JD Capital plc
HHF 303/304,
Hal Far Industrial Estate,
Birzebbuga BBG 3000
Malta

Date 29th August 2019

Reference 15/2019

COMPANY ANNOUNCEMENT

Board Meeting for the approval of the Condensed Interim Consolidated Financial Statements (Unaudited)

The following is a company announcement issued by JD Capital p.l.c. (C 82098) (hereinafter the "Company") of HHF303, Hal Far Industrial Estate, Birzebbugia, issued in terms of the Rules of Prospects, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange ("Prospects"):

QUOTE

The Company hereby announces that the Board of Directors approved the Company's half yearly Condensed Interim Consolidated Financial Statements (Unaudited) for the period ending 30 June 2019.

A copy of the signed half yearly Condensed Interim Consolidated Financial Statements (Unaudited) is available for viewing on the Company's website:

http:// jsdimech.com/about-jd-capital.php

UNQUOTE

By order of the board

Dr Jesmond Manicaro
Company Secretary

Company registration No.: C 82098

JSD

JD CAPITAL plc

Condensed Interim Consolidated Financial Statements (unaudited)

for the six months ended 30 June 2019

JD CAPITAL plc

CONTENTS

	Page
General information	2
Interim Directors' report	3
Directors' statement	4
Condensed consolidated statement of comprehensive income	5
Condensed consolidated statement of financial position	6
Condensed consolidated statement of changes in equity	7
Condensed consolidated statement of cash flows	8
Notes to the condensed interim consolidated financial statements	9 - 12

GENERAL INFORMATION

Registration

JD Capital plc. is registered in Malta as a public limited liability company under the Companies Act (Cap 386). The company's registration number is C 82098.

Directors

Josef Dimech
Stanley Portelli
Gaetano Vella
Stephen Muscat

Company secretary

Jesmond Manicaro

Registered office

HHF 303 Industrial Estate
Hal far
Birzebbugia BBG 3000
Malta

Bankers

Bank of Valletta p.l.c.
58, Zachary Street
Valletta VLT 1130
Malta

Auditors

RSM Malta
Mdina Road
Zebbug ZBG 9015
Malta

INTERIM DIRECTORS' REPORT

This Half-Yearly Report is being published in terms of Chapter 4 of the Prospects Rules of the Malta Stock Exchange and the Prevention of Financial Markets Abuse Act, 2005. The Half-Yearly Report comprises the condensed interim consolidated financial statements for the six months ended 30 June 2019 prepared in accordance with International Financial Reporting Standards as adopted by the EU for interim financial statements (IAS 34 'Interim Financial Reporting').

General Information

The Company was incorporated on 9 August 2017 as a private limited company and converted to a public limited liability company on 15 March 2018.

Principal Activity

The principal object of the company is to carry on the activities of a parent company. JD Capital plc itself does not have any substantial assets and is a special purpose vehicle that was set up specifically to act as a holding company of JD Operations Ltd and JD Birkirkara Ltd.

The Group is involved in the manufacture and installation of Steel and Aluminium works tor large scale projects within the Maltese market. The main operating subsidiary of JD Capital plc, is JD Operations Ltd which is involved in projects relating to the construction industry that necessitate manufacturing and assembly on site when contracted to do so. Therefore projects tend, on average, to be undertaken over an extended period, and final invoicing will be made after this reporting period.

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 and Results

During the period under review, the company registered a profit before taxation of €294,071.

Also, during this period, JD Capital plc paid €250,000 in interest to its Bond Holders.

The Directors are not anticipating any significant changes during the forthcoming six months.

Approved by the Board of Directors on 29 August 2019 and signed on its behalf by

Mr Josef Dimech Director	Dr Stanley Portelli Director

DIRECTORS' STATEMENT

We hereby confirm that to the best of our knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2019, and of its financial performance and cash flows for the six-month period then ended in accordance with IAS 34, "Interim Financial Reporting"; and

- The Interim Directors' Report includes a fair review of the information required in terms of Prospects Rule 4.11.12.

