

VONPENDE HOLDINGS P.L.C.
REPORT AND FINANCIAL STATEMENTS
Period from 1 January 2018 to 30 June 2018

C.EFSTATHIOU
AUDIT LTD

Εγκεκριμένοι Λογιστές

Certified Public Accountants

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VONPENDE HOLDINGS P.L.C.

REPORT AND FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

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VONPENDE HOLDINGS P.L.C.

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Marina Tsoy
Stella Koukounis
George Koufaris (appointed on 4 April, 2018)
Andri Michael (resigned on 4 April, 2018)

Company Secretary:

Stella Koukounis

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

Bankers:

Hellenic Bank Public Company Ltd
AstroBank Limited (former Piraeus Bank (Cyprus) Limited)
EcommBX Limited
Promsvyazbank PJSC, Cyprus Branch (closed in 2018)

Registration number:

HE216944

VONPENDE HOLDINGS P.L.C.

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the period from 1 January 2018 to 30 June 2018.

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

Principal activity and nature of operations of the Company

The principal activities of the Company comprise the holding of investments and the ownership and leasing of residential property.

Review of current position, future developments and performance of the Company's business

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

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks are disclosed in notes 3 and 4 of the financial statements.

Results

The Company's results for the period are set out on page 7.

Dividends

On 22 February, 2018 and on 4 June, 2018 the Board of Directors approved the total payment of an interim dividend of EUR1.809.980 (2017: EUR-).

Share capital

Authorised capital

On 22 February, 2018 the authorised share capital of the Company was increased by 24.800 ordinary shares of nominal value of EUR 12,50 each.

On 4 June, 2018 the authorised share capital of the Company was increased by 120.800 ordinary shares of nominal value of EUR 12,50 each.

Issued capital

On 16 March, 2018 the Company issued 18.789 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 4,00 each.

On 4 June, 2018 the Company issued 74.132 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 7,50 each.

Implementation and compliance to the Code of Corporate Governance

The Company recognises the importance of implementing sound corporate governance policies, practices and procedures. As a company listed on the Cyprus Stock Exchange (CSE), Vonpende Holdings P.L.C. has adopted CSE's Corporate Governance Code and applies its principles.

In March 2006 the CSE issued a revised Code of Corporate Governance. The Company complies with all the provisions of the revised Code.

Board of Directors

The members of the Company's Board of Directors as at 30 June 2018 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.

VONPENDE HOLDINGS P.L.C.

MANAGEMENT REPORT

Events after the reporting period

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

Independent Auditors

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

By order of the Board of Directors,



Director

Nicosia, 28 September, 2018

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Vonpende Holdings P.L.C. (the "Company"), which are presented in pages 7 to 31 and comprise the statement of financial position as at 30 June 2018, and the statements of profit or loss, other comprehensive income, changes in equity and cash flows for the period from 1 January 2018 to 30 June 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Vonpende Holdings P.L.C. as at 30 June 2018, and of its financial performance and its cash flows for the period from 1 January 2018 to 30 June 2018 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 Company 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 audit 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 management report and the additional information to the statement of profit or loss in pages 32 to 38, 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.

Independent Auditor's Report (continued)

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

Responsibilities of the Board of Directors 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.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company'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 judgment and maintain professional scepticism 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 Company'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 Company'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 Company 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.

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 Law of 2017, we report the following:

- 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 financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the period from 1 January 2018 to 30 June 2018.



Costas Efstathiou

Certified Public Accountant and Registered Auditor
for and on behalf of

C. Efstathiou Audit Ltd
Certified Public Accountants and Registered Auditors

Nicosia, 28 September, 2018

VONPENDE HOLDINGS P.L.C.

STATEMENT OF PROFIT OR LOSS

Period from 1 January 2018 to 30 June 2018

	Note	1.1.2018 to 30.6.2018 EUR	2017 EUR
Revenue	7	3.668.243	9.803.444
Cost of sales		<u>(28.205)</u>	<u>(1.035)</u>
Gross profit		3.640.038	9.802.409
Other operating income	8	19	1.922
Administration expenses		<u>(116.147)</u>	<u>(152.956)</u>
Other expenses	9	-	<u>(29)</u>
Operating profit	10	3.523.910	9.651.346
Net finance costs	12	<u>(5.676)</u>	<u>(4.544)</u>
Profit before tax		3.518.234	9.646.802
Tax	13	<u>(36.383)</u>	<u>(8.745)</u>
Net profit for the period/year		3.481.851	9.638.057
Profit per share attributable to equity holders of the parent (EUR)	14	34,50	1.204,76

The notes on pages 12 to 31 form an integral part of these financial statements.

