VONPENDE HOLDINGS P.L.C.

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 December 2016

C. Efstathiou Audit Ltd
Εγκεκριμένοι Λογιστές

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CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Stella Koukounis Marina Tsoy Andri Michael Christos Kinanis (Resigned on 28 November, 2016)
Company Secretary:	Andri Michael
Independent Auditors:	C. Efstathiou Audit Ltd Certified Public Accountant and Registered Auditor 8 Kennedy Avenue Athienitis Building 2nd floor, Office 201 1087 Nicosia
Registered office:	Chrysanthou Mylona, 2 Dali, P.C. 2540, Nicosia, Cyprus
Bankers:	Bank of Cyprus Public Company Ltd LLC CB "National Standard", Russian Federation Hellenic Bank Public Company Ltd AstroBank (Former Piraeus Bank Cyprus)
Registration number:	HE216944

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the year ended 31 December 2016.

Principal activities
The principal activities of the Group comprise the trading in investments, the receiving and granting of loans and acting as a principal in trading of metal and any other product or commodity.

Review of current position, future developments and significant risks
The Group's development to date, financial results and position as presented in the consolidated financial statements are considered satisfactory. On 8 February, 2016 the Companys' share capital was listed to the Cyprus Stock Exchange Emerging Companies Market.

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

Results and Dividends
The Group's results for the year are set out on page 6. The Board of Directors does not recommend the payment of a dividend and the net profit for the year is retained.

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

Board of Directors
The members of the Company's Board of Directors as at 31 December 2016 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 29 to the consolidated 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,

Stella Koukounis
Director

Nicosia, 26 April 2017

VONPENDE HOLDINGS P.L.C. CYPRUS

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C. Efstathiou Audit Ltd
Certified Public Accountants

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Vonpende Holdings P.L.C. (the "Company"), which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the report of the board of directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 to 2016, 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 consolidated 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 consolidated financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the management report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

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 to 2016 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.

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

Nicosia, 26 April 2017

VONPENDE HOLDINGS P.L.C.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2016

	Note	2016 EUR	2015 EUR
Revenue	5	**65.973.219**	69.813.206
Cost of sales	6	**(48.556.514)**	(37.425.961)
Gross profit		**17.416.705**	32.387.245
Other income	7	**-**	310.730
Negative goodwill	8	**21.069.782**	-
Administration expenses	9	**(469.385)**	(823.907)
Other expenses	10	**(642.732)**	-
Operating profit		**37.374.370**	31.874.068
Net finance costs	11	**(11.910.171)**	(31.339.171)
Profit before tax		**25.464.199**	534.897
Tax	12	**(3.301)**	(613)
Net profit for the year		**25.460.898**	534.284
Other comprehensive income			
Foreign exchange difference - reserve		**1.045.806**	2.532.822
Other comprehensive income for the year		**1.045.806**	2.532.822
Total comprehensive income for the year		**26.506.704**	3.067.106

The notes on pages 11 to 30 form an integral part of these consolidated financial statements.

VONPENDE HOLDINGS P.L.C.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2016

	Note	2016 EUR	2015 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	13	**2.299**	-
Investment properties	14	**110.000**	-
Goodwill	15	**5.068.978**	-
Investments		**215.617.407**	-
Loans receivable	17	**1.336.615.349**	1.258.552.649
		1.557.414.033	1.258.552.649
Current assets			
Trade and other receivables	18	**1.917.370**	957.691
Loans receivable	17	**3.073.496**	3.056.906
Available-for-sale financial assets	16	**15.989.732**	-
Financial assets at fair value through profit or loss	19	**1.085.000**	1.250.000
Tax refundable		**23.641**	-
Cash at bank and in hand		**2.035.210**	1.252.090
		24.124.449	6.516.687
Total assets		**1.581.538.482**	1.265.069.336
EQUITY AND LIABILITIES			
Equity			
Share capital	20	**100.000**	100.000
Other reserves		**4.223.953**	3.178.147
Retained earnings		**49.108.167**	23.333.490
		53.432.120	26.611.637
Non-controlling interests		**22.204.516**	-
Total equity		**75.636.636**	26.611.637
Non-current liabilities			
Borrowings	21	**1.500.546.794**	1.236.837.480
		1.500.546.794	1.236.837.480
Current liabilities			
Trade and other payables	22	**2.274.482**	1.619.606
Borrowings	21	**3.071.681**	-
Current tax liabilities	23	**8.889**	613
		5.355.052	1.620.219
Total liabilities		**1.505.901.846**	1.238.457.699
Total equity and liabilities		**1.581.538.482**	1.265.069.336

The notes on pages 11 to 30 form an integral part of these consolidated financial statements.

