

**VONPENDE HOLDINGS P.L.C.**  
**REPORT AND FINANCIAL STATEMENTS**  
Period from 1 January 2016 to 30 June 2016

**C. Efstathiou Audit Ltd**  
Εγκεκριμένοι Λογιστές

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# VONPENDE HOLDINGS P.L.C.

## REPORT AND FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

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# VONPENDE HOLDINGS P.L.C.

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## BOARD OF DIRECTORS AND OTHER OFFICERS

**Board of Directors:**

Christos Kinanis  
Marina Tsoy  
Andri Michael  
Stella Koukounis

**Company Secretary:**

Andri Michael

**Independent Auditors:**

C. Efstathiou Audit Ltd  
Certified Public Accountants and Registered Auditors  
8 Kennedy Avenue  
Athienitis Building  
2nd floor, Office 201  
1087 Nicosia

**Registered office:**

Chrysanthou Mylona, 2  
Dali, P.C. 2540, Nicosia, Cyprus

**Banker:**

Hellenic Bank Public Company Ltd

**Registration number:**

HE216944

# VONPENDE HOLDINGS P.L.C.

## REPORT OF THE BOARD OF DIRECTORS

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The Board of Directors presents its report and audited financial statements of the Company for the period from 1 January 2016 to 30 June 2016.

### **Incorporation**

The Company Vonpende Holdings P.L.C. was incorporated in Cyprus on 20 December, 2007 as a private limited liability company under the Cyprus Companies Law, Cap. 113, with registration number HE216944.

### **Principal activity**

The principal activity of the Company comprises the trading in investments.

### **Review of current position, future developments and significant risks**

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

### **Results**

The Company's results for the period are set out on page 5. The net profit for the year is retained.

### **Share capital**

There were no changes in the share capital of the Company during the period under review.

### **Board of Directors**

The members of the Company's Board of Directors as at 30 June 2016 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the period from 1 January 2016 to 30 June 2016.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

### **Events after the reporting period**

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

### **Independent Auditors**

The Independent Auditors, C. Efstathiou Audit Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Director

Nicosia, 18 July, 2016

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1660 Nicosia  
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**C. Efstathiou Audit Ltd**  
Certified Public Accountants

E-mail: costascy@spidernet.com.cy

## **Independent auditor's report**

### **To the Members of Vonpende Holdings P.L.C.**

#### **Report on the financial statements**

We have audited the financial statements of parent company Vonpende Holdings P.L.C. (the "Company") on pages 5 to 21 which comprise the statement of financial position as at 30 June 2016, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 1 January 2016 to 30 June 2016, and a summary of significant accounting policies and other explanatory information.

#### *Board of Directors' responsibility for the financial statements*

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of parent company Vonpende Holdings P.L.C. as at 30 June 2016, and of its financial performance and its cash flows for the period from 1 January 2016 to 30 June 2016 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

## Independent auditor's report (continued)

### To the Members of Vonpende Holdings P.L.C.

#### Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

#### Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the period from 1 January 2016 to 30 June 2016.



Costas Efstathiou

Certified Public Accountant and Registered Auditor

for and on behalf of

**C. Efstathiou Audit Ltd**

**Certified Public Accountants and Registered Auditors**

Nicosia, 18 July, 2016

## VONPENDE HOLDINGS P.L.C.

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Period from 1 January 2016 to 30 June 2016

	Note	1.1.2016 to 30.6.2016 EUR	2015 EUR
<b>Revenue</b>	5	<b>19.225</b>	1.006.622
Other operating income	6	-	2.006
Administration expenses		(92.225)	(48.045)
Other expenses	7	(2.985)	-
<b>Operating (loss)/profit</b>	8	<b>(75.985)</b>	960.583
Net finance costs	10	(678)	(992)
<b>(Loss)/profit before tax</b>		<b>(76.663)</b>	959.591
Tax	11	(1.388)	(613)
<b>Net (loss)/profit for the period/year</b>		<b>(78.051)</b>	958.978
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the period/year</b>		<b>(78.051)</b>	958.978

The notes on pages 9 to 21 form an integral part of these financial statements.

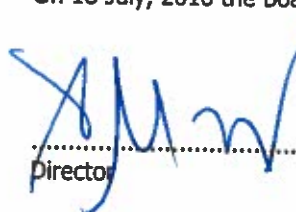
# VONPENDE HOLDINGS P.L.C.

