



**HILI
PROPERTIES**

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Company Announcement

**The following is a Company Announcement issued by Hili Properties plc
(the “Company”) in terms of Listing Rule 5.16.20**

QUOTE

The Company hereby announces that the Board of Directors approved the Company’s half yearly financial report and unaudited Interim Financial Statements for the period ending 30 June 2020.

The Financial Statements are attached herewith and are also available for viewing on the Company’s website:

www.hiliproperties.com

UNQUOTE

BY ORDER OF THE BOARD

Dr. Melanie Miceli Demajo

Company Secretary

26 August 2020





Hili Properties p.l.c.

Interim Financial Report (Unaudited)

For the period 1 January 2020 to 30 June 2020

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Hili Properties p.l.c.

Interim Directors' Report Pursuant to Listing Rules 5.75.2

For the period ended 30 June 2020

The directors present their interim report, together with the unaudited interim condensed financial statements of the Company and its subsidiaries (the “group”) (“the condensed interim financial statements”) for the period from 1 January 2020 to 30 June 2020.

Principal activities

The principal activity of the Hili Properties p.l.c. group is to hold and rent immovable property. Hili Properties p.l.c. also acts as a holding company.

Performance review

The published figures have been extracted from the unaudited management financial statements for the half-year ended 30 June 2020 and its comparative period in 2019.

The Group

During the period under review, the group has registered an operating profit of €2,305,877 (June 2019: €3,011,830) on revenues of €3,873,587 (June 2019: €4,334,322). After accounting for finance costs and investment losses, the group registered a profit before tax of €572,650 (June 2019: €1,205,042), a decrease of €632,392 on the profit generated in the previous period. The decrease in profitability is mainly attributable due to a subsidiary disposed towards the end of 2019 which generated around €400,000 in its six-month operations in 2019, which asset was not replaced in the current period. Additionally, higher expenses were incurred as compared to the six-month ending June 2019.

The group’s net assets at the end of the period amounted to €57,957,261 compared to €57,635,190 as at 31 December 2019. The outlook of the operating activity of the Group is expected to remain positive.

Following the outbreak of the COVID-19 pandemic all major acquisitions planned for 2020 were postponed to be able to best monitor the market and safeguard the interests of both the company and its stakeholders. As a result, the profitability for the current period under review is lower than the comparative period since the assets disposed of in 2019 were not replaced as at June 2020.

The company

During the period ended 30 June 2020, the company registered a loss before tax of €1,163,282 (June 2019: €1,052,198). The net assets of the company at the end of the period amounted to €40,179,412 compared to €41,348,095 as at 31 December 2019.



Hili Properties p.l.c.

Interim Directors' Report Pursuant to Listing Rules 5.75.2 (continued)

For the period ended 30 June 2020

Likely future business developments

The directors consider that the period-end financial position was satisfactory. However, future performance might be negatively affected due to COVID-19 pandemic.

Effects of the Covid-19 pandemic

Following the outbreak of the Covid-19 pandemic, the directors have continued to actively monitor all developments currently taking place both locally and internationally to take any immediate action to safeguard the interest of the group, as necessary.

Although in the first six months of the year have yet not had any major impact on the group, the market is still undergoing major changes. This means that events might still have an impact on the performance and financial position of the Group in the future due to any unforeseen effects that such pandemic might have on the economies and industries.

During the first few months of the year, the Group has, to a great degree, implemented a work-from-home approach in order to protect its staff from unnecessary travel and has required its workforce to use protective equipment in line with Government guidelines for essential on-site visits to customers due to the nature of its operations. This strategy proved to be successful.

Post balance sheet events

Post to the balance sheet date, land in Latvia earmarked for sale as at the end of the year ended 31st December 2019 was sold for an amount of €3,774,413.



Hili Properties p.l.c.

Interim Directors' Report Pursuant to Listing Rules 5.75.2 (continued)

For the period ended 30 June 2020

Preparation of the Condensed Consolidated Interim Financial Statements

This report is being published in terms of the Listing Rule 5.75 of the Listing Rules issued by the Listing Authority and has been prepared in accordance with the applicable listing Rules and International Accounting Standard 34 - Interim Financial Reporting. This half-yearly report comprises the reviewed (but not audited) condensed consolidated interim financial statements. The financial statements published in this half-yearly report have been condensed in accordance with the requirements of IAS 34. These financial statements have been reviewed in accordance with the requirements of ISRE 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. The comparative statements have been extracted from the audited financial statements for the year ended 31 December 2019 and the management accounts for the period ending 30 June 2019.

