

# Santumas Shareholdings plc

*Amalgamated  
with Marsascala Development Limited, Santumas Contractors Limited  
and Calpabrin Properties (Investments) Limited*

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## COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by Santumas Shareholdings plc pursuant to the Malta Financial Services Authority Listing Rules.

### QUOTE

During a meeting held on the 15<sup>th</sup> December 2016, the Board of Directors of Santumas Shareholdings plc approved the attached Interim Unaudited Financial Statements for the six months ended 31<sup>st</sup> October 2016.

The Interim Unaudited Financial Statements for the period ended 31<sup>st</sup> October 2016 are also available for viewing on the company's website "[www.santumasmalta.com](http://www.santumasmalta.com)"

**UNQUOTE**

Michael Formosa Gauci  
Company Secretary

15<sup>th</sup> December 2016

*Directors: C. Testaferrata Moroni Viani, A.P. Demajo, M. Pace Ross BA (Hons), MBA,  
P.P. Testaferrata Moroni Viani, N. Tabone B. Acc (Hons), FCCA, MIA, M. Galea MIA, FCCA, CPAA*

**SANTUMAS SHAREHOLDINGS PLC**

**Interim Report  
and  
Interim Condensed Financial Statements (unaudited)**

**31 October 2016**

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**SANTUMAS SHAREHOLDINGS PLC**  
**Interim Report and Interim Condensed Financial Statements (unaudited)**  
**for the six-month period ended 31 October 2016**

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## **INTERIM DIRECTORS' REPORT**

*This interim report is published in terms of Chapter 5 of the Listing rules as prescribed by the Listing Authority in accordance with the provisions of the Financial Markets Act, 1990.*

*The interim condensed financial statements have been extracted from the Company's unaudited accounts for the six months ended 31 October 2016 and its comparative period in 2015. The comparative Statement of Financial Position has been extracted from the audited financial statements as at 30 April 2016. The interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting' issued by the IASB and adopted by the EU. In terms of Listing Rule 5.75.5, the Directors state that the half yearly financial report has not been audited or reviewed by the Company's independent auditor.*

### **Results**

The interim condensed Statement of Comprehensive Income is set out on page 5.

The profit before tax for the six-month period to 31 October 2016 was EUR228,669 as compared to a profit before tax of EUR813,302 for the corresponding period in 2015. There was a tax charge for the six months of EUR35,421 (2015: EUR56,896). The profit after tax for the six-month period to 31 October 2016 was therefore EUR193,248 as against a profit after tax of EUR756,406 for the six-month period to 31 October 2015.

### **Property**

During the period under review the Company completed the purchase of a flat overlying the current property owned by the Company in Paceville Avenue, Paceville. It is the Company's intention to combine the two properties into one single retail/catering outlet which will then be made available to the rental market. The requisite permits have been applied for and once in hand conversion works will commence immediately.

### **Portfolio**

The period under review has seen a positive fair value movement of EUR98,945 as compared to a positive fair value movement of EUR659,204 for the corresponding period last year. As the portfolio is made up of the main companies listed on the Malta Stock Exchange the appreciation or otherwise on the portfolio are inevitably determined by the movement in the Malta Stock Exchange index. This is in line with the performance of the index during the current period given that the latter remained on the same level as that of previous year-end.

The level of investment income, although lower than the corresponding period last year, has nevertheless made a positive contribution to the profit for the period. The principal reason behind the fall is a reduced payout by way of dividends made by locally listed companies with dividend income falling from EUR138,813 to EUR77,706.

### **Future Outlook**

Subsequent to period end, on 28 November 2016 the Company booked revenues amounting to EUR1,194,084 arising from a material transaction. This transaction, which is expected to have a positive impact on the realised profits of the Company, will be reflected in the Company's financial statements for the financial year ending 30 April 2017. Despite, the material realised gain from this transaction, the Directors, on the basis of information available to them to date do not project the results for 2017 to be materially different from the profits shown for the financial year ending 30 April 2016, in view of the unrealised profits booked following the increase in fair value of investment properties in the financial year ended 30 April 2016, part of which has been realised in the financial year ending 30 April 2017.

