C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

C o n t e n t s

BOARD OF DIRECTORS AND OTHER OFFICERS

Directors	Costas St. Galatariotis, Executive Chairman
	George St. Galatariotis, Director
	Stavros G. St. Galatariotis, Director
	Alexis G. St. Galatariotis, Director
	Tasos Anastasiou, Director
	Michalis Mousiouttas, Director
	Constantinos Pittas, Director
	Riginos Tsanos, Director
Secretary	C.C.C. Secretarial Limited, Limassol, Cyprus
Finance Manager	Elena Stylianou
Independent Auditors	Deloitte Limited, Limassol, Cyprus
Legal advisors	Christophi & Associates LLC
Bankers	Bank of Cyprus Public Company Limited
Registered Office	197 Makarios Avenue III, 3030 Limassol

Declaration of Directors and other responsible officers of the Company in respect of the preparation of the Financial Statements

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 190 (1) / 2007 until 2013, we, the members of the Board of Directors and the other officials responsible for the drafting of the consolidated financial statements of C.C.C. Tourist Enterprises Public Company Limited (the “Company”) and the Company’s separate financial statements for the year ended 31 December 2016, on the basis of our knowledge, declare that:

a) the consolidated financial statements which are presented on pages 14 to 49:

   (i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of article 9 section (4) of the law, and
   (ii) provide a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Company’s and subsidiary companies, consolidated financial statements as a whole and

b) the Management report provides a fair review of the developments and the performance of the business and the financial position of the Company and its associated undertakings included in the consolidated accounts taken as a whole, together with a description of the main risks and uncertainties which they face.

Costas St. Galatariotis	Executive Chairman	....
George St. Galatariotis	Director	....
Stavros G. St. Galatariotis	Director	....
Alexis G. St. Galatariotis	Director	....
Tasos Anastasiou	Director	....
Michalis Mousiouttas	Director	....
Constantinos Pittas	Director	....
Riginos Tsanos	Director	…………………………….

Responsible for the preparation of the consolidated financial statements

Name	**Position**	**Signature**
Elena Stylianou	Finance Manager	……………………………………

Limassol, 25 April 2017

MANAGEMENT REPORT

For the year ended 31 December 2016

The Board of Directors presents its annual report of C.C.C. Tourist Enterprises Public Company Limited (the "Company") together with the audited financial statements for the year ended 31 December 2016. The financial statements are presented on a consolidated basis by using the equity method, for accounting the Company's participation in associated company and they also include the separate financial statements of the Company.

Incorporation and principal activities

The Company was incorporated in Cyprus in 1989 as a limited liability company and on 5 June 1991 was converted into a public company in accordance with the provisions of the Cyprus Company Law, Cap. 113.

The principal activity of the Company is the investment in the share capital of L' Union Nationale (Tourism and Sea Resorts) Limited ("L'Union"). L' Union's principal activities, is the erection and development of hotels, the operation of hotel business and the development and promotion of tourism and tourism activities.

L' Union is the owner company of the luxurious hotel complex Parklane (formerly Meridien) which is currently under full renovation. Parklane is part of the "Luxury Collection Resort & Spa". Parklane is under renovation and is expected to be completed in March 2018, whilst adjacent to the hotel a multi-storey building with luxury apartments is planned to be constructed under a plan of mixed-use development.

Results

The Company's consolidated results for the year are set out on page 14.

Dividends

The Board of Directors does not recommend the payment of any dividend.

Review of the development, financial performance and current position of the Company

Financial performance

The Company has losses in the amount of €40.193 (2015: loss €42.986).

Financial position

The Company's consolidated total assets for the year ended were €20.852.704 (2015: €20.873.385). Net assets decreased from €20.830.457 in 2015 to €20.789.299 in 2016 as a result of the loss recognized in income statement for the year.

MANAGEMENT REPORT (Cont'd)

For the year ended 31 December 2016

Expected future developments of the Company

The Board of Directors does not expect major changes in the activities of the Company in the foreseeable future.

Risks and uncertainties

The Company's activities are subject to various risks and uncertainties, the most significant of which are the risks connected with the hotel operations of L' Union which is the main investment of the Company.

The hotel and tourist industry in general, are affected by a number of factors including but not limited to:

- international and national economic and geopolitical conditions;
- the impact of war, terrorist activity but also epidemics, which affect travelers;
- increases in labour and energy costs;
- increased competition within Cyprus and the neighbouring countries;
- the economic environment in Cyprus (see also note 16)

Details with respect to the management of risks associated with the financial position of the Company are included in note 15 and 16 to the financial statements.

Branches

The Company does not maintain any branches.

Share Capital

On 31 December 2016, the issued and fully paid up share capital of the Company consisted of 141.692.040 ordinary shares at €0,43 each.

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

Significant events after the end of the financial year

Any significant events that occurred after the end of the financial year are described in note 17 of the financial statements.

Corporate Governance Code

The Board of Directors has not adopted the provisions of the corporate governance code. The Company is not obliged to adopt the provisions of the code as its titles are traded at the Alternative Market of the Cyprus Stock Exchange. The main reason for the non adoption of the Corporate Governance Code is that the costs to be incurred by the adoption of the Code would be disproportionately higher than any anticipated benefits that may be derived from its adoption.

The Board of Directors is responsible for the establishment of sufficient internal control procedures and risk control mechanisms, for the drafting, preparation, content and publication of all periodical information that is required from the listed companies. The person responsible for the drafting and content of the consolidated financial statements is the finance manager.

MANAGEMENT REPORT (Cont'd)

For the year ended 31 December 2016

Corporate Governance Code (Cont'd)

List of shareholders who hold a significant stake in the share capital of the Company, at least 5% of the issued share capital

The shareholders who held at least *5%* of the share capital of the Company, directly or indirectly at the dates shown below were:

	25 April 2017	31 December 2016
	%	%
The Cyprus Cement Public Company Ltd	*67,30*	*67,30*
Thomas M. Schmidheiny	*13,56*	*13,56*

The Company has not issued any titles with special control rights and there are no restrictions on voting rights.

The appointment and replacement of the members of the Board of Directors is done by the Company at its Annual General Meeting in accordance with the provisions of the Company's Articles of Association. The Company's Articles of Association provide that the Board of Directors has the power to appoint, at any time, any person as Director and such person that is appointed by the Board of Directors will hold his office until the next Annual General Meeting of the Company.

The Company's Articles of Association can be modified by the passing of a Special Resolution at an Extraordinary General Meeting of the shareholders.

