



HHF 303, Industrial Estate, Hal Far – Malta  
T: (+356) 21653689  
E: [info@jsdimech.com](mailto:info@jsdimech.com) W: [www.jsdimech.com](http://www.jsdimech.com)

Date: 31<sup>st</sup> May 2018  
Reference: 03/2018

## COMPANY ANNOUNCEMENT

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 MTF, the market regulated as a multi-lateral trading facility operated by the Malta Stock Exchange (“Prospects MTF”):

## QUOTE

### **Further Clarification regarding the group’s indebtedness and hypothecs on assets as at bond issue date and future groups’ indebtedness and hypothecs on assets**

Following the company announcement issued on the 25<sup>th</sup> May 2018, and a request for further clarifications by the Malta Stock Exchange to ensure total clarity for the avoidance of any doubt, the Company would like to further elucidate a few points with respect to the group’s indebtedness and hypothecs.

#### ***Section 8.3 The Transfer***

*The Issuer and JSDimech Limited have entered into a Transfer of Business Agreement (the “Agreement”) on the 8<sup>th</sup> March 2018. The Agreement regulates the procedure for affecting the Transfer. In terms of the Agreement, the parties agreed that JD Operations Limited will acquire the business including the plant and machinery, future business and use of Intellectual Property (IP). The Transfer of business will be effected for a total consideration of €11.9 million.*

*As part of the aforementioned Transfer of business operations, JD Operations Limited also entered into a lease agreement with Malta Industrial Parks on the 6<sup>th</sup> March 2018 for the purposes of regulating the lease of the premises by JD Operations Limited and which were previously leased to JSDimech Limited.*

*The Issuer has also acquired an Investment Property situated in Birkirkara from JS Dimech Limited. The property is valued at €4,500,000 as per the property valuation annexed to this Admission Document in Annex E. This property is owned by JD Birkirkara Limited which is a fully owned subsidiary of the issuer.*

**Clarification:** The Birkirkara property is securing part of the group's indebtedness by means of a special hypothec registered in favour of Bank of Valletta.

### **Section 17.3 Ranking of the Bonds**

*The Bonds constitute the general, direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu, without any priority or preference among themselves and with other unsecured debt of each of the Issuer if any. Furthermore, subject to the negative pledge clause (Section 17.4 of this Document), third party security interests may be registered which will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect.*

**Clarification:** This section states that third party security interests will rank in priority to the Bonds against the assets of the Issuer for so long as such security interests remain in effect. The issuer would like to clarify that the Bank also held a special hypothecary charge over the immovable property in Birkirkara securing the financing of other projects. The table below highlights the balances of the banking facilities that were granted to JS Dimech Limited as at the date of issue of the bond, and the current balances since the bond was issued.

Type of Facility	Balance as at		Balance today	
	Bond Issue date	Change		
	€	€	€	
Overdraft			700,000	Pledge on receivables & First Special Hypothec over the Birkirkara land
Loan 1	-598,873	126,470	472,403	Pledge on receivables & First Special Hypothec over the Birkirkara land
Loan 2	-780,855	158,013	622,842	Pledge on receivables & First Special Hypothec over the Birkirkara land
Loan 3	-981,747	157,446	824,301	Pledge on receivables & First Special Hypothec over the Birkirkara land
Current account	-273,170	273,170	-	
Project Financing	-803,703	30,799	772,904	Pledge on receivables & First Special Hypothec over the Birkirkara land
Bills of Exchange 1	-36,662		36,662	Pledge on Bills of Exchange
Bills of Exchange 2	-17,212	17,212	-	Pledge on Bills of Exchange
Bills of Exchange 3	-522,362		522,362	Pledge on Bills of Exchange
<b>Total</b>	<b>-4,014,583</b>	<b>763,110</b>	<b>-3,251,473</b>	

The rights of the bondholders remain totally unaffected and unchanged from those detailed in the Admission Document.

  
Stanley Portelli LL.D.  
**Company Secretary**