VONPENDE HOLDINGS P.L.C.

STATEMENT OF OTHER COMPREHENSIVE INCOME

Period from 1 January 2018 to 30 June 2018

	1.1.2018 to 30.6.2018	2017
	EUR	EUR
Net profit for the period/year	<u>3.481.851</u>	<u>9.638.057</u>
Other comprehensive income		
<i>Items that may be classified subsequently to profit or loss:</i>		
Investments in subsidiaries - Fair value (losses)/gains	18 <u>(799.385)</u>	<u>4.218.930</u>
Other comprehensive income for the period after tax	<u>(799.385)</u>	<u>4.218.930</u>
Other comprehensive income for the period/year	<u>2.682.466</u>	<u>13.856.987</u>

The notes on pages 12 to 31 form an integral part of these financial statements.

VONPENDE HOLDINGS P.L.C.

STATEMENT OF FINANCIAL POSITION 30 June 2018

	Note	2018 EUR	2017 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	16	1.436	1.724
Investment properties	17	103.069	104.945
Investments in subsidiaries	18	51.969.539	52.768.924
Bonds receivable	19	16.794.849	14.834.181
		<u>68.868.893</u>	<u>67.709.774</u>
Current assets			
Trade and other receivables	20	2.093.139	568.067
Cash and cash equivalents	21	1.776.092	258.198
		<u>3.869.231</u>	<u>826.265</u>
Total assets		<u>72.738.124</u>	<u>68.536.039</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	22	1.261.513	100.000
Share premium	23	631.146	-
Fair value reserve of financial assets at FVOCI	23	27.120.044	27.919.429
Retained earnings		37.524.819	35.852.948
Total equity		<u>66.537.522</u>	<u>63.872.377</u>
Non-current liabilities			
Borrowings	24	4.661.714	-
		<u>4.661.714</u>	<u>-</u>
Current liabilities			
Trade and other payables	25	1.523.549	4.654.917
Current tax liabilities	26	15.339	8.745
		<u>1.538.888</u>	<u>4.663.662</u>
Total liabilities		<u>6.200.602</u>	<u>4.663.662</u>
Total equity and liabilities		<u>72.738.124</u>	<u>68.536.039</u>

On 28 September, 2018 the Board of Directors of Vonpende Holdings P.L.C. authorised these financial statements for issue.


.....
Director


.....
Director

The notes on pages 12 to 31 form an integral part of these financial statements.

VONPENDE HOLDINGS P.L.C.

STATEMENT OF CHANGES IN EQUITY

Period from 1 January 2018 to 30 June 2018

	Note	Share capital EUR	Share premium EUR	Fair value reserve of financial assets at FVOCI EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2017		100.000	-	23.700.499	26.214.891	50.015.390
Comprehensive income						
Net profit for the year		-	-	-	9.638.057	9.638.057
Other comprehensive income for the year		-	-	4.218.930	-	4.218.930
Total comprehensive income for the year		-	-	4.218.930	9.638.057	13.856.987
Balance at 31 December 2017/ 1 January 2018		100.000	-	27.919.429	35.852.948	63.872.377
Comprehensive income						
Net profit for the period		-	-	-	3.481.851	3.481.851
Other comprehensive income for the period		-	-	(799.385)	-	(799.385)
Total comprehensive income for the period		-	-	(799.385)	3.481.851	2.682.466
Transactions with owners						
Issue of share capital	22	1.161.513	631.146	-	-	1.792.659
Dividends	15	-	-	-	(1.809.980)	(1.809.980)
Balance at 30 June 2018		1.261.513	631.146	27.120.044	37.524.819	66.537.522

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

The notes on pages 12 to 31 form an integral part of these financial statements.

VONPENDE HOLDINGS P.L.C.