The Company, subject to approval by the Company's shareholders, can issue or purchase Company's shares. The issue of any new shares is further subject to the provisions of the Company's Articles of Association, the prevailing law and the principle of fair treatment to all existing shareholders.

The Board of Directors currently consists of 8 members and meetings are convened at regular intervals. The Board of Directors approves the Company's strategy and supervises the adoption and realization of the Company's strategic development.

Directors' interest in the share capital of the Company

The direct and indirect interests of Directors in the share capital of the Company at the dates shown below were:

	25 April 2017	31 December 2016
	%	%
Costas St. Galatariotis (*)	*67,30*	*67,30*
Riginos Tsanos	*1,89*	*1,89*
George St. Galatariotis	-	-
Stavros G. St. Galatariotis	-	-
Alexis G. St. Galatariotis	-	-
Tasos Anastasiou	-	-
Michalis Mousiouttas	-	-
Constantinos Pittas	-	-

(*) The total share held by Mr. Costas St. Galatariotis includes his indirect participation resulting from family relationships between himself and Messrs. George St. Galatariotis, Stavros G. St. Galatariotis and Alexis G. St. Galatariotis, their direct and indirect interest through companies which they control.

MANAGEMENT REPORT (Cont'd)

For the year ended 31 December 2016

Board of Directors

The members of the Board of Directors at the date of this report are shown on page 1. In accordance with the Company's Articles of Association Messrs. George St. Galatariotis, Stavros G. St. Galatariotis and Tasos Anastasiou retire by rotation and being eligible, offer themselves for re-election.

The directors' remuneration is set out in note 5.

Independent Auditors

The independent auditors, Deloitte Limited, expressed their willingness to continue in office. A resolution authorising the Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By order of the Board of Directors

C.C.C. Secretarial Limited,
Secretary

Limassol, 25 April 2017

Independent Auditor's Report

To the Members of C.C.C. Tourist Enterprises Public Company Limited (the "Company")

Report on the audit of the consolidated financial statements and the separate financial statements of C.C.C. Tourist Enterprises Public Company Limited

Opinion

We have audited the financial statements of **C.C.C. Tourist Enterprises Public Company Limited** and its associated company (hereinafter will be referred to as "Consolidated", "Group"), and the separate financial statements of **C.C.C. Tourist Enterprises Public Company Limited**, which are presented in pages 14 to 49 and comprise the consolidated statement of financial position and the statement of financial position of the Company as at 31 December 2016, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows, and the statements of comprehensive income, changes in equity and cash flows of the Company for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, and of their financial performance and their 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 consolidated and separate 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 consolidated and separate 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report (Cont'd)

To the Members of C.C.C. Tourist Enterprises Public Company Limited (the "Company")

Report on the audit of the consolidated financial statements and the separate financial statements of C.C.C. Tourist Enterprises Public Company Limited (Cont'd)

Key Audit Matters (Cont'd)

<table>
<tr><th>Key audit matter</th><th>How audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Valuation of available for sale investment</td></tr>
<tr><td>As describted in note 10 of the financial statements, the available for sale investment which is valued at fair value, represents the Company's participation by 24,98% in the share capital of L' Union Nationale (Tourism and Sea Resorts) Limited ("L'Union") and as at 31 December 2016 constituted 99,3% of the total assets of the Company. The carrying value of the available for sale investment remained unchanged from last year and therefore at 31 December 2016 it was reported at €20.702.980.

Since L'Union's shares are not traded in an active market, the Company's management used other valuation methods to determine fair value. The methods are based on the expected future cash flows of those separate activities of L'Union, which will derive from the planned mixed-use development i.e. the operation and management of the upgraded hotel complex, PARKLANE, combined with the development and sale of luxury apartments with the parallel use of the hotel facilities.</td><td>In cooperation with our internal valuation experts and with further cooperation from an external appraiser, we have performed, among others, the following audit procedures:

• Evaluated the process followed by the Company as well as the capabilities, experience and qualifications of the person who has prepared the valuation on behalf of the Company's management.

• Evaluated the independence, experience and capabilities of the external appraiser who cooperated with us.

• Confirmed that the valuation methods used by the Company's management and external appraiser are appropriate and comply with International Financial Reporting Standards and industry norms.

• On a sample basis, examined the reasonableness and credibility of the information and data used by the Company's management for the valuation of the investment. The audit was performed by comparing the appropriate supporting documents and information included in the report provided to us by the external appraiser. A comparison was also performed with other available market data. The following data / information have been included in the audit procedures mentioned above:

o Hotel Complex: operating profit (EBITDA), multiplier factor, capital expenditure for completion of the renovation and net borrowing.

o Development and distribution of luxury apartments: the expected revenue from the sale of the apartments, the expected construction cost and the discount rate.</td></tr>
</table>

Independent Auditor's Report (Cont'd)

To the Members of C.C.C. Tourist Enterprises Public Company Limited (the "Company")

Report on the audit of the consolidated financial statements and the separate financial statements of C.C.C. Tourist Enterprises Public Company Limited (Cont'd)

Key Audit Matters (Cont'd)

Key audit matter	How audit addressed the key audit matter
Valuation of available for sale investment	
The fair value of the hotel business was calculated based on the expected operating profit (Earnings Before Interest Taxation Depreciation and Amortisation known as "EBITDA") multiplied by a factor deemed appropriate for the hotel industry in Cyprus. The fair value attributable to the development and sale of luxury apartments was calculated using the discounted cash flow method (DCF). The information with the most significant impact on this valuation is reported in note 10, and includes the expected EBITDA, the multiplier, the expected sale price of the luxury apartments and the discount rate. For determining the fair value of the available for sale investment, significant judgment is required from the Company's management to define the assumptions on which the calculations were based. These assumptions, which are based on historical trends and future expectations, are highly subjective. Consequently, the determination of fair value of the available for sale investment is considered to be a key audit matter, because of the exerice of judgment and the significance of the amount of the investment which is recognized in the financial statements.	• A comparison and audit was performed between the valuation prepared by the Company's management with the data included in the external appraiser's report to us. The external appraiser provided us with two different methods of valuing the hotel complex: (i) fair value method based on operating profit (EBITDA multiple), and (ii) replacement cost method. The information used in preparing the valuation, were mainly market data (ie maintainable EBITDA) of comparable hotels, recent sale transactions of comparable land and apartments in the surrounding area of the hotel complex, the business plan and other technical and financial data of the hotel. • For estimating the fair value of the luxury apartments, the external appraiser provided recent comparable sale figures that we have contrasted with those used by the management. • Evaluated the reasonableness and appropriateness of the discount rate. • Performed sensitivity analysis on the significant assumptions for estimating the extent of the effects on the fair value and assessed the appropriateness of the Company's disclosures in relation to this sensitivity analysis. • Audited the relevant disclosures, and especially those relating to the significant assumptions used for the valuation which were based on non-observable data.

