

**VONPENDE HOLDINGS P.L.C.**  
**REPORT AND FINANCIAL STATEMENTS**  
31 December 2015

**C. Efstathiou Audit Ltd**

Εγκριμένοι Λογιστές

Λεωφ. Κέννεντυ 8  
Γραφείο 201  
Τ.Κ. 20542, 1660 Λευκωσία  
Τηλ.: +357 22768822  
Φαξ: +357 22768195  
E-mail: [costascy@spidernet.com.cy](mailto:costascy@spidernet.com.cy)

**C. Efstathiou Audit Ltd**

Certified Public Accountants

8 Kennedy Ave.,  
Office 201  
P.O. Box 20542, 1660 Nicosia  
Tel.: +357 22768822  
Fax: +357 22768195  
E-mail: [costascy@spidernet.com.cy](mailto:costascy@spidernet.com.cy)

# VONPENDE HOLDINGS P.L.C.

## REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2015

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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 (appointed on 5 November, 2015)

**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.

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2015.

### **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.

### **Change of Company name**

On 22 April, 2015, the Company changed its name from Vonpende Holdings Limited to Vonpende Holdings P.L.C., subject to the Company's listing to the Cyprus Stock Exchange Emerging Companies Market on 08 February, 2016.

### **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 and Dividends**

The Company's results for the year are set out on page 6. The net profit for the year is retained.

### **Share capital**

#### **Authorised capital**

The Company's authorised share capital was 2.000 ordinary shares of nominal value of EUR 1 each. On 3 February, 2015 the Company's authorised share capital was converted to 8.000 ordinary shares of nominal value of EUR 0,25 each. On 3 February, 2015 the Company's authorised share capital was increased by 392.000 ordinary shares of EUR 0,25 each.

#### **Issued capital**

The Company issued 2.000 ordinary shares of nominal value of EUR 1 each. On 3 February, 2015 the issued share capital was converted to 8.000 ordinary shares of nominal value of EUR 0,25 each. On 3 February, 2015 the Company issued 392.000 ordinary shares of EUR 0,25 each.

### **Board of Directors**

The members of the Company's Board of Directors as at 31 December 2015 and at the date of this report are presented on page 1.

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**

Any significant events that occurred after the end of the reporting period are described in note 22 to the financial statements.

# VONPENDE HOLDINGS P.L.C.

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## REPORT OF THE BOARD OF DIRECTORS

### **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,



Christos Kinanis  
Director

Nicosia, 5 April, 2016

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 6 to 21 which comprise the statement of financial position as at 31 December 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, 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 31 December 2015, and of its financial performance and its cash flows for the year then ended 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 year ended 31 December 2015.



Costas Efstathiou  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**C. Efstathiou Audit Ltd**  
**Certified Public Accountants and Registered Auditors**

Nicosia, 5 April, 2016

# VONPENDE HOLDINGS P.L.C.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2015

	Note	2015 EUR	2014 EUR
<b>Revenue</b>	5	<b>1.006.622</b>	266.033
Other operating income	6	<b>2.006</b>	-
Administration expenses		<b>(48.045)</b>	(6.185)
Other expenses	7	-	(1.922)
<b>Operating profit</b>	8	<b>960.583</b>	257.926
Net finance costs	10	<b>(992)</b>	(562)
<b>Profit before tax</b>		<b>959.591</b>	257.364
Tax	11	<b>(613)</b>	(34.507)
<b>Net profit for the year</b>		<b>958.978</b>	222.857
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<b>958.978</b>	222.857

The notes on pages 10 to 21 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