STATEMENT OF CASH FLOWS

Period from 1 January 2018 to 30 June 2018

	Note	1.1.2018 to 30.6.2018 EUR	2017 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		3.518.234	9.646.802
Adjustments for:			
Depreciation of property, plant and equipment and investment properties		2.164	7.963
Loss from the sale of investments in subsidiaries	7	-	301.462
Dividend income	7	(3.500.000)	(10.000.000)
Interest income	7 & 12	(165.612)	(99.766)
Interest expense	12	9	11
		<u>(145.205)</u>	<u>(143.528)</u>
Changes in working capital:			
(Increase)/decrease in trade and other receivables	20	(1.525.072)	3.413.382
Increase in financial assets at fair value through profit or loss		-	(13.749.181)
Increase in bank deposits	21	(11)	(3.150)
(Decrease)/increase in trade and other payables	25	<u>(3.131.368)</u>	<u>4.648.058</u>
Cash used in operations		(4.801.656)	(5.834.419)
Interest received	7	165.596	99.766
Dividends received	7	3.500.000	10.000.000
Tax paid	13 & 26	<u>(29.789)</u>	<u>(3.256)</u>
Net cash (used in)/generated from operating activities		<u>(1.165.849)</u>	4.262.091
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of investment property	17	-	(2.333)
Payment for purchase of investments in subsidiaries	18	-	(4.634.289)
Bonds granted	19	(1.960.668)	-
Proceeds from sale of investments in subsidiary undertakings	18	-	550.000
Interest received	12	16	-
Net cash used in investing activities		<u>(1.960.652)</u>	<u>(4.086.622)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital	22 & 23	1.792.659	-
Proceeds from borrowings	24	4.661.714	-
Interest paid	12	(9)	(11)
Dividends paid	15	<u>(1.809.980)</u>	<u>-</u>
Net cash generated from/(used in) financing activities		<u>4.644.384</u>	<u>(11)</u>
Net increase in cash and cash equivalents		1.517.883	175.458
Cash and cash equivalents at beginning of the period/year	21	<u>255.048</u>	<u>79.590</u>
Cash and cash equivalents at end of the period/year	21	<u>1.772.931</u>	<u>255.048</u>

The notes on pages 12 to 31 form an integral part of these financial statements.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

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 activities of the Company comprise the holding of investments and the ownership and leasing of residential property.

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 investments in subsidiaries.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from Egypt 10, 3rd floor, P.C. 1097, Nicosia, Cyprus.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the period from 1 January 2018 to 30 June 2018 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. 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 classified as available-for-sale investments and are measured at fair value. Gains or losses on investments in subsidiary companies are recognised directly in equity, through the statement of recognised income and expense except for impairment losses.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

2. Significant accounting policies (continued)

Subsidiary companies (continued)

Impairment is a permanent decline in the value of an asset. This situation exists when the cash flows or other benefits generated by an asset decline, as determined through a periodic assessment. If there is impairment, then the difference between the fair value of the asset and its carrying amount is written off. Upon adjusting an impaired asset's carrying value, the loss is recognised on the company's income statement.

In periods where there is a valid indication that an Impairment Loss recognised in other periods may have decreased, the Reversal of Impairment Loss is recognised in the Profit or Loss or reversed in the Profit or Loss of the previously recognised Impairment Loss, unless it relates to a revalued asset recognised and/or reversed in Other Comprehensive Income.

The increased carrying amount due to the reversal should not be more than what the depreciated historical cost would have been if the Impairment Loss had not been recognised at first. If depreciation is applicable, should be adjusted for future periods.

Segmental reporting

The Company is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Company operates only in Cyprus and for this reason operations are not analysed by geographical segment.

Revenue recognition

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

- **Income from investments in securities**

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

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

The difference between the fair value of investments at fair value through profit or loss as at 30 June 2018 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.

- **Rental income**

Rental income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

- **Interest income**

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

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

2. Significant accounting policies (continued)

Revenue recognition (continued)

- **Dividend income**

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

Employee benefits

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

Finance income

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

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 available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity. Translation differences on available-for-sale debt securities are recognised in profit or loss.

The objective of IAS 21 "The Effects of Changes in Foreign Exchange Rates" is to prescribe, how to include foreign currency transactions and foreign operations in the Financial Statements of an entity and how to translate Financial Statements into presentation currency.

In accounting, there is a difference between realized and unrealized gains and losses. Realized income or losses refer to profits or losses from completed transactions. Unrealized profit or losses refer to profits or losses that have occurred on paper, but the relevant transactions have not been completed. These represent gains and losses from changes in the value of assets or liabilities that have not yet been settled or recognized.

