



Santumas Shareholdings plc

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

Britannia House 1, 9 Old Bakery Street, Valletta VLT 1450, Malta G.C.
Telephones: (+356) 2123 1492 • 2125 0345 • 2122 1074 • Fax: (+356) 2123 9279
E-mail: santumas@maltanet.net • Web: www.santumasmalta.com

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 20th December 2017, the Board of Directors of Santumas Shareholdings plc approved the attached Interim Unaudited Financial Statements for the six months ended 31st October 2017.

The Interim Unaudited Financial Statements for the period ended 31st October 2017 are also available for viewing on the company’s website <http://www.santumasmalta.com/> “

UNQUOTE

Michael Formosa Gauci
Company Secretary

21st December 2017

Directors: C. Testaferrata Moroni Viani; A. P. Demajo, M. Pace Ross; 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 2017

SANTUMAS SHAREHOLDINGS PLC
Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017

CONTENTS

	Pages
Interim Directors' Report	3 - 4
Interim Condensed Statement of Comprehensive Income	5
Interim Condensed Statement of Financial Position	6
Interim Condensed Statement of Changes in Equity	7
Interim Condensed Statement of Cash Flows	8
Notes to the Interim Condensed Financial Statements	9 - 11

SANTUMAS SHAREHOLDINGS PLC
Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017

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 six months ended 31 October 2017 and its comparative period in 2016. The comparative Statement of Financial Position has been extracted from the audited financial statements as at 30 April 2017. 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 4.

For the six-month period to 31 October 2017, the Company has incurred a loss before taxation of EUR43,672 as compared to a profit before tax of EUR228,669 for the corresponding period in 2016. The tax charge for the six months of EUR41,328 (2016: EUR35,421) has resulted in a loss after tax for the six-month period to 31 October 2017 of EUR85,000 as compared to the profit after tax of EUR193,248 generated during the comparative period.

Portfolio

The period under review has seen a negative fair value movement of EUR107,669 as compared to a positive fair value movement of EUR98,945 for the corresponding period last year. As the portfolio is made up in the main of companies listed on the Malta Stock Exchange the appreciation or otherwise of the share price of such companies, particularly the large cap stocks, directly effects the performance of the portfolio and the negative fair value movement is a direct reflection of this.

Although dividend income for the period rose from EUR77,706 to EUR92,210 overall investment income saw a fall of EUR48,705 from the corresponding period. This has occurred due to a fall in income from ground rent redemptions which in the foreseeable future is unlikely to reach the levels enjoyed in 2016.

Net asset value

At 31 October 2017 the Net Asset Value per share of the Company stood at EUR1.714. As at 30 April 2017 the Net Asset Value per share stood at EUR1.727. The Net Asset Value has been calculated using the same methodology used to calculate the Earnings per Share.

INTERIM DIRECTORS' REPORT - continued

Net asset value- continued

Thus in order to arrive at the Net Asset Value, the bonus issue allocated on 4th December 2017 has been taken into consideration accordingly.

Events after the reporting period

Subsequent to the reporting period, with effect from 4th December 2017, a bonus issue of one share for every two shares held has been allotted. This bonus issue has been funded by a capitalisation of reserves amounting to EUR609,508.

Subsequent to the bonus issue, the new total number of shares in issue stood at 6,649,184 fully paid up shares with a nominal value of EUR0.275 per share. Such bonus issue has been approved by the shareholders during the AGM held on the 27th October 2017.

Malta Stock Exchange

Trading in company shares on the local market remained thin. As at 31 October 2017 the Company's share price stood at EUR2.25 (30 April 2017: EUR1.75).

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

December 2017

SANTUMAS SHAREHOLDINGS PLC
Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Six months to 31 October 2017 (unaudited) EUR	Six months to 31 October 2016 (unaudited) EUR
REVENUE			
Investment income	4	135,839	184,544
(Decrease)/increase in fair values of financial assets	6	(107,669)	98,945
Total revenue		<u>28,170</u>	<u>283,489</u>
EXPENSES			
Administrative expenses		(71,842)	(54,820)
Total expenses		<u>(71,842)</u>	<u>(54,820)</u>
(Loss)/profit before tax		(43,672)	228,669
Income tax expense		(41,328)	(35,421)
(Loss)/profit for the period		<u>(85,000)</u>	<u>193,248</u>
Total comprehensive (loss)/income for the period		<u>(85,000)</u>	<u>193,248</u>
(Loss)/profit per share		<u>(0.013)</u>	<u>0.029</u>

SANTUMAS SHAREHOLDINGS PLC**Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017****INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
as at 31 October 2017**

		31 October 2017 (unaudited) EUR	30 April 2017 (audited) EUR
	Notes		
ASSETS			
Non-current assets			
Investment properties	5	4,449,416	4,411,034
Property, plant and equipment		107,166	110,000
Financial assets at fair value through profit or loss	6	6,540,940	6,400,206
		<u>11,097,522</u>	<u>10,921,240</u>
Current assets			
Financial assets at fair value through profit or loss	6	170,484	-
Receivables		59,265	93,433
Cash at bank		723,523	1,125,265
		<u>953,272</u>	<u>1,218,698</u>
TOTAL ASSETS		<u>12,050,794</u>	<u>12,139,938</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital		1,219,017	1,219,017
Share premium		262,746	262,746
Revaluation reserve		74,338	75,339
Other reserves		4,597,639	4,732,196
Dividend Reserve		609,508	-
Retained earnings		4,636,292	5,195,242
		<u>11,399,540</u>	<u>11,484,540</u>
Non-current liabilities			
Deferred tax liability		442,429	438,458
Current liabilities			
Payables		178,546	178,533
Income tax payable		30,279	38,407
		<u>208,825</u>	<u>216,940</u>
Total liabilities		<u>651,254</u>	<u>655,398</u>
TOTAL EQUITY AND LIABILITIES		<u>12,050,794</u>	<u>12,139,938</u>
Net asset value per share		<u>1.714</u>	<u>1.727</u>

