



PHOENICIA FINANCE
COMPANY P.L.C

COMPANY ANNOUNCEMENT

The following is a company announcement issued by Phoenicia Finance Company p.l.c. [C 88958] (hereinafter the “Company”) of The Phoenicia Hotel, The Mall, Floriana FRN 1478, pursuant to Listing Rule 5.16.20 issued by the Listing Authority:

Quote

The Board of Directors approved the unaudited condensed interim financial statements of the Company for the financial period 1 January 2019 to 30 June 2019. The unaudited condensed interim financial statements are attached herewith and are also available for viewing on the Company’s website: <http://www.phoeniciafinance.com/financial-statements/>

Unquote

BY ORDER OF THE BOARD

27 August 2019

Dr. Jennifer Shaw
COMPANY SECRETARY

Company Registration No. C 88958

PHOENICIA FINANCE COMPANY P.L.C.

**Condensed Interim Financial Statements
(Unaudited)**

30 June 2019

PHOENICIA FINANCE COMPANY P.L.C.
Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2019

CONTENTS

	Pages
Interim Directors' Report	2
Directors' statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority	3
Condensed interim statement of comprehensive income (Unaudited)	4
Condensed interim statement of financial position (Unaudited)	5
Condensed interim statement of changes in equity (Unaudited)	6
Condensed interim statement of cash flows (Unaudited)	7
Notes to the condensed interim financial statements (Unaudited)	8 - 10

PHOENICIA FINANCE COMPANY P.L.C.

Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2019

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, Cap. 345 of the Laws of Malta.

The interim condensed financial statements have been extracted from the Company's unaudited accounts for the period ended 30 June 2019. 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

Phoenicia Finance Company p.l.c. ('the Company') was registered in Malta on 23 October 2018 as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta. The Company's principal activity is to carry on the business of a finance company in connection with the ownership, development, operation and financing of hotels, resorts, leisure facilities, and tourism related activities.

The Company issued an aggregate of EUR25,000,000 in bonds having a face value of EUR100 per bond, subject to a minimum holding of EUR2,000 in bonds. The bonds have a coupon interest rate of 4.15% per annum as stated in the prospectus dated 15 November 2018. These bonds were admitted for listing on the Malta Stock Exchange on 12 December 2018. The proceeds from the bond issue have been advanced by the company to its parent, Phoenicia Malta Limited. These bonds are guaranteed by Phoenicia Malta Limited and Phoenicia Hotel Company Limited.

The interim condensed Statement of Comprehensive Income is set out on page 4. Interest and related income, principally receivable from related parties, during the period ended 30 June 2019 amounted to EUR654,704. Loss before tax for the period amounted to EUR56,201. The directors expect the performance of the company to improve in the foreseeable future.

Related Party Transactions

Related party transactions are disclosed in note 6 to the Condensed Interim Financial Statements.

PHOENICIA FINANCE COMPANY P.L.C.

Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2019

Directors' Statement pursuant to Listing Rule 5.75.3 issued by the Listing Authority

We confirm that, to the best of our knowledge:

- The interim condensed financial information gives a true and fair view of the assets, liabilities and financial position of the Company as at 30 June 2019 and of its financial performance and its cash flows for the period then ended, in accordance with IAS 34 Interim Financial Reporting issued by the IASB and as adopted by the EU; and
- The Interim Directors' Report includes a fair review of the information required under listing Rule 5.81 to 5.84.



MARK SHAW
Director

27 August 2019



MARIO P. GALEA
Director

PHOENICIA FINANCE COMPANY P.L.C.
Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2019

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
for the period ended 30 June 2019

	Notes	Period from 23 October 2018 to 30 June 2019 EUR
Finance income		654,704
Finance costs		(654,124)
Net interest		<u>580</u>
Administrative expenses		(43,408)
Expected credit losses		(13,373)
Loss before tax		<u>(56,201)</u>
Income tax expense		-
Loss for the period		<u><u>(56,201)</u></u>
Other comprehensive income for the period		-
Total comprehensive income for the period, net of tax		<u><u>(56,201)</u></u>

PHOENICIA FINANCE COMPANY P.L.C.
Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2019

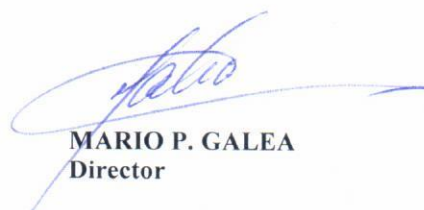
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
as at 30 June 2019

	Notes	30 June 2019 EUR
ASSETS		
Non-current assets		
Financial assets at amortised cost	4	24,175,701
		<u>24,175,701</u>
Current assets		
Financial assets at amortised cost	4	654,704
Other receivables		50,261
Cash and short-term deposits		430,158
		<u>1,135,123</u>
TOTAL ASSETS		<u><u>25,310,824</u></u>
EQUITY AND LIABILITIES		
Equity		
Issued share capital		250,000
Accumulated losses		(56,201)
Total equity		<u>193,799</u>
Non-current liabilities		
Interest-bearing borrowings	5	24,454,746
		<u>24,454,746</u>
Current liabilities		
Interest-bearing borrowings	5	593,681
Trade and other payables		68,598
		<u>662,279</u>
Total liabilities		<u>25,117,025</u>
TOTAL EQUITY AND LIABILITIES		<u><u>25,310,824</u></u>