## STATEMENT OF FINANCIAL POSITION

30 June 2016

	Note	2016 EUR	2015 EUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	964	-
Investments in subsidiaries	13	<u>13.045.394</u>	<u>13.045.394</u>
		<u>13.046.358</u>	<u>13.045.394</u>
<b>Current assets</b>			
Trade and other receivables	14	4.478	104.382
Financial assets at fair value through profit or loss	15	<u>1.269.225</u>	<u>1.250.000</u>
Cash at bank and in hand		<u>66.688</u>	<u>23.542</u>
		<u>1.340.391</u>	<u>1.377.924</u>
<b>Total assets</b>		<u>14.386.749</u>	<u>14.423.318</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	100.000	100.000
Retained earnings		<u>14.238.427</u>	<u>14.316.478</u>
<b>Total equity</b>		<u>14.338.427</u>	<u>14.416.478</u>
<b>Current liabilities</b>			
Trade and other payables	17	46.934	6.227
Current tax liabilities	18	<u>1.388</u>	<u>613</u>
		<u>48.322</u>	<u>6.840</u>
<b>Total equity and liabilities</b>		<u>14.386.749</u>	<u>14.423.318</u>

On 18 July, 2016 the Board of Directors of Vonpende Holdings P.L.C. authorised these financial statements for issue.

  
.....  
Director

  
.....  
Director

The notes on pages 9 to 21 form an integral part of these financial statements.



## VONPENDE HOLDINGS P.L.C.

### STATEMENT OF CHANGES IN EQUITY Period from 1 January 2016 to 30 June 2016

	Note	Share capital EUR	Retained earnings EUR	Total EUR
<b>Balance at 1 January 2015</b>		<b>2.000</b>	<b>13.357.500</b>	<b>13.359.500</b>
<b>Comprehensive income</b>				
Net profit for the year		-	958.978	958.978
Issue of share capital	16	98.000	-	98.000
<b>Balance at 31 December 2015/ 1 January 2016</b>		<b>100.000</b>	<b>14.316.478</b>	<b>14.416.478</b>
<b>Comprehensive income</b>				
Net loss for the period		-	(78.051)	(78.051)
<b>Balance at 30 June 2016</b>		<b>100.000</b>	<b>14.238.427</b>	<b>14.338.427</b>

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 21 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

## STATEMENT OF CASH FLOWS

Period from 1 January 2016 to 30 June 2016

	1.1.2016 to 30.6.2016	2015
Note	EUR	EUR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>(Loss)/profit before tax</b>	<b>(76.663)</b>	959.591
Adjustments for:		
Depreciation of property, plant and equipment	12 <b>107</b>	-
Dividend income	5 <b>-</b>	<b>(993.022)</b>
	<b>(76.556)</b>	<b>(33.431)</b>
<b>Changes in working capital:</b>		
Decrease in trade and other receivables	<b>99.904</b>	1.177.218
Increase in financial assets at fair value through profit or loss	<b>(19.225)</b>	(1.250.000)
Increase/(Decrease) in trade and other payables	<b>40.707</b>	<b>(35.228)</b>
<b>Cash generated from/(used in) operations</b>	<b>44.830</b>	(141.441)
Dividends received	-	993.022
Tax paid	<b>(613)</b>	<b>(34.507)</b>
<b>Net cash generated from operating activities</b>	<b>44.217</b>	<b>817.074</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for purchase of property, plant and equipment	12 <b>(1.071)</b>	-
Payment for purchase of investments in subsidiaries	13 <b>-</b>	<b>(895.394)</b>
<b>Net cash used in investing activities</b>	<b>(1.071)</b>	<b>(895.394)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of share capital	-	98.000
<b>Net cash generated from financing activities</b>	-	98.000
<b>Net increase in cash and cash equivalents</b>	<b>43.146</b>	19.680
Cash and cash equivalents at beginning of the period/year	<b>23.542</b>	<b>3.862</b>
<b>Cash and cash equivalents at end of the period/year</b>	<b>66.688</b>	<b>23.542</b>

The notes on pages 9 to 21 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Vonpende Holdings P.L.C. (the "Company") was incorporated in Cyprus on 20 December, 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Chrysanthou Mylona, 2, Dali, P.C. 2540, Nicosia, Cyprus.

