

Shares, bonds offered in Suncrest

Maltese investors are being offered the opportunity to buy shares or bonds in the island's biggest hotel – the 458-room Suncrest in Qawra.

Two million shares in Suncrest Hotels PLC, which has registered profits consistently since it was opened nine years ago, are being offered for sale by its parent company, the AX Group.

And Lm3 million worth of bonds, maturing in between eight and 10 years, are also set to be offered in a deal that has already attracted overseas interest.

The two million ordinary shares will be on offer at 75 cents each while the bonds will have an annual interest of 8.25 per cent, subject to approval by the authorities.

Launching the offer yesterday, AX Group chairman Angelo Xuereb described it as an ideal opportunity for the public to share in the company's success story.

Mr Xuereb said the AX Group saw the share and bond issue as an alternative way of raising finance, especially due to the large number of projects in which the company is currently involved.

Recent investments by the group include the Capua Palace Hotel, the Victoria Hotel in Sliema and the Verdala Hotel in Rabat, he said.

The issue of the shares and bonds will also help augment business on the stock exchange and act as an example to other companies, Mr Xuereb said.

Suncrest Hotels PLC will raise a total of Lm4.5 million through the issue, Lm1.5 million from the shares and Lm3

million from the bonds.

Money from the shares will go straight to the AX Group who are selling 20 per cent of their shareholding in the Suncrest.

Out of the bond money Lm1 million will be used by the hotel for a two-year refurbishment programme, with another Lm1 million being used to refinance the company's long-term loans.

Of the remaining Lm1 million, half will go to the group's hospitality ventures while the remainder will be used to repay the shareholder's loan.

In the issue employees of the Suncrest will be given preference along with other small investors. However foreign investors are also welcome and have already shown interest.

Sponsoring stockbroker Wilfred Mallia said it was an example of how good the offer was that foreign institutions were showing interest.

Mr Mallia also explained that the issue will be a good opportunity for Maltese with money invested abroad to bring it back and invest in Suncrest Hotels PLC, especially considering the favourable exchange rate on sterling at the moment.

Earlier group finance director Benjamin Muscat said the Suncrest's record over the last few years had been excellent.

Turnover and profits had peaked in 1994 at Lm4 million and Lm1 million respectively. Although that slipped to Lm3.6 million and Lm800,000 last year the company was expecting 1997 to again reach the 1994 levels.

Suncrest Hotels PLC general manager Mario Attard said that with 458 rooms,



including 116 suites and 24 family units, the hotel was the biggest on the island.

Mr Attard explained that the money the company generates from accommodation is matched by its food and beverage operations.

Announcing plans for an executive club to be set up in the near future, the general manager said they only launch products after extensive market research.

Mr Attard said the first three months of the current financial year showed a six per cent increase on the last and said the hotel had registered record occupancy of 53 per cent for February, traditionally the worst month of the year.

"The indications for March are of occupancy levels of more than 80 per cent which will also be a record," he said.

Mr Attard also explained that Suncrest Hotels PLC has a 20 per cent stake in two of the

other hotels in the AX Group, the Victoria and the Verdala.

Group hospitality director Albert Muscat Ingloft expressed his confidence in the continued strength of the tourism industry in Malta.

He highlighted the switch the Suncrest had made from predominantly British clients to predominantly continental customers.

On the group's other interests aside from the Suncrest, Mr Muscat Ingloft spoke about the importance of the Verdala project being allowed to incorporate a golf course.

He described the Victoria Hotel in Sliema as a 'jewel' and said the Duke Hotel in Gozo had been put on the back burner for the moment while other projects were underway.

The Suncrest is the first PLC on the island and will be the first from the tourism sector to go public.

Application forms for the

share and bond issue will be available from stock brokers and Bank of Valletta branches from March 14.

The applications can then be submitted between March 17 and 22 with the allocation being decided on March 27.

Dealings on the stock exchange will start on April 16. Meanwhile, Mr Xuereb told *The Times* that negotiations on the \$300 million Albania project were still going on despite unrest in the former Communist country.

"The project is not in jeopardy. We are just trying to play it down at the moment while there are the problems in Albania," he said.

Negotiations were currently underway with two multinational organisations who would look after the marketing and financing of the project while the AX Group would look after the construction side, he added.



Angelo Xuereb

'Yard worker fined

A Malta Drydocks welder-burner, found guilty of stealing 14 cartons of cigarettes from a ship's bonded stores, was yesterday fined Lm300.

His mate was cleared of all charges.

Antonio Camilleri, 44, of Safi, and Maurice Inguanez, 47, of Cospicua, were originally charged with stealing cigarettes and alcohol worth Lm463.83 from the *Royal Viking Sun's* bonded stores on May 12.

Lm181.65 in levy, Lm492.89 in excise duty and Lm0.65 in customs duty were due on them.

The two were also charged with knowingly receiving stolen goods and causing less than Lm50 damage to the ship.

The *Royal Viking Sun* had been berthed in Dock VI for repairs.

Inguanez was cleared of all charges after Magistrate Noel Cuschieri found there was no proof linking him to the burglary.

Camilleri was found guilty of stealing the cigarettes on his own admission. He told police that he had discovered a hole between the deck and the soffit and used to put his hand inside and take cigarettes.

But he denied any involvement in the other theft.

Magistrate Cuschieri ruled that Camilleri's explanation was quite credible in the circumstances and could be true.



German riot police clash with anti-nuclear activists during violent demonstrations near Dannenberg, yesterday. They were protesting against a nuclear waste transport to the nearby dump of Gorleben some 20 km away from this northern German town. Police geared up to launch the biggest security operation in Germany's post-war history to make sure activists do not threaten the safe transport of the shipment. (See story on page 2)