

D SHOPPING MALLS FINANCE P.L.C.

CONDENSED INTERIM FINANCIAL STATEMENTS
For the period 1 January 2019 to 30 June 2019

D SHOPPING MALLS FINANCE P.L.C.

Company Information

Directors : Mr Francis Gouder
Ms Diane Izzo
Mr Karl Izzo
Mr Edwin Pisani
Mr Joseph C Schembri
Mr Francis Cassar (appointed on 22 May 2019)
Mr Simon John Calleja (appointed on 31 December
2018/resigned on 29 April 2019)
Dr Ian Vella Galea (appointed on 26 September 2018/
resigned 22 May 2019)

Secretaries : Dr Sam Abela (resigned on 20 May 2019)
Dr Ian Vella Galea (appointed on 20 May 2019)

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.

Contents

	Pages
Interim Directors' Report	1 - 2
Statement pursuant to listing rule 5.75.2 and prospects rule 4.11.12	3
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Interim Statement of Balance Sheet	5
Condensed Interim Statement of Changes in Equity	6
Condensed Interim Statement of Cash Flows	7
Notes to the Condensed Interim Financial Statements	8 - 11

D SHOPPING MALLS FINANCE P.L.C.

Interim Directors' Report

For the period 1 January 2019 to 30 June 2019

This report is published in terms of the Malta Financial Services Authority Listing Rules Chapter 5 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 2019, as approved by the board of directors on 26 August 2019 and are prepared in accordance with IAS 34 'Interim Financial Reporting'.

Principal activity

The principal activity of the Company is to act as a finance and investment company.

Principal risks and uncertainties

The Company is mainly dependant on the business prospects of the Dizz group of companies (the "Group"), and consequently, the operating results of the Group have a direct effect on the Company's financial position and performance, including the ability of the Company to service its payment obligations under the issued bonds. The directors are confident that the group's operations would generate enough earnings to meet the company's commitment.

The Company's main assets consist of receivables for loans 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.

Additionally, the Company is directly exposed to the risks associated with the local property market. The property market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, or the exercise by tenants of their contractual rights.

Review of business

During the period under review the Company registered a profit before taxation of € 66,286. No comparative figure exist as the Company was formed on 13 August 2018.

D SHOPPING MALLS FINANCE P.L.C.

Interim Directors' Report (continued)

For the period 1 January 2019 to 30 June 2019

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:

Mr Francis Gouder
Ms Diane Izzo
Mr Karl Izzo
Mr Edwin Pisani
Mr Joseph C Schembri
Mr Francis Cassar (appointed on 22 May 2019)
Mr Simon John Calleja (appointed on 31 December 2018
/resigned on 29 April 2019)

Directors' interest

The directors do not hold a beneficial interest in the shares of the Company at 30 June 2019.

D SHOPPING MALLS FINANCE P.L.C.

Statement pursuant to listing rule 5.75.2 and prospects rule 4.11.12

For the period 1 January 2019 to 30 June 2019

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 2019, 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
- In accordance with the terms of listing rule 5.75.5 and prospects rule 4.11.12, this interim report has not been reviewed by the Company's independent auditors.

ON BEHALF OF THE BOARD



Mr Joseph C Schembri
Director



Ms Diane Izzo
Director

26 August 2019

D SHOPPING MALLS FINANCE P.L.C.

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

	Period Jan19–Jun19 (unaudited) €
Revenue	302,530
Administrative expenses	
Administrative expenses	(32,699)
Finance costs	(203,545)
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Profit before tax	66,286
Income tax	(35,193)
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Profit for the period	€ 31,093
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Other comprehensive income for the period net of tax	-
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Total comprehensive income for the period	€ 31,093
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D SHOPPING MALLS FINANCE P.L.C.

Condensed Interim Statement of Balance Sheet

	As at 30 June 2019 (Unaudited) €	As at 31 December 2018 (Audited) €
Assets		
Other receivables	7,838,938	4,271,326
Total non-current assets	<u>7,838,938</u>	<u>4,271,326</u>
Trade and other receivables	4,145	-
Cash and cash equivalents	-	3,194,110
Total current assets	<u>4,145</u>	<u>3,194,110</u>
Total assets	<u>€ 7,843,083</u>	<u>€ 7,465,436</u>
Equity		
Issued capital	50,000	50,000
Retained earnings	(60,123)	(91,216)
Total equity	<u>(10,123)</u>	<u>(41,216)</u>
Liabilities		
Borrowings	7,422,828	7,418,681
Total non-current liabilities	<u>7,422,828</u>	<u>7,418,681</u>
Trade and other payables	383,667	87,971
Borrowings	11,518	-
Current tax liabilities	35,193	-
Total current liabilities	<u>430,378</u>	<u>87,971</u>
Total liabilities	<u>7,853,206</u>	<u>7,506,652</u>
Total equity and liabilities	<u>€ 7,843,083</u>	<u>€ 7,465,436</u>

The financial statements on pages 4 to 11 were approved by the board of directors on 26 August 2019 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)

D SHOPPING MALLS FINANCE P.L.C.

Condensed Interim Statement of Cash Flows

	Period Jan 19 – Jun 19 (unaudited) €
Net cash used in operating activities	(47,500)
Net cash generated from investing activities	-
Net used in from financing activities	(3,158,128)
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Net movement in cash and cash equivalents	(3,205,628)
Cash and cash equivalents at beginning of the period	3,194,110
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Cash and cash equivalents at end of the period	€ (11,518)
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Notes to Condensed Interim Financial Statements
For the period 1 January 2019 to 30 June 2019

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 period 13 August 2018 to 31 December 2018 are available upon request from the company's registered office at Dizz Buildings, Carob Street, St. Venera, Malta.

The condensed interim financial statements were approved for issue by the board of directors on 26 August 2019.

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 2019 to 30 June 2019

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 period 13 August 2018 to 31 December 2018 as described in those financial statements.

2.3.2 Standards, Interpretations and amendments to published standards effective in 2019

During 2019, 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 2019.

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 2019. 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 2019 to 30 June 2019

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.

The Bond Issue was also partly secured by the General Hypothec of the Company as well as special hypothecs over properties of third parties and pledge over Bank's credit balance.

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 amounts owed by the related companies in relation to advances forwarded by the Company are unsecured, bear interest at 8%-11% and are repayable on demand.

D SHOPPING MALLS FINANCE P.L.C.

Notes to Condensed Interim Financial Statements (continued)

For the period 1 January 2019 to 30 June 2019

5 FINANCIAL RISK MANAGEMENT

The company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the period 13 August 2018 to 31 December 2018.

6 CONTINGENT LIABILITIES

No events occurred since 31 December 2018 that require disclosure of any contingent liabilities as at 30 June 2019.