Independent Auditor's Report (Cont'd)

To the Members of C.C.C. Tourist Enterprises Public Company Limited (the "Company")

Report on the audit of the consolidated financial statements and the separate financial statements of C.C.C. Tourist Enterprises Public Company Limited (Cont'd)

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and in the declaration of Directors and other responsible officers of the Company, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 and separate financial statements

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

In preparing the consolidated and separate 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 Group and 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 and the Group's financial reporting process.

Independent Auditor's Report (Cont'd)

To the Members of C.C.C. Tourist Enterprises Public Company Limited (the "Company")

Report on the audit of the consolidated financial statements and the separate financial statements of C.C.C. Tourist Enterprises Public Company Limited (Cont'd)

Auditor's Responsibilities for the Audit of the consolidated financial statements and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 consolidated and separate 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 and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (Cont'd)

To the Members of C.C.C. Tourist Enterprises Public Company Limited (the "Company")

Report on the audit of the consolidated financial statements and the separate financial statements of C.C.C. Tourist Enterprises Public Company Limited (Cont'd)

Auditor's Responsibilities for the Audit of the consolidated financial statements and separate financial statements (Cont'd)

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.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Company's consolidated and separate 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 and separate 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 and separate financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.
- In our opinion, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the management report, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the consolidated and separate financial statements.

Independent Auditor's Report (Cont'd)

To the Members of C.C.C. Tourist Enterprises Public Company Limited (the "Company")

Report on the audit of the consolidated financial statements and the separate financial statements of C.C.C. Tourist Enterprises Public Company Limited (Cont'd)

Report on Other Legal Requirements (Cont'd)

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:

- 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 corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In our opinion, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii) and (vi) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.

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.

The engagement partner on the audit resulting in this independent auditor's report is Costas Georghadjis.

Costas Georghadjis
Certified Public Accountant and Registered Auditor
For and behalf of

Deloitte Limited
Certified Public Accountants and Registered Auditors

Limassol, 25 April 2017

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
Share of profit in associate	9	2.012	2.026
Operating and administration costs	4	(39.647)	(42.593)
Finance costs, net	6	(1.604)	(1.715)
Loss before taxation	5	(39.239)	(42.282)
Taxation	7	(954)	(704)
Loss for the year		(40.193)	(42.986)

Loss per share		**€ cent**	**€ cent**
Basic and fully diluted loss per share	8	(0,00)	(0,00)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Σημ.	2016 €	2015 €
Loss for the year		(40.193)	(42.986)
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Fair value loss on available for sale investment	**10**	-	(2.997.486)
Share in associated company’s other reserves		(965)	-
Total comprehensive loss for the year		(41.158)	(3.040.472)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 €	2015 €
ASSETS			
Non-current assets			
Investment in associates	**9**	7.393	7.300
Available for sale investment	**10**	20.702.980	20.702.980
		20.710.373	20.710.280
Current assets			
Receivables from related companies	**14**	142.331	163.105
		142.331	163.105
Total assets		20.852.704	20.873.385
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**11**	60.927.577	60.927.577
Share premium		1.756.398	1.756.398
Revaluation reserve		(2.997.486)	(2.997.486)
Accumulated losses		(38.897.190)	(38.856.032)
Total equity		20.789.299	20.830.457
Current liabilities			
Payables and accruals	**12**	15.500	15.500
Payables to related companies	**14**	15.317	-
Bank overdrafts		32.588	27.428
		63.405	42.928
Total liabilities		63.405	42.928
Total equity and liabilities		20.852.704	20.873.385

On 25 April 2017 the Board of Directors of C.C.C. Tourist Enterprises Public Company Limited authorized these financial statements for issue.

Costas St. Galatariotis
Executive Chairman

George St. Galatariotis
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital €	Share premium (note α) €	Revaluation reserve (note c) €	Accumulated losses (note b) €	Total €
1 January 2015	60.927.577	1.756.398	2.963.612	(41.776.658)	23.870.929
Comprehensive income					
Transfer from revaluation reserves to accumulated losses due to reclassification of investment in associate to available for sale investment	-	-	(2.963.612)	2.963.612	-
Fair value loss on available for sale investment	-	-	(2.997.486)	-	(2.997.486)
Loss for the year	-	-	-	(42.986)	(42.986)
31 December 2015/1 January 2016	60.927.577	1.756.398	(2.997.486)	(38.856.032)	20.830.457
Comprehensive income					
Share in associated company's other reserves	-	-	-	(965)	(965)
Loss for the year	-	-	-	(40.193)	(40.193)
31 December 2016	60.927.577	1.756.398	(2.997.486)	(38.897.190)	20.789.299

Notes:

(a) Share premium is not available to be distributed in the form of dividends.

(b) Companies which do not distribute *70%* of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends *70%* of these profits. Special contribution for defence at *17%* will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividend paid for the years profits. This special contribution is payable by the Company on behalf of shareholders. For the purpose of calculating the deemed distribution, the term "profits" means the accounting profits as they are calculated in accordance with generally accepted accounting principles but after the transfer to reserves of any amount pursuant to any legislation.

(c) Revaluation reserve as of 31 December 2016, represents accumulated gains and losses arising on the revaluation of available for sale investments that has 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.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 €	2015 €
Cash flows from operating activities		
Loss before taxation	(39.239)	(42.282)
Adjustments for:		
Interest payable	1.414	1.537
Share of profit from associate	(2.012)	(2.025)
Operating cash flows before working capital changes	(39.837)	(42.770)
Increase in payables and accruals	-	3.732
Cash used in operating activities	(39.837)	(39.038)
Interest paid	(1.414)	(1.537)
Net cash used in operating activities	(41.251)	(40.575)
Cash flows from investing activities		
Decrease in amount due from related parties	20.774	45.509
Increase in amount due to related parties	15.317	-
Net cash generated from investing activities	36.091	45.509
Net (decrease) /increase in cash and cash equivalents	(5.160)	4.934
Cash and cash equivalents at 1 January	(27.428)	(32.362)
Cash and cash equivalents at 31 December	(32.588)	(27.428)

