

D SHOPPING MALLS FINANCE P.L.C.

CONDENSED INTERIM FINANCIAL STATEMENTS
For the period 1 January 2020 to 30 June 2020

D SHOPPING MALLS FINANCE P.L.C.

Company Information

Directors :
Ms Diane Izzo
Mr Karl Izzo
Mr Edwin Pisani
Mr Joseph C Schembri
Mr Francis Cassar

Secretaries : Dr Ian Vella Galea

Company number : C 87809

Registered office :
Dizz Buildings
Carob Street
St. Venera

Banker :
Bank of Valletta plc
Constitution Street
Mosta

D SHOPPING MALLS FINANCE P.L.C.

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Interim Directors' Report

For the period 1 January 2020 to 30 June 2020

This report is published in terms of the Prospects MTF Rules and the Prevention of Financial Markets Abuse Act 2005. The underlying accounting policies are the same as those adopted by D Shopping Malls Finance P.L.C. ('the Company') in its published annual report. The interim financial information included in this report has been extracted from the company's unaudited accounts for the six months ended 30 June 2020, as approved by the board of directors on 28 August 2020 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

Principal activity

The principal activity of D Shopping Malls Finance P.L.C. (the Company) is to act as a finance company and its business is limited to the raising of capital and the lending of such capital to D Shopping Malls Limited (the Guarantor), the collection of interest from the Guarantor and the settlement of interest payable on capital raised from third parties. The activities of the Company are expected to remain consistent for the foreseeable future.

Principal risks and uncertainties

The Company is mainly dependant on the business prospects of the D Shopping Malls Limited, and consequently, the operating results of D Shopping Malls Limited have a direct effect on the Company's financial position and performance, including the ability of the Company to services its payment obligations under the issued bonds.

The Company's main assets consist of loans receivable issued to related companies forming part of the Group. Therefore, the ability of these companies to effect payments to the Company under such loans will depend on their respective cash flows and earnings which may be restricted by:

- changes in applicable laws and regulations;
- the terms contained in the agreements to which they are or may become party, including the indenture governing their existing indebtedness, if any; or
- other factors beyond the control of the Company.

Review of business

During the period under review the Company registered a profit before taxation of € 2,727 (2019 : € 66,286).

The Directors consider that in the prevailing circumstances the period under review was satisfactory. Following the outbreak of the Covid-19 pandemic, the Directors have continued to actively monitor the operations of the D Shopping Malls Group (D Shopping Malls Limited and D Shopping Malls Finance p.l.c.) in order to safeguard the interest of the Company and the Group, as necessary. The Company continues to operate in uncertain and unprecedented circumstances brought about by the pandemic the impact of which cannot be accurately defined but is being closely controlled.

D SHOPPING MALLS FINANCE P.L.C.

Interim Directors' Report (continued)

For the period 1 January 2020 to 30 June 2020

Dividends and reserves

The directors do not recommend the payment of a dividend and propose to transfer the profit for the period to retained earnings.

Directors

The following have served as directors of the Company during the period under review:

Ms Diane Izzo
Mr Karl Izzo
Mr Edwin Pisani
Mr Joseph C Schembri
Mr Francis Cassar

Directors' interest

The Directors do not hold direct shares in D Shopping Malls Limited as at 30 June 2020, however Ms Diane Izzo and Mr Karl Izzo, as directors, are also the Ultimate Beneficial Owners of the Group.



Mr Joseph C Schembri
Director



Ms Diane Izzo
Director

28 August 2020

D SHOPPING MALLS FINANCE P.L.C.

Statement pursuant to prospects rule 4.11.12

For the period 1 January 2020 to 30 June 2020

We hereby confirm that to the best of our knowledge:

- The condensed interim financial statements give a true and fair view of the financial position of the company as at 30 June 2020, and of its financial performance and its cash flows for the six month period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to interim financial reporting (IAS 34, 'Interim Financial Reporting'); and
- The interim Directors' report comprises a fair review of the information required in terms of Prospects MTF Rule 4.11.12

ON BEHALF OF THE BOARD



Mr Joseph C Schembri
Director



Ms Diane Izzo
Director

28 August 2020

D SHOPPING MALLS FINANCE P.L.C.

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

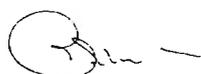
	Period Jan 20–Jun20 (unaudited) €	Period Jan 19–Jun19 (unaudited) €
Revenue	207,113	302,530
Other income	15,000	-
Administrative expenses		
Administrative expenses	(14,385)	(32,699)
Finance costs	(205,001)	(203,545)
	<hr/>	<hr/>
Profit before tax	2,727	66,286
Income tax	(2,403)	(35,193)
	<hr/>	<hr/>
Profit for the period	324	31,093
	<hr/>	<hr/>
Other comprehensive income for the period net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the period	324	31,093
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D SHOPPING MALLS FINANCE P.L.C.

Condensed Interim Statement of Financial Position

	As at 30 June 2020 (Unaudited) €	As at 31 December 2019 (Audited) €
Assets		
Loans receivable	7,417,230	7,417,230
Total non-current assets	<u>7,417,230</u>	<u>7,417,230</u>
Trade and other receivables	1,119,980	907,016
Total current assets	<u>1,119,980</u>	<u>907,016</u>
Total assets	<u>8,537,210</u>	<u>8,324,246</u>
Equity		
Issued capital	50,000	50,000
Retained earnings	14,440	14,116
Total equity	<u>64,440</u>	<u>64,116</u>
Liabilities		
Borrowings	7,431,096	7,426,958
Total non-current liabilities	<u>7,431,096</u>	<u>7,426,958</u>
Trade and other payables	1,031,485	822,753
Borrowings	7,786	10,419
Current tax liabilities	2,403	-
Total current liabilities	<u>1,041,674</u>	<u>833,172</u>
Total liabilities	<u>8,472,770</u>	<u>8,260,130</u>
Total equity and liabilities	<u>8,537,210</u>	<u>8,324,246</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 28 August 2020 and were signed on its behalf by:



Mr Joseph C Schembri
Director



Ms Diane Izzo
Director

D SHOPPING MALLS FINANCE P.L.C.