SANTUMAS SHAREHOLDINGS PLC**Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017****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
FINANCIAL PERIOD ENDED 31 October 2017 (unaudited)							
At 1 May 2017	1,219,017	262,746	75,339	4,732,196	-	5,195,242	11,484,540
Total comprehensive income for the period	-	-	-	-	-	(85,000)	(85,000)
Increase in fair value of financial assets	-	-	-	(133,290)	-	133,290	-
Redemption of ground rents	-	-	-	(1,267)	-	1,267	-
Dividends Proposed	-	-	-	-	609,508	(609,508)	-
Depreciation transfer for land and buildings, net of deferred tax	-	-	(1,001)	-	-	1,001	-
Financial period ended at 31 October 2017	1,219,017	262,746	74,338	4,597,639	609,508	4,636,292	11,399,540
FINANCIAL PERIOD ENDED 31 October 2016 (unaudited)							
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)	-
Depreciation transfer for land and buildings, net of deferred tax	-	-	(910)	-	-	910	-
Financial period ended at 31 October 2016	1,108,194	262,746	69,102	4,739,665	110,820	3,792,542	10,083,069

SANTUMAS SHAREHOLDINGS PLC
Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017

INTERIM CONDENSED STATEMENT OF CASH FLOWS

	Six months to 31 October 2017 (unaudited) EUR	Six months to 31 October 2016 (unaudited) EUR
Operating activities		
(Loss)/profit before taxation	(43,672)	228,669
Adjustments for:		
Depreciation of property, plant and equipment	2,834	2,741
Decrease/(increase) in fair value of financial assets	107,669	(98,945)
Gain on redemption of ground rent	(4,640)	(56,882)
Finance costs	-	-
Interest income	(14,711)	(14,180)
Dividend income	(92,210)	(77,706)
Working capital adjustments:		
Increase in receivables	(573)	(10,962)
Increase/(decrease) in payables	13	(14,946)
Income tax paid	(14,579)	(41,764)
Interest income received	14,366	12,212
Dividend income received	96,390	104,085
Net cash flows generated from operating activities	50,887	32,322
Investing activities		
Purchase of financial assets	(418,887)	-
Purchase of investment property	(39,790)	(199,655)
Redemption of ground rent	6,048	76,026
Net cash flows used in investing activities	(452,629)	(123,629)
Financing activities		
Interest paid	-	-
Net cash flows used in financing activities	-	-
Net decrease in cash and cash equivalents	(401,742)	(91,307)
Cash and cash equivalents at 1 May	1,125,265	505,173
Cash and cash equivalents at 31 October	723,523	413,866

SANTUMAS SHAREHOLDINGS PLC
Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017

NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Santumashareholdings 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 Shareholding 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 2017.

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 2017.

4. INVESTMENT INCOME

	Six months to 31 October 2017 (unaudited) EUR	Six months to 31 October 2016 (unaudited) EUR
Dividends	92,210	77,706
Interest income	14,711	14,180
Ground rents	24,278	25,776
Other income (note i)	4,640	66,882
	<u>135,839</u>	<u>184,544</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.

SANTUMAS SHAREHOLDINGS PLC
Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017

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 2017.

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
Fair value as at 31 October 2017 (unaudited)	4,449,416	-	2,262,500	2,186,916
Fair value as at 30 April 2017 (audited)	4,411,034	-	2,262,500	2,148,534

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.

Additions during the current financial period amounted to EUR39,790. Fair value of ground rents redeemed and derecognised during the current financial period amounted to EUR1,408.

SANTUMAS SHAREHOLDINGS PLC
Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017

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 negative fair value movement of EUR107,669 (31 October 2016: positive fair value movement of EUR98,945). Additions during the current financial period amounted to EUR418,887.

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
Fair value as at 31 October 2017 (unaudited)	6,711,425	4,918,673	1,760,970	31,782
Fair value as at 30 April 2017 (audited)	6,400,206	4,519,487	1,848,937	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 2017 and 2016, 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 2017 and 2016 from these investments. There were no movements in the holding of these investments during 2017 and 2016.

Other financial assets and liabilities

At 31 October 2017 and 30 April 2017, 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 4th December 2017, a bonus issue of one share for every two shares held has been allotted. This bonus issue has been funded by a capitalisation of reserves amounting to EUR609,508.

Subsequent to the bonus issue, the new total number of shares in issue stood at 6,649,184 fully paid up shares with a nominal value of EUR0.275 per share. Such bonus issue has been approved by the shareholders during the AGM held on the 27th October 2017.

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 that occurred after the reporting period but before these interim condensed financial statements were authorised for issue.

SANTUMAS SHAREHOLDINGS PLC

**Interim Report and Interim Condensed Financial Statements (unaudited)
for the six-month period ended 31 October 2017**

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 2017 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.



Mr. Anthony P. Demajo
Company Chairman



Mr. Mario P. Galea
Director