

TUMAS INVESTMENTS p.l.c.

Half-Yearly Report  
30 June 2017

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## Half-yearly directors' report

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 condensed set of financial statements included in this report has been extracted from Tumas Investment p.l.c.'s unaudited financial information for the six months ended 30 June 2017 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'). This half-yearly report has not been audited or reviewed by the Group's independent auditors.

### Trading performance

#### *The company*

During the six-month period ending 30 June 2017, finance income represented by interest receivable and ancillary income accruing from Spinola Development Company Limited amounted to €1.50 million (2016: €1.48 million). Finance costs in the form of interest payable on the outstanding public bonds together with amortisation of related issue costs amounted to €1.43 million (2016: €1.44 million). Administrative expenses at €64,254 were €14,782 higher than the same period for 2016 due to an increase in general overheads. The profit after tax for the period amounted to €34 (2016: €82).

In July 2017 the company issued €25,000,000 3.75% unsecured bonds maturing in 2027. The net proceeds from the new bonds were used by the Company to finance the redemption of the €25,000,000 6.2% bonds 2017-2020 which were redeemed on 10 July 2017 in accordance with the prospectus dated 9 June 2010.

These bonds were offered to the holders of the maturing bonds through a bond exchange programme. Other existing bond holders of the company were given the opportunity to invest in the new bonds in respect of the balance unsubscribed by holders of maturing bonds. Any subsequent unsubscribed portion was offered to the general public through an Intermediaries' Offer. The company listed these bonds on the official list of the Malta Stock Exchange on 7 July 2017.

#### *The guarantor*

The overall performance of Spinola Development Company Limited, the company which acts as guarantor for the bonds and the ultimate recipient of the financing from Tumas Investments plc, experienced another positive performance during the first six months of the year, in line with budget. The hotel's performance in the first six months of 2017 is well above budget, whilst enjoying the first full year of operation since the major refurbishment undertaken in early 2016. Occupancy percentage levels are expected to be similar to those of last year, yet, with a higher average room rate. This should be achievable both as a result of the investment the Group has put into the hotel and also as a direct effect of the boost in business travellers to the Island as Malta presided over the Council of the European Union. Some further pending refurbishment works are being envisaged for this year to fully complete the targeted programme.

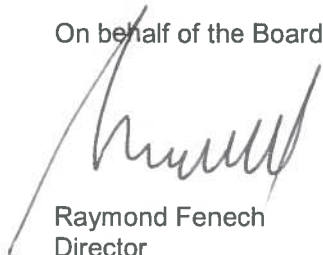
Rentals and return from operations and complex management should be on the same scale as last year as the space available for leasing is practically all taken up. It is worth, however, noting that a relatively small portion of the total rentable commercial area within the development will not be operational during the course of the next twelve months due to the commencement of construction works with respect to an office block next to the Portomaso Business Tower. It is estimated that the new block would become operational around quarter 4 next year. The Laguna project is now at an advanced stage with almost all of the apartments on a promise of sale agreement. During the course of this year the building activity at the Laguna should come to an end with the first units targeted to be delivered at the end of this year and the start of 2018, with the majority being contracted later on next year. It is estimated that the full year results for Tumas Investments plc will again be positive.

## Half-yearly directors' report - continued


### Dividends

The directors do not recommend the payment of an interim dividend (2016: €Nil).

On behalf of the Board



Raymond Fenech  
Director



Yorgen Fenech  
Director

Registered office:  
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Portomaso  
St. Julians  
Malta

18 August 2017

## Condensed statement of financial position


	As at 30 June	As at 31 December
	2017 € (unaudited)	2016 € (audited)
<b>ASSETS</b>		
Non-current assets	24,718,514	49,379,595
Current assets	28,011,785	3,345,785
<b>Total assets</b>	<b>52,730,299</b>	<b>52,725,380</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Total equity</b>	<b>613,034</b>	<b>595,935</b>
Total non-current liabilities	24,789,423	50,713,110
Total current liabilities	27,327,842	1,416,335
<b>Total liabilities</b>	<b>52,117,265</b>	<b>52,129,445</b>
<b>Total equity and liabilities</b>	<b>52,730,299</b>	<b>52,725,380</b>

The notes on pages 7 to 8 are an integral part of this interim condensed financial information.