On 26 April 2017 the Board of Directors of Vonpende Holdings P.L.C. authorised these consolidated financial statements for issue.

....
Stella Koukounis
Director

VONPENDE HOLDINGS P.L.C.
CYPRUS

....
Andri Michael
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2016

	Note	Attributable to equity holders of the Company					
		Share capital EUR	**Foreign exchange reserve EUR**	**Retained earnings EUR**	**Total EUR**	**Non-controlling interests EUR**	**Total EUR**
Balance at 1 January 2015		**2.000**	**645.325**	**22.781.943**	**23.429.268**	**-**	**23.429.268**
Comprehensive income							
Net profit for the year		-	-	534.284	534.284	-	534.284
Issue of share capital	20	98.000	-	-	98.000	-	98.000
Foreign exchange difference		-	2.532.822	17.263	2.550.085	-	2.550.085
Balance at 31 December 2015/ 1 January 2016		**100.000**	**3.178.147**	**23.333.490**	**26.611.637**	**-**	**26.611.637**
Comprehensive income							
Net profit for the year		-	-	25.480.609	25.480.609	(19.711)	25.460.898
Foreign exchange difference		-	1.045.806	294.068	1.339.874	-	1.339.874
Non controlling interest at acquisition of subsidiaries		-	-	-	-	22.224.227	22.224.227
Balance at 31 December 2016		**100.000**	**4.223.953**	**49.108.167**	**53.432.120**	**22.204.516**	**75.636.636**

VONPENDE HOLDINGS P.L.C.

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2016

	Note	2016 EUR	2015 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**25.464.199**	534.897
Adjustments for:			
Depreciation	13	**575**	-
Unrealised exchange loss		-	71.221.110
(Profit) from the sale of available-for-sale financial assets		**(98)**	-
Loss from the sale of investments in subsidiaries		**26.696**	-
Negative goodwill		**(21.069.782)**	-
Dividend income	5	**(507)**	(1.061)
Interest expense	11	**26.972**	620
Interest income		**(62.243.569)**	(77.050.701)
		(57.795.514)	(5.295.135)
Changes in working capital:			
(Increase)/decrease in trade and other receivables		**(7.701.764)**	22.853.640
Decrease/(increase) in financial assets at fair value through profit or loss		**165.000**	(1.250.000)
Increase/(decrease) in trade and other payables		**3.770.785**	(34.615.432)
Cash used in operations		**(61.561.493)**	(18.306.927)
Interest received		**66.133.499**	78.416.675
Dividends received		**111.363**	1.080
Interest paid		**(1.112)**	-
Tax paid		**(6.630)**	(34.507)
Net cash generated from operating activities		**4.675.627**	60.076.321
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	13	**(2.874)**	-
Payment for purchase of investment property	14	**(110.000)**	-
Payment for purchase of available-for-sale financial assets		**(15.930.421)**	-
Payment for purchase of investments in subsidiaries		**(12.249.957)**	-
Payment for purchase of investments in associated undertakings		**(7.051.725)**	-
Loans granted		**(21.240.457)**	-
Loans repayments received		-	576.604.508
Proceeds from sale of available-for-sale financial assets		-	22.711.253
Proceeds from sale of investments in associated undertakings		-	11.870.793
Interest received		**385**	506
Proceeds from reduction of capital of investment in subsidiaries		**157.893**	-
Net cash (used in)/generated from investing activities		**(56.427.156)**	611.187.060
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	98.000
Repayments of borrowings		-	(612.227.095)
Proceeds from borrowings		**47.322.713**	-
Unrealised exchange (loss)		-	(71.221.110)
Interest (paid) / received		**(3.289.225)**	620
Net cash generated from/(used in) financing activities		**44.033.488**	(683.349.585)
Net increase in cash and cash equivalents		**(7.718.041)**	(12.086.204)
Cash and cash equivalents at beginning of the year		**1.252.090**	13.189.633
Cash and cash equivalents at acquisition date of subsidiaries		**7.823.472**	-
Effect of exchange rate fluctuations on cash held		**677.689**	148.661
Cash and cash equivalents at end of the year		**2.035.210**	1.252.090

The notes on pages 11 to 30 form an integral part of these consolidated financial statements.