## STATEMENT OF FINANCIAL POSITION 31 December 2015

	Note	2015 EUR	2014 EUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	12	<u>13.045.394</u>	12.150.000
		<u>13.045.394</u>	<u>12.150.000</u>
<b>Current assets</b>			
Trade and other receivables	14	104.382	1.281.600
Financial assets at fair value through profit or loss	15	1.250.000	-
Cash at bank and in hand		<u>23.542</u>	3.862
		<u>1.377.924</u>	<u>1.285.462</u>
<b>Total assets</b>		<u>14.423.318</u>	<u>13.435.462</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	16	100.000	2.000
Retained earnings		<u>14.316.478</u>	<u>13.357.500</u>
<b>Total equity</b>		<u>14.416.478</u>	<u>13.359.500</u>
<b>Current liabilities</b>			
Trade and other payables	17	6.227	41.455
Current tax liabilities	18	<u>613</u>	<u>34.507</u>
		<u>6.840</u>	<u>75.962</u>
<b>Total equity and liabilities</b>		<u>14.423.318</u>	<u>13.435.462</u>

On 5 April, 2016 the Board of Directors of Vonpende Holdings P.L.C. authorised these financial statements for issue.

  
.....  
Director

  
.....  
Director

The notes on pages 10 to 21 form an integral part of these financial statements.

## VONPENDE HOLDINGS P.L.C.

### STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2015

	Note	Share capital EUR	Retained earnings EUR	Total EUR
<b>Balance at 1 January 2014</b>		<b>2.000</b>	<b>13.134.643</b>	<b>13.136.643</b>
<b>Comprehensive income</b>				
Net profit for the year		-	222.857	222.857
<b>Balance at 31 December 2014/ 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</b>		<b>100.000</b>	<b>14.316.478</b>	<b>14.416.478</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 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. 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 10 to 21 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

## STATEMENT OF CASH FLOWS

Year ended 31 December 2015

	Note	2015 EUR	2014 EUR
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		959.591	257.364
Adjustments for:			
Dividend income	5	(993.022)	-
Interest income	5	(13.600)	-
		<u>(47.031)</u>	<u>257.364</u>
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		1.177.218	(1.280.000)
Increase in financial assets at fair value through profit or loss		(1.250.000)	-
(Decrease)/increase in trade and other payables		<u>(35.228)</u>	<u>7.152</u>
<b>Cash used in operations</b>		<b>(155.041)</b>	<b>(1.015.484)</b>
Interest received		13.600	-
Dividends received		993.022	-
Tax paid		<u>(34.507)</u>	<u>-</u>
<b>Net cash generated from/(used in) operating activities</b>		<b><u>817.074</u></b>	<b><u>(1.015.484)</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of investments in subsidiaries	12	(895.394)	(12.150.000)
Proceeds from sale of available-for-sale financial assets		-	13.163.300
<b>Net cash (used in)/generated from investing activities</b>		<b><u>(895.394)</u></b>	<b><u>1.013.300</u></b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		98.000	-
<b>Net cash generated from financing activities</b>		<b><u>98.000</u></b>	<b><u>-</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>19.680</b>	<b>(2.184)</b>
Cash and cash equivalents at beginning of the year		<u>3.862</u>	<u>6.046</u>
<b>Cash and cash equivalents at end of the year</b>		<b><u>23.542</u></b>	<b><u>3.862</u></b>

The notes on pages 10 to 21 form an integral part of these financial statements.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 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, investment property, available-for-sale financial assets, 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 year ended 31 December 2015 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 year 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 2015. 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

Year ended 31 December 2015

### 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 31 December 2015 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.

#### 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.

(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.

# VONPENDE HOLDINGS P.L.C.

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## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 2. Significant accounting policies (continued)

#### 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.

##### 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 year, 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

Year ended 31 December 2015

### 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

Year ended 31 December 2015

### 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 and in hand.

##### 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

Year ended 31 December 2015

### 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.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 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

Year ended 31 December 2015

### 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.

#### • 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

	2015 EUR	2014 EUR
Dividend income	993.022	-
Interest income	13.600	-
Net gain on sale of promissory notes	-	266.033
	<u>1.006.622</u>	<u>266.033</u>