Realized income or losses are recorded on the income statement. Unrealized income or losses are recorded in an account called accumulated other comprehensive income, which is found in the owners' equity section of the balance sheet.

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.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

2. Significant accounting policies (continued)

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company'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 Company. Major renovations are depreciated over the remaining useful life of the related asset.

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

Investment properties

Investment property is held for long-term rental yields and/or for capital appreciation and is not occupied by the Company. Investment property is treated as a non-current asset and is stated at historical cost less depreciation. 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 3% for flat and 10% for furnitures they are included within.

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.

Impairment of non-financial assets

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

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

2. Significant accounting policies (continued)

Financial instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018 however no adjustment is required on the comparative information for the period beginning 1 January 2017.

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 Company 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 rate 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 rate 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

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL).

Under IFRS 9 all financial assets that do not meet "solely payment of principal and interest" criteria, are classified at initial recognition as fair value through profit or loss (FVPL).

For financial assets that meet "solely payment of principal and interest" criteria, classification at initial recognition is determined based on the business model, under which these instruments are managed:

- Debt instruments that are managed on a "hold to collect" basis are measured at amortised cost;
- Debt instruments that are managed on a "hold to collect and sale" basis are measured at fair value through other comprehensive income (FVOCI);
- Debt instruments that are managed on other basis, including trading financial assets, are measured at fair value through profit or loss (FVPL).

(2) Recognition and measurement

Equity instruments are required to be classified at initial recognition at fair value through profit or loss (FVPL).

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets (continued)

However the management can make an irrevocable decision to classify the instruments as FVOCI. For those instruments all realized and unrealized gains and losses are recognized in other comprehensive income with no subsequent reclassification to profit or loss. Dividend income is recognized in profit or loss.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

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 rate method.

The debt obligations of a firm can be either short-term or long-term. How much of each type of a debt a firm owes has a major impact on the firm's liquidity, which is the business's ability to meet its obligations. Debts, or liabilities, are the claims creditors have against a firm's assets, listed on the balance sheet in the liabilities section.

Short-term debt is an account shown in current liabilities portion of a company's balance sheet. This account is made up of any debt incurred by a company that is due within one year / twelve months from its reporting date. The debt in this liabilities account is usually made up of short-term loans taken out by a company, among other types.

Long-term debt is an account shown in non-current liabilities portion of a company's balance sheet. It consist of loans and financial obligations lasting over one year / twelve month's from the reporting date. Long-term debt for a company would include any financing or leasing obligations that are to come due in a greater than one year / twelve month's period.

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.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

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. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Current assets

Current assets represent future economic benefits embodied 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 embodied 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 changed or reclassified, various disclosures are required in the notes of the financial statements explaining the situation for changes applied.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

3. Financial risk management

Financial risk factors

The Company is exposed to market price risk, interest rate risk, credit risk, liquidity risk, currency exchange 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 investments and financing transactions are entered into with counter parties 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 Currency exchange risk

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

3.6 Capital risk management

Capital includes equity shares.

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.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

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 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 judgments 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.

Judgments

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.

- **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 would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of loans receivable**

The Company 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.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

4. Critical accounting estimates and judgments (continued)

• Impairment of non-financial assets

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

• Valuation of non-listed investments

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 Company.

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.

5. Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2018	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets measured at fair value				
Available-for-sale financial assets				
Investments in subsidiaries (Note 18)	-	-	51,969,539	51,969,539
Total	-	-	51,969,539	51,969,539
31 December 2017	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets measured at fair value				
Available-for-sale financial assets				
Investments in subsidiaries (Note 18)	-	-	52,768,924	52,768,924
Total	-	-	52,768,924	52,768,924

Transfers between levels

There have been no transfers between different levels during the period.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

5. Fair value measurement (continued)

Valuation techniques

Non-listed investments

The fair values of non-listed securities are determined in accordance with Net Asset Value (NAV) method using unobservable inputs. The Company classifies the fair value of these investments as Level 3.