PARENT COMPANY INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
Administration costs	**4**	(39.647)	(42.592)
Fair value gain on initial recognition of available for sale investment	**10 (ii)**	-	2.323.342
Finance costs (net)	**6**	(1.604)	(1.715)
(Loss) / profit before taxation	**5**	(41.251)	2.279.035
Taxation	**7**	-	-
(Loss) /profit for the year		(41.251)	2.279.035

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 €	2015 €
(Loss)/profit for the year		(41.251)	2.279.035
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Fair value loss on available for sale investment	**10**	-	(2.997.486)
Total comprehensive expense for the year		(41.251)	(718.451)

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 €	2015 €
ASSETS			
Non-current assets			
Investment in associates	**9**	3.417	3.417
Available for sale investment	**10**	20.702.980	20.702.980
		20.706.397	20.706.397
Current assets			
Amount due from related companies	**14**	142.331	163.105
		142.331	163.105
Total assets		20.848.728	20.869.502
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**11**	60.927.577	60.927.577
Share premium		1.756.398	1.756.398
Revaluation reserve		(2.997.486)	(2.997.486)
Accumulated losses		(38.901.166)	(38.859.915)
Total equity		20.785.323	20.826.574
Current liabilities			
Payables and accruals	**12**	15.500	15.500
Payables to related companies	**14**	15.317	-
Bank overdrafts		32.588	27.428
		63.405	42.928
Total liabilities		63.405	42.928
Total equity and liabilities		20.848.728	20.869.502

On 25 April 2017 the Board of Directors of C.C.C. Tourist Enterprises Public Company Limited authorized these financial statements for issue.

Costas St. Galatariotis Executive Chairman	George St. Galatariotis Director

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Share capital €	Share premium (note a) €	Revaluation reserve (note c) €	Accumulated losses (note b) €	Total €
1 January 2015	60.927.577	1.756.398	-	(41.138.950)	21.545.025
Comprehensive income					
Fair value loss on available for sale investment	-	-	(2.997.486)	-	(2.997.486)
Profit for the year	-	-	-	2.279.035	2.279.035
31 December 2015/1 January 2016	60.927.577	1.756.398	(2.997.486)	(38.859.915)	20.826.574
Comprehensive income					
Loss for the year	-	-	-	(41.251)	(41.251)
31 December 2016	60.927.577	1.756.398	(2.997.486)	(38.901.166)	20.785.323

Notes:

(a) Share premium account is not available to be distributed in the form of dividends.

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

(c) Revaluation reserve as of 31 December 2016, represents accumulated gains and losses arising on the revaluation of available for sale investments that has 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.

PARENT COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 €	2015 €
Cash flows from operating activities		
(Loss)/profit before taxation	(41.251)	2.279.035
Adjustments for:		
Interest payable	1.414	1.537
Fair value gain on initial recognition of available for sale investment	-	(2.323.342)
	(39.837)	(42.770)
Increase/(decrease) in payables and accruals	-	3.732
Cash used in operating activities	(39.837)	(39.038)
Interest paid	(1.414)	(1.537)
Net cash used in operating activities	(41.251)	(40.575)
Cash flows from investing activities		
Decrease in amount due from related parties	20.774	45.509
Increase in amount due to related parties	15.317	-
Net cash generated from investing activities	36.091	45.509
Net (decrease)/ increase in cash and cash equivalents	(5.160)	4.934
Cash and cash equivalents at 1 January	(27.428)	(32.362)
Cash and cash equivalents at 31 December	(32.588)	(27.428)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1. INCORPORATION AND PRINCIPAL ACTIVITIES

C.C.C. Tourist Enterprises Public Company Limited (the “Company”) was incorporated in Cyprus on 27 March 1989 as a private limited liability company and on 5 June 1991 was converted into a public company in accordance with the provisions of the Companies Law, Cap.113. The registered office of the Company is at 197 Makarios Avenue III, Gala Tower, 3030 Limassol.

The principal activity of the Company is the investment in the share capital of L’ Union Nationale (Tourism and Sea Resorts) Limited (L’ Union). L’ Union’s principal activities, is the erection and development of hotels, the operation of hotel business and the development and promotion of tourism and tourism activities. L’ Union is the owner company of the luxurious hotel complex Parklane (formerly Meridien) which is currently under full renovation. Parklane is part of the "Luxury Collection Resort & Spa". Parklane is under renovation and is expected to be completed in March 2018, whilst adjacent to the hotel, a multi-storey building with luxury apartments is planned to be constructed under a plan of mixed-use development.

The hotel complex Parklane is situated along the coast to the east of the ancient town of Amathunta occupying an area of 91.170 sq.m. fronting the sea for 270 meters. An area of 73.778 sq.m is owned on a freehold basis whilst an area of 17.392 sq.m is being leased from the government of Cyprus.

2. SUMMARY OF 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.

Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU).

In addition, the consolidated and separate financial statements have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113 and the Cyprus Stock Exchange Laws and Regulations.

Basis of preparation

The financial statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies below.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires the management of the Company 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Functional and presentation currency

The consolidated and separate financial statements are presented in Euro (€) which is the functional currency of the Company.

Application of new and revised International Financial Reporting Standards (IFRSs)

In the current year, the Company has adopted all of the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on or after 1 January 2016. Except as mentioned below the adoption of these Standards did not have a material effect on the accounting policies of the Company.

The following standards have been adopted by the Company for the first time for the financial year beginning on or after 1 January 2016 and had no material impact on the Company:

Standard/ Interpretation	**Effective for annual periods beginning on or after:**
Amendments to IAS 19: Defined Benefit Plans: Employee Contribution	1 February 2015
Annual Improvements to IFRSs 2010-2012 Cycle	1 February 2015
Amendments to IAS 1: Disclosure Initiative	1 January 2016
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016
Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	1 January 2016
Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to IAS 16 and IAS 41: Bearer Plants	1 January 2016
Amendments to IAS 27: Equity Method in Separate Financial Statements	1 January 2016
Amendments to IFRS 10, IFRS 12, IAS 28: Investment Entities – Applying the Consolidation Exception	1 January 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Application of new and revised International Financial Reporting Standards (IFRSs) (Cont'd)

Up to the date of approval of these financial statements the following standards have been published by the International Accounting Standards Board but were not yet effective:

i) Adopted by the European Union

Standard/ Interpretation	Effective for annual periods beginning on or after:
IFRS 15 "Revenue from Contract with Customers"	1 January 2018
IFRS 9 "Financial Instruments"	1 January 2018

ii) Not yet adopted by the European Union

Standard/ Interpretation	Effective for annual periods beginning on or after:
IFRS 14 "Regulatory Deferral Accounts"	1 January 2016
IFRS 16 "Leases"	1 January 2019
Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred Indefinitely
Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealized Losses	1 January 2017
Amendments to IAS 7: Disclosure Initiative	1 January 2017
Clarification to IFRS 15 "Revenue from Contracts with Customers"	1 January 2018
Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to IFRS 4: Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts"	1 January 2018
Annual Improvements to IFRS Standards 2014-2016 Cycle	1 January 2017/ 1 January 2018
IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018
IFRIC 21 "Contributions"	17 June 2014
Amendments to IAS40: Transfers of Investment Property	1 January 2018

The Company is in the process of evaluating the effect that the adoption of the above standards will have on the financial statements of the Company, and it does not intend to early adopt any of them.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of consolidation of investment in associates

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with *"IFRS 5: Non-current assets Held for Sale and Discontinued Operations".* Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate.