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 Cyprus Companies Law, Cap. 113. Its registered office is at Chrysanthou Mylona, 2, Dali, P.C. 2540, Nicosia, Cyprus.

Principal activities

The principal activities of the Group comprise the trading in investments, the receiving and granting of loans and acting as a principal in trading of metal and any other product or commodity.

2. Accounting policies

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

Basis of preparation

These consolidated 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. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings, investment property, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

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 Group'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.

Adoption of new and revised IFRSs

During the current year the Group 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 Group.

At the date of approval of these consolidated 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 consolidated financial statements of the Group.

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company Vonpende Holdings Limited and the financial statements of the following subsidiaries: "Wing Hang Enterprises Limited", "Eyestorn Enterprises Limited" (52%), "Kirnione Holdings Limited" (52%), "Lebset Development Limited" (52%), "Linge Enterprises Limited" (76,02%) and "Mezorex Enterprises Limited" (52,05%).

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

2. Accounting policies (continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

2. Accounting policies (continued)

Business combinations (continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Business combinations that took place prior to 1 January 2010 were accounted for in accordance with the previous version of IFRS 3.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associated undertakings are stated at cost less provision for permanent diminution in value, which is recognised as an expense in the period in which the diminution is identified.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

Revenue recognition

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

- **Sale of products**

  Sales of products are recognised when significant risks and rewards of ownership of the products have been transferred to the customer, which is usually when the Group has sold or delivered the products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.

- **Rendering of services**

  Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

2. Accounting policies (continued)

Revenue recognition (continued)

- **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 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.

- **Commission income**

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

- **Interest income**

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

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

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

Foreign currency translation

(1) <u>Functional and presentation currency</u>
Items included in the Group'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 Group's functional and presentation currency.

(2) <u>Transactions and balances</u>
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. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity.

2. Accounting policies (continued)

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.

Dividends

Dividend distribution to the Group's shareholders is recognised in the Group's financial statements in the year in which they are approved by the Group's shareholders.

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 Group. 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.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Financial instruments

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

2. 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.

Loans granted

Loans originated by the Group by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Financial assets

(1) Classification

The Group 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 Group's documented investment strategy. Information about these financial assets is provided internally on a fair value basis to the Group'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 Group's loans and receivables comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

2. Accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

- 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 Group did not hold any investments in this category.

- Available-for-sale financial assets

  IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 9 "Financial Instruments" determines that Available-for-sale financial assets (AFS) are any non-derivative financial assets designated on initial recognition as Available-for-Sale or any other instruments that are not classified as (a) Loans and Receivables, (b) Held-to-Maturity Investments or (c) Financial Assets at Fair Value Through Profit or Loss. Available-for-sale financial assets, comprising principally marketable equity securities, are measured annually at fair value in the balance sheet, at the close of business as at 31 December, 2016. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is determined 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 value cannot be measured reliably are recognised at cost less impairment. Under IAS 39 gains and losses from the revaluation of the asset are put through Other Comprehensive Income in Shareholders' Equity, except to the extent that any losses are assessed as being permanent and the asset is therefore impaired, or if the asset is sold or otherwise disposed of. If the asset is impaired, sold or otherwise disposed of, the revaluation gain or loss implicit in the transaction is recognised as income or expense. According to IFRS 9 (1 January 2018, early adoption permitted), the revaluation gain or loss will be recognised under Other Comprehensive Income whether it will be due to normal market fluctuations or impairment. Further, the revaluation gain or losses from Other Comprehensive Income will under no circumstances be recycled into Profit or Loss.Available-for-sale financial assets are classified as non-current, 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, thus classified as current assets. Available-for-sale financial assets are investments that do not qualify for classification as held for trading (fair value through profit and loss) or held-to-maturity investments. Available for sale investments are carried on balance sheet at their fair value and any change in fair value between two reporting dates is taken to the shareholders' equity as a separate component which is normal called 'changes in fair value of available for sale investments'. If the fair value of an investment increases, the carrying amount of the investments is debited and the 'changes in fair value of AFS investments' (equity) is credited. If the fair value of the investments decreases, the carrying amount of the investments is decreased and the changes in fair value of AFS investments (equity) is debited. Under IFRS, any change in fair value is broken down into two components: change in fair value due to currency fluctuation and change in fair value due to change in investment value. The change in fair value due to fluctuation in currency value is taken to the income statement while the change in fair value due to change in value of investments is taken to the shareholders' equity.Dividends or interest income earned on available for sale securities is recognized on the income statement in the period in which they are earned.