Reconciliation of Level 3 fair value measurements

	Investments in subsidiaries	Total
	EUR	EUR
Balance at 1 January	52.768.924	52.768.924
Total gains or losses: in profit or loss in other comprehensive income	(799.385)	(799.385)
Balance at 30 June	51.969.539	51.969.539

Information about fair value measurements using significant unobservable inputs (Level 3)

Description

Fair value at 30 June 2018
Valuation technique
EUR

Investments in subsidiaries

51.969.539 Net Asset Value

Description

Fair value at 31 December 2017
Valuation technique
EUR

Investments in subsidiaries

52.768.924 Net Asset Value

6. Segmental analysis

1.1.2018 to 30.6.2018

	Investment activities	Total
	EUR	EUR
Revenue	3.668.243	3.668.243
Profit before tax	3.518.234	3.518.234
Assets	72.738.124	72.738.124
Liabilities	6.200.602	6.200.602
Depreciation	288	288

2017

	Investment activities	Total
	EUR	EUR
Revenue	9.803.444	9.803.444
Profit before tax	9.646.802	9.646.802
Assets	68.536.039	68.536.039
Liabilities	4.663.662	4.663.662
Depreciation	575	575

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

7. Revenue

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Dividend income	3.500.000	10.000.000
Interest income	165.596	99.766
Net loss on trading in financial instruments	(53)	-
Loss from sale of investments in subsidiaries	-	(301.462)
Rental income	2.700	5.140
	<u>3.668.243</u>	<u>9.803.444</u>

8. Other operating income

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Amount payable written off	-	1.922
Net foreign exchange profit	19	-
	<u>19</u>	<u>1.922</u>

9. Other expenses

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Net foreign exchange loss	-	29
	<u>-</u>	<u>29</u>

10. Operating profit

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Operating profit is stated after charging the following items:		
Depreciation of property, plant and equipment (Note 16)	288	575
Depreciation of investment property (Note 17)	1.876	7.388
Directors' services	20.250	30.000
Staff costs (Note 11)	7.770	-
Auditors' remuneration - current period	5.160	17.400
Auditors' remuneration - prior years	9.500	8.500
Direct operating expenses arising from investment properties	780	1.035
	<u>780</u>	<u>1.035</u>

11. Staff costs

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Salaries	6.968	-
Social security costs	628	-
Industrial training	35	-
Social cohesion fund	139	-
	<u>7.770</u>	<u>-</u>

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

12. Finance income/(costs)

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Finance income		
Bank interest	<u>16</u>	<u>-</u>
	<u>16</u>	<u>-</u>
Finance costs		
Interest expense		
Bank overdraft interest	-	11
Interest on taxes	9	-
Other finance costs		
Bank charges	<u>5.683</u>	<u>4.533</u>
	<u>5.692</u>	<u>4.544</u>

13. Tax

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Corporation tax	15.278	8.629
Defence contribution	66	116
Defence on interim dividends paid	<u>21.039</u>	<u>-</u>
Charge for the period/year	<u>36.383</u>	<u>8.745</u>

The corporation tax rate is 12,5%. In addition, 75% of the gross rents receivable are subject to defence contribution at the rate of 3%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

14. Profit per share attributable to equity holders of the parent

	1.1.2018 to 30.6.2018	2017
Profit attributable to shareholders (EUR)	<u>3.481.851</u>	<u>9.638.057</u>
Weighted average number of ordinary shares in issue during the period	<u>100.921</u>	<u>8.000</u>
Profit per share attributable to equity holders of the parent (EUR)	<u>34,50</u>	<u>1.204,76</u>

The Company's share price as at 30 June, 2018 in Cyprus Stock Exchange Emerging Companies Market was EUR 16,40.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

15. Dividends

	1.1.2018 to 30.6.2018	2017
	EUR	EUR
Interim dividend paid	<u>1.809.980</u>	<u>-</u>
	<u>1.809.980</u>	<u>-</u>

On 22 February, 2018 and on 4 June, 2018 the Board of Directors approved the total payment of an interim dividend of EUR1.809.980 (2017: EUR-).

Dividends are subject to a deduction of special contribution for defence at 17% for individual shareholders that are both Cyprus tax resident and Cyprus domiciled.

