C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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
	Michalis Mousiouttas, Director
	Constantinos Pittas, Director
	Antonis Antoniou Latouros, Director
Secretary	C.C.C. Secretarial Limited, Limassol, Cyprus
Financial Manager	Elena Stylianou
Independent Auditors	Deloitte Limited, Limassol, Cyprus
Legal advisors	Christophi & Associates LLC Andreas Georghadjis 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 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 2019, on the basis of our knowledge, declare that:

a) the financial statements which are presented on pages 13 to 32:

   (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 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 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	....
Michalis Mousiouttas	Director	....
Constantinos Pittas	Director	....
Antonis Antoniou Latouros	Director	....

Responsible for the preparation of the financial statements

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

Limassol, 28 April 2021

MANAGEMENT REPORT

For the year ended 31 December 2020

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 2020.

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 Parklane Hotels Limited. Parklane’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. Parklane is the owner company of the luxurious hotel complex Parklane which is part of the "Luxury Collection Resort & Spa".

Results

The Company’s results for the year are set out on page 13.

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 incurred losses in the amount of €63.162 (2019: loss €52.653).

Financial position

The Company’s total assets for the year ended were €22.645.410 (2019: €20.851.502). Net assets increased from €20.653.249 in 2019 to €22.387.107 in 2020 as a result of the profit on revaluation of investment at fair value through other comprehensive income that was recognized in other comprehensive income of the year.

Expected future developments of the Company

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

Due to the on-going pandemic of COVID-19 disease, the Cypriot as well as the global economy have entered a period of unprecedented crisis which has already resulted in significant disruption to businesses and daily life. The impact of the pandemic on the financial results of the Company cannot be established with certainty for the time being, however it is certain that the restrictive measures which are currently in place by the authorities and aim at containing the spread of the disease, will have a significant impact on the economy, the tourism, real estate and construction industry. As a result of the above measures, the hotel complex Parklane Hotel Limited, had suspended its operations until the 9th of July 2020.

MANAGEMENT REPORT (Cont'd)

For the year ended 31 December 2020

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 Parklane 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:

- The economic environment of Cyprus and globally, which has been affected following the recent changes and the restrictive measures imposed to contain the spread of the disease COVID-19 (Note 1);
- 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 neighboring countries;

Details with respect to the management of risks associated with the financial position of the Company are included in note 13 of the financial statements.

Branches

The Company does not maintain any branches.

Share Capital

On 31 December 2020, 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 14 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 financial statements is the finance manager.

The Audit Committee consists of the following members:

- Antonis Antoniou Latouros - President of the Committee
- Michalis Mousiouttas - Member of the Committee
- Alexis St. Galatariotis - Member of the Committee

MANAGEMENT REPORT (Cont'd)

For the year ended 31 December 2020

Corporate Governance Code (Cont'd)

The majority of Audit Committee members are Independent Non-Executive Directors. The Commission meets with external auditors for independent discussion without the presence of Executive Directors. The Audit Committee reviews a wide range of financial issues, including annual and semi-annual results, statements and accompanying reports, before submitting them to the Board of Directors, as well as overseeing the procedures for choosing accounting principles and accounting calculations for the Company's financial statements. Also, the Audit Committee advises the Board of Directors on the appointment of external auditors and their fees for audit and non-audit work. The external auditors shall carry out independent and objective audits of internal financial control procedures only to the extent they deem necessary to express an opinion in their report on the accounts. The Audit Committee discusses extensively with the auditors the findings that have arisen during the audit as well as the auditors' report.

Shareholders who hold at least 5% of the issued share capital of the Company

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:

	28 April 2021	**31 December 2019**
	%	%
The Cyprus Cement Public Company Ltd	*68,09*	*68,09*
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 7 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:

	28 April 2021	**31 December 2019**
	%	%
Costas St. Galatariotis (*)	*68,09*	*68,09*
George St. Galatariotis	-	-
Stavros G. St. Galatariotis	-	-
Alexis G. St. Galatariotis	-	-
Michalis Mousiouttas	-	-
Constantinos Pittas	-	-
Antonis Antoniou Latouros	-	-

MANAGEMENT REPORT (Cont'd)

For the year ended 31 December 2020

Directors' interest in the share capital of the Company (Cont'd)

(*) 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.

Board of Directors

The members of the Board of Directors at the date of this report are shown on page 1. All of them were members of the Board of Directors for the whole year 2020.