2. 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 Group 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 Group 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 Group'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 Group 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 Group's right to receive payments is established.

The Group 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.

2. 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 consolidated cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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 Group 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 Group 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.

2. Accounting policies (continued)

Impairment of 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).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the consolidated 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 consolidated statement of financial position.

Share capital

Ordinary shares are classified as equity.

Current assets

Current assets represent future economic benefits enbodied in an asset that will flow to the entity within twelve months from the reporting date.

Non-current assets

Non-current assets represent future economic benefits enbodied in an asset that will flow to the entity in more than twelve months from the reporting date.

Current liabilities

Current liabilities represent amounts that are due within twelve months from the reporting date.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

Comparatives

IAS1 "Presentation of Financial Statements" requires that comparative information should be disclosed in respect of the previous period for all amounts reported in the financial statements, both on the face and in the notes of the financial statements, unless another Standard requires otherwise. Comparative information is provided for narrative and descriptive where it is relevant to understanding the financial statements of the current period. Where comparative amounts are changes or reclassified, various disclosures are required in the notes of the financial statements explaining the situation for changes applied.

3. Financial risk management

Financial risk factors
The Group is exposed to market price risk, interest rate risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Group 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 Group'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 Group'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. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.3 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 Group 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.

3.4 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, Russian Ruble and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 Capital risk management
The Group 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 Group's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Group'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 Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group 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 judgments

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 Group 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.

- **Provision for bad and doubtful debts**

  The Group 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 Group 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 investment property**

  The fair value of investment property is determined by using valuation techniques. The Group 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 investment property has been estimated based on the fair value of their individual assets.

- **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 Group 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.

- **Impairment of investments in subsidiaries**

  The Group 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.

4. Critical accounting estimates and judgments (continued)

- **Impairment of available-for-sale financial assets**

  The Group follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

- **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 Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Valuation of non-listed investments**

  IFRS 9 "Financial Instruments" requires entities to measure all investments in equity instruments at fair value, even if those instruments are not quoted in an active market. IFRS 13 "Fair Value Measurement" states that when measuring fair value, the objective is to estimate the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions, to estimate an "exit price".Valuation involves significant judgment by the Board of Directors and key management and it is likely that different valuation techniques will provide different results. This is because inputs used, and any adjustments to those inputs, may differ depending on the technique, but also in the selection of the valuation technique. This includes consideration of the information available to the Group. Equity investments for which fair value cannot be measured reliably and valuation techniques are not available, they are recognised at cost less impairment in value.

- **Impairment of goodwill**

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

- **Impairment of loans receivable**

  The Group periodically evaluates the recoverability of loans receivable 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 in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Revenue

	2016	2015
	EUR	EUR
Sales of cement products	**3.307.031**	3.653.465
Commissions income	**389.907**	-
Dividend income	**507**	1.061
Interest income	**62.274.912**	77.050.204
Net gain /(loss) on sale of promissory note / financial instruments	**862**	(10.891.524)
	65.973.219	69.813.206

6. Cost of sales

	2016 EUR	2015 EUR
Purchases of cement products	2.981.001	3.247.792
Services paid	-	51.479
Commissions paid	498.595	496.867
Interest expense	45.076.918	33.629.823
	48.556.514	37.425.961

7. Other income

	2016 EUR	2015 EUR
Amount payable written off	-	143.251
Other income	-	167.479
	-	310.730

8. Negative goodwill

	2016 EUR	2015 EUR
Negative goodwill	(21.069.782)	-
	(21.069.782)	-

On 28 December 2016, Vonpende Holdings Limited acquired 52% shareholding of Eyestorn Enterprises Limited and on 23 December 2016, 52% of the shareholding of Kirnione Holdings Limited and this resulted into a negative goodwill of EUR 11,3 millions and EUR 9,8 million respectively. The main operations of Eyestorn Enterprises Limited is the holding of investments and that of financing activities. The main operations of Kirnione Holdings Limited is the trading in investments.

