an office building with over 3,000sqm of office space and 84 car spaces, with a lease agreement in place in favour of HSBC Global Services (UK) Limited for a purchase price of €8,050,000.

Dividends

A dividend in respect of the year ended 31 December 2019 of €0.01 (2018: €0.01) per share, amounting to €1,013,101 (2018: €1,013,105), was proposed by the Board of Directors during the period. The 2019 dividend was approved for payment by the Board of Directors and was paid on 1 June 2020.

Contingencies

There were no major changes in the contingencies of the Company and its subsidiaries from those disclosed in the consolidated financial statements of the Group for the year ended 31 December 2019.

Related party

(a) Parent and ultimate controlling party

The Company's ultimate parent is Dubai Holding LLC, the registered office of which is situated at EIT Office 1st Floor, Dubai Holding Headquarters, Opp. Madinat Jumeirah, intersection of Jumeirah Beach Road and Um Suqeim Road, UM Suqeim 3, Dubai, UAE. The immediate parent of the Company, with a 60% holding, is Emirates International Telecommunications (Malta) Limited, a company which is ultimately controlled by Dubai Holding LLC as it forms part of the same group of companies of which Dubai Holding LLC is the ultimate parent. Dubai Holding LLC is owned by H.H. Sheikh Mohammed Bin Rashid Al Makhtoum, Vice President and Prime Minister of the UAE and Ruler of Dubai.

Notes to the condensed consolidated interim financial statements - continued

Related party - continued

(b) Related party transactions

Consistent with the disclosures in the audited financial statements for the year ended 31 December 2019, the Group has a related party relationship with its ultimate parent and entities ultimately controlled by it (see above); key management personnel (group companies' directors) together with close members of their family and entities controlled by them.

The principal related party transactions during the six-month period under review comprise:

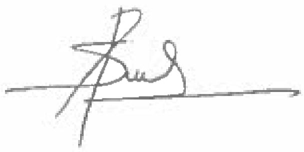
	Six months ended 30.06.2020	Six months ended 30.06.2019
	€	€
Related entities		
Services provided to	**1,321,455**	1,475,235
Services received from	**11,055**	604
Dividends paid to	**607,863**	607,863

Statement pursuant to Listing Rule 5.75.3

I confirm that to the best of my knowledge:

- the condensed consolidated interim financial information gives a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, 'Interim Financial Reporting');

- the Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.



Mr. Deepak S. Padmanabhan
Chairman

10 August 2020

Independent auditor's report

To the Board of Directors of Malta Properties Company p.l.c.
Report on Review of Condensed Consolidated Interim Financial Information

Introduction
We have reviewed the accompanying condensed consolidated statement of financial position of Malta Properties Company p.l.c. and its subsidiaries (the Group) as at 30 June 2020, the related condensed consolidated income statement and statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes ('the interim financial information'). The directors are responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

This report, including its conclusion, has been prepared for the Group for the purpose of the Listing Rules of the Malta Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

PricewaterhouseCoopers

78 Mill Street,
Zone 5, Central Business District,
Qormi CBD 5090
Malta

Lucienne Pace Ross
Partner

10 August 2020

a) The maintenance and integrity of the Malta Properties Company p.l.c. website is the responsibility of the Directors of the Company; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the condensed consolidated interim financial information since this was initially presented on the website.
b) Legislation in Malta governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.