When the Company's share or losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. An excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of *"IAS39: Financial instruments: Recognition and measurement"* are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with *"IAS 36: Impairment of Assets"* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with *"IAS 36: Impairment of Assets"* to the extent that the recoverable amount of the investment subsequently increases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Basis of consolidation of investment in associates (Cont'd)

The Company discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Company retains an interest in the former associate and the retained interest is a financial asset, the Company measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with *"IAS 39: Financial instruments: Derecognition and measurement*". The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Company accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Company continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Company reduces its ownership interest in an associate but the Company continues to use the equity method, the Company reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

Transactions with an associate of the Company, profit and losses resulting from the transactions with the associate are recognised in the Company's consolidated financial statements only to the extent of interests in the associate that are not related to the Company.

Net finance costs

Net finance costs comprise interest payable on borrowings and other financial facilities granted by third parties net of interest receivable on cash at banks or from amounts due from third parties. Interest is recognised in the income statement when it becomes accrued.

Foreign currencies

The financial statements are presented in the currency of the primary economic environment in which the Company operates (its functional currency), which is the Euro.

In preparing the financial statements, any transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the year end date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are retranslated with the rate at the translation rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign currencies (Cont'd)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in net assets.

Taxation

The tax currently payable is based on taxable profit for the year. Taxable loss differs from loss reported in the consolidated statement of comprehensive income because it excludes items of income or expenses that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current tax is recognised as an expense or income in profit or loss, except when it relates to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

Investment in associate

The investment in associate is stated at cost less any provision for impairment in the separate financial statements of the Company.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available for sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial assets (Cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments except for those financial assets classified as at FVTPL.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and others) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

Investments

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

- Financial assets at fair value through profit or loss

  This category has two sub-categories: financial assets held at fair value through profit or loss and those designated at fair value through profit or loss at inception. A financial asset is classified in the held at fair value through profit or loss category if acquired principally for the purpose of generating a profit from short-term fluctuations in price. Assets in this category are classified as current assets if they are either held at fair value through profit or loss or are expected to be realised within twelve months from the reporting date.

- Held-to-maturity investments

  Investments with fixed or determinable payments and fixed maturity that the management has the positive intent and ability to hold to maturity, other than loans and receivables originated by the Company, are classified as held-to-maturity investments. Such investments are included in non-current assets, except for maturities within twelve months from the reporting date, which are classified as current assets.

- Available for sale financial assets

  Available for sale financial assets are non-derivatives that are either designated as available for sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

  Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available for sale; these are included in non-current assets unless management has the express intention of holding the investment for less than 12 months from the reporting date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial assets (Cont'd)

Investments (Cont'd)

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

Realised and unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in profit or loss in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available for sale financial assets are recognised in other comprehensive income and then in equity. When available for sale financial assets are sold or impaired, the accumulated fair value adjustments are included in profit or loss.

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

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

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

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 any 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial assets (Cont'd)

Derivatives

Derivatives are initially recognised at fair value and any directly attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and any changes therein are generally recognised in profit or loss. Fair value is calculated using the current values, discounted cash flow analysis or option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative.

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.

Trade receivables are stated net of provision for bad debts. Known bad debts are written off and a specific provision is made for any amounts where the collection is considered doubtful.

Cash and cash equivalents

These comprise of cash in hand and bank balances.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period.

Evidence for impairment may include that the borrower is experiencing significant financial difficulty, default or deficiency in interest or principal payments, the probability that will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measureable decrease in the estimated future cash flows and change in arrears of economic conditions that correlate with defaults.

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been affected.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial assets (Cont'd)

Impairment of financial assets (Cont'd)

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are 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.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial liabilities

Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities". Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

A financial liability is classified as "held for trading" if:

a. it has been acquired principally for the purpose of repurchasing it in the near term; or
b. on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
c. it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and *"IAS 39: Financial Instruments: Recognition and Measurement"* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the other gains and losses line item in the consolidated statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial liabilities (Cont'd)

Borrowings

Borrowings are recognized at original borrowing amount, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income during the period of the borrowing using the effective interest method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and reliable estimate can be made for the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the year end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Comparatives

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with International Financial Reporting Standards requires management to make estimates and assumptions that affect reported amounts and related disclosures. The management of the Company considers an accounting estimate or judgement to be critical if:

- it requires assumptions to be made that were uncertain at the time the estimate was made; and
- changes in the initial estimate or different estimates that could have been selected could have a material effect on the financial results or financial position of the Company.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (Cont'd)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are described below:

Fair value of financial assets

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

The fair value of the available for sale investment in L' Union, being hotel owner, has been determined by using the expected operating profit (known as "EBITDA") and the discounted cash flow method (DCF). The fair value was prepared by the management of the Company.

In developing estimates of future cash flows and operating profit, the Company must make assumptions about future hotel's revenue and expenses and its expected operating profit. These assumptions are based on historical trends as well as future expectations. Although the management of the Company believes that the assumptions used to calculate fair value of investment are reasonable and appropriate, such assumptions may be highly subjective especially taking into consideration the fact that the Company is not in the position to exercise significant influence in decision making.

Impairment of investment available for sale

The Company follows the guidelines of *"IAS 39: Financial instruments: Derecognition and measurement"* to decide when an investment has been impaired. This decision requires considerable judgment. In the exercise of this judgment, the Company estimates, along with other factors, the duration and the extent where the fair value of an investment is lower than the cost, the fact that the hotel complex is under renovation and the financial viability and short-term business future of the investment including factors such as the performance of the tourism industry and expected operational and financial cash flows.

The management of the Company has estimated that its investment in L'Union has not been impaired and therefore the fair value loss accumulated in the revaluation reserve from the previous year has not been transferred to the income statement and other comprehensive income.