Approved by the board of directors and signed on its behalf on the 26th August 2020
by:


Geoffrey Camilleri
Interim Chairman


Georgios Kakouras
Managing Director



Hili Properties p.l.c.

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the period ended 30 June 2020

	Group		Holding company	
	1 Jan - 30 Jun 2020 Unaudited €	1 Jan - 30 Jun 2019 Unaudited €	1 Jan - 30 Jun 2020 Unaudited €	1 Jan - 30 Jun 2019 Unaudited €
Total Revenue	3,873,587	4,334,322	45,000	101,904
Other operating income	138,348	128,344	15,025	-
Administrative expenses	(1,706,058)	(1,450,836)	(608,110)	(469,603)
Operating profit / (loss)	2,305,877	3,011,830	(548,085)	(367,699)
Investment losses	-	(883)	(3,500)	-
Finance income	44,849	-	434,090	356,666
Finance costs	(1,778,076)	(1,805,905)	(1,045,788)	(1,041,165)
Profit/(loss) before taxation	572,650	1,205,042	(1,163,282)	(1,052,198)
Income tax (expense)/credit	(216,376)	(158,468)	(5,400)	105,646
Profit/(loss) for the period	356,274	1,046,574	(1,168,682)	(946,552)
Other comprehensive income for the period:				
Exchange differences on translation of foreign operation	(32,925)	(57,694)	-	-
Total comprehensive income/ (expense) for the period	323,349	988,880	(1,168,682)	(946,552)
<i>Total profit attributable to:</i>				
Owners of the company	331,610	1,020,661		
Non-controlling interests	24,664	25,913		
	356,274	1,046,574		
<i>Total comprehensive income attributable to:</i>				
Owners of the company	298,685	962,967		
Non-controlling interests	24,664	25,913		
	323,349	988,880		



Hili Properties p.l.c.

Condensed Statement of Financial Position

As at 30 June 2020

	30 June 2020 Unaudited €	Group 31 December 2019 Audited €	Holding company 30 June 2020 Unaudited €	31 December 2019 Audited €
ASSETS AND LIABILITIES				
Non-current assets				
Intangible asset	16,231	16,443	15,665	15,665
Property, plant and equipment	134,092	194,147	-	910
Investment property	5 109,955,222	109,903,894	4,561,970	4,559,890
Property held for sale	3,774,413	3,774,413	-	-
Investment in subsidiaries	-	-	29,977,245	29,977,245
Deposit on acquisition of investment	24,500,000	24,500,000	24,500,000	24,500,000
Loans and receivables	5,231,333	1,231,333	23,368,295	18,401,920
Trade and other receivables	6 121,291	116,735	-	-
Deferred tax asset	295,687	295,687	-	-
Right-of-use asset	143,333	30,609	-	-
Restricted cash	1,586,606	1,191,606	-	-
Total non-current assets	145,758,209	141,254,867	82,423,175	77,455,630
Current assets				
Loans and receivables	325,175	140,084	5,088,400	5,628,618
Trade and other receivables	6 1,401,135	1,715,878	537,400	430,544
Current tax asset	1,399	225,967	-	221,617
Cash and cash equivalents	2,617,608	7,141,099	451,967	4,926,420
Total current assets	4,345,317	9,223,028	6,077,767	11,207,199
TOTAL ASSETS	150,103,526	150,477,895	88,500,942	88,662,829
Current liabilities				
Trade and other payables	7 4,107,129	3,344,554	1,816,055	1,989,293
Other financial liabilities	430,466	551,576	4,786,361	3,636,645
Lease liability	19,693	28,773	-	-
Bank loans	8 3,435,464	3,486,726	-	-
Current tax liabilities	747,967	694,690	169,195	177,184
Total current liabilities	8,740,719	8,106,319	6,771,611	5,803,122
Non - Current liabilities				
Other financial liabilities	3,388,762	3,380,183	4,721,802	4,721,802
Bank loans	8 40,015,579	41,866,379	-	-
Other payables	7 762,152	398,017	-	-
Debt securities in issue	9 36,594,514	36,556,201	36,594,514	36,556,201
Lease liability	111,343	2,405	-	-
Deferred tax liability	2,533,196	2,533,201	233,602	233,609
Total non current liabilities	83,405,546	84,736,386	41,549,918	41,511,612
Total liabilities	92,146,265	92,842,705	48,321,529	47,314,734
Net assets	57,957,261	57,635,190	40,179,412	41,348,095



Hili Properties p.l.c.