In accordance with the Company's Articles of Association Messrs. George St. Galatariotis, Stavros G. St. Galatariotis, Constantinos Pittas retire and being eligible offer themselves for re-election.

The directors' remuneration is set out in note 4.

Independent Auditors

The independent auditors, Deloitte Limited have expressed their willingness to continue in office and a resolution authorising the Board of 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, 28 April 2021

Deloitte.

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Independent Auditor's Report

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **C.C.C. Tourist Enterprises Public Company Limited** (the "Company"), which are presented in pages 10 to 32 and comprise the statement of financial position of the Company as at 31 December 2020, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, 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 financial statements section of our report. We remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

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

Deloitte.

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 financial statements (Cont'd)

Key Audit Matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud (Cont'd)

Key audit matter	**How audit addressed the key audit matter**
Valuation of fair value through other comprehensive income statement	
As described in note 8 of the financial statements, the investment held at fair value through other comprehensive income (FVTOCI) which is valued at fair value, represents the Company's participation by 24,98% in the share capital of Parklane Hotels Limited and as at 31 December 2020 constituted 99,3% of the total assets of the Company. The carrying value of the investment held at FVTOCI increased by €1.797.020 from last year to €22.500.000. The determination of the fair value of the investment held FVTOCI it requires significant judgment to be exercised by the Company's Management to determine the assumptions on which the calculations were based. These assumptions, which are based on historical trends and future expectations, by nature are highly subjective. More information on the valuation methods and assumptions used, is described in notes 3 and 8 of the financial statements.	In cooperation with our internal valuation specialists, 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. • Confirmed that the valuation methods used by the Company's management are appropriate and comply with International Financial Reporting Standards and best practices. • We examined the Memorandum of Understanding signed during the year by the Company with the other shareholder as well as the agreement as completed and signed after the end of the year as described in notes 8 and 14 of the financial statements and evaluated the impact of the terms of the agreement on the valuation of the investment. • We assessed whether the disclosures in the financial statements include the required disclosures provided for in International Financial Reporting Standards, especially those relating to the significant assumptions used and based on unobservable data. • All of the above procedures were completed in a satisfactory manner.

Deloitte.

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 financial statements (Cont'd)

Key Audit Matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud (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 financial statements and our auditor's report thereon.

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

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

Responsibilities of the Board of Directors for the financial statements

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Deloitte.

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 financial statements (Cont'd)

Auditor's Responsibilities for the Audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Deloitte.

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 financial statements (Cont'd)

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

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10 (2) of the EU Regulation 537/2014, we provide the following information in the Independent Auditor's Report, which is required in addition to the requirements of the International Standards on Auditing.

Appointment of the Auditor and Appointment Period

We were appointed for the first time as auditors of the Company on 7 January 2000 by the Company's Board of Directors. Our appointment is renewed annually by a resolution of shareholders and represents a total uninterrupted appointment period of 21 years.

Consistency of the additional Report to the Audit Committee

We confirm that our opinion on the financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on 08 May 2020 in accordance with Article 11 of the European Union Regulation (EU) 537/2014.

Provision of Non-Auditing Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Company and which have not been disclosed in the financial statements or the management report.

Deloitte.

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 financial statements (Cont'd)

Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, based on the work undertaken in the course of our audit, the management report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap. 113, and the information given is consistent with the financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the management report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, 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, have been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have 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. We have nothing to report in this respect.

Other Matter

This report, including the opinion, was prepared for the members of the Company as a body and only in accordance with Article 10 (1) of the European Union Regulation (EU) 537/2014 and Article 69 of the Auditors Law of 2017 and for no other purpose. By giving this opinion we do not accept and do not assume any responsibility for any other purpose or to any other person to whose knowledge this report may come across.

