

BORTEX GROUP FINANCE plc

Condensed Interim Financial Statements
30 April 2018

	Pages
Directors' report	1 - 2
Condensed interim statement of financial position	3
Condensed interim income statement	4
Condensed interim statement of changes in equity	5
Condensed interim statement of cash flows	6
Notes to the condensed interim financial statements	7- 9

Directors' report

This Condensed Interim Report is being published in terms of Chapter 5 of the Listing Rules of the Listing Authority – Malta Financial Services Authority and the Prevention of Financial Markets Abuse Act, 2005. The condensed financial statements included in this report have been extracted from Bortex Group Finance plc's unaudited financial statements as at 30 April 2018 and the periods then ended, prepared in accordance with International Financial Reporting Standards as adopted for use in the EU for interim financial statements (International Accounting Standard 34, 'Interim Financial Reporting').

Trading performance

The Company

The company was incorporated on 30 August 2017 in terms of the Maltese Companies Act (Cap. 386). The company's principle activity is to carry on the business of a finance and investment company in connection with ownership, development, operation and financing of the business activities of the companies forming part of the Bortex Group of Companies.

On 30 October 2017, the company issued an aggregate of €12,750,000 in bonds having a face value of €100 per bond, subject to a minimum holding of €2,000 in bonds. The bonds have a coupon interest rate of 3.75% per annum as stated in the prospectus dated 30 October 2017. These bonds were admitted for listing on the Malta Stock Exchange on 4 December 2017. The proceeds from the bond issue have been advanced by the company to fellow subsidiaries forming part of the Bortex Group for the purpose of the following proposed projects: (i) refurbishment and extension of the newly branded Hotel 1926 in Sliema, Malta; (ii) development of TEN Apartments in Sliema, Malta; (iii) international retail expansion strategy, particularly via the opening of Gagliardi retail outlets overseas; (iv) development of a mixed-use complex in Mriehel, Malta; (v) redevelopment of the Group's existing retail outlet in Mosta, Malta; and (vi) refurbishment of PJP Boutique Suites in Valletta, Malta, which property is currently being extensively refurbished as an 8-roomed boutique hotel. These bonds are guaranteed by Bortex Group Holdings Company Limited which is the ultimate parent of the Bortex Group.

Interest and related income, principally receivable from related parties, during the periods ended 30 April 2018 amounted to €234,312. Loss before taxation for the eight-month period then-ended was €1,609. The directors are not anticipating any significant changes during the forthcoming six months.

The Group

Bortex Group Holdings Company Limited ("BGH"), is a private limited liability company incorporated and registered in Malta with company registration number C 4863. It was formerly known as Borchild Limited until 26th September 2017. The Group's operations are, and have been for a number of years, divided into two principal segments, garment manufacturing and retailing on the one hand and property development and hotel operations on the other. Although the core business of the Group knows its origins in the garment manufacturing sector, and the eventual retailing of those garments, it has also established itself in the hospitality sector and more recently has moved into the boutique hotel sector.

Related Party Transactions

The ultimate parent company of Bortex Group Finance plc is Bortex Group Holdings Company Limited. All entities which are ultimately controlled by Bortex Group Holdings Company Limited are considered related parties in view of common ultimate shareholding.

Dividends

The directors do not recommend the payment of an interim dividend.

Director's statement pursuant to Listing Rule 5.75.3

We hereby confirm that to the best of our knowledge:

1. The condensed interim financial statements gives a true and fair view of the financial position of the Company as at 30 April 2018, and of its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU applicable to Interim Financial Reporting (IAS 34).
2. The interim Directors' Report includes a fair review of the information required in terms of Listing Rule 5.81.



Peter Borg
Director



Karen Bugeja
Director

Registered office:
32,
Hughes Hallet,
Sliema
SLM 3142,
Malta

28 June 2018

Condensed interim statement of financial position

	Notes	As at 30 April 2018 € (unaudited)
ASSETS		
Non-current assets		
Loans and receivables	7	12,323,855
Current assets		
Other receivables	7	234,312
Cash and cash equivalents	3	446,257
Total current assets		680,569
Total assets		13,004,424
EQUITY AND LIABILITIES		
Equity		
Share capital	4	250,000
Accumulated losses		(1,609)
Total equity		248,391
Non-current liabilities		
Borrowings	6	12,507,178
Current liabilities		
Accruals and other payables	5	248,855
Total liabilities		12,756,033
Total equity and liabilities		13,004,424

The notes on pages 7 to 9 are an integral part of these condensed interim financial statements.