Condensed Statement of Financial Position (continued)

As at 30 June 2020

EQUITY				
Share capital	40,400,000	40,400,000	40,400,000	40,400,000
General reserve	144,938	144,938	-	-
Loss offset reserve	748,427	748,427	748,427	748,427
Currency translation reserves	(289,300)	(255,097)	-	-
Retained earnings	16,645,843	16,082,568	(969,015)	199,668
Equity attributable to the owners of the company	57,649,908	57,120,836	40,179,412	41,348,095
Non-controlling interest	307,353	514,354	-	-
	57,957,261	57,635,190	40,179,412	41,348,095


Geoffrey Camilleri
Interim Chairman


Georgios Kakouras
Managing Director

Hili Properties p.l.c.

Condensed Statement of Changes in Equity

For the period ended 30 June 2020

Group	Share capital €	Loss offset reserve €	Legal Reserve €	Currency translation reserve €	Retained Earnings €	Attributable to owners of the parent €	Non- controlling interest €	Total €
Balance at 1 January 2019	40,400,000	748,427	103,920	(255,097)	10,936,668	51,933,918	307,811	52,241,729
Profit for the period	-	-	-	-	1,020,661	1,020,661	25,913	1,046,574
Other comprehensive income (currency translation reserve)	-	-	30,239	(57,694)	-	(27,455)	-	(27,455)
Balance at 30 June 2019	40,400,000	748,427	134,159	(312,791)	11,957,329	52,927,124	333,724	53,260,848
Balance at 1 January 2020	40,400,000	748,427	144,938	(255,097)	16,082,568	57,120,836	514,354	57,635,190
Acquisition of minority interest	-	-	-	-	231,665	231,665	(231,665)	-
Profit for the period	-	-	-	-	331,610	331,610	24,664	356,274
Exchange differences on translation of foreign operation	-	-	-	(34,203)	-	(34,203)	-	(34,203)
Balance at 30 June 2020	40,400,000	748,427	144,938	(289,300)	16,645,843	57,649,908	307,353	57,957,261



Hili Properties p.l.c.

Condensed Statement of Changes in Equity

For the period ended 30 June 2020

Holding Company	Share capital	Loss offset	Accumulated	
	€	reserve	Losses	Total
		€	€	€
Balance at 1 January 2019	40,400,000	748,427	(2,174,302)	38,974,125
Loss for the period	-	-	(946,552)	(946,552)
Balance at 30 June 2019	40,400,000	748,427	(3,120,854)	38,027,573
Balance at 1 January 2020	40,400,000	748,427	199,668	41,348,095
Loss for the period	-	-	(1,168,683)	(1,168,683)
Balance at 30 June 2020	40,400,000	748,427	(969,015)	40,179,412



Hili Properties p.l.c.