Mr Josef Dimech
Director

Dr Stanley Portelli
Director

JSD

JD CAPITAL plc

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2019

	01.01.2019 to 30.06.2019 (Unaudited) €	01.01.2018 to 30.06.2018 (Unaudited) €
Turnover	**5,905,558**	5,918,512
Cost of sales	**(2,415,788)**	(2,551,051)
Direct costs	**(2,182,171)**	(2,157,670)
Gross profit	**1,307,599**	1,209,791
Other income	**20,010**	33,257
Selling and distribution expenses	**(38,985)**	(56,618)
General and administrative expenses	**(761,541)**	(723,632)
Finance costs	**(233,012)**	(162,381)
Profit before tax	**294,071**	300,417
Taxation	**(92,642)**	(130,650)
Profit for the period	**201,429**	169,767
Total comprehensive income for the period	**201,429**	169,767
Earnings per share	**0.82**	3.64

JSD

JD CAPITAL plc

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Note	30.06.2019 (Unaudited) €	31.12.2018 (Audited) €
ASSETS			
Non-current assets			
Property, plant and equipment		**14,195,166**	11,399,357
Intangible assets		**224,497**	224,497
Investment property		**4,500,000**	4,500,000
		18,919,663	16,123,854
Current assets			
Other financial assets at amortised cost		**45,500**	78,540
Inventories		**2,264,734**	-
Contract assets		**3,846,557**	4,236,104
Trade and other receivables		**3,456,337**	8,027,207
Cash and cash equivalents		**1,230**	120,847
		9,614,358	12,462,698
TOTAL ASSETS		**28,534,021**	28,586,552
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		**245,100**	245,100
Other equity		**7,301,600**	7,301,600
Retained earnings		**1,133,538**	932,109
TOTAL EQUITY		**8,680,238**	8,478,809
Non-current liability			
Borrowings	3	**7,635,578**	4,886,219
Current liabilities			
Borrowings	3	**5,123,979**	4,897,616
Contract liabilities		**350,018**	600,060
Current tax liabilities		**596,819**	504,177
Trade and other payables		**6,147,389**	9,219,671
		12,218,205	15,221,524
TOTAL LIABILITIES		**19,853,783**	20,107,743
TOTAL EQUITY AND LIABILITIES		**28,534,021**	28,586,552

The financial statements on pages were authorised for issue by the Board of Directors on 29 August 2019 and signed on its behalf by:

Mr Josef Dimech
Director

Dr Stanley Portelli
Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months period ended 30 June 2018

	Share Capital	Other Equity	Retained earnings	Total
	€	€	€	€
Financial period ended 30 June 2018				
Balance at 1 January 2018	1,200	-	-	1,200
Issuance of share capital	45,400	-	-	45,400
Total comprehensive income for the period:				
Profit for the period	-	-	169,768	169,768
Balance at 30 June 2018	**46,600**	**-**	**169,768**	**216,368**

	Share capital	Other equity	Retained earnings	Total
	€	€	€	€
Financial period ended 30 June 2019				
Balance at 1 January 2019	245,100	7,301,600	932,109	8,478,809
Total comprehensive income for the period:				
Profit for the period	-	-	201,429	201,429
Balance at 30 June 2019	**245,100**	**7,301,600**	**1,133,538**	**8,680,238**

JD CAPITAL plc

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months period ended 30 June 2019

	01.01.2019 to 30.06.2019 (Unaudited) €	01.01.2018 to 30.06.2018 (Unaudited) €
Cash flows from operating activities		
Profit before tax	294,071	300,417
Adjustments for:		
Finance cost	228,202	161,352
Depreciation expense	285,345	246,429
Amortisation of bond issue costs	4,810	1,029
Profit from operations	812,428	709,227
Increase in inventories	(2,264,734)	-
Decrease/(Increase) in trade and other receivables and contract assets	4,962,232	(30,850)
(Decrease)/Increase in trade and other payables and contract liabilities	(3,258,648)	(591,037)
Cash from operating activities	251,278	87,340
Interest paid	(291,879)	-
Net cash flows (used in)/from operating activities	(40,601)	87,340
Cash flows from investing activities		
Acquisition of property, plant and equipment	(310,291)	(11,794,592)
Acquisition of intangibles	-	(224,497)
Net cash flows used in investing activities	(310,291)	(12,019,089)
Cash flows from financing activities		
Proceeds from issuance of share capital	-	45,400
Proceeds from borrowings from related party	-	7,500,000
Proceeds from issuance of bonds	-	4,876,465
Movement in amount due to ultimate shareholder	3,440	-
Movement in lease liabilities	3,972	-
Net cash flows from financing activities	7,412	12,421,865
Net movement in cash and cash equivalents	(343,480)	490,116
Cash and cash equivalents at beginning of period	(117,541)	1,200
Cash and cash equivalents at end of period	(461,021)	491,316

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

This Half-Yearly Report is being published in terms of Chapter 4 of the Prospects Rules of the Malta Stock Exchange and the Prevention of Financial Markets Abuse Act 2005.

The unaudited condensed interim consolidated financial statements for the six months ended 30 June 2019 have been prepared in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2018, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. In addition, results for the six-month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements are prepared under the historical cost convention.