### 6. Other operating income

	2015 EUR	2014 EUR
Net foreign exchange profits	2.006	-
	<u>2.006</u>	<u>-</u>

### 7. Other expenses

	2015 EUR	2014 EUR
Net foreign exchange loss	-	1.922
	<u>-</u>	<u>1.922</u>

### 8. Operating profit

	2015 EUR	2014 EUR
Operating profit is stated after charging the following items:		
Staff costs including Directors in their executive capacity (Note 9)	15.000	-
Auditors' remuneration - current year	4.560	3.800
Auditors' remuneration - prior years	4.900	-
	<u>4.900</u>	<u>-</u>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 9. Staff costs

	2015 EUR	2014 EUR
Wages and salaries	15.000	-
	<b>15.000</b>	<b>-</b>

### 10. Finance costs

	2015 EUR	2014 EUR
Other finance expenses	992	562
	<b>992</b>	<b>562</b>

### 11. Tax

	2015 EUR	2014 EUR
Corporation tax - current year	613	34.507
<b>Charge for the year</b>	<b>613</b>	<b>34.507</b>

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 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

### 12. Investments in subsidiaries

	2015 EUR	2014 EUR
Balance at 1 January	12.150.000	-
Additions	895.394	12.150.000
<b>Balance at 31 December</b>	<b>13.045.394</b>	<b>12.150.000</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

### 13. Available-for-sale financial assets

	2015 EUR	2014 EUR
Balance at 1 January	-	13.163.300
Disposals	-	(13.163.300)
<b>Balance at 31 December</b>	<b>-</b>	<b>-</b>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 13. Available-for-sale financial assets (continued)

Available-for-sale financial assets, comprising principally marketable equity securities, are fair valued annually at the close of business on 31 December. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Available-for-sale financial assets are classified as non-current assets, unless they are expected to be realised within twelve months from the reporting date or unless they will need to be sold to raise operating capital.

### 14. Trade and other receivables

	2015 EUR	2014 EUR
Trade receivables	99,797	-
Shareholders' current accounts - debit balances (Note 19.2)	2,593	-
Deposits and prepayments	1,992	1,600
Promissory notes receivable	-	1,280,000
	<u>104,382</u>	<u>1,281,600</u>

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

	2015 EUR	2014 EUR
Balance at 1 January	-	-
Additions	1,250,000	-
<b>Balance at 31 December</b>	<u>1,250,000</u>	<u>-</u>

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

	2015 EUR	2014 EUR
<b>Financial assets at fair value through profit or loss</b>		
Subordinated contingent convertible bonds of a Company incorporated in Cyprus	1,250,000	-
	<u>1,250,000</u>	<u>-</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 31 December 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.

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 16. Share capital

	2015 Number of shares	2015 EUR	2014 Number of shares	2014 EUR
<b>Authorised</b>				
Ordinary shares of EUR 1 each	2.000	2.000	2.000	2.000
Conversion to 8.000 shares of EUR 0,25 each	6.000	-	-	-
Ordinary shares of EUR 0,25 each	392.000	98.000	-	-
	<u>400.000</u>	<u>100.000</u>	<u>2.000</u>	<u>2.000</u>
<b>Issued and fully paid</b>				
Balance at 1 January	2.000	2.000	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 31 December</b>	<u>400.000</u>	<u>100.000</u>	<u>2.000</u>	<u>2.000</u>

#### Authorised capital

The Company's authorised share capital was 2.000 ordinary shares of nominal value of EUR 1 each. On 3 February, 2015 the Company's authorised share capital was converted to 8.000 ordinary shares of nominal value of EUR 0,25 each. On 3 February, 2015 the Company's authorised share capital was increased by 392.000 ordinary shares of EUR 0,25 each.

#### Issued capital

The Company issued 2.000 ordinary shares of nominal value of EUR 1 each. On 3 February, 2015 the issued share capital was converted to 8.000 ordinary shares of nominal value of EUR 0,25 each. On 3 February, 2015 the Company issued 392.000 ordinary shares of EUR 0,25 each.