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

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

Deloitte Limited
Certified Public Accountants and Registered Auditors

Limassol, 28 April 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 €	2019 €
Administration costs	4	(62.964)	(52.407)
Finance costs	5	(198)	(246)
Loss before taxation		(63.162)	(52.653)
Taxation	6	-	-
Loss for the year		(63.162)	(52.653)
Other comprehensive income for the year			
Other comprehensive income for the year		1.797.020	-
Total income/(loss) for the year		1.733.858	(52.653)
Loss per share		**€ cent**	**€ cent**
Basic and fully diluted loss per share	7	(0,00)	(0,00)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	2020 €	2019 €
ASSETS			
Non-current assets			
Investment at fair value through other comprehensive income	**8**	22.500.000	20.702.980
		22.500.000	20.702.980
Current assets			
Receivables from related companies	**12**	142.331	142.331
Prepayments		-	6.000
Cash and cash equivalents		3.079	191
		145.410	148.522
Total assets		22.645.410	20.851.502
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**9**	60.927.577	60.927.577
Share premium		1.756.398	1.756.398
Revaluation reserve of investment held at fair value through other comprehensive income		-	(2.997.486)
Accumulated losses		(40.296.868)	(39.033.240)
Total equity		22.387.107	20.653.249
Current liabilities			
Payables and accruals	**10**	16.416	15.543
Payables to related companies	**12**	241.887	182.710
Bank overdrafts		-	-
		258.303	198.253
Total liabilities		258.303	198.253
Total equity and liabilities		22.645.410	20.851.502

On 28 April 2021 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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share Capital €	Share Premium (note a) €	Revaluation reserve of investment held at fair value through other comprehensive income (note c) €	Accumulated losses (note b) €	Total €
1 January 2019	60.927.577	1.756.398	(2.997.486)	(38.980.587)	20.705.902
Comprehensive income					
Loss for the year	-	-	-	(52.653)	(52.653)
31 December 2019	60.927.577	1.756.398	(2.997.486)	(39.033.240)	20.653.249
1 January 2020	60.927.577	1.756.398	(2.997.486)	(39.033.240)	20.653.249
Comprehensive income					
Loss for the year	-	-	-	(63.162)	(63.162)
Profit from Revaluation of investment held at fair value through other comprehensive income	-	-	1.797.020	-	1.797.020
Transfer of reserve to accumulated losses	-	-	1.200.466	(1.200.466)	-
31 December 2020	60.927.577	1.756.398	-	(40.296.868)	22.387.107

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 year's 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) As at 31 December 2019, the revaluation reserve of the investment held at fair value through other comprehensive income, represents accumulated gains and losses arising on the revaluation of investments in equity instruments that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired. As at 31 December 2020 the Company transferred the remainder of the reserve to accumulated losses.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 €	2019 €
Cash flows from operating activities		
Loss before taxation	(63.162)	(52.653)
Adjustments for:		
Interest payable	198	6
	(62.964)	(52.647)
Changes in working capital:		
Increase in receivables	6.000	(6.000)
Decrease in payables and accruals	873	(357)
Cash used in operating activities	(56.091)	(59.004)
Interest paid	(198)	(6)
Net cash used in operating activities	(56.289)	(59.010)
Cash flows from financing activities		
Increase in amount due to related parties	59.177	59.500
Net cash generated from investing activities	59.177	59.500
Net increase in cash and cash equivalents	2.888	490
Cash and cash equivalents at 1 January	191	(299)
Cash and cash equivalents at 31 December	3.079	191

The reconciliation table for the year 2020 between the initial and final balances for the liabilities arising from financing activities, is presented below:

	€
Balance 1 January 2019	**123.210**
Additional Funding	59.500
Balance 1 January 2020 (note 12)	**182.710**
Additional Funding	59.177
Balance 31 December 2020 (note 12)	**241.887**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 Parklane Hotels Limited. Parklane'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. Parklane is the owner company of the luxurious hotel complex Parklane which is part of the "Luxury Collection Resort & Spa".

The hotel complex Parklane is situated along the coast to the east of the ancient town of Amathunta occupying an area of 85.484 sq.m adjacent to the sea for 270 meters. An area of 68.092 sq.m is owned on a freehold basis whilst an area of 17.392 sq.m is being leased from the government of Cyprus.

Operating Environment of Cyprus

Due to the recent rapid spread of the disease Covid-19, the global economy has entered a period of unprecedented crisis regarding the health-care sector, which has already resulted in significant global disruption to business operations and daily life. Many countries have adopted emergency and costly measures in order to contain the disease. Some countries have forced companies to restrict and/or suspend their usual business activities. Governments, including the government of the Republic of Cyprus have enforced travel restrictions as well as strict quarantine measures.

The financial impact on the global and local economy due to the spread of COVID-19, cannot be estimated with reasonable certainty at the current stage due to the rapid spread of the disease as well as the high level of uncertainty. As a result, the Board of Directors is not in a position to reasonably assess the variances and impact of the spread of COVID-19 on the financial results of the company, for the time being.

The Board of Directors is closely monitoring the local and global developments and is taking all required measures as possible by its powers in order to minimize the negative impact of the spread of COVID-19.