16. Property, plant and equipment

	Computer hardware and operating systems	Total
	EUR	EUR
Cost		
Balance at 1 January 2017	<u>2.874</u>	<u>2.874</u>
Balance at 31 December 2017/ 1 January 2018	<u>2.874</u>	<u>2.874</u>
Balance at 30 June 2018	<u>2.874</u>	<u>2.874</u>
Depreciation		
Balance at 1 January 2017	575	575
Charge for the period	<u>575</u>	<u>575</u>
Balance at 31 December 2017/ 1 January 2018	<u>1.150</u>	<u>1.150</u>
Charge for the period	<u>288</u>	<u>288</u>
Balance at 30 June 2018	<u>1.438</u>	<u>1.438</u>
Net book amount		
Balance at 30 June 2018	<u>1.436</u>	<u>1.436</u>
Balance at 31 December 2017	<u>1.724</u>	<u>1.724</u>

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

17. Investment properties

	2018 EUR	2017 EUR
Cost		
Balance at 1 January	112.333	110.000
Additions	-	2.333
Balance at 30 June/31 December	112.333	112.333
Depreciation		
Balance at 1 January	7.388	-
Charge for the period	1.876	7.388
Balance at 30 June/31 December	9.264	7.388
Net book amount		
Balance at 30 June/31 December	103.069	104.945

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

18. Investments in subsidiaries

	2018 EUR	2017 EUR
Balance at 1 January	52.768.924	44.767.167
Additions	-	4.634.289
Disposals	-	(851.462)
Fair value adjustment	(799.385)	4.218.930
Balance at 30 June/31 December	51.969.539	52.768.924

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of operation/domicile</u>	<u>Principal activities</u>	<u>Holding %</u>
Wing Hang Enterprises (Cyprus) Limited	Cyprus	Trading in cement and receiving and granting of loans	100
Eyestorn Enterprises Limited	Cyprus	Holding of investments and receiving and granting of loans	95,10
Kimione Holdings Limited	Cyprus	Trading in investments and investment of its funds	95,10
Lebset Developments Limited	Cyprus	Holding of investments	95,10
Mezorex Enterprises Limited	Cyprus	Holding of investments and investment of its funds	95,08

19. Bonds receivable

	2018 EUR	2017 EUR
Balance at 1 January	14.834.181	1.085.000
New bonds granted	1.925.200	13.700.000
Repayments	(130.128)	(50.584)
Interest charged	165.596	99.765
Balance at 30 June/31 December	16.794.849	14.834.181

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

19. Bonds receivable (continued)

	2018 EUR	2017 EUR
Bonds receivable	<u>16.794.849</u>	<u>14.834.181</u>
	<u>16.794.849</u>	<u>14.834.181</u>

The loans are repayable as follows:

	2018 EUR	2017 EUR
After five years	<u>16.794.849</u>	<u>14.834.181</u>

The bonds receivable are subject to a floating interest rate equal to annual Euro Libor rate on a drawing date plus a margin of 2,40% to 2,80% per annum, and are repayable within 2025 until 2027.

The fair value of receivable loans approximates to their carrying amounts as presented above.

20. Trade and other receivables

	2018 EUR	2017 EUR
Trade receivables	1.381	550.481
Receivables from own subsidiaries (Note 27.2)	2.000.000	-
Shareholders' current accounts - debit balances (Note 27.3)	87.271	17.078
Prepayments	4.487	508
	<u>2.093.139</u>	<u>568.067</u>

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

21. Cash and cash equivalents

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Hellenic Bank Public Company Ltd		
- EUR Current account	1.539.964	19.131
- USD Current account	298	79
- EUR Bank deposit	3.161	3.150
AstroBank Limited		
- EUR Current account	230.246	6.835
Promsvyazbank PJSC		
- EUR Current account	-	229.003
EcommbX Limited		
- EUR Current account	2.423	-
	<u>1.776.092</u>	<u>258.198</u>

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

21. Cash and cash equivalents (continued)

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2018	2017
	EUR	EUR
Cash at bank	1.772.931	255.048
Bank deposits	<u>3.161</u>	<u>3.150</u>
	<u>1.776.092</u>	<u>258.198</u>

22. Share capital

	2018	2018	2017	2017
	Number of shares	EUR	Number of shares	EUR
Authorised				
Ordinary shares of EUR 12,50 each	<u>153.600</u>	<u>1.920.000</u>	<u>8.000</u>	<u>100.000</u>
		EUR		EUR
Issued and fully paid				
Balance at 1 January	8.000	100.000	400.000	100.000
Converted to 8.000 ordinary shares of EUR 12,50 each	-	-	(392.000)	-
Issue of shares	<u>92.921</u>	<u>1.161.513</u>	-	-
Balance at 30 June/31 December	<u>100.921</u>	<u>1.261.513</u>	<u>8.000</u>	<u>100.000</u>

Authorised capital

On 22 February, 2018 the authorised share capital of the Company was increased by 24.800 ordinary shares of nominal value of EUR 12,50 each.