Fair value of call option

Following the agreement signed on 30 September 2014 between the Company and the *75%* owner of L'Union, the Company has a ("call option") to compel L'Union to issue solely and exclusively to the Company shares at fair value which together with the existing shareholding (*24,98%*) will constitute *50%* of the issued shares of L'Union. The right can be exercised after three years and before the end of the six years share capital restructuring (i.e. from 30 September 2017 to 30 September 2020). In the event of exercise of the right, the shares to be issued will be at fair value which will be determined by an independent party.

The above call option has not been recognized in the Company's financial statements as the Board of Directors considers that the call option does not have significant value.

3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES (Cont'd)

Provision for 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.

4. ADMINISTRATION COSTS

	Consolidated & Company	
	2016	**2015**
	€	**€**
Directors' remuneration	3.200	3.200
Auditors' remuneration for statutory audit services – current year	10.000	10.000
Auditors' remuneration for statutory audit services – prior year	-	2.800
Auditors' remuneration for other services – current year	3.987	3.987
Subscriptions and contributions	12.377	12.475
Secretarial fees	4.760	4.760
Stationery and printing	892	892
Entertaining	741	-
Other professional fees	410	370
Other expenses	3.280	4.109
	39.647	42.593

5. LOSS BEFORE TAXATION

This is stated after charging:

	Consolidated & Company	
	2016	**2015**
	€	**€**
Auditors' remuneration for statutory audit services – current year	10.000	10.000
Auditors' remuneration for statutory audit services – prior year	-	2.800
Auditors' remuneration for other services – current year	3.987	3.987
Directors' remuneration:		
as members of the Board of Directors – current year (i)	3.200	3.200

(i) The following directors receive annual fees of €400 each for their services as members of the Board of Directors: Costas St. Galatariotis, George St. Galatariotis, Stavros G. St. Galatariotis, Alexis G. St. Galatariotis, Tasos Anastasiou, Michalis Mousiouttas, Constantinos Pittas and Riginos Tsanos.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

6. FINANCE COSTS (net)

	Consolidated & Company	
	2016	**2015**
Finance costs	**€**	**€**
Bank overdraft and other bank charges	1.414	1.537
Other related costs	190	178
Finance costs (net)	1.604	1.715

7. TAXATION

	Consolidated		Company	
	2016	**2015**	**2016**	**2015**
	€	**€**	**€**	**€**
Share of tax of associate company	954	704	-	-
Tax charge	954	704	-	-

The total tax charge for the year can be reconciled to the accounting loss as follows:

	Consolidated		Company	
	2016	**2015**	**2016**	**2015**
	€	**€**	**€**	**€**
(Loss)/profit before taxation	(39.239)	2.279.035	(41.251)	2.279.035
Tax at the applicable income tax rate of *12,5%*	(4.905)	284.879	(5.156)	284.879
Tax effect of expenses that are not deductible in	2.245	(288.105)	2.496	(288.105)
Effect of losses carried forward	2.660	3.226	2.660	3.226
Share of tax of associate company	954	704	-	-
Tax charge	954	704	-	-

The corporation tax rate during the year ended 31 December 2016 was *12,5%*.

Tax losses

From 1 January 2013, companies can carry forward tax losses incurred over the next five years from the end of the tax year in which they were incurred, to be offset against taxable income (previously no time restriction was in place).

At the end of the year, the Company's tax losses that were available to be carried forward and offset with taxable profits in the next five years amounted to €109.844 (2015: €97.111).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

8. BASIC AND FULLY DILUTED LOSS PER SHARE

Consolidated

	2016 €	2015 €
Net loss for the year	40.193	42.986
Weighted average number of shares	141.692.040	141.692.040
	€ cent	**€ cent**
Basic and fully diluted loss per share	0,00	0,00

9. INVESTMENT IN ASSOCIATED COMPANIES

	Consolidated		Company	
	2016 €	2015 €	2016 €	2015 €
Investment in associated company - C.C.C. Secretarial Limited (i)	7.393	7.300	3.417	3.417
	7.393	7.300	3.417	3.417

Details of the Company's investment in associated companies at the end of the reporting period are as follows:

Name of associated Company	Principal activity	Percentage Holding	
		2016	2015
C.C.C. Secretarial Limited	Secretarial and other professional services	*20%*	*20%*

The principal activity of C.C.C. Secretarial Limited is the provision of administrative and other related services. The Company's share in the share capital of the associate is *20%*. The investment in associate company is accounted for in the financial statements at cost less any provisions for impairment.

Consolidated

The Company's movement of the investment in associated company during the period is as follows:

	2016 €	2015 €
Opening balance	7.300	5.978
Share of profit before taxation	2.012	2.026
Share of taxation	(954)	(704)
Share of other comprehensive loss	(965)	-
Closing balance	7.393	7.300

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

9. INVESTMENT IN ASSOCIATED COMPANIES (Cont'd)

Consolidated (Cont'd)

The financial information in regards of the investment in associated company is as follows:

	2016 €	2015 €
Current assets	259.393	157.942
Non-current assets	13.423	33.247
Current liabilities	(235.849)	(135.327)
Non- current liabilities	-	(19.364)
Net financial position	36.967	36.498

	2016 €	2015 €
Revenue	1.229.491	1.203.099
Costs	(1.216.787)	(1.188.324)
Net finance costs	(2.644)	(4.650)
Profit before taxation	10.060	10.125
Taxation	(4.769)	(3.519)
Profit for the period	5.291	6.606
Share of the profit	1.058	1.321

Reconciliation of the above summarized financial information to the carrying amounts of the interest in the associated company recognized in the consolidated financial statements:

	2016	2015
Net assets of the associated company	€36.967	€36.498
Proportion of interest in the associated company	*20%*	*20%*
Carrying amounts of interest in the associated company	€7.393	€7.300

10. AVAILABLE FOR SALE INVESTMENT

	Ενοποιημένα & Εταιρεία 2016 €	2015 €
Investment in L'Union Nationale (Tourism and Sea Resorts) Limited	20.702.980	20.702.980

Details of available for sale investment at the end of the reporting period are as follows:

Name of the entity	Principal activity	Percentage Holding 2016
L'Union Nationale (Tourism and Sea Resorts) Limited	Hotel Operations	*24,98%*

10. AVAILABLE FOR SALE INVESTMENT (Cont'd)

The movement of available for sale investment is the following:

	Consolidated	
	2016	**2015**
	€	**€**
Balance 1st January (i)	20.702.980	23.700.466
Net fair value loss on available for sale investment recognized in other comprehensive income (v), (vi)	-	(2.997.486)
Balance 31 December	20.702.980	20.702.980