Condensed Statement of Cash Flows

For the period ended 30 June 2020

	Group		Holding Company	
	1 Jan - 30 Jun 2020	1 Jan - 30 Jun 2019	1 Jan - 30 Jun 2020	1 Jan - 30 Jun 2019
	Unaudited €	Unaudited €	Unaudited €	Unaudited €
Cash flows from operating in activities				
Cash flows generated from/(used in) operations	2,436,799	2,453,696	(753,219)	(687,388)
Interest paid	(766,895)	(978,772)	-	(5,738)
Interest received	43,754	-	43,754	-
Income tax (paid)/refunded	(183,753)	(681,612)	30,499	(131,595)
Net cash flows from/(used in) operating activities	1,529,904	793,312	(678,966)	(824,721)
Cash flows from investing activities				
Purchase of property, plant and equipment	-	(1,784,274)	-	-
Proceeds from disposal of property held for resale	-	2,600,000	-	-
Additions to investment property	(51,328)	(762,887)	-	-
Loans granted to related parties	(4,000,000)	-	(4,000,000)	-
Net cash flows used in investing activities	(4,051,328)	52,839	(4,000,000)	-
Cash flows from financing activities				
Proceeds from bank loans	-	5,182,949	-	-
Proceeds from loans from related parties	-	174,708	204,513	3,812,448
Repayment of bank loans	(1,574,142)	(4,047,716)	-	(459)
Repayment of loans granted by related parties	-	(3,000,280)	-	(3,000,280)
Transfers to restricted cash	(395,000)	(395,000)	-	-
Net cash flows from financing activities	(1,969,142)	(2,085,339)	204,513	811,709
Net movement in cash and cash equivalents	(4,490,566)	(1,239,188)	(4,474,453)	(13,012)
Cash and cash equivalents at the beginning of the year	7,141,099	2,916,690	4,926,420	17,759
Effects of translation from functional currency to presentation currency	(32,925)	(2,219)	-	-
Cash and cash equivalents at the end of the period	2,617,608	1,675,283	451,967	4,747



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

1. Basis of preparation

The condensed interim financial statements for the six months ending on 30 June 2020 have been extracted from the unaudited management accounts of the Group and the Company and have been prepared in accordance with IAS 34 - *Interim Financial Reporting*.

Hili Properties p.l.c. is the group's ultimate parent company and is a public limited company incorporated in Malta with registration number C57954. The registered address of the holding company is Nineteen Twenty-Three, Valletta Road, Marsa. As disclosed in note 9, it has bonds issued on the Malta Stock Exchange.

2. Significant accounting policies

The condensed consolidated interim financial statements as at end of 30 June 2020 have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34, "Interim Financial Reporting"). The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the group's and holding company's annual financial statements for the year ended 31 December 2019, and corresponding interim period.

(i) Other pronouncements

Other accounting pronouncements which have become effective from 1 January 2020 and have therefore been adopted do not have a significant impact on the group's and holding company's financial results or position.

Standards, amendments, and Interpretations to existing Standards that are not yet effective and have not been adopted early by the Group

Several new, but not yet effective, standards, amendments to existing standards, and interpretations have been published by the IASB. None of these standards, amendments or Interpretations have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations neither adopted nor listed by the Group have not been disclosed as they are not expected to have a material impact on the Group's financial statements.



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

3. Judgements and estimates

When preparing the condensed consolidated interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. The judgements, estimates and assumptions applied in the condensed consolidated interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the group's and holding company's annual financial statements for the year ended 31 December 2019.

4. Segmental Reporting

The segment reporting of the group is made in terms of the location which it conducts its business in, as the risks and rates of return are affected predominantly by differences in the services provided in the different locations. The group is currently organised into five main business segments: Malta, Latvia, Estonia, Lithuania and Romania. Each of these operating segments is managed separately as each of these lines requires local resources. All inter segment transfers for management services are carried out on a cost basis.

The accounting policy for identifying segments is based on internal management reporting information that is regularly reviewed by the chief operating decision maker.

Each of these operating segments is managed separately as each of these lines requires local resources. All inter segment transfers for management services are carried out on a cost basis.

Revenue reported below represents revenue generated from external customers. There were no intersegment sales in the period. The group's reportable segments under IFRS 8 are direct sales attributable to each line of business.

Measurement of operating segment profit or loss, assets and liabilities

Segment profit represents the profit earned by each segment after allocation of central administration costs based on services provided. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The accounting policies of the reportable segments are the same as the group's accounting policies. Reconciliations of reportable segment revenues, profit or loss, assets and liabilities to consolidated totals are reported below:



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

4. Segmental Reporting (continued)

	Group	
	1 January to	1 January to
	30 June 2020	30 June 2019
	Unaudited	Unaudited
	€	€
Profit before taxation		
Total profit for reportable segments	1,699,479	2,281,065
Unallocated amounts:		
Finance Costs	(870,814)	(870,814)
Other unallocated amounts	(256,015)	(205,209)
	572,650	1,205,042
Assets		
	30 June 2020	31 December 2019
	Unaudited	Audited
	€	€
Total assets for reportable segments	192,682,003	128,449,304
Elimination of inter segment receivables	(58,224,001)	(43,140,662)
Unallocated amounts:		
Other unallocated amounts	15,645,525	65,169,253
	150,103,526	150,477,895
Liabilities		
	30 June 2020	31 December 2019
	Unaudited	Audited
	€	€
Total liabilities for reportable segments	98,976,468	75,304,752
Elimination of inter segment payables	(58,376,467)	(44,380,124)
Unallocated amounts:		
Debt Securities in issue	36,594,514	36,556,201
Other unallocated amounts	14,951,749	25,361,876
	92,146,265	92,842,705