On 4 June, 2018 the authorised share capital of the Company was increased by 120.800 ordinary shares of nominal value of EUR 12,50 each.

Issued capital

On 16 March, 2018 the Company issued 18.789 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 4,00 each.

On 4 June, 2018 the Company issued 74.132 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 7,50 each.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

23. Other reserves

	Share premium EUR	Fair value reserve of financial assets at FVOCI EUR	Total EUR
Balance at 1 January 2017	-	23.700.499	23.700.499
Fair value adjustment (Note 18)	-	4.218.930	4.218.930
Balance at 31 December 2017/ 1 January 2018	-	27.919.429	27.919.429
Fair value adjustment (Note 18)	-	(799.385)	(799.385)
Issue of share capital	631.146	-	631.146
Balance at 30 June 2018	631.146	27.120.044	27.751.190

The fair value reserve for investments represents accumulated gains and losses arising on the revaluation of investments in subsidiaries that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

24. Borrowings

	2018 EUR	2017 EUR
Non-current borrowings		
Promissory notes payable	<u>4.661.714</u>	-

Maturity of non-current borrowings:

	2018 EUR	2017 EUR
Between two and five years	<u>4.661.714</u>	-

25. Trade and other payables

	2018 EUR	2017 EUR
Trade payables	1.507.509	4.647.255
Prepayments from clients	-	900
Social insurance and other taxes	695	1.309
Tenants deposits	450	450
Accruals	14.990	5.050
Defence tax on rent payable	(95)	(47)
	<u>1.523.549</u>	<u>4.654.917</u>

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

26. Current tax liabilities

	2018 EUR	2017 EUR
Corporation tax	15.278	8.629
Special contribution for defence	61	116
	<u>15.339</u>	<u>8.745</u>

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

27. 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:

27.1 Directors' remuneration

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

	1.1.2018 to 30.6.2018	2017
	EUR	EUR
Directors' services	<u>20.250</u>	<u>30.000</u>
	<u>20.250</u>	<u>30.000</u>

27.2 Receivables from related parties (Note 20)

<u>Name</u>	<u>Nature of transactions</u>	2018	2017
		EUR	EUR
Wing Hang Enterprises (Cyprus) Ltd	Dividend receivable	<u>2.000.000</u>	<u>-</u>
		<u>2.000.000</u>	<u>-</u>

As per the resolution dated 27 April, 2018 the receivables from related party were provided interest free, and are repayable during the year.

27.3 Shareholders' current accounts - debit balances (Note 20)

	2018	2017
	EUR	EUR
Receivables from shareholders	<u>87.291</u>	<u>17.078</u>
	<u>87.291</u>	<u>17.078</u>

Following the objective of IAS 24 "Related Party Disclosures", is to ensure that an entity's Financial Statements contain the disclosures necessary to draw attention to the possibility that its financial position and Profit or Loss may have been affected by the existence of related parties and by transactions, commitments and outstanding balances with such parties.

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 receivable 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, commitments and outstanding balances with related parties.

28. Contingent assets

The Company had no contingent assets as at 30 June 2018.

29. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2018.

VONPENDE HOLDINGS P.L.C.

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

30. Commitments

The Company had no capital or other commitments as at 30 June 2018.

31. Events after the reporting period

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

Independent auditor's report on pages 4 to 6

VONPENDE HOLDINGS P.L.C.

DETAILED INCOME STATEMENT

Period from 1 January 2018 to 30 June 2018

	Page	1.1.2018 to 30.6.2018 EUR	2017 EUR
Revenue			
Dividend income		3.500.000	10.000.000
Interest income		165.596	99.766
Net loss on trading in financial instruments		(53)	-
Loss from sale of investments in subsidiaries		-	(301.462)
Total revenue		3.665.543	9.798.304
Cost of sales	33	(27.425)	-
Gross profit		3.638.118	9.798.304
Net rent receivable	34	1.920	4.105
Gross profit		3.640.038	9.802.409
Other operating income			
Amount payable written off		-	1.922
Net foreign exchange profit		19	-
		3.640.057	9.804.331
Operating expenses			
Administration expenses	35	(116.147)	(152.956)
		3.523.910	9.651.375
Other operating expenses			
Net foreign exchange loss		-	(29)
Operating profit		3.523.910	9.651.346
Finance income	36	16	-
Finance costs	36	(5.692)	(4.544)
Net profit for the period/year before tax		3.518.234	9.646.802

VONPENDE HOLDINGS P.L.C.