### **Net asset value**

At 31 October 2016 the Net Asset Value per share of the Company stood at EUR 2.275. As at 30 April 2016 the Net Asset Value per share stood at EUR 2.231. The Net Asset Value has been calculated using the same methodology as that used to calculate Earnings per Share.

## INTERIM DIRECTORS' REPORT - continued

### Net asset value- continued

Thus in order to arrive at the Net Asset Value, both the bonus issue allocated on 18<sup>th</sup> November 2016 and the share split that was effective on 25<sup>th</sup> November 2016 have been taken into consideration accordingly.

### Events after the reporting period

Subsequent to the reporting period, with effect from 18 November 2016, a bonus issue of one share for every ten shares held has been allotted. This bonus issue has been funded by a capitalisation of reserves amounting to EUR110,820.

Subsequent to the bonus issue, the new total number of shares in issue of 2,216,388 was subject to a share split thereby doubling the number of shares in issue to 4,432,776 fully paid up shares with a nominal value of EUR0.275 per share. Both the bonus issue and the share split have been approved by the shareholders during the AGM held on the 14 October 2016.

### Malta Stock Exchange

Trading in company shares on the local market remained thin as has been the case since admission to the official list of the Malta Stock Exchange on 12 December 2003. The share price continues to lag behind the Net Asset Value for which there appears to be no apparent reason other than market sentiment. As at 31 October 2016 the Company's share price stood at EUR2.35 (30 April 2016: EUR2.35). Following the bonus issue allocated on 18<sup>th</sup> November 2016 and the share split that was effective on 25<sup>th</sup> November 2016, the Company's share price stood at EUR1.26.

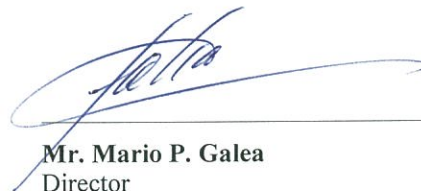
### Risk warning

The company is not a normal trading, manufacturing or Services Company and has a number of assets that are not immediately realisable. As a consequence the price of its shares and the income (if any) therefrom can go down as well as up and investors may not realize the amount of their initial investment. Past performance is no guide to future performance.

The Directors' report was approved by the Board of Directors and signed on its behalf by:



Mr. Anthony P. Demajo  
Company Chairman



Mr. Mario P. Galea  
Director

15 December 2016

**SANTUMAS SHAREHOLDINGS PLC**  
**Interim Report and Interim Condensed Financial Statements (unaudited)**  
**for the six-month period ended 31 October 2016**

**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

	Notes	Six months to 31 October 2016 (unaudited) EUR	Six months to 31 October 2015 (unaudited) EUR
<b>REVENUE</b>			
Investment income	4	184,544	213,703
Increase in fair values of financial assets	6	98,945	659,204
<b>Total revenue</b>		<b>283,489</b>	<b>872,907</b>
<b>EXPENSES</b>			
Administrative expenses		(54,820)	(59,505)
Finance costs		-	(100)
<b>Total expenses</b>		<b>(54,820)</b>	<b>(59,605)</b>
<b>Profit before tax</b>		<b>228,669</b>	<b>813,302</b>
Income tax expense		(35,421)	(56,896)
<b>Profit for the period</b>		<b>193,248</b>	<b>756,406</b>
<b>Total comprehensive income for the period</b>		<b>193,248</b>	<b>756,406</b>
<b>Profit per share</b>		<b>0.044</b>	<b>0.171</b>

**SANTUMAS SHAREHOLDINGS PLC****Interim Report and Interim Condensed Financial Statements (unaudited)  
for the six-month period ended 31 October 2016****INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION  
as at 31 October 2016**