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

In addition, the 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. Estimates can be found in Note 3.

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

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

Adoption of new and revised International Financial Reporting Standards (IFRS)

During the current year, the Company adopted all the new and revised International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and is effective for periods beginning on or after 1 January 2020. This adoption, has not had a material impact on the financial statements of the company.

On the date of approval of these financial statements, the following accounting standards have been issued 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:
Amendments to IFRS 9, IAS 39 and IFRS17: Interest Rate Benchmark Reform- 2nd phase (issued on 27 August 2020)	1 January 2021
Amendments to IFRS 4 Insurance Contracts – amendment of IFRS 9 (issued on 25 June 2020)	1 January 2021
Amendments to IFRS 16 – Leases due to COVID-19 (issued 28 May 2020)	1 June 2020

ii) Not yet adopted by the European Union

Standard/ Interpretation	Effective for annual periods beginning on or after:
IFRS 17: Insurance Contracts	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent.	1 January 2023
Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020	1 January 2022

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.

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 date.

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 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.

Financial instruments

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

All normal purchases or sales of financial assets are recognized and derecognised on the basis of the transaction date. Regular purchases or sales involve purchases or sales of financial assets that require delivery of the assets within the timeframe established by the regulation or the contract at the time of purchase.

Financial assets

Financial assets – Classification

The Company classifies the financial assets into the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income "FVTOCI" or through profit or loss "FVTPL"); and
- those that are measured at amortized cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets held to collect their contractual cash flows and whose contractual terms provide for capital and interest on cash capital (SPPI) cash flows are classified as financial assets at amortized cost. Receivables from related parties are classified in this category.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis. All other financial assets are classified as measured at FVTPL.

The investment in the share capital of Parklane Hotels Limited, relates to shares which are held as long-term investment. Consequently, as per IFRS 9, the Company has chosen to present the changes in fair value through other comprehensive income. As a result, on 1 January 2018, the investment has been reclassified from investment-available-for-sale to investment held at fair value through other comprehensive income. In addition, the balance of the revaluation reserve of available for sale investment has been reclassified to revaluation reserve of investments held at fair value through other comprehensive income.

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

Financial Instruments (Cont'd)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial Assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial Assets – Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity Instruments

The Company measures all equity instruments at fair value. Where the Company's Management has opted to present fair value gains and losses on equity instruments as fair value through other comprehensive income, there is no subsequent reclassification of fair value gains or losses in the income statement when the investment is derecognised and any related balances are reclassified to accumulated earnings.

Dividends on such investments continue to be recognized in the profit or loss as other income when the Company has the right to receive them.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable.

Financial assets - impairment – Credit loss allowance for Expected Credit Loss (ECL)

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

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

Financial Instruments (Cont'd)

Financial assets - impairment – Credit loss allowance for Expected Credit Loss (ECL) (Cont'd)

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables, the Company applies the simplified approach permitted by *"IFRS 9 Financial Instruments"*, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial assets that are subject to impairment under "IFRS 9 Financial Instruments", the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 13, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Financial Assets – Reclassification

Financial instruments are reclassified only when the Company changes the business model for managing those assets. The reclassification is not done retrospectively.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and bank overdrafts. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised at cost

Amounts arising from transactions not in the Company's ordinary operational cycle are held for the purpose of collecting their contractual cash flows and these represent only capital and interest payments. Consequently, they are measured at amortized cost using the effective interest rate method, excluding any provision for impairment. Financial assets at amortized cost are classified as current assets if they are due within one year or less (or based on the ordinary operational cycle of the Company's turnover if higher). If not, they are classified as non-current assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Financial Instruments (Cont'd)

Financial liabilities – measurement categories

Financial liabilities are initially recognized at fair value and subsequently classified in the amortized cost category, except:

- *Financial liabilities at fair value through profit or loss* - this classification applies to derivatives, financial liabilities held for trading (e.g. short-term equity positions), contingent consideration recognized by a buyer in a business combination and other financial liabilities designated as such at the time of initial recognition and
- *Financial guarantee contracts and loan commitments*

Settlement of financial instruments

A financial asset and a financial liability are offset and the net amount is shown in the statement of financial position when there is a legally enforceable right to set off the amounts recognized and there is an intention either to settle the net balance or to recover the amount of the claim with repayment of the liability. This is not generally the case with offsetting agreements, and the total of the related assets and liabilities is presented in the statement of financial position.