These condensed interim consolidated financial statements are presented in Euro (€) which is the Group's presentation currency.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018, except for the adoption of new standards and interpretations effective as of 1 January 2019. The application of these new standards and interpretations did not have any material impact on the amounts reported for the current and prior periods, with the exception of the below:

IFRS 16: Leases

The Group has adopted IFRS 16 with effect from 1 January 2019. Under IFRS 16, 'Leases', a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 removes the distinction between operating and finance leases, and requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts; the only exceptions are short-term leases and leases of low-value assets. Lessor accounting remains similar to the accounting requirements under IAS 17 Leases whereby lessors continue to classify leases as finance or operating leases.

Leases in which the Group is a lessee

The Group's lease arrangements comprise industrial property under temporary emphyteusis. On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which have previously been recognised as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's borrowing rate as of 1 January 2019.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued

The associated right of use assets for property leases were measured at the amount equal to the lease liability adjusted by the amount of prepaid lease payments relating to that lease recognised in the statement of financial position as at 31 December 2018.

The Group has applied IFRS 16 on its mandatory adoption date of 1 January 2019 using a modified retrospective approach with no restatement of comparative information.

The nature of expenses related to these leases has changed with effect from 1 January 2019 because IFRS 16 replaced the operating lease expense with an amortisation charge for right-of-use assets and interest expense on lease liabilities. In the Group's statement of cash flows, rental payments had been included as operating cash flows under IAS 17 up until 31 December 2018. Under IFRS 16, these payments are now split between interest payments and reductions in the lease liability. Whilst the interest payments will continue to be presented under operating cash flows in accordance with the Group's existing policy for interest payments, the portion of the payments relating to reduction in the lease liability will be presented under financing cash flows under IFRS 16.

On transition to IFRS 16, the Group recognised additional right-of-use assets and additional lease liabilities with no impact on retained earnings. The impact on transition is summarised below.

Impact on financial statements	**30.06.19**	**01.01.19**
	€	**€**
Right of use assets presented in property, plant and equipment	2,749,243	2,770,862
Lease Liabilities	2,744,549	2,740,577

Also, in relation to those leases under IFRS 16, the Group has recognised depreciation and interest costs, instead of operating lease expense. During the six months ended 30 June 2019, the Group recognised €21,619 (2018: Nil) in depreciation charges and €34,257 (2018: Nil) interest costs instead of operating lease expense of €60,241 (2018: €56,220).

Significant accounting policies

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

New standards, interpretations and amendments in issue but not yet effective

The Group has not applied any of the new and revised International Financial Reporting Standards as adopted by the European Union that have been issued but are not yet effective. The Group anticipates that these new standards will be adopted in the Group's financial statements in the year of initial application but does not anticipate that the application of such standards may have significant impact on amounts reported in respect of the Group's financial statements.

Use of judgements and estimates

In preparing condensed interim consolidated financial statements, the Board of Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at 31 December 2018.

Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended 31 December 2018.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued

3. BORROWINGS

	30.06.19 (unaudited) €	31.12.18 (audited) €
Non-current		
€5,000,000 bonds, 5% unsecured	**4,891,029**	4,886,219
Lease liabilities	**2,744,549**	-
	7,635,578	4,886,219
Current		
Temporary banking facility	**462,251**	238,388
Loan from a related company	**4,550,000**	4,550,000
Amounts due to ultimate shareholder	**111,728**	108,288
Amounts due to related company	**-**	940
	5,123,979	4,897,616

The bonds will mature on 21 May 2028 with annual interest payments every 21 May until maturity. The amount presented in net of unamortised bond issue costs of €108,971.

The loan from and amounts due to a related company and the amounts due to ultimate shareholder are unsecured, interest free and are repayable on demand.

4. RELATED PARTY TRANSACTIONS

On 8 March 2018, one of the subsidiaries, JD Operations Limited entered into an agreement with a related company, JSDimech Limited, for the acquisition of the Business and Assets of the latter for €11.9 million with effect from 1 January 2018. It has been agreed that after 1 January 2018 JSDimech Limited shall continue to honour and perform the work in progress and shall continue to incur all costs and receive all revenues arising out of such work in progress. Consequently, the company entered into the following related party transactions during the period:

	30.06.19 €	30.06.18 €
Statement of Financial Position		
Property, plant and equipment	**-**	11,930,426

	30.06.19 €	30.06.18 €
Statement of Comprehensive Income		
Turnover	**4,048,591**	5,915,999
Direct costs	**2,172,740**	3,148,819
Other income	**-**	33,257
Selling and distribution expenses	**-**	56,618
General and administrative expenses	**-**	233,636
Finance costs	**-**	119,120

Directors' fees during the period amounted to €141,609 (2018: €108,080).