

SP FINANCE p.l.c
89 The Strand
Sliema
Malta
C89462

COMPANY ANNOUNCEMENT

The following is a Company Announcement issued by SP Finance p.l.c. ("the Company") pursuant to the Listing Rules as issued by the Listing Authority .

Quote

The Board of Directors is pleased to announce that:-

- (i) Scope number 1 of the Bond Issue (ref. Page 10 of the Prospectus Summary Note) being the acquisition of the Apartments by the Guarantor (as set out in sub-section 5.3 of the Registration Document) has been completed and the Apartments and relative airspace duly acquired;
- (ii) Scope number 2 of the Bond Issue (ref. Page 10 of the Prospectus Summary Note)) being the funding of the acquisition of the Guesthouse by the Guarantor (as set out in sub-section 5.3 of the Registration Document) has commenced with the conclusion of the first stage thereof;
- (iii) Scope number 3 of the Bond Issue (ref. Page 10 of the Prospectus Summary Note)) repaying an outstanding financing facility taken out with HSBC Bank (Malta) p.l.c., which facility was originally used to finance, among others, (a) the settlement of debts related to the development, finishing and furnishing of the premises at 90, The Strand, Sliema, (b) the reallocation of the Sea Pebbles Bar and Restaurant, (c) the development of 11, 12, 13, St. Agatha Street, Sliema into 6 residential units and 7 garages in a finished state and (d) the refurbishment of the Sea Pebbles Aparthotel, has been concluded and the amounts due to HSBC have therefore been relayed in full.
- (iv) Scope number 4 of the Bond Issue (ref. Page 10 of the Prospectus Summary Note) has commenced and works on the refurbishment and upgrading of the San Pawl Hotel is in full swing. Progress has been achieved such that the Hotel was in a position to receive its first guests in July of this year.

- (v) Scope number 5 of the Bond Issue (ref. Page 10 of the Prospectus Summary Note), being to finance the development of the Pebbles St Julian's Hotel (as set out in sub-section 5.3 of the Registration Document), the Planning Authority has recently approved the development of a ten-roomed hotel rather than an eighteen-roomed hotel that had been applied for. Following on the provision of the Prospectus which details, inter alia, that *"There can be no certainty that any given application for the development of the Pebbles St Julian's Hotel will result in planning consent being granted, or that if granted, will not be on unduly onerous terms"* (ref. Page 8 of the Prospectus Summary Note), the Board of Directors after due deliberation has reached the conclusion that the commercial feasibility of operating a hotel within the restrictions of the issued Permit has been thus compromised and therefore has decided not to proceed with this particular investment and to redirect the relative funds towards the completion of the San Pawl Hotel works in furtherance of one of the principal aims of the Bond Issue.

Unquote



Dr. Andrea Micallef
Company Secretary

7th. August 2019