The condensed interim financial statements on pages 3 to 9 were authorised for issue by the board of directors on 28 June 2018 and were signed on its behalf by:


Peter Borg
Director


Karen Bugeja
Director

Condensed interim income statement

	Notes	Period from 30 August 2017 to 30 April 2018 € (unaudited)
Finance income	7	234,312
Finance costs	6	(209,770)
Net interest income		24,542
Administrative expenses		(26,151)
Loss before tax		(1,609)
Tax expense		-
Loss for the period		(1,609)

The notes on pages 7 to 9 are an integral part of these condensed interim financial statements.

Condensed interim statement of changes in equity

	Note	Share capital €	Accumulated losses €	Total €
Balance at 30 August 2017		-	-	-
Issue of share capital	4	250,000	-	250,000
Loss for the period - total comprehensive loss		-	(1,609)	(1,609)
Balance at 30 April 2018		250,000	(1,609)	248,391

The notes on pages 7 to 9 are an integral part of these condensed interim financial statements.

Condensed interim statement of cash flows

	Note	Period from 30 August 2017 to 30 April 2018 € (unaudited)
Net cash generated from operating activities		23,485
Net cash used in investing activities		(12,323,855)
Net cash generated from financing activities		12,746,627
Net movement in cash and cash equivalents		446,257
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period	3	446,257

The notes on pages 7 to 9 are an integral part of these condensed interim financial statements.

Notes to the condensed interim financial statements

1. General information

Bortex Group Finance plc (“BGF”), company registration number C 82346, is a limited liability company registered in Malta on 30 August 2017. The company is a fully owned subsidiary of the Bortex Group Holdings Company Limited, which is the parent company of the Group. The Company act as a financing company solely for the needs of the Group.

2. Basis of preparation

The condensed interim financial statements have been prepared in accordance with IAS 34, ‘Interim financial reporting’. They have been prepared under the historical cost convention.

The Company was incorporated on 30 August 2017 and accordingly, these condensed interim financial statements have been prepared for the financial period from the date of incorporation to 30 April 2018.

Accounting policies

Standards, interpretations and amendments to published standards effective in 2017

Adoption of new standards, amendments and interpretations to existing standards that are mandatory for the Company’s accounting period beginning on 30 August 2017 did not result in changes to the Company’s accounting policies.

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 issue of these financial statements that are mandatory for the Company’s accounting periods beginning after 30 August 2017. 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. Cash and cash equivalents

For the purposes of the condensed interim statement of cash flows, cash and cash equivalents comprise the following:

	30 April 2018 € (unaudited)
Cash at bank	446,257

4. Share capital

	30 April 2018 € (unaudited)
Authorised 250,000 ordinary shares of €1 each	<u>250,000</u>
Issued 250,000 ordinary shares of €1 each	<u>250,000</u>

5. Accruals and other payables

	30 April 2018 € (unaudited)
Current Other payables	46,386
Accruals and deferred income	<u>202,469</u>
	<u>248,855</u>

6. Borrowings

	30 April 2018 € (unaudited)
Non-current 127,500 3.75% bonds 2027	<u>12,750,000</u>

The bonds are measured at the amount of the net proceeds adjusted for the amortisation of the difference between the net proceeds and the redemption value of such bonds, using the effective interest method as follows:

	30 April 2018 € (unaudited)
Face value 127,500 3.75% bonds 2027	<u>12,750,000</u>
Bond issue costs	253,373
Accumulated amortisation	<u>(10,551)</u>
Closing net book amount	<u>242,822</u>
Amortised cost at 30 April 2018	<u>12,507,178</u>

6. Borrowings – continued

On 30 October 2017, the company issued 127,500 unsecured bonds with a face value of €100 each, for an aggregate amount of €12,750,000. The bonds' interest is payable annually in arrears on 1 December and are repayable in full upon maturity unless they are previously re-purchased and cancelled. The bonds are due for redemption on 1 December 2027.

The bonds are guaranteed by Bortex Group Holdings Company Limited, parent company. The bonds have been admitted on the Official List of the Malta Stock Exchange on 4 December 2017.

7. Related party transactions

The ultimate parent company of Bortex Group Finance plc is Bortex Group Holdings Company Limited. All entities, which are ultimately controlled by Bortex Group Holdings Company Limited, are considered related parties in view of common ultimate shareholding.

The principal transactions carried out with related parties during the period are outlined below:

- i) As at 30 April 2018, loans to fellow subsidiaries amounted to €12,323,855. These loans are subject to a fixed interest rate of 4.5% per annum. Furthermore, the loans are unsecured and repayable on 1 December 2027.
- ii) Interest and related income to fellow subsidiaries during the period ended 30 April 2018 amounted to €234,312.