9. Administration expenses

	2016 EUR	2015 EUR
Directors fees	-	15.000
Rent	60.576	1.000
Professional fees	197.479	709.964
Directors services	44.169	-
Services paid	89.773	39.591
Auditors' remuneration - current year	28.015	19.336
Auditors' remuneration - prior years	4.900	4.900
Accounting fees	21.305	21.672
Legal fees	9.285	2.323
Other expenses	12.947	2.223
Expenses for increase of share capital	-	2.568
Company annual charge	361	350
Expenses for change to public company	-	4.980
Depreciation	575	-
	469.385	823.907

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2016

10. Other expenses

	2016 EUR	2015 EUR
Amounts receivable written off	578.364	-
Net foreign exchange gain	1.807	-
Loss on redemption / exchange of promissory notes	63.058	-
Impairment charge - investments in associates	(497)	-
	642.732	-

11. Finance income/cost

	2016 EUR	2015 EUR
Interest income	267	497
Exchange profit	9.021.134	39.900.590
Finance income	9.021.401	39.901.087
Net foreign exchange transaction losses	(20.913.238)	(71.221.110)
Interest expense	(12)	(620)
Other finance expenses	(18.322)	(18.528)
Finance costs	(20.931.572)	(71.240.258)
Net finance costs	(11.910.171)	(31.339.171)

12. Tax

	2016 EUR	2015 EUR
Corporation tax - current year	3.275	613
Overseas tax	26	-
Charge for the year	3.301	613

13. Property, plant and equipment

	Computer hardware and operating systems EUR
Cost	
Additions	2.874
Balance at 31 December 2016	**2.874**
Depreciation	
Charge for the	575
Balance at 31 December 2016	**575**
Net book amount	
Balance at 31 December 2016	**2.299**
Balance at 31 December 2015	-

14. Investment properties

	2016 EUR	2015 EUR
Balance at 1 January	-	-
Additions	**110.000**	-
Balance at 31 December	**110.000**	-

Investment properties include an apartment situated at 55 Milou street, Archangelos, Nicosia, Cyprus.

15. Goodwill

	Goodwill EUR
Cost	
Goodwill	5.068.978
Balance at 31 December 2016	**5.068.978**
Net book amount	
Balance at 31 December 2016	**5.068.978**

On 28 December 2016, Vonpende Holdings Limited acquired 52% of Lebset Development Limited and this resulted into a goodwill of EUR 0,7 million. The main operations of Lebset Developments Limited is the holding of investments.

On 30 December, 2016, Vonpende Holdings Limited acquired 76,03% of Linge Enterprises Limited and 52,05% of Mezorex Enterprises Limited and to these resulted ionto a goodwill of EUR 0,9 million and EUR 3,4 million respectively.

The main operations of Linge Enterprises Limited, is holding of investments.

The main operations of Mezorex Enterprises Limited, is the holding of investments.

16. Available-for-sale financial assets

	2016 EUR	2015 EUR
Balance at 1 January	-	20.379.403
Additions	15.989.732	-
Net disposals	-	(20.379.403)
Balance at 31 December	**15.989.732**	-

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.

17. Loans receivable

	2016 EUR	2015 EUR
Loans receivable	1.339.688.845	1.261.609.555
	1.339.688.845	1.261.609.555
Less current portion	(3.073.496)	(3.056.906)
Non-current portion	1.336.615.349	1.258.552.649

The loans are repayable as follows:

	2016 EUR	2015 EUR
Within one year	3.073.496	3.056.906
Between one and five years	1.336.615.349	1.258.552.649
	1.339.688.845	1.261.609.555

18. Trade and other receivables

	2016 EUR	2015 EUR
Trade receivables	565.137	799.882
Promissory notes receivable	1.346.843	153.224
Shareholders' current accounts - debit balances (Note 24.2)	-	2.593
Deposits and prepayments	5.390	1.992
	1.917.370	957.691

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

19. Financial assets at fair value through profit or loss

	2016	2015
	EUR	EUR
Balance at 1 January	**1.250.000**	1.250.000
Disposals	**(165.000)**	-
Balance at 31 December	**1.085.000**	1.250.000

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

	2016	2015
	EUR	EUR
Financial assets at fair value through profit or loss		
Subordinated contingent convertible bonds of a Company incorporated in Cyprus:	**1.085.000**	1.250.000
	1.085.000	1.250.000

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 consolidated cash flow statement, 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 consolidated 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.