Condensed Interim Statement of Changes in Equity

	Issued capital €	Retained earnings €	Total €
Changes in equity for 2019			
Balance at 1 January 2019	50,000	(91,216)	(41,216)
Profit for the period	-	31,093	31,093
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	50,000	(60,123)	(10,123)
	<hr/>	<hr/>	<hr/>

	Issued capital €	Retained earnings €	Total €
Changes in equity for 2020			
Balance at 1 January 2020	50,000	14,116	64,116
Profit for the period	-	324	324
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2020	50,000	14,440	64,440
	<hr/>	<hr/>	<hr/>

D SHOPPING MALLS FINANCE P.L.C.

Condensed Interim Statement of Cash Flows

	Period Jan 20 – Jun 20 (unaudited) €	Period Jan 19 – Jun 19 (unaudited) €
Net cash used in operating activities	220,402	(47,500)
Net used in from financing activities	(217,769)	(3,158,128)
	<hr/>	<hr/>
Net movement in cash and cash equivalents	2,633	(3,205,628)
Cash and cash equivalents at beginning of the period	(10,419)	3,194,110
	<hr/>	<hr/>
Cash and cash equivalents at end of the period	(7,786)	(11,518)
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Notes to Condensed Interim Financial Statements

For the period 1 January 2020 to 30 June 2020

1 GENERAL INFORMATION

D Shopping Malls Finance P.L.C. is a limited liability company domiciled and incorporated in Malta on 13 August 2018.

The Financial Statements for the year ended 31 December 2019 are available on the company's website.

The condensed interim financial statements were approved for issue by the board of directors on 28 August 2020.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and comply with the Companies Act, 1995. The financial statements have been prepared under the historical cost convention, except for those assets and liabilities that are measured at fair value.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

2.2 Assessment of going concern assumption

The directors have a reasonable expectation at the time of approving the condensed interim financial statements that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparation of the condensed interim financial statements.

Notes to Condensed Interim Financial Statements (continued)

For the period 1 January 2020 to 30 June 2020

2 ACCOUNTING POLICIES (continued)

2.3 New and revised standards

2.3.1 Summary of Significant Accounting Policies

The accounting policies are consistent with those of the annual financial statements for the year 31 December 2019 as described in those financial statements.

2.3.2 Standards, Interpretations and amendments to published standards effective in 2020

During 2020, the Company has adopted revised standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on 1 January 2020.

The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the company's accounting policies.

2.3.3 Standards interpretations and amendments to published standards that are not yet effective.

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for the issue of these condensed interim financial statements that are mandatory for the company's accounting periods beginning after 1 January 2020. The company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the company's directors are of the opinion that, with the exception of the below pronouncements, there are no requirements that will have a possible significant impact on the Company's financial statements in the period of initial application.

3 BORROWINGS

On 27 September 2018, the Company issued € 7,500,000 5.35% Unsecured Bonds having a nominal value of € 100 each. The bond issue was admitted to Prospects MTF operated by the Malta Stock Exchange with effect from 13 November 2018. Trading on the bond issue commenced on 14 November 2018. The Bonds are redeemable at par on 28 October 2028.

Notes to Condensed Interim Financial Statements (continued)

For the period 1 January 2020 to 30 June 2020

3 BORROWINGS (continued)

The net proceeds from the bond issue have been advanced by the Company to the respective related Group companies to:

- Pay the final payment of the acquisition of the Laguna property;
- Pay an upfront rent to Sliema Wanderers Football Club regarding the lease of immovable property;
- Finish off D Mall Property situated in Tigne Point Sliema and Center Parc Retail Hub in Triq Hal-Qormi c/w, Triq it-Tigrija, Qormi;
- Acquire property in Qui-Si-Sana.

The Bonds constitute the general, direct, unconditional, unsecured, unsubordinated obligations of the Company, and rank equally without any priority or preference with other present and future unsecured and unsubordinated obligations of the Company.

4 RELATED PARTIES

4.1 Parent Company

The Company is a wholly owned subsidiary of D Shopping Malls Limited. The registered office of the parent Company is situated at Dizz Buildings, Carob Street St. Venera.

It is the responsibility of the parent Company to prepare consolidated financial statements of the Group.

4.2 Key management personnel and director transactions

The share capital of the Company is subscribed as to 1 share held by Dizz Group of Companies Limited and 49,999 shares held by D Shopping Malls Limited. Key management personnel have control over the financial and operating policies of the Company.

4.3 The loan from related company carries an interest rate of 5.6% and is repayable according to a specified loan agreement.

4.4 The amounts from / (due to) related companies are unsecured, interest-free and repayable on demand.

Notes to Condensed Interim Financial Statements (continued)

For the period 1 January 2020 to 30 June 2020

5 FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year 31 December 2019.

6 CONTINGENT LIABILITIES

No events occurred since 31 December 2019 that require disclosure of any contingent liabilities as at 30 June 2020.