

SHORELINE MALL P.L.C. – C84005
(the “Company”)

COMPANY ANNOUNCEMENT

Approval and Publication of Interim Financial Statements – Supplementary Note

The following is a Company Announcement Ref No. SHM08 issued by the Company, on the 17th December 2020, pursuant to the Listing Rules issued by the Listing Authority.

Quote

The Company makes reference to Company Announcement Ref No. SHM07, wherein the Company announced that during the meeting of its Board of Directors held on the 16th December 2020, the Company’s interim financial statements for the six-month financial period ending 31st October 2020 were approved.

For ease of reference, the Company is including herein a copy of the said approved interim financial statements.

Unquote

By Order of the Board



Dr Johan Farrugia
Company Secretary

17th December 2020

Shoreline Mall p.l.c

Condensed Interim Financial Statements (unaudited)

For the period 1 May 2020 to 31 October 2020

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Interim Directors' Report

This report is being published in terms of Listing Rule 5.74 issued by the Listing Authority and has been prepared in accordance with the applicable Listing Rules and International Accounting Standard 34, 'Interim Financial Reporting'. In terms of Listing Rule 5.75.5, the Directors are stating that this Half-Yearly Financial Report has not been audited or reviewed by the Group's independent auditors.

The Directors who served during the period and up till the date of this report are as follows:

Benjamin Muscat
Ryan Otto
Kevin Deguara
Jean Carl Farrugia
Roderick Psaila
Robert Ancilleri
Charles Scerri

1. Business Overview/Directors Report

Shoreline Mall p.l.c ("the Company") is a public limited liability Company incorporated in Malta on 15 December 2017 with registration number C 84005.

The principal activity of the Company is the acquisition, disposal, development and operation of the various immovable properties within the Shoreline Mall Complex to be situated at the Shoreline Mall Site at Smart City, Kalkara, Malta. The Company's main business will consist of:

- a. The sale of immovable property within the Shoreline Mall site, mainly consisting of 7 residential units and the residential carpark; and
- b. The development of the Shoreline Mall and the generation of rental income from the operation of the commercial units and carpark.

2. Financial Performance

The Company has not yet started trading and as a result registered a loss for the six-month period ended 31 October 2020 of €58,000 (accumulated loss of €31,313 at year end 30 April 2020). The Company is expected to begin trading by end of financial year 2023 when its investment property and assets for sale under construction would have been brought into use.

Until such time, the Company will concentrate on completing the construction of such assets utilising funds it will receive through advances received from promise of sale agreement it will enter into, market raised funding and the financial support of its parent and fellow subsidiary companies.

3. Financial Position

Total assets as at 31 October 2020 amounted to €59.3m.

The Company applied to the Listing Authority in Malta for the issuance of EUR14,000,000 4% Secured Bonds 2026 (series A Bonds) and EUR26,000,000 4.5% secured bonds 2032 (series B Bonds). Both series bonds were issued at a nominal value of €100 at par. The bond subscriptions closed in July 2020 with the bonds being

fully subscribed. Such proceeds will be utilised for the development of the project. As a result, the Company's net current asset position has improved with cash and cash equivalents increasing to €32.1m as at 31 October 2020.

4. Outlook

The pandemic outbreak has changed how society views close contact and has had to contend with various preventative measures to slow down the spread of the virus.

Even with the impact of Covid-19 the project is still currently progressing according to expectations with an expected completion by financial year end 2023. In light of recent measures implemented by local authorities, potential delays may arise if mandatory lockdowns are imposed on construction sites. Notwithstanding this, the directors believe that the projected development timeframe should not be materially affected due to:

-) The site has been completely excavated and ready for the start of construction works.

-) The main construction contract should be signed in the near future with works commencing shortly thereafter.

-) The main construction contract is based on a fixed price, design and build and therefore the potential for cost overruns is low. The contractor will further be bound by strict performance obligations backed by a performance bond in favour of the Company.

5. Dividends

No dividend is being recommended as the Company did not have any distributable reserves at the end of the reporting period.

6. Going Concern

In March 2020, the World Health Organisation declared the outbreak of a coronavirus (COVID-19) a pandemic. This pandemic brought about unprecedented economic difficulties and uncertainties around the globe. The company's income generating assets are still under construction and therefore its operating income are not currently impacted by Covid-19.