	Company	
	2016	**2015**
	€	**€**
Balance 1st January (i), (ii)	20.702.980	23.700.466
Net fair value loss on available for sale investment recognized in other comprehensive income (v), (vi)	-	(2.997.486)
Balance 31 December	20.702.980	20.702.980

(i) The Board of Directors had decided to reclassify its investment in L'Union from "Investment in associated company" to "Available for sale investment" with effect from 1 January 2015. The Board of Directors assessed that this classification reflects better the economical substance of the events in accordance with the level of influence of the Company in the financial and operating policy decisions of L'Union with the most important ones being the complete renovation of the hotel complex and the future business model plans. As a result, the investment is accounted for at fair value in accordance with the principles of *"IAS 39: Financial instruments: Recognition and measurement".*

(ii) As per the requirements of *"IAS 39: Financial instruments: Recognition and measurement",* the investment in L'Union was initially recognized at fair value. The management of the Company has assessed that the share of net assets value of its investment in L'Union as at 31 December 2014 (€23.700.466), represents the investment's fair value as at 1 January 2015. This assessment was based on the fact that the transactions carried out with the other *75,02%* shareholder of L'Union during 2014 represents market transactions. As a result of the reclassification (note 10(i)), a fair value gain of €2.323.342 was recognised in Company's income statement, being the difference between the previous carrying value of investment in L'Union (€21.377.124) and the fair value of investment on initial recognition as of 1 January 2015 (€23.700.466).

(iii) L'Union has the following shares as of 31 December 2016:

- 20.000.000 ordinary shares of €1,71 each which are owned by the Company (Class "A" shares)
- 20.000.000 ordinary shares of €1 each which are owned by the investor (Class "B" shares)
- 40.076.336 ordinary shares of €1,31 each which are owned by the Company (Class "C" shares)

10. AVAILABLE FOR SALE INVESTMENT (Cont'd)

All above shares rank pari passu in all respects (including without any restriction in relation to voting and dividends) except from (i) the holders of Class "A" shares shall alone be entitled to appoint and remove one "A" Director of the associated company and to vote in relation to the appointment, election or removal of the one "A" Director of the associated company, (ii) the holders of Class "B" shares shall alone be entitled to appoint and remove three "B" Directors of the associated company and to vote in relation to the appointment, election or removal of the three "B" Directors of the associated company, (iii) the holders Class "C" shares shall alone be entitled to appoint and remove an unlimited number of "C" Directors of the associated company and to vote in relation to the appointment, election or removal of the "C" Directors of the associated company and (iv) as far as the return of capital on winding up of the associated company is concerned the proportion of rights of Class "A" shares, Class "B" shares and Class "C" shares will be 1,71 from 4,02, 1,00 from 4,02 and 1,31 from 4,02 respectively.

As of 31 December 2016, the Company and the investor have one and four appointed directors, respectively. In addition, general meetings decisions will be taken by a simple majority unless otherwise specified by law.

(iv) Based on agreement signed on 30 September 2014 with the investor, the Company has a ("call option") to compel L'union to issue solely and exclusively to the Company shares at fair value which together with the existing shareholding (*24,98%*) will constitute *50%* of the issued L'Union shares. The option is exercisable after 3 years and before the lapse of 6 years from the Share Capital Restructuring (between 30 September 2017 and 30 September 2020).

The Company's Board of Directors has assessed the fair value of the purchase option as insignificant considering that the shares in L'Union will be issued at their fair value.

(v) *Valuation method and key assumptions*

The valuation of the investment in L'Union is prepared by the Company's finance department, which has the appropriate capabilities, experience and qualifications. The finance department reports directly to the Company's Board of Directors on the procedures and the result of the valuation, at least once a year, where the final valuation is approved.

The valuation of the investment includes the valuation of the hotel complex and the residential appartments that will be constructed in the north-east area of the hotel area. In 2016, the Company's management changed the main method of valuation of the investment. In 2015, the Company's management used the discounted cash flow method. In 2016, the Company's management used the discounted cash flow method to measure the value of the residential apartments and the fair value method based on the expected operating profit (Earnings Before Interest and Depreciation, known as EBITDA) for the valuation of the hotel complex. The discounted cash flow method was used as a supportive method to verify the outcome.

The Company's management assessed the different techniques and selected the fair value method which was based on the operational profit, as the most appropriate taking into account the characteristics and particularities of the investment, the available information and the maximization of the observable data used in the valuation.

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FOR THE YEAR ENDED 31 DECEMBER 2016

10. AVAILABLE FOR SALE INVESTMENT (Cont'd)

The key assumptions used in the valuation are the following:

Description	**Fair value method**	**Non – observable data**	**Connection between non – observable data and fair value**
31 December 2016			
Shares in L'Union Nationale (Tourism and Sea Resorts) Limited	Hotel operations: Fair value method based on operating profit	Multiplier: *16* Expected operating profit: *€9,6m*	The higher the multiplier and the expected operating profit, the higher the fair value
	Development and sale of luxury apartments: Discounted cash flow method	Expected sale price of residential apartments €10.000 per square meter	The higher the sale price per square meter, the greater the fair value.
		Discount rate: *7,08%*	The higher the discount rate, the lower the fair value.
31 December 2015			
Shares in L'Union Nationale (Tourism and Sea Resorts) Limited	Hotel operations and development and sale of luxury apartments: Discounted cash flow method	Discount rate: *10%* Projection period: *10 years* Annual growth rate in revenue: *2% - 3%* Terminal growth rate: *3%* Sale of luxury apartments: *€10.000* per square meter	The higher the sale price per square meter or the higher the annual growth rate, the higher the fair value. The higher the discount rate, the lower the fair value.

10. AVAILABLE FOR SALE INVESTMENT (Cont'd)

(vi) Sensitivity

The table below shows the possible impact on the fair value of the investment in L'Union in other comprehensive income, from the change in significant assumptions. The positive amount reflects the net possible profit and the negative amount the net possible loss to other comprehensive income.

