

VON DER HEYDEN GROUP FINANCE P.L.C.

**Interim Report
and
Condensed Financial Statements**

for the six months ended 30 June 2017

VON DER HEYDEN GROUP FINANCE P.L.C.
Condensed Interim Financial Statements for the six months ended 30 June 2017

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GENERAL INFORMATION

Registration

Von der Heyden Group Finance p.l.c. is registered in Malta as a public limited liability company under the Companies Act (Cap. 386). The company's registration number is C 77266.

Directors

Robert Hendrik Rottinghuis
Sven von der Heyden
Francis J. Vassallo
Robert Aquilina - Appointed 1 January 2017
Kevin Deguara - Appointed 1 January 2017

Company Secretary

Adrian-Paul Sciberras

Registered Office

Spinola Palace
46, St Christopher Street
Valletta VLT 1464
Malta

Bankers

Lombard Bank Malta p.l.c.
67, Republic Street
Valletta VLT 1117
Malta

Auditors

RSM Malta
Mdina Road
Zebbug ZBG 9015
Malta

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DIRECTORS' REPORT

The directors of the Company hereby present the condensed interim financial statements for the financial period ended on June 30th, 2017.

General information

The Company was incorporated on September 15th, 2016 as a public limited liability company, registered in terms of the Companies Act with company registration number C 77266. It is domiciled in Malta, having its registered office at Spinola Palace, 46, St. Christopher Street, Valletta VLT 1464, Malta. Its Company Secretary is Mr. Adrian Paul Sciberras.

Principal Activity

The Company has been set up and established to act as a finance company forming part of the Von der Heyden Group, which principally specializes in the business of developing high quality office buildings and other property developments, as well as owning and managing hotel and residential properties in several European countries including Malta.

Events after the reporting period

There have been no events after the reporting period that materially affected the financial position of the Company.

Review of the business

On January 1st, 2017 the Company had to restructure its authorized and issued share capital from €50,000 to €250,000 in order to be eligible for the bond issue. The share capital of the Company is divided into 249,999 ordinary A shares of €1 each, subscribed to and allotted as fully paid up shares to TIMAN Investments Holdings Limited and 1 ordinary B share of €1 subscribed to and allotted as fully paid up share to FJV Management Limited.

On January 30th, 2017, the Maltese Listing Authority approved the Company's EUR 25,000,000, 7 year, 4.40% listed bond issue. The Listing Authority approved the Prospectus dated January 30th, 2017, and authorized the admissibility to listing of the bonds. The bonds were listed and are trading on the Official List of the Malta Stock Exchange. The bonds were issued at par at EUR 1,000 per bond and interest thereon will be paid annually in arrears on March 8th, with the first interest payment date being March 8th, 2018. The redemption date of the bonds is March 8th, 2024. TIMAN Investments Holdings Limited, as Guarantor, has provided a corporate Guarantee in favour of the Bondholders, of which further information is contained in Annex B to the Securities Note forming part of the Prospectus. The issue period through an Intermediaries' Offer started on February 9th, 2017 and lasted up to and including March 10th, 2017 noon. The total amount of €25,000,000 of bonds was reserved for subscription by Authorized Intermediaries participating in the Intermediaries' Offer and fully placed among more than 1,300 investors. The allocation of the net bond proceeds is further described in section 5.1 of the Securities Note and section E of the Summary Note, both forming part of the Prospectus. The date of admission of the bonds to listing was March 17th, 2017 and the date of commencement of trading in the bonds was March 20th, 2017.

The Company, as Issuer of the bonds, does not have any substantial assets and is essentially a special purpose vehicle set up to act as a financing company. The Company therefore serves as a vehicle through which the Von der Heyden Group will continue to finance its future projects and/or enabling the Von der Heyden Group to seize new opportunities arising in the market. The Company operates exclusively in and from Malta.

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At June 30th, 2017, the Company had on-lent and made available from its net bond proceeds an amount of € 20,599,837 to various subsidiaries of the Von der Heyden Group at an interest rate of 7.5%, which represents a 3.1% spread over the interest paid on the bonds of 4.4%. This interest spread serves to cover bond issue and operating expenses as well as a remuneration for the Company's financing activities, on an arm's length basis. The loans provided to the various subsidiaries have been made in accordance with the parameters as set in the Company's Prospectus dated January 30th. Further loan disbursements are planned to be made until the end of the year from the current €4m cash remaining available, providing for a further increase of the positive net interest income for FY17.