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 at FVTPL.

Derivatives

Derivative financial instruments are initially recognized at their fair value at the date of the contract and any costs incurred and attributable directly to that transaction are recognized in the income statement when incurred. After their initial recognition, derivatives are measured at fair value, and any changes in fair value are generally recognized in the income statement.

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.

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 investment (held at fair value through other comprehensive income) in Parklane Hotels Limited ("Parklane"), being the hotel owner, has been determined by using the expected operating profit (known as "EBITDA") which is an estimate of the valuation of the fair value using an income approach for the establishment of the value of the business as a hotel unit. In addition, the fair value of the additional building coefficient for future development of residential apartment buildings is also done by using the comparative method. For the final determination of fair value, the borrowings which relate to the renovation of the hotel unit as agreed between the shareholders are taken into consideration.

In developing estimates of operating profit, the Company must make assumptions about the 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.

With respect to the borrowing which is taken into consideration in the estimation of the fair value of the investment, management has calculated the fair value of the borrowing taking into account interest rates prevailing in the market and the agreement which has been signed between the shareholders (Note 8).

Fair value of call option

Following the agreement signed on 30 September 2014 between the Company and the 75% owner of Parklane Hotels Limited, the Company has a ("call option") to compel Parklane Hotels Limited 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 Parklane Hotels Limited. 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.

For the year ended 31 December 2019, the above call option was not recognized in the Company's financial statements as the Board of Directors considered that the call option did not have significant value. For the current year the above call option has expired without being called.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

4. ADMINISTRATION COSTS

	2020 €	2019 €
Directors' remuneration (i)	2.800	2.800
Audit committee remuneration (ii)	1.200	1.200
Auditors' remuneration for statutory audit services – current year	9.000	9.000
Auditors' remuneration for other services – current year	700	2.425
Subscriptions and contributions	11.611	11.317
Secretarial fees	4.760	4.760
Stationery and printing	940	949
Entertaining	177	-
Legal and other professional fees	25.330	15.382
Other expenses	6.446	4.574
	62.964	52.407

(i) The following directors receive an annual fee 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, Michalis Mousiouttas, Constantinos Pittas and Antonis Antoniou Latouros.

(ii) The following directors receive an annual fee of €400 each for their services as members of the Audit Committee: Antonis Antoniou Latouros, Alexis G. St. Galatariotis, Michalis Mousiouttas.

5. FINANCE COSTS

Finance costs	2020 €	2019 €
Bank overdraft and other bank charges	3	6
Other related costs	195	240
Finance costs	198	246

6. TAXATION

	2020 €	2019 €
Corporation tax – current	-	-
Tax charge	-	-

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

	2020 €	2019 €
Loss before taxation	(63.162)	(52.653)
Tax at the applicable income tax rate of *12,5%*	(7.895)	(6.582)
Tax effect of expenses that are not deductible in determining taxable profit	1.029	1.029
Effect of losses carried forward	6.866	5.553
Tax charge	-	-

The corporation tax rate during the year ended 31 December 2020 was 12,5%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

6. TAXATION (Cont'd)

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 €196.574 (2019: €178.610). The Company has not recognised deferred tax in relation to the tax losses carried forward as it is not probable that the Company will have future taxable profits.

7. BASIC AND FULLY DILUTED LOSS PER SHARE

	2020	2019
	€	€
Net loss for the year	63.162	52.653
Weighted average number of shares	141.692.040	141.692.040
	€ cent	€ cent
Basic and fully diluted loss per share	0,00	0,00

8. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2020	2019
	€	€
Investment in Parklane Hotels Limited – not publicly listed	22.500.000	20.702.980

Details of the investment at fair value through other comprehensive income at the end of the reporting period are as follows:

Name of the entity	Principal Activity	Percentage Holding 2020	Percentage Holding 2019
Parklane Hotels Limited	Hotel Operations	*24,98%*	*24,98%*

The movement of the investment is the following:

	2020	2019
	€	€
Balance 1st January	20.702.980	20.702.980
Profit from revaluation of investment at fair value	1.797.020	-
Balance 31 December	22.500.000	20.702.980

(i) Parklane Hotels Limited has the following shares as of 31 December 2020:

- 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)

8. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (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 Parklane Hotels Limited 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 Parklane Hotels Limited 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 Parklane Hotels Limited 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.