#### Principal activity

The principal activity of the Company comprises the trading in investments.

### 2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

#### Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention as modified by the revaluation of, and financial assets and financial liabilities at fair value through profit or loss.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group").

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the period from 1 January 2016 to 30 June 2016 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

#### Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2016. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

#### Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 2. Significant accounting policies (continued)

#### Revenue recognition

Revenues earned by the Company are recognised on the following bases:

- **Income from investments in securities**

Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

The difference between the fair value of investments at fair value through profit or loss as at 30 June 2016 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised in equity. When available-for-sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

- **Interest income**

Interest income is recognised on a time-proportion basis using the effective interest method.

- **Dividend income**

Dividend income is recognised when the right to receive payment is established.

#### Employee benefits

The Company and its employees contribute to the Government Social Insurance Fund based on employees' salaries. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (EUR), which is the Company's functional and presentation currency.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 2. Significant accounting policies (continued)

#### (2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss.

#### Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

Computer hardware and operating systems	%
	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

#### Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

##### Financial assets

###### *(1) Classification*

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

- Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performance is evaluated on a fair value basis, in accordance with the Company's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Company's key management personnel. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within twelve months from the reporting date.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the reporting date. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

- Held-to-maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity, that do not meet the definition of loans and receivables. During the period, the Company did not hold any investments in this category.

- Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets, unless management intends to dispose of the investment within twelve months of the reporting date.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

###### *(2) Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on trade-date which is the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss when the Company's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis, making maximum use of market inputs and relying as little as possible on entity specific inputs. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in profit or loss, while translation differences on non-monetary securities are recognised in other comprehensive income. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in profit or loss as gains and losses on available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in profit or loss when the Company's right to receive payments is established.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets the cumulative loss which is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, is removed from equity and recognised in profit or loss.

For financial assets measured at amortised cost, if in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 2. Significant accounting policies (continued)

#### Financial instruments (continued)

##### Financial assets (continued)

In respect of available for sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available for sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

##### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

##### Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

#### Derecognition of financial assets and liabilities

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

#### Share capital

Ordinary shares are classified as equity.



# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 2. Significant accounting policies (continued)

#### Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

### 3. Financial risk management

#### Financial risk factors

The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

#### 3.1 Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Company's available-for-sale financial assets and financial assets at fair value through profit or loss are susceptible to market price risk arising from uncertainties about future prices of the investments. The Company's market price risk is managed through diversification of the investment portfolio.

#### 3.2 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

#### 3.3 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

#### 3.4 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

#### 3.5 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

#### Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

The fair value of financial instruments traded in active markets, such as publicly traded trading and available-for-sale financial assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 3. Financial risk management (continued)

#### Fair value estimation (continued)

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

### 4. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Provision for bad and doubtful debts**

The Company reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Fair value of financial assets**

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 4. Critical accounting estimates and judgements (continued)

#### • Impairment of investments in subsidiaries

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

#### • Impairment of non-financial assets

The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

#### • Valuation of non-listed investments

The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

### 5. Revenue

	<b>1.1.2016 to 30.6.2016 EUR</b>	<b>2015 EUR</b>
Dividend income	-	993.022
Interest income	<b>19.225</b>	<b>13.600</b>
	<b>19.225</b>	<b>1.006.622</b>

### 6. Other operating income

	<b>1.1.2016 to 30.6.2016 EUR</b>	<b>2015 EUR</b>
Net foreign exchange profit	-	2.006
	-	<b>2.006</b>

### 7. Other expenses

	<b>1.1.2016 to 30.6.2016 EUR</b>	<b>2015 EUR</b>
Net foreign exchange loss	<b>2.985</b>	-
	<b>2.985</b>	-

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 8. Operating (loss)/profit

	1.1.2016 to 30.6.2016 EUR	2015 EUR
Operating (loss)/profit is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 12)	107	-
Staff costs including Directors in their executive capacity (Note 9)	22.762	15.000
Auditors' remuneration - current period	3.850	4.560
Auditors' remuneration - prior years	4.900	4.900

### 9. Staff costs

	1.1.2016 to 30.6.2016 EUR	2015 EUR
Wages and salaries	22.500	15.000
Social insurance costs and other funds	262	-
	<u>22.762</u>	<u>15.000</u>

### 10. Finance costs

	1.1.2016 to 30.6.2016 EUR	2015 EUR
Other finance expenses	678	992
	<u>678</u>	<u>992</u>