The losses incurred by the company and the short-term cash flow requirements have been financed by the immediate parent company and related parties, and such balances due are expected to continue to form part of the Company's financing structure. The Company has raised funds through the issue of bonds on the Maltese stock exchange as already mentioned under "Financial position".

For this reason, the directors have adopted the going concern basis in preparing the financial statements.

The Directors' report was approved by the Board of Directors on 16 December 2020 and signed on its behalf by:



Robert Ancilleri

Director



Ryan Otto

Director

Registered Office

Suite 407, Level 4, Block SCM 01,
Smart City Malta, Ricasoli,
Kalkara, SCM 1001, Malta

Condensed Income Statement

| | COMPANY | | |
|--|--|--|--|
| | Six months ended 31 October 2020 (Unaudited) € | Six months ended 31 October 2019 (Unaudited) € | Year ended 30 April 2020 (Audited) € |
| Continuing Operations: | | | |
| Other Income | - | 10,000 | 10,065 |
| Administrative expenses | (37,292) | (13,407) | (33,976) |
| Operating Profit/(Loss) | (37,292) | (3,407) | (23,911) |
| Amortisation of bond issue costs | (20,708) | - | - |
| Profit/(Loss) for the period/year | (58,000) | (3,407) | (23,911) |

Condensed Statement of Financial Position


| | NOTES | COMPANY | | |
|--|-------|--------------------------------|--------------------------------|----------------------------|
| | | 31 October 2020 (Unaudited) | 31 October 2019 (Unaudited) | 30 April 2020 (Audited) |
| | | € | € | € |
| ASSETS | | | | |
| Non-Current Assets | 5 | 13,375,043 | 9,484,408 | 11,447,555 |
| Current Assets | 6 | 45,214,710 | 7,320,203 | 8,848,070 |
| Total assets | | 58,589,753 | 16,804,611 | 20,295,625 |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves attributable to owners of the company | | 17,986,685 | 15,565,189 | 18,044,685 |
| Non-Current Liabilities | 7 | 40,148,315 | 148,323 | 148,323 |
| Current Liabilities | 8 | 454,753 | 1,091,099 | 2,102,617 |
| Total Liabilities | | 40,603,068 | 1,239,422 | 2,250,940 |
| Total equity and liabilities | | 58,589,753 | 16,804,611 | 20,295,625 |

The notes on pages 10 to 22 are an integral part of these condensed consolidated interim financial statements.

The condensed consolidated interim financial statements on pages 6 to 22 were authorised for issue by the Board on 16 December 2020 and were signed on its behalf by:



Robert Ancilleri
Director



Ryan Otto
Director

Condensed Statement of Changes in Equity

| | Share Capital | Shareholder's contribution | Accumulated losses | Total |
|--|-------------------|-------------------------------|-----------------------|---------------------|
| | € | € | € | € |
| Balance at 30 April 2019 (Audited) | 1,200 | 1,246,312 | (7,402) | 1,240,110 |
| Comprehensive Income for the period | | | | |
| Profit for the period ended 31 October 2019 | | | (3,407) | (3,407) |
| Transactions with owners of the Company | | | | |
| Issue of share capital | 14,328,486 | | | 14,328,486 |
| Amount being capitalised | 1,246,312 | (1,246,312) | | - |
| Balance at 31 October 2019 (Unaudited) | 15,575,998 | - | (10,809) | 15,565,189 |
| Comprehensive Income for the period | | | | |
| Profit for the period ended 30 April 2020 | | | (20,504) | (20,504) |
| Transactions with owners of the Company | | | | |
| Issue of share capital | 2,500,000 | | | 2,500,000 |
| Balance at 30 April 2020 (Audited) | 18,075,998 | - | (31,313) | 18,044,685 |
| Comprehensive Income for the period | | | | |
| Profit for the period ended 31 October 2020 | | | (58,000) | (58,000) |
| Balance at 31 October 2020 (Unaudited) | 18,075,998 | - | (89,313) | (17,986,685) |

Condensed Statement of Cash Flows

| | COMPANY | | |
|--|--|--|---|
| | Six months ended 31 October 2020 (Unaudited) € | Six months ended 31 October 2019 (Unaudited) € | Year ended 30 April 2020* Audited € |
| Net cash generated from operating activities | (5,352,990) | (864,856) | (1,525,291) |
| Net cash used in investing activities | (949,296) | (458,091) | (2,402,294) |
| Net cash (used in)/generated from financing activities | 37,291,116 | 1,692,901 | 5,059,897 |
| Net movement in cash and cash equivalents | 30,988,830 | 369,954 | 1,132,312 |
| Cash and cash equivalents at beginning of the period | 1,132,460 | 148 | 148 |
| Cash and cash equivalents at end of period | 32,121,290 | 370,102 | 1,132,460 |

*Audited cashflow for the full twelve months.

