



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

**Date:** 31<sup>st</sup> August 2020

**Reference:** 27/2020

## **COMPANY ANNOUNCEMENT**

### **INTERIM FINANCIAL STATEMENTS - PERIOD ENDING 30<sup>th</sup> JUNE 2020**

The following is a company announcement issued by JD Capital p.l.c. (C 82098) (hereinafter the “Company”) of HHF303Y, 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 Board of Directors of Company met on Monday 31<sup>st</sup> August 2020 and considered and approved the Company’s Condensed Interim Financial Statements (Unaudited) for the period ending on the 30<sup>th</sup> June 2020.

These are reproduced below and are also available for viewing on the Company’s website on:  
<https://www.jsdimech.com/investor-relations/>

#### ***UNQUOTE***

By order of the board

**Dr. Jesmond Manicaro**  
Company Secretary



**Condensed Interim Consolidated Financial Statements  
(Unaudited)**

**for the six months period ended 30 June 2020**

Company registration No.: C 82098



# JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)  
For the Six Months Period Ended 30 June 2020

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# JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)  
For the Six Months Period Ended 30 June 2020

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## 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 Manicaró

### 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



# JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)  
For the Six Months Period Ended 30 June 2020

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## 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 2020 prepared in accordance with the International Accounting Standard (IAS) 24 *Interim Financial Reporting* of the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

### Principal Activity

The principal object of the JD Capital PLC ("the Company") is that of a parent holding company and financing company for its subsidiaries. The Company has two subsidiaries, namely, JD Operations Limited and JD Birkirkara Limited (collectively, referred to as "the Group").

The main operation of the Group is with JD Operations Limited. JD Operations Limited is involved in the manufacture and installation of steel and aluminium works for large scale projects relating to the construction industry. Therefore, projects tend, on average, to be undertaken over an extended period, and final invoicing will be made after this reporting period. The Group also holds an investment property which is registered under its subsidiary JD Birkirkara Limited, a property holding company.

### Review of the Business and Results

During the six months period ended 30 June 2020, the Group posted an unaudited pre-tax profit of €550,451, while €294,071 was posted in the same period last year.

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.

### Effects of COVID-19 Pandemic

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 closely monitor the situation resulting from these events and the effects which these may have on its stakeholders, operations and performance, in order to safeguard the interests of the Group, as necessary. For some time, the Group experienced temporary disruptions, yet the trading and financial performance has improved when compared to the same period in the previous year.

Management believes that operational changes implemented more recently will continue to have a positive impact on performance. Nonetheless the Group continues to operate in uncertain and unprecedented circumstances brought about by the pandemic, which may have an adverse impact on the Group's future profitability and financial position.

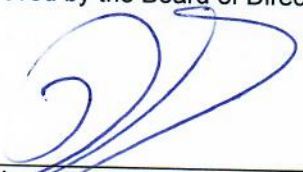



**INTERIM DIRECTORS' REPORT - continued**

**Events after the end of the reporting period**

There were no events after the end of the reporting period that materially affected the financial position of the Group or of the Company, or that require mention in this report.

Approved by the Board of Directors on 31 August 2019 and signed on its behalf by

  
\_\_\_\_\_  
Mr Josef Dimech  
Director  
\_\_\_\_\_  
Dr Stanley Portelli  
Director



# JD CAPITAL PLC


Condensed Interim Consolidated Financial Statements (Unaudited)  
For the Six Months Period Ended 30 June 2020

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## DIRECTORS' DECLARATION

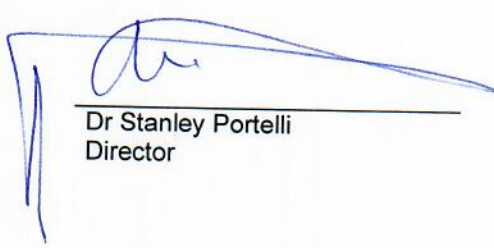
We hereby confirm that to the best of our knowledge:

- The condensed consolidated interim financial statements give a true and fair view of the financial position of the Group as at 30 June 2020, 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.