Change in assumptions	**Impact in other comprehensive income 2016 €**
Operating profit method (Hotel complex)	
Increase by *10%* in the expected operating profit	3.836.928
Decrease by *10%* in the expected operating profit	(3.836.928)
Increase by *1 percentage point* in the multiplier	2.398.080
Decrease by *1 percentage point* in the multiplier	(2.398.080)
Discounted cash flow method (Luxury apartments)	
Increase by *10%* in expected sale price	1.376.574
Decrease by *10%* in expected sale price	(1.376.574)
Increase by *0,5 percentage points of the discount rate*	(179.470)
Decrease by *0,5 percentage points of the discount rate*	183.223

Change in assumptions	**Impact in other comprehensive income 2015 €**
Increase by *10%* of EBITDA	1.330.801
Decrease by *10%* of EBITDA	(1.330.795)
Increase by *0,5* percentage points of the discount rate	(2.047.957)
Decrease by *0,5* percentage points of the discount rate	2.356.443

11. SHARE CAPITAL

	2016 €	**2015 €**
Authorised		
150.000.000 ordinary shares of €0,43 each	64.500.000	64.500.000
Issued and fully paid shares		
141.692.040 ordinary shares of €0,43 each	60.927.577	60.927.577

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12. PAYABLES AND ACCRUALS

	Consolidated & Company 2016 €	2015 €
Other payables and accrual	15.500	15.500
	15.500	15.500

13. COMMITMENTS AND CONTINGENCIES

As at 31 December 2016, the Group and the Company did not have any capital commitments or contingencies.

14. RELATED PARTY TRANSACTIONS

The ultimate parent company of the Company is George S. Galatariotis & Sons Limited. The parent company of the Company is The Cyprus Cement Public Company Limited.

The following transactions were carried out with related parties:

Consolidated/Company

Name	Nature of transactions	2016 €	2015 €
C.C.C. Secretarial Limited	Management fees	(4.760)	(4.760)

The following balances were owned from/(to) related parties at the end of the reporting period:

Name	Nature of transactions	Amounts owed from/ (to) related parties 2016 €	2015 €
The Cyprus Cement Public Company Limited	Financing	(15.317)	20.774
L' Union Nationale (Tourism and Sea Resorts) Limited	Financing	142.331	142.331
		127.014	163.105

All the above transactions were made on an arm's length basis.

15. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company are exposed to credit risk, liquidity risk, interest rate risk, tourist industry risk, capital risk management and other risks arising from the financial instruments it holds.

The risk management policies employed by the Company to manage these risks are discussed below:

(i) 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 balance sheet date. The Company has concentration of credit risk since its receivable amount are due from one company (L' Union Nationale (Tourism and Sea Resorts) Limited). The Company continuously monitors the ageing of the receivables.

(ii) 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 in credit facilities. As at 31 December 2016, the Company maintained an overdraft facility limit of €35.000.

The following tables detail the Company's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

Consolidated/Company

	Carrying amount €'000	Contractual cash flows €'000	Payable on demand and up to 3 months €'000
31 December 2016			
Bank Overdrafts	32.588	32.588	32.588
Trade and other payables	30.817	30.817	30.817
	63.405	63.405	63.405

	Carrying amount €'000	Contractual cash flows €'000	Payable on demand and up to 3 months €'000
31 December 2015			
Bank Overdrafts	27.428	27.428	27.428
Trade and other payables	15.500	15.500	15.500
	42.928	42.928	42.928

15. FINANCIAL RISK MANAGEMENT (Cont'd)

(iii) 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 during 2015 and 2016 has no significant interest-bearing assets or liabilities. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

As at 31 December the profile of interest-bearing financial instruments was:

Consolidated/Company

	2016	2015
	€	€
Variable rate instruments		
Bank overdrafts	32.588	27.428
	32.588	27.428

(iv) Market /price risk

Market /price risk is the risk of loss from changes in the fair value of investment available for sale (note 10) when there are unfavourable changes and uncertainties in tourist industry and in the real estate market as disclosed in section (v) below.

Changes in the fair value of available for sale investments affect the equity of the Company (if not impaired)

(v) Tourism industry and real estate risk

The investment in L'Union, which is the main asset of the Company, is exposed to the following tourist industry risks:

- The political situation in the Southeastern Mediterranean area may seriously impact the tourist industry.
- The operations of under construction hotel which will be characterised by a high degree of seasonality, between the summer and winter months.
- The competitiveness of Cyprus in the international touristic market and the increasing competition within the Cypriot market may affect the results of the Company.
- The economic situation in Europe and political situation in Russia, the main sources of tourists for the associated company, may adversely affect the tourist industry.
- The economic situation in Cyprus as described in note 16.

In addition, L'Union is exposed to risks associated with the development of luxury apartments. The uncertainty that prevailed in previous years in Cyprus, makes forecasting future developments in the real estate market extremely difficult.

15. FINANCIAL RISK MANAGEMENT (Cont'd)

(vi) Capital risk management

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.

(vii) Fair value

The carrying amounts and fair values of certain financial assets and liabilities are as follows:

Consolidated/Company

	Carrying amount 2016 €	Fair value 2016 €	Carrying amount 2015 €	Fair value 2015 €
Financial assets				
Available for sale investment	20.702.980	20.702.980	20.702.980	20.702.980

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from 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 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There was no transfer between levels 1, 2 and 3 during the year.

The following table presents the fair value measurement hierarchy of the Company's financial assets recorded at fair value.

Consolidated/Company

	Level 3 2016 €	Level 3 2015 €
Financial assets		
Available for sale investment	20.702.980	20.702.980

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16. OPERATING ENVIROMENT IN CYPRUS

In March 2016, Cyprus managed to complete successfully the economic adjustment program under the three year Memorandum of Understanding which was agreed with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"). The Republic of Cyprus ensured the financing of its financial needs for the three year period 2013-2015 by utilizing only €7 billion out of the total €10 billion which was originally provisioned.

International credit rating agencies have upgraded the country's creditworthiness. In July 2016, the Cypriot government received funding from international markets for the third time since the start of the economic adjustment program, with the issuance of a seven-year bond of € 1 billion with a return of *3.8%*. The risks for the growth potential of Cyprus economy are connected with high level of non-performing loans, the loss of dynamic on prompt and rigorous implementation of structural reforms with associate risks of public finance and the return of inflation.

The Company's and the Group’s management, is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position.

Based on evaluation made, the management of the Company and the Group has concluded that it does not require any provisions other than those already recognized in the financial statements and does not require any impairment charge on other financial assets of the Company. The Company's management believes that it takes all the necessary measures to maintain the Company's and Group's viability and the smooth conduct of its operations in the current business and financial environment.

17. EVENTS AFTER THE REPORTING PERIOD

On 3 January 2017, the Company sold all of the shares held in the associated company C.C.C. Secretarial Limited, to its parent company The Cyprus Cement Public Company Ltd and to the related company K+G Complex Public Company Limited. The selling price was €3,63 per share which represents the net value per share as per the financial statements of C.C.C. Secretarial Limited on 31 December 2016.

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