### 11. Tax

	1.1.2016 to 30.6.2016 EUR	2015 EUR
Corporation tax - current period/year	1.388	613
<b>Charge for the period/year</b>	<u>1.388</u>	<u>613</u>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 15% until 28 April 2013, and 30% from 29 April 2013 (2012:15%). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 12. Property, plant and equipment

	Computer hardware and operating systems EUR
<b>Cost</b>	
Additions	1.071
<b>Balance at 30 June 2016</b>	<b>1.071</b>
<b>Depreciation</b>	
Charge for the period	107
<b>Balance at 30 June 2016</b>	<b>107</b>
<b>Net book amount</b>	
<b>Balance at 30 June 2016</b>	<b>964</b>
<b>Balance at 31 December 2015</b>	<b>-</b>

### 13. Investments in subsidiaries

	2016 EUR	2015 EUR
Balance at 1 January	13.045.394	12.150.000
Additions	-	895.394
<b>Balance at 30 June/31 December</b>	<b>13.045.394</b>	<b>13.045.394</b>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>
Wing Hang Enterprises Limited	Nevis	Trading in cement and receiving and granting of loans	100

### 14. Trade and other receivables

	2016 EUR	2015 EUR
Trade receivables	22	99.797
Shareholders' current accounts - debit balances (Note 19.2)	-	2.593
Deposits and prepayments	4.362	1.992
Defence on rents receivable	94	-
	<b>4.478</b>	<b>104.382</b>

### 15. Financial assets at fair value through profit or loss

	2016 EUR	2015 EUR
Balance at 1 January	1.250.000	-
Additions	19.225	1.250.000
<b>Balance at 30 June/31 December</b>	<b>1.269.225</b>	<b>1.250.000</b>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 15. Financial assets at fair value through profit or loss (continued)

Financial assets designated as at fair value through profit or loss are analysed as follows:

	2016 EUR	2015 EUR
<b>Financial assets at fair value through profit or loss</b>		
Subordinated contingent convertible bonds of a Company incorporated in Cyprus	<u>1.269.225</u>	1.250.000
	<u>1.269.225</u>	<u>1.250.000</u>

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 30 June by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the statement of cash flows, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

### 16. Share capital

	2016 Number of shares	2016 EUR	2015 Number of shares	2015 EUR
<b>Authorised</b>				
Ordinary shares of EUR 1 each	-	-	2.000	2.000
Conversion to 8.000 shares at EUR 0,25 each	-	-	6.000	-
Ordinary shares of EUR 0,25 each	<u>400.000</u>	<u>100.000</u>	392.000	98.000
	<u>400.000</u>	<u>100.000</u>	400.000	100.000
<b>Issued and fully paid</b>				
Balance at 1 January	400.000	100.000	2.000	2.000
Conversion to 8.000 shares at EUR 0,25 each	-	-	6.000	-
Issue of shares	-	-	392.000	98.000
<b>Balance at 30 June/31 December</b>	<u>400.000</u>	<u>100.000</u>	400.000	100.000

### 17. Trade and other payables

	2016 EUR	2015 EUR
Social insurance and other taxes	2.705	-
Shareholders' current accounts - credit balances (Note 19.3)	40.379	-
Accruals	3.850	6.204
Defence tax on rent payable	-	23
	<u>46.934</u>	<u>6.227</u>

### 18. Current tax liabilities

	2016 EUR	2015 EUR
Corporation tax	<u>1.388</u>	613
	<u>1.388</u>	<u>613</u>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2016 to 30 June 2016

### 19. Related party transactions

The following transactions were carried out with related parties:

#### 19.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	<b>1.1.2016 to 30.6.2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
Directors' remuneration	<u>22.500</u>	<u>15.000</u>
	<b>22.500</b>	<b>15.000</b>

#### 19.2 Shareholders' current accounts - debit balances (Note 14)

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
Shareholders' current accounts	<u>-</u>	<u>2.593</u>
	<b>-</b>	<b>2.593</b>

The shareholders' current accounts are interest free, and have no specified repayment date.

#### 19.3 Shareholders' current accounts - credit balances (Note 17)

	<b>2016</b>	<b>2015</b>
	<b>EUR</b>	<b>EUR</b>
Shareholders' current accounts	<u>40.379</u>	<u>-</u>
	<b>40.379</b>	<b>-</b>

The shareholders' current accounts are interest free, and have no specified repayment date.