### 17. Trade and other payables

	2015 EUR	2014 EUR
Trade payables	-	667
Shareholders' current accounts - credit balances (Note 19.3)	-	36.943
Accruals	6.204	3.845
Defence tax on rent payable	23	-
	<u>6.227</u>	<u>41.455</u>

### 18. Current tax liabilities

	2015 EUR	2014 EUR
Corporation tax	613	34.507
	<u>613</u>	<u>34.507</u>

# VONPENDE HOLDINGS P.L.C.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2015

### 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:

	2015 EUR	2014 EUR
Directors' remuneration	<u>15.000</u>	-
	<u>15.000</u>	-

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

	2015 EUR	2014 EUR
Shareholders' current accounts	<u>2.593</u>	-
	<u>2.593</u>	-

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

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

	2015 EUR	2014 EUR
Shareholders' current accounts	<u>-</u>	<u>36.943</u>
	<u>-</u>	<u>36.943</u>

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

### 20. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2015.

### 21. Commitments

The Company had no capital or other commitments as at 31 December 2015.

### 22. Events after the reporting period

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 4 and 5**

# VONPENDE HOLDINGS P.L.C.

## DETAILED INCOME STATEMENT

Year ended 31 December 2015

	Page	2015 EUR	2014 EUR
<b>Revenue</b>			
Dividend income		993.022	-
Interest income		13.600	-
Net gain on sale of promissory notes		-	266.033
<b>Total revenue</b>		<b>1.006.622</b>	266.033
<b>Other operating income</b>			
Net foreign exchange profits		2.006	-
		<b>1.008.628</b>	266.033
<b>Operating expenses</b>			
Administration expenses	23	(48.045)	(6.185)
		<b>960.583</b>	259.848
<b>Other operating expenses</b>			
Net foreign exchange loss		-	(1.922)
<b>Operating profit</b>		<b>960.583</b>	257.926
Finance costs	24	(992)	(562)
<b>Net profit for the year before tax</b>		<b>959.591</b>	257.364

# VONPENDE HOLDINGS P.L.C.

## ADMINISTRATIVE EXPENSES

Year ended 31 December 2015

	2015 EUR	2014 EUR
<b>Administration expenses</b>		
Directors' remuneration	15.000	-
Rent	1.000	-
Annual levy	350	350
Water supply and cleaning	666	-
Repairs and maintenance	137	-
Sundry expenses	202	-
Auditors' remuneration - current year	4.560	3.800
Auditors' remuneration - prior years	4.900	-
Secretarial services	6.922	2.035
Expenses for change to public company	4.980	-
Expenses on increase of share capital	2.568	-
Consulting fees	6.700	-
Advertising expenses	60	-
	<b>48.045</b>	<b>6.185</b>

# VONPENDE HOLDINGS P.L.C.

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## FINANCE COSTS

Year ended 31 December 2015

	<b>2015</b>	2014
	<b>EUR</b>	EUR
<b>Finance costs</b>		
<b>Other finance expenses</b>		
Bank charges	<u>992</u>	<u>562</u>
	<u><b>992</b></u>	<u><b>562</b></u>

# VONPENDE HOLDINGS P.L.C.

## COMPUTATION OF CORPORATION TAX

Year ended 31 December 2015

	Page	EUR	EUR
Net profit per income statement	22 6		959.591
<b>Add:</b>			
Annual levy		350	
Interest on shareholders' debit balance		305	
Expenses on increase of share capital		2.568	
Expenses on change to public company		4.980	
Administration expenses restricted - trading in investments		<u>31.693</u>	
			<u>39.896</u>
			999.487
<b>Less:</b>			
Net foreign exchange profits		2.006	
Dividends received		<u>993.022</u>	
			<u>(995.028)</u>
<b>Chargeable income for the year</b>			<u><b>4.459</b></u>

### Calculation of corporation tax

	Income €	Rate %	Total € c
<b>Tax at normal rates:</b>			
Chargeable income as above	<u>4.459</u>	12,50	557,38
10% additional charge			<u>55,74</u>
<b>TAX PAYABLE</b>			<u><b>613,12</b></u>