		31 October 2016 (unaudited) EUR	30 April 2016 (audited) EUR
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment properties	5	4,627,563	4,447,052
Property, plant and equipment		105,258	108,000
Financial assets at fair value through profit or loss	6	5,507,074	5,405,763
		<u>10,239,895</u>	<u>9,960,815</u>
<b>Current assets</b>			
Receivables		54,933	71,021
Cash at bank		413,866	505,173
		<u>468,799</u>	<u>576,194</u>
<b>TOTAL ASSETS</b>		<u>10,708,694</u>	<u>10,537,009</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Issued capital		1,108,194	1,108,194
Share premium		262,746	262,746
Revaluation reserve		69,102	70,012
Other reserves		4,739,665	4,661,518
Dividend Reserve		110,820	-
Retained earnings		3,792,542	3,787,351
		<u>10,083,069</u>	<u>9,889,821</u>
<b>Non-current liabilities</b>			
Deferred tax liability		444,863	454,162
<b>Current liabilities</b>			
Payables		168,395	183,341
Income tax payable		12,367	9,685
		<u>180,762</u>	<u>193,026</u>
<b>Total liabilities</b>		<u>625,625</u>	<u>647,188</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>10,708,694</u>	<u>10,537,009</u>
<b>Net asset value per share</b>		<u>2.275</u>	<u>2.231</u>

**SANTUMAS SHAREHOLDINGS PLC****Interim Report and Interim Condensed Financial Statements (unaudited)  
for the six-month period ended 31 October 2016****INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**

	Issued capital EUR	Share premium EUR	Revaluation reserve EUR	Other reserves EUR	Dividend reserve EUR	Retained earnings EUR	Total EUR
<b>FINANCIAL PERIOD ENDED 31 October 2016 (unaudited)</b>							
At 1 May 2016	1,108,194	262,746	70,012	4,661,518	-	3,787,351	9,889,821
Total comprehensive income for the period	-	-	-	-	-	193,248	193,248
Increase in fair value of financial assets	-	-	-	90,905	-	(90,905)	-
Redemption of ground rents	-	-	-	(12,758)	-	12,758	-
Dividends Proposed	-	-	-	-	110,820	(110,820)	-
Redemption of ground rents	-	-	-	-	-	-	-
Depreciation transfer for land and buildings, net of deferred tax	-	-	(910)	-	-	910	-
<b>Financial period ended at 31 October 2016</b>	<b>1,108,194</b>	<b>262,746</b>	<b>69,102</b>	<b>4,739,665</b>	<b>110,820</b>	<b>3,792,542</b>	<b>10,083,069</b>
<b>FINANCIAL PERIOD ENDED 31 October 2015 (unaudited)</b>							
At 1 May 2015	1,007,444	262,746	51,500	2,925,789	-	3,498,176	7,745,655
Total comprehensive income for the period	-	-	-	-	-	756,406	756,406
Increase in fair value of financial assets	-	-	-	491,855	-	(491,855)	-
Redemption of ground rents	-	-	-	(2,081)	-	2,081	-
Depreciation transfer for land and buildings, net of deferred tax	-	-	(390)	-	-	390	-
<b>Financial period ended at 31 October 2015</b>	<b>1,007,444</b>	<b>262,746</b>	<b>51,110</b>	<b>3,415,563</b>	<b>-</b>	<b>3,765,198</b>	<b>8,502,061</b>



**SANTUMAS SHAREHOLDINGS PLC**  
**Interim Report and Interim Condensed Financial Statements (unaudited)**  
**for the six-month period ended 31 October 2016**