Given the increasing interest income started in the first half of the 2017 financial year derived from on-lending the net bond proceeds to the various subsidiaries of the Von der Heyden Group, as well as its healthy capital base, the Management of the Company is of the opinion that the business is a going concern, despite its € 25,667 negative equity at June 30th, 2017.

Related party transactions

During the first six months of the 2017 financial year there have been no material related party transactions which have not been concluded under normal market conditions.

To the best of the knowledge of the Management of the Company the half-year financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company. Furthermore this interim directors report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84. The half-yearly financial report has not been audited or reviewed.


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Statement Pursuant To Listing Rule 5.75.3 Issued by the Listing Authority

The condensed interim financial information gives a true and fair view of the financial position of the company as at 30 June 2017, and of its financial performance and cash flows for the period then ended, in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim Financial reporting (IAS34); and

The Interim Directors' Report includes a fair review of the information required in terms of Listing Rules 5.81 to 5.84.

Signed on behalf of the Board of Directors by:



Robert Hendrik Rottinghuis



Sven von der Heyden

18 August 2017

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CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	01.01.2017 to 30.06.2017 (Unaudited) €
	Note
Revenue	387,510
Direct cost	(348,333)
Gross profit	39,177
Administrative expenses	(192,780)
Loss before tax	(153,603)
Taxation	-
Loss for the period	(153,603)
Total comprehensive loss for the period	<u>(153,603)</u>

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CONDENSED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017

	Note	30.06.2017 (unaudited) €	31.12.2016 (audited) €
ASSETS			
Non-current assets			
Loans to group companies		20,479,837	-
Trade and other receivables		211,446	-
Total non-current assets		20,691,283	-
Current assets			
Trade and other receivables		423,917	-
Cash and cash equivalents		4,219,204	444
Total current assets		4,643,121	444
TOTAL ASSETS		25,334,404	444
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		250,000	50,000
Accumulated losses		(275,667)	(122,064)
TOTAL EQUITY		(25,667)	(72,064)
Non-current liabilities			
Loans from group companies		-	45,000
Bonds payable		25,000,000	-
		25,000,000	45,000
Current liabilities			
Trade and other payables		360,071	27,508
TOTAL LIABILITIES		25,360,071	72,508
TOTAL EQUITY AND LIABILITIES		25,334,404	444

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CONDENSED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital €	Accumulated losses €	Total equity €
Financial period ended 30 June 2017				
Balance at 01 January 2017		50,000	(122,064)	(72,064)
Issuance of share capital		200,000	-	200,000
Total comprehensive loss for the period:				
<i>Loss for the period</i>		-	(153,603)	(153,603)
Balance at 30 June 2017		250,000	(275,667)	(25,667)

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CONDENSED STATEMENT OF CASH FLOWS

	30.06.2017 (unaudited) €
Cash flows from operating activities:	
Loss before tax	(153,603)
Adjustment for:	
Interest income	<u>(387,510)</u>
Loss from operations	(541,113)
Increase in trade and other receivables	(423,917)
Increase in trade and other payables	<u>332,563</u>
Cash used in operating activities	(632,467)
Cash from interest received	<u>387,510</u>
Net cash flows used in operating activities	(244,957)
Cash flows from investing activities:	
Loan to group companies	(20,479,837)
Payments for interest capitalised on construction of assets	<u>(211,446)</u>
Net cash flows used in investing activities	(20,691,283)
Cash flows from financing activities:	
Proceeds from issuance of share capital	200,000
Proceeds from bond issue	<u>24,955,000</u>
Net cash flows from financing activities	25,155,000
Net cash increase in cash and cash equivalents	4,218,760
Cash and cash equivalents at beginning of period	<u>444</u>
Cash and cash equivalents at end of period	<u>4,219,204</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This report is being published pursuant to the terms of Chapter 5 of the Listing Rules and the Prevention of Financial Markets Abuse Act 2005.

The financial information being published has been extracted from the Von Der Heyden Group Finance P.L.C unaudited interim financial statements for the six months ended 30 June 2017, prepared in accordance with accounting standards adopted for use in the European Union for reported interim financial information (IAS 34 - Interim Financial Reporting). In terms of Listing Rule 5.75.5, this interim report has not been audited by the company's independent auditors.

There is no comparative information in the condensed statement of comprehensive income, statement of changes in equity and statement of cash flows since the company was incorporated in September 15th, 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the period ended 31 December 2016.

3. CONTINGENT LIABILITY

The company has a contingent liability in favour of a group undertaking of €120,000. The pledge shall expire on 31 December 2021.