Notes to the Condensed Interim Financial Statements

1. Basis of preparation

a. Statement of compliance

These condensed financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting and in terms of Listing Rule 5.74 issued by the Listing Authority.

The financial information has been extracted from the Company's unaudited interim financial statements for the period ended 31 October 2020.

The accounting policies adopted in the preparation of these condensed financial statements are the same as those adopted in the preparation of the audited financial statements for the year ended 30 April 2020.

b. Basis of measurement

The financial statements have been prepared on the historical cost basis.

c. Functional and presentation currency

The financial statements are presented in euro (€), which is the Company's functional currency.

d. Going concern

In March 2020, the World Health Organisation declared the outbreak of a coronavirus (COVID-19) a pandemic. This pandemic brought about unprecedented economic difficulties and uncertainties around the globe. Most business entities are experiencing adverse operational results and liquidity strains.

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the group have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

Notes to the Condensed Interim Financial Statements (continued)

2. Significant Accounting Policies

The accounting policies applied in these condensed interim financial statements are in accordance with International Financial Reporting Standards as adopted by the EU and the provisions of the Maltese Companies Act, 1995.

Investment property under construction

With effect from the current year, investment property also includes right-of-use assets in terms of IFRS 16. The accounting policy for right-of-use assets is included below in the Section entitled 'Leases'.

Properties in the course of construction for future use as investment property are classified as investment property. Existing investment property that is being redeveloped for continued future use as investment property continues to be classified as investment property.

Investment property is property held to earn rentals or for capital appreciation or both. Investment property is recognised as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity and the cost can be measured reliably. Investment property is initially measured at cost, including transaction costs. For qualifying assets, borrowing costs are capitalised in accordance with the company's accounting policy on borrowing costs. Subsequent to initial recognition, investment property is stated at cost less any accumulated depreciation and any accumulated impairment losses.

Investment property is derecognised on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognised in profit or loss in the period of derecognition.

Inventories - Properties held for development and resale

With effect from the current year, inventory also includes right-of-use assets in terms of IFRS 16. The accounting policy for right-of-use assets is included below in the Section entitled 'Leases'.

Notes to the Condensed Interim Financial Statements (continued)

2. Significant Accounting Policies (continued)

Inventories - Properties held for development and resale (continued)

Inventories are stated at the lower of cost and net realisable value. Cost comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and an appropriate proportion of production overheads based on the normal level of activity. For qualifying assets, borrowing costs are capitalised in accordance with the company's accounting policy on borrowing costs. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives, using the straight-line method.

With effect from the current year, right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

For leasehold land right-of-use assets classified as inventory for which it is reasonably certain that the purchase option is going to be exercised, the useful life is the expected period of time from the commencement date of the lease to the disposal of the inventory. The right-of-use asset classified as inventory is depreciated to the leasehold land's residual value to the extent that the residual value is lower than the carrying amount of the right-of-use asset. No depreciation is charged on leasehold land right-of-use assets classified as investment property for which it is reasonably certain that the purchase option is going to be exercised.

Notes to the Condensed Interim Financial Statements (continued)

2. Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(i) Other receivables

Other receivables are classified with current assets and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss as applicable.

(ii) Other borrowings

Subsequent to initial recognition, other borrowings are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial. Any difference between the proceeds, net of transaction costs, and the settlement or redemption of other borrowings is recognised in profit or loss over the term of the borrowings, unless the interest on such borrowings is capitalised in accordance with the company's accounting policy on borrowing costs.

Notes to the Condensed Interim Financial Statements (continued)

2. Significant Accounting Policies (continued)

Financial instruments (continued)

(iii) Other payables

Other payables are classified with current liabilities and are stated at their nominal value, unless the effect of discounting is material, in which case other payables are measured at amortised cost using the effective interest method.

Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Provisions are not recognised for future operating losses.