Included in revenue arising from rental of investment property is the rental income from investment property in Romania of €1,115,971. The only other property which contributed more than 10% of group revenues is the shopping centre Dole located in Latvia and generated revenues of €380,019.

The Group's revenue and results from continuing operations and information about its net assets by reportable segment are detailed below:

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

4. Segmental reporting (continued)

For the period ended 30 June 2020 (unaudited)

	Malta Eur	Latvia Eur	Estonia Eur	Lithuania Eur	Romania Eur	Total Eur	Unallocated Eur	Eliminations and Adjustments Eur	Consolidated Eur
Revenue	806,441	1,517,910	54,998	140,246	1,353,992	3,873,587	-	-	3,873,587
Profit before tax	394,083	618,504	54,920	13,215	618,752	1,699,474	2,768,101	(3,894,925)	572,650
Depreciation and amortisation	(62,974)	(14,670)	-	-	(400)	(78,044)	-	-	(78,044)
Finance costs	(283,783)	(586,818)	-	(14,174)	(529,320)	(1,414,095)	(1,145,745)	781,764	(1,778,076)
Income tax expense	(199,892)	-	-	(13,989)	(2,495)	(216,376)	-	-	(216,376)
As at 30 June 2020 (unaudited)									
Segment assets	91,879,519	55,026,056	2,086,025	4,645,996	39,044,407	192,682,003	15,646,757	(58,225,235)	150,103,525
Investment property	28,041,472	39,924,243	1,700,000	4,400,000	35,889,507	109,955,222	-	-	109,955,222
Additions to Investment property	25,449	25,880	-	-	-	51,328	-	-	51,328
Segment liabilities	24,346,138	45,334,648	926,265	2,767,055	25,602,364	98,976,470	51,546,264	(58,376,469)	92,146,265

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

4. Segmental reporting (continued)

For the period ended 30 June 2019 (unaudited)

	Malta Eur	Latvia Eur	Estonia Eur	Lithuania Eur	Romania Eur	Total Eur	Unallocated Eur	Eliminations and Adjustments Eur	Consolidated Eur
Revenue	1,134,677	1,987,323	54,998	136,161	1,311,416	4,624,575	-	(290,253)	4,334,322
Profit before tax	700,922	846,663	44,161	85,958	603,361	2,281,065	(1,076,023)	-	1,205,042
Depreciation and amortisation	(65,184)	(12,824)	-	-	(409)	(78,417)	-	-	(78,417)
Investment losses	-	(883)	-	-	-	(883)	-	-	(883)
Finance costs	(323,681)	(560,766)	-	(16,451)	(492,499)	(1,393,397)	(1,116,528)	704,020	(1,805,905)
Income tax (expense)/credit	(143,481)	(48)	-	(12,840)	(2,099)	(158,468)	-	-	(158,468)
As at 31 December 2019 (audited)									
Segment assets	33,080,958	49,793,238	2,034,138	4,646,135	38,894,834	128,449,303	65,169,254	(43,140,662)	150,477,895
Investment property	23,474,025	39,887,192	1,700,000	4,400,000	35,882,787	105,344,004	4,559,890	-	109,903,894
Additions to Investment property	105,086	936,621	-	-	2,604,552	3,646,259	25,034	-	3,671,293
Segment liabilities	12,837,503	32,763,152	929,306	2,766,420	26,008,371	75,304,752	61,918,076	(44,380,123)	92,842,705