**INTERIM CONDENSED STATEMENT OF CASH FLOWS**

	Six months to 31 October 2016 (unaudited) EUR	Six months to 31 October 2015 (unaudited) EUR
<b>Operating activities</b>		
Profit before taxation	228,669	813,302
Adjustments for:		
Depreciation of property, plant and equipment	2,741	2,336
Increase in fair value of financial assets	(98,945)	(659,204)
Gain on redemption of ground rent	(56,882)	(8,956)
Finance costs	-	100
Interest income	(14,180)	(12,840)
Dividend income	(77,706)	(138,313)
Working capital adjustments:		
(Increase)/decrease in receivables	(10,962)	709
(Decrease)/increase in payables	(14,946)	4,952
Income tax paid	(41,764)	(52,883)
Interest income received	12,212	10,047
Dividend income received	104,085	156,153
<b>Net cash flows generated from operating activities</b>	<b>32,322</b>	<b>115,403</b>
<b>Investing activities</b>		
Purchase of financial assets	-	(46,288)
Purchase of investment property	(199,655)	-
Redemption of ground rent	76,026	11,250
<b>Net cash flows used in investing activities</b>	<b>(123,629)</b>	<b>(35,038)</b>
<b>Financing activities</b>		
Interest paid	-	(100)
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>(100)</b>
Net (decrease)/increase in cash and cash equivalents	(91,307)	80,265
Cash and cash equivalents at 1 May	505,173	597,179
<b>Cash and cash equivalents at 31 October</b>	<b>413,866</b>	<b>677,444</b>

**SANTUMAS SHAREHOLDINGS PLC**  
**Interim Report and Interim Condensed Financial Statements (unaudited)**  
**for the six-month period ended 31 October 2016**

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**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

Santumas Shareholdings plc is a public limited company incorporated and domiciled in Malta whose shares are publicly traded.

On 9 October 2014, the company has surrendered its license as a collective investment scheme (CIS) and de-listed its shares on the Malta Stock Exchange as a CIS. On the same date, Santumas Shareholdings plc was admitted to listing on the Malta Stock Exchange as a Property Company.

**2. BASIS OF PREPARATION**

The unaudited interim condensed financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* issued by the IASB and adopted by the EU.

The interim condensed financial statements do not include all the information and disclosure required in the annual financial statements, and should be read in conjunction with the financial statements as at and for the year ended 30 April 2016.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in these interim condensed financial statements are the same as those applied in the financial statements as at and for the year ended 30 April 2016.

**4. INVESTMENT INCOME**

	Six months to 31 October 2016 (unaudited) EUR	Six months to 31 October 2015 (unaudited) EUR
Dividends	77,706	138,313
Interest income	14,180	12,840
Ground rents	25,776	17,323
Other income (note i)	66,882	45,227
	<u>184,544</u>	<u>213,703</u>

- i. Other income is made up of sale of rights and profit made on ground rent redemptions.

**5. INVESTMENT PROPERTIES**

The Company's investment property comprises of land and buildings and the capitalisation of ground rents.

Market valuations, with respect to investment property excluding ground rents, are performed by independent professional architects every two years or earlier whenever their fair values differ materially from their carrying amounts. In the period when a market valuation is not performed, an assessment of the fair value is performed to reflect market conditions at the period-end date.

## NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS- continued

## 5. INVESTMENT PROPERTIES- continued

The valuation is determined primarily by the comparable method together with the capitalisation method which are based on directly or indirectly observable inputs which do not require a significant level of adjustments.

*Comparable method:*

Market prices based on database of valuations and sales of properties in the relevant area;

*Capitalisation method:*

Future rental cash inflows based on the actual location, type and quality of the properties and external evidence such as current market rents for similar properties;

Capitalisation rates based on actual location, size and quality of the properties and taking into account market data at the valuation date.

The valuation of ground rents is determined by the capitalisation method, as explained above. The capitalisation rate for non-revisable ground rents is determined by reference to local legislation whilst the capitalisation rate for revisable ground rents is based on inputs that reflect the current market conditions.

For the valuation of ground rents, management on a periodical basis reviews the major inputs used in the calculation of the fair value in line with local legislation and market conditions.

The valuation processes and techniques utilised in preparing these interim condensed financial statements were consistent with those applied in the preparation of financial statements for the year ended 30 April 2016.