### 20. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2016.

### 21. Commitments

The Company had no capital or other commitments as at 30 June 2016.

### 22. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

On 8 February, 2016 the Company's share capital was listed to the Cyprus Stock Exchange Emerging Companies Market.

**Independent auditor's report on pages 3 and 4**

# VONPENDE HOLDINGS P.L.C.

## DETAILED INCOME STATEMENT

Period from 1 January 2016 to 30 June 2016

	Page	1.1.2016 to 30.6.2016 EUR	2015 EUR
<b>Revenue</b>			
Dividend income		-	993.022
Interest income		<u>19.225</u>	<u>13.600</u>
<b>Total revenue</b>		<b>19.225</b>	<b>1.006.622</b>
<b>Other operating income</b>			
Net foreign exchange profit		<u>-</u>	<u>2.006</u>
		<b>19.225</b>	<b>1.008.628</b>
<b>Operating expenses</b>			
Administration expenses	23	<u>(92.225)</u>	<u>(48.045)</u>
		<b>(73.000)</b>	<b>960.583</b>
<b>Other operating expenses</b>			
Net foreign exchange loss		<u>(2.985)</u>	<u>-</u>
<b>Operating (loss)/profit</b>		<b>(75.985)</b>	<b>960.583</b>
Finance costs	24	<u>(678)</u>	<u>(992)</u>
<b>Net (loss)/profit for the period/year before tax</b>		<b>(76.663)</b>	<b>959.591</b>



# VONPENDE HOLDINGS P.L.C.

## ADMINISTRATIVE EXPENSES

Period from 1 January 2016 to 30 June 2016

	<b>1.1.2016 to 30.6.2016 EUR</b>	<b>2015 EUR</b>
<b>Administration expenses</b>		
Personel costs	<b>22.500</b>	15.000
Social insurance etc.	<b>262</b>	-
Rent	<b>1.800</b>	1.000
Company annual charge	<b>350</b>	350
Water supply and cleaning	<b>1.127</b>	666
Repairs and maintenance	<b>201</b>	137
Sundry expenses	<b>35</b>	202
Telephone and postage	<b>1.046</b>	-
Expenses on increase of share capital	<b>-</b>	2.568
Auditors' remuneration - current period	<b>3.850</b>	4.560
Auditors' remuneration - prior years	<b>4.900</b>	4.900
Overseas travelling	<b>210</b>	-
Secretarial services	<b>4.622</b>	6.922
Expenses for change to public company	<b>-</b>	4.980
Services paid	<b>40.823</b>	-
Consulting fees	<b>9.797</b>	6.700
Advertising expenses	<b>595</b>	60
Depreciation	<b>107</b>	-
	<b>92.225</b>	<b>48.045</b>

# VONPENDE HOLDINGS P.L.C.

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## FINANCE COSTS

Period from 1 January 2016 to 30 June 2016

	<b>1.1.2016 to 30.6.2016 EUR</b>	<b>2015 EUR</b>
<b>Finance costs</b>		
<b>Other finance expenses</b>		
Bank charges	<u>678</u>	<u>992</u>
	<u>678</u>	<u>992</u>

# VONPENDE HOLDINGS P.L.C.

## COMPUTATION OF CORPORATION TAX

Period from 1 January 2016 to 30 June 2016

Net loss per income statement	Page 22	EUR	EUR (76.663)
<u>Add:</u>			
Salaries with no contributions to the Social Insurance Fund		22.500	
Depreciation		107	
Net foreign exchange loss		2.985	
Company annual charge		350	
Services paid restricted		40.823	
Administration expenses restricted - trading in investments		<u>20.102</u>	
			<u>86.867</u>
			10.204
<u>Less:</u>			
Annual wear and tear allowances	25	<u>107</u>	
			<u>(107)</u>
<b>Chargeable income for the year</b>			<u><b>10.097</b></u>

### Calculation of corporation tax

	Income €	Rate %	Total € c
<b>Tax at normal rates:</b>			
Chargeable income as above	<u>10.097</u>	12,50	1.262,13
10% additional charge			<u>126,21</u>
<b>TAX PAYABLE</b>			<u><b>1.388,34</b></u>