



Malta Properties Company plc
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MPC152018

COMPANY ANNOUNCEMENT

Quote

The following is a company announcement issued by Malta Properties Company plc ("MPC") pursuant to Listing Rule 5.162 of the Malta Financial Services Authority Listing Rules.

Class 1 Transaction

SGE Property Company Limited, a company registered in Malta bearing registration number C 51494 and with registered office at Triq Emvin Cremona, Floriana FRN 1281, Malta ("SGE"), being a wholly owned subsidiary of MPC is in the business of property acquisition, disposal, development and management.

By virtue of an agreement dated 02 August 2018, SGE entered into a promise of sale agreement with Mercury Exchange Limited, a company registered in Malta bearing registration number C 87640 and with registered office at J Portelli Projects, 1400, Block 14, Portomaso, St. Julian's, Malta (the "Purchaser") whereby SGE promised and bound itself to sell and transfer to Purchaser which bound itself to purchase and acquire Saint George's Exchange, without official number in Triq San Gorg, Saint Julian's including its surrounding land, inclusive of its subsoil and airspace (the "Property").

The Property is being sold free and unencumbered, except for a servitude in favour of GO p.l.c. (hereinafter referred to as GO) resulting from a deed dated 20 June 1998 between Maltacom (GO's predecessor in title), and Malta Government Investments Limited (C 10175), otherwise with vacant possession and with all its rights and appurtenances.

The consideration for the sale and acquisition of the Property is thirteen million seven hundred and fifty thousand Euro (EUR 13,750,000) payable as follows:

- i. to the sum of one million Euro (EUR 1,000,000) on account of the price and upon execution of the promise of sale agreement (subject to SGE's obligation to reimburse such deposit to the Purchaser prior to the lapse of forty five (45) days from date of the promise of sale agreement should a verification of the title of the Property reveal any defect in such title). Furthermore, although the deposit is being paid on account of the price, should Purchaser fail to appear on the final deed, without a valid reason at law or in terms of this share purchase agreement, SGE shall have the right, exercisable in their full and absolute discretion, to retain the deposit/s as its own by way of pre-liquidated and undisputable

- damages without the need of judicial intimation or any of the judicial procedures contemplated by law; and
- ii. twelve million seven hundred and fifty thousand Euro (EUR 12,750,000) in full and final settlement of the consideration upon the final deed of sale provided that should, at any time, even after the signing of the final deed, any permit granted for the construction within the Property, or in any contiguous area forming part of the same development, of another building exceeding the height of fifteen (15) floors when calculated from St. George's Road apart from the currently projected thirty-two (32) storey tower, then the Purchaser (or their successors in title as the case may be) shall be bound to pay to SGE an extra two hundred and fifty thousand Euro (EUR 250,000).

Within forty five (45) days from the date of the promise of sale agreement, the Purchaser shall, transfer and assign unto GO at a nominal price of one hundred Euro (EUR 100), the property situated within the first level below road level from Triq San Gorg and abutting the said Triq San Gorg consisting of a net floor area of three hundred and three (303) square meters with relative rights of access through other property of the Purchasers or associated individuals or companies. Should the Purchaser not transfer the property within the time stipulated as aforesaid in this paragraph, SGE shall have the right to withdraw from the promise of sale agreement and retain the one million Euro (EUR 1,000,000) paid on account of the price.

The promise of sale agreement shall remain valid and effective up to three (3) years from the date of the promise of sale. Notary Kristen Dimech was appointed by SGE and the Purchaser to register the promise of sale agreement with the Inland Revenue Department.

Upon the final deed of sale, the Property will no longer form part of the property portfolio of MPC and once the current tenant (GO) vacates the Property there will no longer be any rental income received in terms of the Property. The proceeds from the disposal of the Property are expected to go towards the development projects which the Group is currently undertaking and will undertake in the future on its sites with the purpose of developing commercial property for leasing.

As the Property is neither a business nor a company, there are no profits attributable to the Property, nor are there key individuals that need to be identified pursuant to Listing Rules 5.164.5 and 5.164.9.

Unquote



Francis Galea Salomone

Company Secretary

2 August 2018