Estimated credit losses (ECLs)

The Company recognises a loss allowance for ECLs on the following – financial assets measured at amortised cost. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since the initial recognition. For financial assets other than trade receivables and contract assets, the Company uses the general approach and recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL ('12m ECL'). The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring. The Company recognises an impairment gain or loss in profit or loss. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Notes to the Condensed Interim Financial Statements (continued)

2. Significant Accounting Policies (continued)

Impairment of other assets

All assets are tested for impairment. At the end of each reporting period, the carrying amount of assets is reviewed to determine whether there is any indication or objective evidence of impairment, as appropriate, and if any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

In the case of assets tested for impairment, the recoverable amount is the higher of fair value (which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date) less costs of disposal and value in use (which is the present value of the future cash flows expected to be derived, discounted using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset). Where the recoverable amount is less than the carrying amount, the carrying amount of the asset is reduced to its recoverable amount, as calculated.

Impairment losses are recognised immediately in profit or loss.

An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

In the case of other assets tested for impairment, an impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

Borrowing costs

Borrowing costs include the costs incurred in obtaining external financing.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised from the time that expenditure for these assets and borrowing costs are being incurred and activities that are necessary to prepare these assets for their intended use or sale are in progress. Borrowing costs are capitalised until such time as the assets are substantially ready for their intended use or sale. Borrowing costs are suspended during extended periods in which active

development is interrupted. All other borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred.

Notes to the Condensed Interim Financial Statements (continued)

2. Significant Accounting Policies (continued)

Borrowing costs (continued)

The interest expense on the lease liability is included in the cost of the relevant qualifying assets classified as either (i) investment property or (ii) inventories for which revenue is recognised at a point in time in accordance with the Company's accounting policy.

Currency Translation

The financial statements of the company are presented in its functional currency, the Euro, being the currency of the primary economic environment in which the company operates. Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end. Exchange differences arising on the settlement and on the re-translation of monetary items are dealt with in profit or loss. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured at fair value are re-translated using the exchange rate ruling on the date the fair value was measured. Non-monetary assets and liabilities denominated in currencies other than the functional currency that are measured in terms of historical cost are not re-translated. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period, except for differences arising on the re-translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Leases

The company assesses whether the contract is, or contains, a lease at inception of a contract. 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.

The lease term is determined as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, unless otherwise stated below.

For short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, the Company applies the recognition exemption.

Notes to the Condensed Interim Financial Statements (continued)

2. Significant Accounting Policies (continued)

Leases (continued)

For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the pattern of the lessee's benefit.

Where a right-of-use asset and a corresponding lease liability is recognised, the lease liability is initially measured at the commencement date at the present value of the lease payments that are not paid at that date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets are initially measured at the commencement date at cost, being the amount of the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs.

The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses. The Company applies the accounting policy entitled 'Depreciation' and the accounting policy entitled 'Impairment of other assets' to determine and to measure the extent of any impairment losses on the right-of-use assets.

In the statement of financial position, right-of-use assets that do not meet the definition of investment property are included within Inventories (being the same line item as that within which the corresponding underlying assets would be presented if they were owned). In the statement of financial position, right-of-use assets that meet the definition of investment property are presented with investment property. In the statement of financial position, lease liabilities are included separately from other liabilities.

In the statement of profit or loss and other comprehensive income, interest expense on the lease liability is presented separately from the depreciation charge for the right-of-use asset. In the statement of cash flows, cash payments for the principal portion of the lease liability are presented within financing activities and cash payments for the interest portion of the lease liability are presented within operating activities. Short-term lease payments, payments for leases of low value assets and variable lease payments not included in the measurement of the lease liability are included within operating activities.

The interest expense on the lease liability is accounted for in accordance with the Company's accounting policy entitled 'Borrowing costs'.

Notes to the Condensed Interim Financial Statements (continued)

2. Significant Accounting Policies (continued)

Taxation

Current and deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the current and deferred tax is also dealt with in other comprehensive income or in equity, as appropriate.

Current tax is based on the taxable result for the year. The taxable result for the year differs from the result as reported in profit or loss because it excludes items which are non-assessable or disallowed and it further excludes items that are taxable or deductible in other years. It is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets, are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset when the company has a legally enforceable right to set off its current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

Notes to the Condensed Interim Financial Statements (continued)

3. Use of judgements and estimates

In the process of applying the company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. Standards effective during the period

There were no new standards or amendments to standards that had an effect on these interim condensed consolidated financial statements.