The Company uses the following hierarchy for determining and disclosing the fair value of investment property by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
<b>Fair value as at 31 October 2016 (unaudited)</b>	<b>4,627,563</b>	-	<b>2,411,055</b>	<b>2,216,508</b>
Fair value as at 30 April 2016 (audited)	4,447,052	-	2,211,400	2,235,652

For each valuation of investment property classified under as Level 3, annual rent or ground rent and capitalisation rate have been determined to be the significant unobservable inputs. The higher the annual rent or ground rent, the higher the fair value will be and conversely the lower the annual rent or ground rent, the lower the fair value. The lower the capitalisation rate, the higher the fair value will be and conversely the higher the capitalisation rate, the lower the fair value.

On 28<sup>th</sup> November 2016, the Company recorded income amounting to EUR1,194,084 following disposal of an investment property with a carrying amount of EUR293,546.

**SANTUMAS SHAREHOLDINGS PLC**  
**Interim Report and Interim Condensed Financial Statements (unaudited)**  
**for the six-month period ended 31 October 2016**

**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS-continued**

**6. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

**Financial assets at fair value through profit or loss**

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition as at fair value through profit or loss. This designation results in more relevant information because this group of financial assets is managed and its performance is evaluated on a fair value basis. During the year, the Company's investment portfolio saw a positive fair value movement of EUR98,945 (31 October 2015: EUR659,204). Additions amounting to EUR2,365 (30 April 2016: EUR289,609).

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during the year. For all properties, their current use equates to the highest and best use.

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
<b>Fair value as at 31 October 2016 (unaudited)</b>	<b>5,507,074</b>	<b>3,745,193</b>	<b>1,730,099</b>	<b>31,782</b>
Fair value as at 30 April 2016 (audited)	5,405,763	3,686,005	1,687,886	31,782

Included with the financial assets classified as Level 2, is a Professional Investor Fund, the price of which started being quoted annually as from October 2014. Observable inputs that may otherwise be a Level 1 input will be rendered Level 2 if the information relates to a market that is not active.

The fair value of financial assets classified as Level 3 was determined by reference to the net asset value of Companies. During 2016 and 2015, the Company did not recognised any fair value gains with respect to financial assets classified as Level 3 in the fair value hierarchy. No dividend income was received during 2016 and 2015 from these investments. There were no movements in the holding of these investments during 2016 and 2015.

**Other financial assets and liabilities**

At 31 October 2016 and 30 April 2016, the carrying amounts of receivables, cash at bank and payables approximated their fair values. These are measured using a Level 2 valuation technique.

**7. EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the reporting period, with effect from 18 November 2016, a bonus issue of one share for every ten shares held has been allotted. This bonus issue has been funded by a capitalisation of reserves amounting to EUR110,820.

Subsequent to the bonus issue, the new total number of shares in issue of 2,216,388 were subject to a share split thereby doubling the number of shares in issue to 4,432,776 fully paid up shares with a nominal value of EURO.275 per share. Both the bonus issue and the share split have been approved by the shareholders during the AGM held on the 14 October 2016.

The calculation of the basic Earnings per share and the Net Asset Value per share have been adjusted for all periods presented after taking into consideration the bonus issue and share split that occurred after the reporting period but before these interim condensed financial statements were authorised for issue.

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**SANTUMAS SHAREHOLDINGS PLC**

**Interim Report and Interim Condensed Financial Statements (unaudited)  
for the six-month period ended 31 October 2016**

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**Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority**

I confirm that, to the best of my knowledge:

- The interim condensed financial information gives a true and fair view of the assets, liabilities, financial position of the Company as at 31 October 2016 and of its financial performance and its cash flows for the period then ended, in accordance with IAS34 Interim Financial Reporting issued by the IASB and as adopted by the EU; and
- Interim Directors' Report includes a fair review of the information required under listing Rule 5.81 to 5.84.



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**Mr. Anthony P. Demajo**  
Company Chairman



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**Mr. Mario P. Galea**  
Director