COST OF SALES

Period from 1 January 2018 to 30 June 2018

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Cost of sales		
Direct costs		
Interest expense	<u>27.425</u>	-
	<u>27.425</u>	-

VONPENDE HOLDINGS P.L.C.

RENTAL INCOME

Period from 1 January 2018 to 30 June 2018

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Rental income		
Rent receivable	<u>2.700</u>	<u>5.140</u>
Rental expenses		
Sewage	-	59
Property rates and taxes	-	15
Repairs and maintenance	430	-
Sundry expenses	<u>-</u>	<u>961</u>
	430	1.035
Common expenses charged to tenants	<u>350</u>	<u>-</u>
	<u>780</u>	<u>1.035</u>
Net rent receivable	<u><u>1.920</u></u>	<u><u>4.105</u></u>

VONPENDE HOLDINGS P.L.C.

ADMINISTRATIVE EXPENSES

Period from 1 January 2018 to 30 June 2018

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Administration expenses		
Staff salaries	6.968	-
Social security costs	544	-
Redundancy fund	84	-
Industrial training	35	-
Social cohesion fund	139	-
Rent	1.800	3.600
Common expenses	1.127	2.255
Municipality taxes	-	471
Annual levy	350	350
Sundry expenses	1.593	1.283
Telephone and postage	3.007	5.592
Courier expenses	128	206
Stationery and printing	-	262
Share capital issue costs	2.730	-
Recruitment expenses	2.313	-
IT Services	1.475	2.571
Auditors' remuneration - current period	5.160	17.400
Auditors' remuneration - prior years	9.500	8.500
Directors' services	20.250	30.000
Travelling	7.721	5.650
Entertaining	427	149
Secretarial services	8.797	10.110
Professional fees	8.098	5.455
Services paid	20.908	12.331
Consulting fees	10.829	31.575
Advertising expenses	-	7.233
Depreciation	2.164	7.963
	116.147	152.956

VONPENDE HOLDINGS P.L.C.

FINANCE INCOME/COST

Period from 1 January 2018 to 30 June 2018

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Finance income		
Bank interest	<u>16</u>	<u>-</u>
	<u>16</u>	<u>-</u>
 Finance costs		
Interest expense		
Bank overdraft interest	-	11
Interest on taxes	9	-
Other finance costs		
Bank charges	<u>5.683</u>	<u>4.533</u>
	<u>5.692</u>	<u>4.544</u>

VONPENDE HOLDINGS P.L.C.

COMPUTATION OF DEFENCE CONTRIBUTION

Period from 1 January 2018 to 30 June 2018

	Income EUR	Rate	Defence € c
INTEREST			
Interest that was subject to deduction at source	<u>16</u>		
	<u>16</u>	30%	4,80
Less: deductions at source			(4,80)
RENTS			
Rent income	2.700		
25% deduction on total rents	<u>(675)</u>		
	<u>2.025</u>	3%	<u>60,75</u>
DEFENCE CONTRIBUTION DUE TO IRD			<u><u>60,75</u></u>

VONPENDE HOLDINGS P.L.C.

COMPUTATION OF CORPORATION TAX

Period from 1 January 2018 to 30 June 2018

	Page	EUR	EUR
Net profit per income statement	32		3.518.234
<u>Add:</u>			
Depreciation		2.164	
Loss from sale of available-for-sale financial assets		53	
Annual levy		350	
Share capital issue costs		2.730	
Interest on taxes		9	
Services paid		20.908	
Administration expenses restricted - trading in Investments		68.273	
Deemed interest on shareholders' current accounts - debit balances		<u>592</u>	
			<u>95.079</u>
			3.613.313
<u>Less:</u>			
Annual wear and tear allowances		2.164	
Net foreign exchange profit		19	
Dividends received		3.500.000	
Interest income		<u>16</u>	
			<u>(3.502.199)</u>
Chargeable income for the year			<u>111.114</u>
<u>Calculation of corporation tax</u>	Income	Rate	Total
	€	%	€ c
Tax at normal rates:			
Chargeable income as above	<u>111.114</u>	12,50	13.889,25
10% additional charge			<u>1.388,93</u>
TAX PAYABLE			<u>15.278,18</u>