20. Share capital

	2016 Number of shares	**2016 EUR**	2015 Number of shares	2015 EUR
Authorised				
Ordinary shares of EUR1 each	-	-	2.000	2.000
Conversion to 8.000 shares of EUR 0,25 each	-	-	6.000	-
Ordinary shares of EUR 0,25 each	**400.000**	**100.000**	392.000	98.000
	400.000	**100.000**	400.000	100.000
Issued and fully paid				
Balance at 1 January	**400.000**	**100.000**	2.000	2.000
Conversion to 8.000 shares of EUR 0,25 each	-	-	6.000	-
Issue of shares	-	-	392.000	98.000
Balance at 31 December	**400.000**	**100.000**	400.000	100.000

21. Borrowings

	2016	2015
	EUR	EUR
Current borrowings		
Trade loans payable	**3.071.681**	-
Non-current borrowings		
Trade loans payable	**1.500.546.794**	1.236.837.480
Total	**1.503.618.475**	1.236.837.480

21. Borrowings (continued)

Maturity of non-current borrowings:

	2016	2015
	EUR	EUR
Within one year	3.071.681	-
Between one and five years	1.500.546.794	1.048.075.710
After five years	-	188.761.770
	1.503.618.475	1.236.837.480

22. Trade and other payables

	2016	2015
	EUR	EUR
Trade payables	626.770	6.240
Promissory notes payable	925.811	835.904
Defence tax on rent payable	(54)	23
Shareholders' current accounts - credit balances (Note 24.3)	-	101.335
Social insurance and other taxes	2.604	-
Accruals	719.351	676.104
	2.274.482	1.619.606

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

23. Current tax liabilities

	2016	2015
	EUR	EUR
Corporation tax	8.858	613
Special contribution for defence	31	-
	8.889	613

24. Related party transactions

The Company is listed to the Cyprus Stock Exchange Emerging Companies Market and its shares are spread towards various foreign and Cyprus based legal entities and various Cyprus resident and non-resident individuals.

The following transactions were carried out with related parties:

24.1 Directors' remuneration

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

	2016	2015
	EUR	EUR
Directors' fees	-	15.000
Directors' services	44.169	-
	44.169	15.000

24. Related party transactions (continued)

24.2 Shareholders' current accounts - debit balances (Note 18)

	2016	2015
	EUR	EUR
Receivable from shareholders	-	2.593
	-	2.593

Following the objective of IAS 24 "Related Party Disclosures" the shareholders' current accounts are interest free, and have no specified repayment date and are paid upon request. In certain cases, the company may enter and/or amend an agreement relating to the payable amount owned, changing/entering to payment dates and/or methods.

This events had no material effect on the results or financial position of the company, by transactions and outstanding balances with related parties.

24.3 Shareholders' current accounts - credit balances (Note 22)

	2016	2015
	EUR	EUR
Shareholders' current accounts	-	101.335
	-	101.335

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

25. Significant subsidiaries

In year 2016, the Group include the Company and Wing Hang Enterprises Ltd (100%), Eyestorn Enterprises Limited (52%), Kirnione Holdings Limited (52%), Lebset Development Limited (52%), Linge Enterprises Limited (76,02%) and Mezorex Enterprises Limited (52,05%). In year 2015 the Group included the Company and Wing Hang Enterprises Ltd (100%). Wing Hang Enterprises Ltd was incorporated in Hong Kong on 30 August 1999 as a private company with limited liability and transferred domicile to Nevis on 5 December 2003, the remaining companies were incorporated in Cyprus. The Group's principal activities are the receiving and granting of loans, the trading in investments and acting as a principal in trading of metal and any other product or commodity.

26. Contingent assets

The Group had no contingent assets as at 31 December 2016.

27. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2016.

28. Commitments

The Group had no capital or other commitments as at 31 December 2016.

29. Events after the reporting period

On 27th March 2017 the Company by an Extraordinary General Meeting resolved the reverse share split. The new share capital structure consists of 8.000 nominal shares of EUR 12,5 each.