(ii) Based on agreement signed on 30 September 2014 with the investor, the Company has a ("call option") to compel Parklane Hotels Limited 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 Parklane Hotels Limited shares. The option is exercisable after 3 years from the signing of the agreement and before the lapse of six years from the Share Capital Restructuring (between 30 September 2017 and 30 September 2020).

For the year end 31 December 2019, the above call option was not recognized in the Company's financial statements as the Board of Directors considered that the call option did not have significant value. For the current year the above call option has expired without being called.

(iii) The Board of Directors has reclassified its investment in Parklane Hotels Limited to "investments held at fair value through other comprehensive income". Despite the Company's participation in Parklane Hotels Limited with more than 20% and the existence of potential voting rights , the Board of Directors of the Company had decided from 1 January 2015 that this categorization better reflects the economic substance of the events according to the degree of influence of the Company in the economic and business decisions as taken from Parklane Hotels Limited with major being the ones eventually involving the complete renovation of the hotel complex and future business model plans. Specifically, the remaining 75,02% is held by a sole investor who controls the investment, therefore the Company does not believe that it has a significant impact over Parklane Hotels Limited. The Board of Directors reconsiders the conditions that exist in relation to the aforementioned assertion and it concludes that the same conditions continue to exist and, as a result, the investment continues to be measured at fair value in accordance with the principles of *"IFRS 9 Financial Instruments"*. Furthermore, the Board of Directors, taking into account, among other things, the Company's intention and the size of the market share, based on the criteria set out in *"IFRS 10: Consolidated Financial Statements"*, the purchase option (see (ii)) is not considered to be a substantive right).

(iv) *Valuation method and key assumptions*

The valuation of the investment in Parklane Hotels Limited 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.

***31 December* 2020:**

On the 23rd of October 2020 the Company signed a Memorandum of Understanding with Emerald Properties Limited, which owns the remaining issued shares of Parklane Hotels Limited, and the potential investor for the acquisition of 100% of the issued shares of Parklane Hotels Limited. The Memorandum of Understanding included the valuation of shares the Company holds in Parklane Hotels Limited and the price for 24,98% of the issued shares in Parklane Hotels Limited, held by the Company.

According to IFRS 13 "Fair Valuation Measurements", which sets the fair value as the current exit price, the Management of the Company evaluated that the selling price, set in the Memorandum of Understanding reflects the fair value of the investment in Parklane Hotels Limited at the year end 31 December 2020. The completion of the sale agreement after the year end (Note 14), at the selling price set in the Memorandum of Understanding confirms the valuation of the Management of the Company.

8. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Cont'd)

(iv) Valuation method and key assumptions (Cont'd)

31 December 2019:

The valuation of the investment includes the valuation of the hotel complex and the building coefficient for development of residential apartments. The Company's management has used the comparative method to measure the value of the building coefficient for the future development of the residential apartment building 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. In order to ensure the accuracy of the valuation of the investment using the above method, a comparison has been performed using the valuation of the external valuator based on the replacement cost method. For the final estimation of the value of the investment, the fair value of the borrowing is taken into consideration which is connected with the renovation of the hotel unit.

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 of the Hotel Complex taking into account the characteristics and particularities of the investment, the available information and the maximization of the observable data used in the valuation.

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 2019			
Shares in Parklane Hotels Limited	Hotel Operations:		
	Fair value method based on operating profit	Multiplier: 16 Expected operating profit: €8.750 thousands	The higher the multiplier and the expected operating profit, the higher the fair value

On 20 June 2019, the company has signed an agreement with Emerald Coast Properties Ltd, which holds 75,01% of the shares of Parklane Hotels Limited. The agreement, amongst others, covers the restructuring and repayment schedule of the credit facilities of the company Parklane Hotels Limited which relate to: (a) the renovation of the hotel complex and operating expenses until the date of operation of the hotel and (b) the development and sale of the luxury apartments under construction.

As per the terms of the agreement, the loan for the renovation has been agreed at a fixed amount which reflects the initial forecasts of the investment, whereas the proceeds from the sale of the luxury apartments are to be used to repay the remaining part of the loans of Parklane Hotels Limited.

As a result, the development and sale of luxury apartments is not taken into account in the valuation of the investment for the year ended 31 December 2019. However, this is offset from the benefit derived from the interest free and long term loan for the renovation of the hotel.

8. INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Cont'd)

(iv) *Sensitivity*

The table below shows the possible impact on the fair value of the investment in Parklane Hotels Limited 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 2019 €**
Operating profit method (Hotel complex)	
Increase by *10%* in the expected operating profit	3.147.828
Decrease by *10%* in the expected operating profit	(3.147.172)
Increase by *1* percentage point in the multiplier	1.966.828
Decrease by *1* percentage point in the multiplier	(1.967.172)

9. SHARE CAPITAL

	2020 €	**2019 €**
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

10. PAYABLES AND ACCRUALS

	2020 €	**2019 €**
Other payables and accruals	16.416	15.543
	16.416	15.543

11. COMMITMENTS AND CONTINGENCIES

As at 31 December 2020, the Company did not have any capital commitments or contingencies.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

12. 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.

Directors fees are presented in note 4.

The following transactions were carried out with related parties:

Name	Nature of transactions	2020 €	2019 €
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 2020 €	2019 €
The Cyprus Cement Public Company Limited	Financing	(241.886)	(182.710)
Parklane Hotels Limited	Financing	142.331	142.331
		(99.556)	(40.379)

The balances with related companies do not bear interest and are payable on demand.

i. The parent Company The Cyprus Cement Public Company Ltd, as the main creditor, with a letter sent to the Company confirms their intention not to request repayment of the amount owed to them in the near future, and also confirms that they will provide sufficient financial support to the Company if is necessary. After year end with the signed agreement for the sale of the investment in Parklane hotels Limited and the collection of the selling amount describe in Note 14, the Company is at position to repay the above amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

13. CREDIT 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 (Parklane Hotels Limited). The Company continuously monitors the ageing of the receivables.

Maximum exposure to credit risk

	2020	**2019**
	€	**€**
Amount receivable from related parties	142.331	142.331
Cash and cash equivalents	3.079	191
	145.410	142.522

(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 2020, 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.

	Carrying amount	**Contractual cash flows**	**Payable on demand and up to 3 months**
	€	**€**	**€**
31 December 2020			
Trade and other payables	258.303	258.303	258.303
	258.303	258.303	258.303

	Carrying amount	**Contractual cash flows**	**Payable on demand and up to 3 months**
	€	**€**	**€**
31 December 2019			
Trade and other payables	198.253	198.253	198.253
	198.253	198.253	198.253

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

13. CREDIT RISK MANAGEMENT (cont'd)

(iii) Market/ price risk

Market /price risk is the risk of loss from changes in the fair value of investment held at fair value through other comprehensive income (note 8) 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).

(iv) Tourism industry and real estate risk

The investment in Parklane Hotels Limited, 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.

In addition, Parklane Hotels Limited 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.

Furthermore, the risks for the tourism industry and the real estate industry have increased in the period following the balance sheet date due to the rapid spread of the COVID-19 pandemic. The Company has evaluated the risks as explained in Note 14.

(v) Capital risk management

The Company manages its capital, as shown in the balance sheet statement, 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.

13. CREDIT RISK MANAGEMENT (cont'd)

(vi) Fair value

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

	Carrying amount 2020 €	Fair value 2020 €	Carrying amount 2019 €	Fair value 2019 €
Financial assets				
Investment at fair value through other comprehensive income	22.500.000	22.500.000	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:

	Level 3 2020 €	Level 3 2019 €
Financial assets		
Investment at fair value through other comprehensive income	22.500.000	20.702.980

14. EVENTS AFTER THE REPORTING PERIOD

On 9 April 2021 the sale and purchase agreement of the 100% of the issued shares of Parklane Hotels Limited was completed.

According to the signed Binding Agreement, the Company sold the 24,98% of its share in Parklane to Emerald Coast Properties Ltd, which owns the rest of 75,02% of the issued shares of Parklane. Simultaneously, Emerald Coast Properties with a separate Binding Agreement in which the Company is not a party proceed and sold the 100% of their issued shares of Parklane, to MHC Mediterranean Hospitality Venture Limited

It is clarified that MHV Mediterranean Hospitality Venture Limited is a related company of Invel Real Estate Management (Cyprus) Ltd.

The consideration for the sale of the 24,98% of the shares the Company held in Parklane Hotels Limited is €22,5 million, which was paid in cash with the completion of the Share Purchase Agreement.

The transaction was made at an arm's length basis and Emerald Coast Properties Limited and MHV Mediterranean Hospitality Venture Limited have no relation with the Company or the Members of the Board of Directors.

There have been no other significant events following the reporting period which have a bearing on the understanding of the financial statements.