The condensed interim financial information on pages 3 to 9 were authorised for issue by the board of directors on 18 August 2017 and were signed on its behalf by:



Raymond Fenech  
Director



Yorgen Fenech  
Director

## Condensed statement of comprehensive income

	Notes	Six-months ended 30 June	
		2017 € (unaudited)	2016 € (unaudited)
Finance income	3	1,498,404	1,484,771
Finance costs		(1,434,097)	(1,435,173)
<b>Net interest income</b>		<b>64,307</b>	49,598
Administrative expenses		(64,254)	(49,472)
<b>Profit before tax</b>		<b>53</b>	126
Tax expense		(19)	(44)
<b>Profit for the period – total comprehensive income</b>		<b>34</b>	82
Earnings per share (cents)	2	<b>0.01c</b>	0.1c

The notes on pages 7 to 8 are an integral part of this interim condensed financial information.

## Condensed statement of changes in equity

	Note	Share capital €	Retained earnings €	Total €
Balance at 1 January 2016		232,937	359,529	592,466
<b>Comprehensive income</b>				
Profit for the period - total comprehensive income		-	82	82
<b>Balance at 30 June 2016</b>		<b>232,937</b>	<b>359,611</b>	<b>592,548</b>
Balance at 1 January 2017		232,937	362,998	595,935
Increase in share capital	4	17,065	-	17,065
<b>Comprehensive income</b>				
Profit for the period - total comprehensive income		-	34	34
<b>Balance at 30 June 2017</b>		<b>250,002</b>	<b>363,032</b>	<b>613,034</b>

The notes on pages 7 to 8 are an integral part of this interim condensed financial information.

## Condensed statement of cash flows

	Six-months ended 30 June	
	2017 € (unaudited)	2016 € (unaudited)
<b>Net cash generated from operating activities</b>	<b>35,643</b>	18,377
<b>Net cash generated from financing activities</b>	<b>17,065</b>	-
Movement in cash and cash equivalents	<b>52,708</b>	18,377
Cash and cash equivalents at beginning of period	<b>31,387</b>	23,653
<b>Cash and cash equivalents at end of period</b>	<b>84,095</b>	42,030

The notes on pages 7 to 8 are an integral part of this interim condensed financial information.



## Notes to the half-yearly report

### 1. Significant accounting policies

The accounting policies applied in the preparation of the half-yearly report are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those financial statements.

### 2. Earnings per share

Earnings per share is based on the profit after taxation attributable to the ordinary shareholders of the company divided by the weighted average number of ordinary shares in issue during the period.

### 3. Related party transactions

The company forms part of the Tumas Group of Companies. All companies forming part of the Tumas Group are related parties since these companies are all ultimately owned by Tumas Group Company Limited which is considered by the directors to be the ultimate controlling party. The main related party with whom transactions are entered into is Spinola Development Company Limited, the guarantor of the interest-bearing borrowings.

The principal transactions carried out with related parties during the period were as follows:

	<b>Six-months ended 30 June</b>	
	2017 €	2016 €
<b>Income from services</b>		
Interest receivable from fellow subsidiary	1,395,685	1,399,457
Facility charges from fellow subsidiary	102,719	85,314
	<b>1,498,404</b>	<b>1,484,771</b>

The company's balances with fellow subsidiaries and parent as at the end of the period are as follows:

	<b>As at 30 June</b>	<b>As at 31 December</b>
	2017 €	2016 €
<b>Non-current</b>		
Loans to fellow subsidiary	24,718,514	49,379,595
Net amounts owed to fellow subsidiary	-	(949,186)
<b>Current</b>		
Loan to fellow subsidiary	24,661,081	-
Net amounts owed by fellow subsidiary	9,900	14,612
Net amounts owed to fellow subsidiary	(951,829)	-

## Notes to the half-yearly report - continued

### 4. Share capital

	As at 30 June	As at 31 December
	2017	2016
	€	€
<b>Authorised, issued and fully paid up</b>		
250,002 ordinary shares of €1 each (2016: 100,000 ordinary shares of €2.329373 each)	<b>250,002</b>	232,937

In terms of resolution dated 12 May 2017, the authorised and issued share capital of the company increased from 100,000 ordinary shares of €2.329373 each to 250,002 ordinary shares of €1 each.


### 5. Bond Redemption Fund

As at 30 June 2017, the company held funds in a Bond Redemption Fund pursuant to the terms and conditions stated in the Offering Memorandum of the unsecured bonds for a total amount of €2,000,000 (31 December 2016: €2,000,000). These amounts are disclosed within current assets.

### Director's statement pursuant to Listing Rule 5.75.3

I hereby confirm that to the best of my knowledge:

1. the condensed half-yearly report gives a true and fair view of the financial position of the company as at 30 June 2017, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).
2. the interim directors' report includes a fair review of the information required in terms of Listing Rule 5.81.



Raymond Fenech  
Director