The condensed interim financial statements (unaudited) on pages 4 to 10 have been authorised for issue by the Board of Directors on 27 August 2019 and signed on its behalf by:



MARK SHAW
Director



MARIO P. GALEA
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
for the period ended 30 June 2019

	Issued capital EUR	Accumulated losses EUR	Total EUR
At 23 October 2018	-	-	-
Issue of share capital	250,000	-	250,000
Comprehensive income			
Loss for the period	-	(56,201)	(56,201)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(56,201)	(56,201)
At 30 June 2019	250,000	(56,201)	193,799

PHOENICIA FINANCE COMPANY P.L.C.
Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2019

CONDENSED INTERIM STATEMENT OF CASH FLOWS
(UNAUDITED)
for the period ended 30 June 2019

	Notes	Period from 23 October 2018 to 30 June 2019 EUR
Net cash flows generated from operating activities		(62,190)
Net cash flows used in investing activities		(24,189,074)
Net cash flows generated from financing activities		24,681,422
Net movement in cash and cash equivalents		430,158
Cash and cash equivalents at 23 October 2018		-
Cash and cash equivalents at 30 June 2019		<u>430,158</u>

PHOENICIA FINANCE COMPANY P.L.C.
Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2019

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1 CORPORATE INFORMATION

Phoenicia Finance Company p.l.c. ('the Company') was registered in Malta on 23 October 2018 as a public limited liability company under the Companies Act, Cap. 386 of the Laws of Malta. The company is incorporated and domiciled in Malta with its registered office is The Phoenicia Hotel, The Mall, Floriana, FRN1478, Malta.

The Company's principal activity is to carry on the business of a finance company in connection with the ownership, development, operation and financing of hotels, resorts, leisure facilities, and tourism related activities.

2 BASIS OF PREPARATION

The Company was incorporated on 23 October 2018 and accordingly, these condensed interim financial statements have been prepared for the financial period from the 23 October 2018 (date of incorporation) to 30 June 2019.

The condensed interim financial statements have been prepared in accordance with IAS 34, 'Interim financial reporting'. The interim condensed financial statements do not include all the information and disclosure required in the financial statements and should be read in conjunction with the unaudited financial statements as at and for the period ended 31 December 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's unaudited financial statements as at and for the period ended 31 December 2018.

The Company has not adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The changes resulting from these standards, interpretations and amendments are not expected to have a material effect on the financial statements. The Company will adopt the changes in standards on their effective date.

4. FINANCIAL ASSETS AT AMORTISED COSTS

	2018
	EUR
<i>Non-Current</i>	
Loan to parent company	24,189,074
Allowance for expected credit losses	(13,373)
	<hr/>
Loan to parent company, net of expected credit losses	24,175,701
	<hr/> <hr/>
<i>Current</i>	
Accrued interest and other charges on loan to parent company	654,704
	<hr/> <hr/>

Financial assets represent the funds raised by the bond issue which have been advanced to the parent company. The loan bears interest rate of 4.73% per annum payable annually in arrears. The loan is repayable on 30 November 2028.

As at 30 June 2019, the loan is recognised net of an allowance for expected credit losses of EUR13,373.

PHOENICIA FINANCE COMPANY P.L.C.
Condensed Interim Financial Statements (unaudited) for the period ended 30 June 2019

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

5. INTEREST-BEARING BORROWINGS

	2018 EUR
<i>Non-current</i>	
4.15% Unsecured Bonds 2023-2028 (note i)	24,454,746
<i>Current</i>	
Accrued interest on 4.15% Unsecured Bonds 2023-2028 (note iii)	593,681

- i) The Unsecured Bonds are disclosed at the value of the proceeds less the net book value of the issue costs, as follows:

	2018 EUR
<i>Non-current</i>	
Bonds (note ii)	25,000,000
Issue costs	(605,698)
Accumulated amortisation	60,444
	24,454,746

- ii) In 2018, the Company issued 250,000 unsecured bonds with a face value of EUR100. Unless previously purchased and cancelled, the Unsecured Bonds will be redeemed at their nominal value (together with interest accrued up to the date fixed for redemption) on 15 December 2028 provided that the Company reserves the right to redeem all the Unsecured Bonds on any one of the Early Redemption Dates, that is, 15 December 2023, 15 December 2024, 15 December 2025, 15 December 2026 or 15 December 2027, subject to the Company giving at least 60 days' notice in writing to all Bondholders of its intention to effect such earlier redemption.
- iii) The Unsecured Bonds are subject to a fixed interest rate of 4.15%. The quoted market price as at 30 June 2019 for the Unsecured bonds was EUR104.00.

6. RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions

The following table provides the total amount of transactions and balances with related parties:

	Interest income	Amounts owed to
Immediate parent company	654,704	(13,850)
Other related company	-	(23,270)

The Company has issued a loan to its immediate parent company (note 4) on which interest is being generated. The Company also has current accounts with its immediate parent company and other related company. The bond is guaranteed by the Company's parent and other related company.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

7. FAIR VALUE MEASUREMENT

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

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.

At 30 June 2019 the carrying amounts of the current financial assets and cash and short-term deposits, trade and other payables and current interest-bearing borrowings approximated their fair value in view of the nature of the instruments or their short-term maturity (level 2). The fair values of non-current interest-bearing borrowings can be defined by reference to the quoted market price which as at 30 June 2019 was EUR104.00 (level 2). The fair value of the non-current financial assets as at 30 June 2019 approximated the fair value of the non-current interest-bearing borrowings.