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

5. Investment property

Group	Retail/ Commercial Properties	Office Properties	Other Properties	Group Total
	€	€	€	
At 1 January 2019 (Audited)	69,308,837	41,307,187	2,400,000	113,016,024
Additions	3,497,166	118,497	55,630	3,671,293
Disposals	(152,000)	(11,688,847)	-	(11,840,847)
Increase in fair value	2,714,390	181,481	-	2,895,871
Decrease in fair value	(20,000)	(323,817)	-	(343,817)
Transferred from property held for sale	2,561,000	-	(55,630)	2,505,370
At 1 January 2020 (Audited)	77,909,393	29,594,501	2,400,000	109,903,894
Additions	43,768	7,560	-	51,328
At 30 June 2020 (unaudited)	77,953,161	29,602,061	2,400,000	109,955,222

Holding company	Office Properties	Other Properties	Total
	€	€	
At 1 January 2019	2,134,856	2,400,000	4,534,856
Additions	25,034	-	25,034
At 1 January 2020 (Audited)	2,159,890	2,400,000	4,559,890
Additions	2,080	-	2,080
At 30 June 2020 (unaudited)	2,161,970	2,400,000	4,561,970

The fair value of investment properties amounting to €109,955,222 (2019: €109,903,894) has been arrived at based on partly internal assessments to reflect market conditions at the end of the reporting period, and by considering external valuations performed in 2019.



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

5. Investment property (continued)

During 2019, external market valuations were obtained for a selection of seven properties, covering 46% of the property portfolio held by the group. At the reporting date the directors re-assessed the fair values of these properties and were of the opinion that their fair value had not altered significantly since the external valuations were performed in 2019. In estimating the fair value of the property, the highest and best use of the property is its current use.

All the properties located in the Baltics amounting to €45,987,192 (2019: €45,987,192) are classified as retail commercial properties. A total of 75% of the investment property located in Romania amounting to €26,714,470 (2019: €26,714,470) is classified as retail commercial property, the rest as office property.

6. Trade and other receivables

	Group		Holding company	
	30 June 2020 Unaudited €	31 December 2019 Audited €	30 June 2020 Unaudited €	31 December 2019 Audited €
Trade receivables	452,364	543,542	23,724	4,666
Other receivables	240,459	346,007	75,345	238,429
Amounts due from related companies	68,865	287,269	-	-
Amounts due from Parent	169,215	64,846	-	-
Amounts due from subsidiaries	-	-	229,914	-
Prepayments and accrued income	591,523	590,948	208,417	187,449
	1,522,426	1,832,613	537,400	430,544
Less: amounts expected to be settled within 12 months	(121,291)	(116,735)	-	-
Amounts expected to be settled after 12 months (shown under non-current liabilities)	1,401,135	1,715,878	537,400	430,544

No interest is charged on trade and other receivables.

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

7. Trade and other payables

	Group		Holding company	
	30 June 2020 Unaudited €	31 December 2019 Audited €	30 June 2020 Unaudited €	31 December 2019 Audited €
Trade payables	611,487	922,588	44,413	44,231
Amounts due to other related companies	448,288	406,883	-	406,883
Amounts due to group companies	-	-	-	574,007
Amounts due to ultimate parent	491,819	129,499	491,001	129,499
Other payables	943,427	794,322	6,579	212,461
Accruals and deferred income	2,374,260	1,489,279	1,274,062	622,212
	4,869,281	3,742,571	1,816,055	1,989,293
Less: amounts expected to be settled within 12 months	(4,107,129)	(3,344,554)	(1,816,055)	(1,989,293)
Amounts expected to be settled after 12 months (shown under non-current liabilities)	762,152	398,017	-	-

No interest is charged on trade and other payables.

8. Bank overdrafts and loans

	Group		Holding company	
	30 June 2020 Unaudited €	31 December 2019 Audited €	30 June 2020 Unaudited €	31 December 2019 Audited €
Bank loans	43,451,043	45,353,105	-	-
Less: amount due for settlement within 12 months (shown under current liabilities)	(3,435,464)	(3,486,726)	-	-
Amount due for settlement after 12 months	40,015,579	41,866,379	-	-



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

8. Bank overdrafts and loans (continued)

Bank overdraft and loans are payable as follows:

	Group		Holding company	
	30 June 2020 Unaudited €	31 December 2019 Audited €	30 June 2020 Unaudited €	31 December 2019 Audited €
On demand or within one year	3,435,463	3,673,326	-	-
Between one and five years	24,142,398	26,189,269	-	-
After five years	15,873,182	15,490,509	-	-
	43,451,043	45,353,105	-	-

The group's bank loans facilities bear effective interest at the rates of 3.25% to 4.85% p.a. The group's bank borrowings facilities amount to €43,451,043 (2019: €45,353,105). The facilities are secured by special hypothecs over the investment property of the group, a general hypothec over the assets of the group, guarantees provided by other related party and a pledge over rent receivable from the company's tenants.