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Mr Josef Dimech  
Director



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Dr Stanley Portelli  
Director

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**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	01.01.2020 to 30.06.2020 (Unaudited) €	01.01.2019 to 30.06.2019 (Unaudited) €
Turnover	6,852,934	5,905,558
Cost of sales	(5,328,401)	(4,597,959)
<b>Gross profit</b>	<b>1,524,533</b>	<b>1,307,599</b>
Selling and distribution expenses	(52,646)	(38,985)
General and administrative expenses	(742,766)	(761,541)
Other income	585	20,010
Finance income	101,040	-
Finance costs	(236,900)	(233,012)
Impairment on financial assets	(43,395)	-
<b>Profit before tax</b>	<b>550,451</b>	<b>294,071</b>
Taxation	(204,445)	(92,642)
<b>Profit for the period</b>	<b>346,006</b>	<b>201,429</b>
<b>Total comprehensive income for the period</b>	<b>346,006</b>	<b>201,429</b>
<b>Earnings per share</b>	<b>1.41</b>	<b>0.82</b>

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# JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)  
For the Six Months Period Ended 30 June 2020

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30.06.2020 (Unaudited) €	31.12.2019 (Audited) €
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		15,214,376	15,413,161
Investment property		4,521,830	4,518,290
Intangible assets		224,497	224,497
Financial assets at amortised cost		6,667,846	6,987,711
		<u>26,628,549</u>	<u>27,143,659</u>
<b>Current assets</b>			
Other financial assets at amortised cost		1,601,098	810,564
Inventories		2,764,105	2,101,973
Contract assets		1,020,136	-
Trade and other receivables		2,079,480	838,370
Cash and cash equivalents		22,847	15,082
		<u>7,487,666</u>	<u>3,765,989</u>
<b>TOTAL ASSETS</b>		<u>34,116,215</u>	<u>30,909,648</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		245,100	245,100
Other equity		7,301,600	7,301,600
Retained earnings		1,487,751	1,141,745
<b>TOTAL EQUITY</b>		<u>9,034,451</u>	<u>8,688,445</u>
<b>Non-current liability</b>			
Borrowings	3	7,592,501	6,469,810
Lease liabilities		3,545,466	3,562,377
Other payables		2,491,448	787,592
Deferred tax liability		360,000	360,000
		<u>13,989,415</u>	<u>11,179,779</u>
<b>Current liabilities</b>			
Borrowings	3	2,191,484	1,378,127
Lease liabilities		33,402	32,577
Contract liabilities		2,664,817	2,167,810
Current tax liabilities		1,005,797	801,352
Trade and other payables		5,196,849	6,661,558
		<u>11,092,349</u>	<u>11,041,424</u>
<b>TOTAL LIABILITIES</b>		<u>25,081,764</u>	<u>22,221,203</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>34,116,215</u>	<u>30,909,648</u>

The financial statements on pages were authorised for issue by the Board of Directors on 31 August 2020 and signed on its behalf by:

Mr Josef Dimech  
Director

Dr Stanley Portelli  
Director



# JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)  
For the Six Months Period Ended 30 June 2020

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital €	Other equity €	Retained earnings €	Total €
<b>Six months period ended 30 June 2019:</b>				
Balance at 1 January 2019	245,100	7,301,600	932,109	8,478,809
Total comprehensive income for the period:				
<i>Profit for the period</i>	-	-	201,429	201,429
<b>Balance at 30 June 2019</b>	<b>245,100</b>	<b>7,301,600</b>	<b>1,133,538</b>	<b>8,680,238</b>
<b>Six months period ended 30 June 2020:</b>				
Balance at 1 January 2020	245,100	7,301,600	1,141,745	8,688,445
Total comprehensive income for the period:				
<i>Profit for the period</i>	-	-	346,006	346,006
<b>Balance at 30 June 2020</b>	<b>245,100</b>	<b>7,301,600</b>	<b>1,487,751</b>	<b>9,034,451</b>



# JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)  
For the Six Months Period Ended 30 June 2020

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	01.01.2020 to 30.06.2020 (Unaudited) €	01.01.2019 to 30.06.2019 (Unaudited) €
<b>Cash flows from operating activities</b>		
Profit before tax	550,451	294,071
<b>Adjustments for:</b>		
Finance cost	236,900	228,202
Finance income	(101,040)	-
Depreciation expense	377,903	285,345
Loss on disposal of property, plant and equipment	15,637	-
Impairment of financial assets	43,395	-
Amortisation of bond issue costs	5,065	4,810
<b>Profit from operations</b>	<b>1,128,311</b>	<b>812,428</b>
Increase in inventories	(662,132)	(2,264,734)
(Increase)/Decrease in trade and other receivables and contract assets	(2,261,246)	4,962,232
Increase/(Decrease) in trade and other payables and contract liabilities	861,575	(3,258,648)
<b>Cash from operating activities</b>	<b>(933,492)</b>	<b>251,278</b>
Interest paid	(22,837)	(41,879)
<b>Net cash flows (used in)/from operating activities</b>	<b>(956,329)</b>	<b>209,399</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and investment property	(210,558)	(310,291)
Proceeds from disposal of property, plant and equipment	12,263	-
Repayment of loans receivable	218,661	-
Movement in amounts due from related company	(631,685)	-
<b>Net cash flows used in investing activities</b>	<b>(611,319)</b>	<b>(310,291)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	1,706,259	-
Interest paid	(250,000)	(250,000)
Movement in amount due to ultimate shareholder and related company	169,759	3,440
Payment of lease liabilities	(105,570)	3,972
<b>Net cash flows from/(used in) financing activities</b>	<b>1,520,448</b>	<b>(242,588)</b>
<b>Net movement in cash and cash equivalents</b>	<b>(47,200)</b>	<b>(343,480)</b>
Cash and cash equivalents at beginning of period	(434,152)	(117,541)
<b>Cash and cash equivalents at end of period</b>	<b>(481,352)</b>	<b>(461,021)</b>



## **NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

### **1. BASIS OF PREPARATION**

These unaudited condensed interim consolidated financial statements for the six months period ended 30 June 2020 have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*.

These 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 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

In addition, results for the six-month period ended 30 June 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies adopted are consistent with those of the Group's financial statements for the year ended 31 December 2019. In addition, the Group has adopted the new and revised standards and amendments which are effective for annual periods beginning 1 January 2020. The application of these new standards and interpretations did not have any material impact on the amounts reported for the current and prior periods.

#### **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.

There have been no material revisions to the nature and estimates of amounts reported in prior periods. 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 2019.

#### **Impact of accounting standards to be applied in future periods**

There are a number of standards and interpretations which have been issued that are effective for periods beginning 1 January 2021 that the Group has decided not to adopt early. The Group does not believe these standards and interpretations will have a material impact on the financial statements once adopted.



# JD CAPITAL PLC

Condensed Interim Consolidated Financial Statements (Unaudited)  
For the Six Months Period Ended 30 June 2020

## NOTES TO THE CONSENSSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued

### 3. BORROWINGS

	30.06.20 (unaudited) €	31.12.19 (audited) €
<b>Non-current</b>		
€5,000,000 bonds, 5% unsecured (i)	4,900,904	4,895,839
Revolving facility (ii)	2,691,597	1,573,971
	<b>7,592,501</b>	<b>6,469,810</b>
<b>Current</b>		
Revolving facility (ii)	1,363,274	774,641
Temporary banking facility (iii)	504,199	449,234
Amounts due to ultimate shareholder (iv)	195,556	151,292
Amounts due to related company (iv)	128,455	2,960
	<b>2,191,484</b>	<b>1,378,127</b>

- i. The bonds will mature on 21 May 2028 with annual interest payments every 21 May until maturity. The amount presented is net of unamortised bond issue costs of €108,971.
- ii. The revolving facility is secured by title transfer, bears interest at 4.88% per annum and is repayable by 4 July 2022. The revolving facility is of €4,000,000.
- iii. The Group was granted a temporary banking facility which was repayable on demand.
- iv. The amounts due to a related company and the amounts due to ultimate shareholder are unsecured, interest free and are repayable on demand.



## NOTES TO THE CONSENSSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS - continued

### 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:

	30.06.20	30.06.19
	€	€
Turnover	341,245	4,048,591
Direct costs	120,000	2,172,740

Directors' fees during the period amounted to €139,272 (2019: €141,609).

### 5. SIGNIFICANT EVENTS AND TRANSACTIONS

In the first quarter of 2020, the World Health Organisation declared COVID-19 as a pandemic. In response to the global health situation, the Malta Health Authorities issued a series of directives which affected the commercial operations and economy in Malta.

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 closely monitor the situation resulting from these events and the effects which these may have on its stakeholders, operations and performance, in order to safeguard the interests of the Group, as necessary. For some time, the Group experienced temporary disruptions, yet the trading and financial performance has improved when compared to the same period in the previous year.

Management believes that operational changes implemented more recently will continue to have a positive impact on performance. Nonetheless the Group continues to operate in uncertain and unprecedented circumstances brought about by the pandemic, which may have an adverse impact on the Group's future profitability and financial position.