Notes to the Condensed Interim Consolidated Financial Statements (continued)

5. Non-Current Assets

| | COMPANY | | |
|--|--------------------------------|--------------------------------|----------------------------|
| | 31 October 2020 (Unaudited) | 31 October 2019 (Unaudited) | 30 April 2020 (Audited) |
| | € | € | € |
| Investment property under construction | 12,659,465 | 9,423,008 | 11,385,805 |
| Other Assets | 715,578 | 61,400 | 61,750 |
| Total non-current assets | 13,375,043 | 9,484,408 | 11,447,555 |

Investment property under construction consists of land costs, planning and studies, architectural, excavation and project management cost relating to the construction of a Mall on a portion of land which was sub-leased from Shoreline Residence Limited. Shoreline Residence Limited acquired the land under a title of sub-emphyteusis from SmartCity (Malta) Limited. Shoreline Contracting Limited (another fellow subsidiary) is managing all the construction arrangements relating to the construction of The Mall. The Shoreline Mall project is expected to be completed by 2023.

The fair value of the investment property at approximates its carrying amount due to initial phase of construction.

6. Current Assets

| | COMPANY | | |
|----------------------------------|--------------------------------|--------------------------------|----------------------------|
| | 31 October 2020 (Unaudited) | 31 October 2019 (Unaudited) | 30 April 2020 (Audited) |
| | € | € | € |
| Inventories under construction | 7,951,529 | 6,851,223 | 7,545,078 |
| Other receivables | 5,071,345 | 98,878 | 88,032 |
| Amounts due from related parties | 70,546 | - | 82,500 |
| Cash and Cash Equivalents | 32,121,290 | 370,102 | 1,132,460 |
| Total current assets | 45,214,710 | 7,320,203 | 20,295,625 |

Other receivables comprise amounts relating to prepayments, deposits and vat receivables.

Notes to the Condensed Interim Consolidated Financial Statements (continued)

7. Non-Current Liabilities

| | COMPANY | | |
|--------------------------------------|--------------------------------|--------------------------------|----------------------------|
| | 31 October 2020 (Unaudited) | 31 October 2019 (Unaudited) | 30 April 2020 (Audited) |
| | € | € | € |
| Bonds Payable | 40,000,000 | - | - |
| Lease liabilities | 148,315 | 148,323 | 148,323 |
| Total non-current liabilities | 40,148,315 | 148,323 | 148,323 |

The company applied to the Listing Authority in Malta for the issuance of EUR14,000,000 4% Secured Bonds 2026 (series A Bonds) and EUR26,000,000 4.5% secured bonds 2032 (series B Bonds). Both series bonds were issued at a nominal value of €100 at par. The Listing Authority has authorised the bonds as admissible to Listing pursuant to the Listing Rules by virtue of a letter dated 18 June 2020.

The bond subscriptions closed in July 2020 with the bonds being fully subscribed. Such proceeds will be utilised for the development of the project.

8. Current Liabilities

| | COMPANY | | |
|----------------------------------|--------------------------------|--------------------------------|----------------------------|
| | 31 October 2020 (Unaudited) | 31 October 2019 (Unaudited) | 30 April 2020 (Audited) |
| | € | € | € |
| Other payables | 454,545 | 37,111 | 35,406 |
| Amounts due to related parties | - | 1,047,893 | 2,066,812 |
| Lease liabilities | 208 | 6,095 | 399 |
| Total current liabilities | 454,753 | 1,091,099 | 2,102,617 |

Other payables include an amount of €432,500 representing Interest payable on Bonds issued, as mentioned in note 8.

Notes to the Condensed Interim Consolidated Financial Statements (continued)

9. Segmental Information

The company's principal activities is to develop and manage the Shoreline Mall and to develop 7 residential terraced houses for resale. On completion of the Shoreline project, the company's main business will consist of:

- a. The sale of immovable property within the Shoreline Mall site, mainly consisting of 7 residential units and the residential carpark; and
- b. The development of the Shoreline Mall and the generation of rental income from the operation of the commercial units and carpark.

The completion of the above properties is classified with inventories and investment properties. Since the project is managed centrally the above activities are considered to be one operating segment.

Directors' Confirmations

We confirm to the best of my knowledge that:

- the Condensed Interim Financial information gives a true and fair view of the Financial Position of the company as at 31 October 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 (International Accounting Standards 34, 'Interim Financial Reporting');
- the Interim Directors' Report includes a fair review of the information required in terms of Listing Rule 5.74 issued by the Listing Authority and has been prepared in accordance with the applicable Listing Rules.



Robert Ancilleri
Director



Ryan Otto
Director