9. Debt securities in issue

	Group and holding company	
	30 June 2020 Unaudited €	31 December 2019 Audited €
4.5% unsecured bonds redeemable 2025	36,594,514	36,556,201

In October 2015, the Company issued 370,000 4.5% unsecured bonds of a nominal value of €100 per bond. The bonds are redeemable at their nominal value in 2025. Interest on the bonds is due and payable annually on 16 October of each year.

The bonds are listed on the Official List of the Malta Stock Exchange. The carrying amount of the bond is net of direct issue costs of €766,271 which are being amortised over the life of the bond. The market value of debt securities on the last trading day before the statement of financial position date was €37,740,000 (2019 €38,850,000). The bonds are guaranteed by Harbour (APM) Investments Limited and Hili Estates Limited. The full terms of the guarantee are disclosed in the bond prospectus

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

10. Related party transactions

During the period, the Company and the group entered into transactions with related parties set out below.

Group	1 Jan - 30 Jun 2020			1 Jan - 30 Jun 2019		
	Related party activity	Total activity	%	Related party activity	Total activity	%
	€	€		€	€	
Revenue:						
Related party transactions with:						
Parent company	316,763			158,031		
Other related parties	2,408,158			953,978		
	<u>2,724,921</u>	<u>3,873,587</u>	30%	<u>1,112,009</u>	<u>4,334,322</u>	30%
Administrative expenses:						
Related party transactions with:						
Parent company	350,000			180,000		
Other related parties	24,966			231,425		
	<u>374,966</u>	<u>1,704,825</u>	22%	<u>411,425</u>	<u>1,450,836</u>	28%
Other operating income						
Related party transactions with:						
Parent company	-			3,991		
Other related parties	18,044			14,053		
	<u>18,044</u>	<u>138,348</u>	13%	<u>18,044</u>	<u>128,344</u>	14%
Finance income:						
Related party transactions with:						
Other related parties	43,754			-		
	<u>43,754</u>	<u>44,849</u>	98%	<u>-</u>	<u>-</u>	0%
Finance costs:						
Related party transactions with:						
Parent company	-			-		
Other related parties	42,927			307,003		
	<u>42,927</u>	<u>1,778,076</u>	2%	<u>307,003</u>	<u>1,805,905</u>	17%

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

10. Related party transactions (continued)

Holding company	1 Jan - 30 Jun 2020 Unaudited			1 Jan - 30 Jun 2019 Unaudited		
	Related party activity €	Total activity €	%	Related party activity €	Total activity €	%
Administrative expenses:						
Related party transactions with:						
Parent company	350,000	608,110		180,000		
	<u>350,000</u>	<u>608,110</u>	58%	<u>180,000</u>	<u>469,603</u>	38%
Finance income:						
Related party transactions with:						
Subsidiaries	390,336			356,666		
Other related parties	43,754			-		
	<u>434,090</u>	<u>434,090</u>	100%	<u>356,666</u>	<u>356,666</u>	100%
Finance costs:						
Related party transactions with:						
Parent company	-			42,691		
Subsidiaries	131,432			127,660		
Other related parties	43,542			-		
	<u>174,974</u>	<u>1,045,788</u>	17%	<u>170,351</u>	<u>1,041,165</u>	16%

No expense has been recognised in the period for bad or doubtful debts in respect of amounts due by related parties and there are no provisions for doubtful debts in respect of outstanding amounts due by related parties.

11. Fair values of financial assets and financial liabilities

At 30 June 2020 and 31 December 2019, the carrying amounts of financial assets and financial liabilities classified with current assets and current liabilities respectively approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values of the debt securities in issue are disclosed in Note 9. The fair values of the other non-current financial liabilities and the non-current financial assets are not materially different from their carrying amounts due to the fact that the interest rates are considered to represent market rates at the year end. The fair values of the financial assets and financial liabilities included in the level 2 and level 3 categories below have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.



Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

11. Fair values of financial assets and financial liabilities (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the company and the group determines when transfers are deemed to have occurred between Levels in the hierarchy at the end of each reporting period.

The following table provides an analysis of financial instruments that are not measured subsequent to initial recognition at fair value, other than those with carrying amounts that are reasonable approximations of fair value, and other than investments in subsidiaries, associates and jointly controlled entities, grouped into Levels 1 to 3.

Group	Level 1	Level 2	Level 3	Total	Carrying amount
	€	€	€	€	€
2020	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
<i>Loans and receivables</i>					
- receivables from related parties	-	325,175	5,231,333	5,556,508	5,556,508
As at 30 June, 2020	-	24,825,175	5,231,333	30,056,508	30,056,508
Financial liabilities					
<i>Financial liabilities at amortised cost</i>					
- Other financial liabilities	-	430,466	3,388,762	3,819,228	3,819,228
- Bank borrowings	-	43,451,043	-	43,451,043	43,451,043
- Debt securities	37,740,000	-	-	37,740,000	36,594,514
As at 30 June, 2020	37,740,000	43,881,509	3,388,762	85,010,271	83,864,785

Hili Properties p.l.c.

Notes to the condensed interim financial statements

For the period ended 30 June 2020

11. Fair values of financial assets and financial liabilities (continued)

Group	Level 1	Level 2	Level 3	Total	Carrying
	€	€	€	€	amount
2019	Audited	Audited	Audited	Audited	Audited
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
<i>Loans and receivables</i>					
- receivables from related parties	-	140,084	1,231,333	1,371,417	1,371,417
At 31 December 2019	-	24,640,084	1,231,333	25,871,417	25,871,417
Financial liabilities					
<i>Financial liabilities at amortised cost</i>					
- Other financial liabilities	-	551,576	3,380,183	3,931,758	3,931,758
- Bank borrowings	-	45,353,105	-	45,353,105	45,353,105
- Debt securities	38,850,000	-	-	38,850,000	36,556,201
At 31 December 2019	38,850,000	45,904,681	3,380,183	88,134,863	85,841,064
Holding company					
	Level 1	Level 2	Level 3	Total	Carrying
	€	€	€	€	amount
2020	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
<i>Loans and receivables</i>					
- receivables from related parties	-	5,088,400	23,368,295	28,456,695	28,456,695
As at 30 June, 2020	-	29,588,400	23,368,295	52,956,695	52,956,695
Financial liabilities					
<i>Financial liabilities at amortised cost</i>					
- other financial liabilities	-	4,786,361	4,721,802	9,508,163	9,508,163
- debt securities	37,740,000	-	-	37,740,000	36,594,514
As at 30 June, 2020	37,740,000	4,786,361	4,721,802	47,248,163	46,102,677
2019	Audited	Audited	Audited	Audited	Audited
Financial assets					
Deposit on the acquisition of investment	-	24,500,000	-	24,500,000	24,500,000
<i>Loans and receivables</i>					
- receivables from related parties	-	5,628,618	18,401,920	24,030,538	24,030,538
At 31 December 2019	-	30,128,618	18,401,920	48,530,538	48,530,538
Financial liabilities					
<i>Financial liabilities at amortised cost</i>					
- other financial liabilities	-	3,636,645	4,721,802	8,358,447	8,358,447
- debt securities	38,850,000	-	-	38,850,000	36,556,201
At 31 December 2019	38,850,000	3,636,645	4,721,802	47,208,447	44,914,648



Hili Properties p.l.c.

Statement Pursuant to Listing Rule 5.75.3 issued by the Listing Authority

For the period ended 30 June 2020

We confirm that to the best of our knowledge:

- a) The condensed interim financial statements give a true and fair view of the financial position of Hili Properties p.l.c. (the “company”) and its subsidiaries (the “group”) As at 30 June 2020, and the financial performance and cash flows of the company and the group for the six month period then ended, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 – Interim Financial Reporting); and
- b) The interim Directors’ report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Approved by the Board of Directors on the 26th August, 2020 and signed on its behalf by:


Geoffrey Camilleri
Interim Chairman


Georgios Kakouras
Managing Director