C.C.C. TOURIST ENTERPRISES PUBLIC COMPANY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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FOR THE YEAR ENDED 31 DECEMBER 2021

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	Antis Triantafilides and Sons LLC
Bankers	Bank of Cyprus Public Company Limited EFG Bank AG
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 2021, on the basis of our knowledge, declare that:

a) the financial statements which are presented on pages 13 to 31:

   (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, 29 April 2022

MANAGEMENT REPORT

For the year ended 31 December 2021

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 2021.

Principal activity

The principal activity of the Company until 9 April 2021, was 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".

After the completion of the sale of the investment in Parklane Hotels Limited, the Company continues to manage its current assets, which consists of cash and cash equivalents received from the above-mentioned sale, and which are deposited in a financial institution. As described below under the "Share Capital" paragraph, in an extraordinary general meeting of the shareholders it was decided that an amount of €19,8m be paid in cash to the shareholders in the form of capital reduction.

The Company has no intention to continue its activities in any other sector, but until the date of issue of the Financial Statements no formal decision has been taken.

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

On 9 April 2021, the Share Purchase Agreement of the 100% issued shares of Parklane Hotels Limited was completed. According to the signed Agreement, the Company sold the 24,98% of the shares it held in Parklane to Emerald Coast Properties Ltd, which owns the remainder 75,02% of the issued shares in Parklane. Simultaneously, Emerald Coast Properties with a separate Binding Agreement in which the Company was not a party sold the 100% of their issued shares of Parklane, to MHV Mediterranean Hospitality Venture Limited. The consideration for the disposal of the 24,98% of the shares the Company held in Parklane Hotels Limited amounted to €22,5 million, which was paid in cash with the completion of the Share Purchase Agreement.

Based on the agreement, a profit of €1.797.200 has been recognized in the financial statements for the year ended 31 December 2020 arising from the revaluation of the investment to fair value, through other comprehensive income, such that the carrying value of the investment could reflect the Share Purchase Agreement.

Financial performance

The Company incurred losses for the year of €148.416 (2020: loss €63.162).

Financial position

The Company's total assets at the year-end were €22.188.046 (2020: €22.645.410). Net assets decreased from €22.387.107 in 2020 to €2.209.937 in 2021 is due to Capital Reduction (refer to paragraph under the heading "Share capital").

Expected future developments of the Company

As mentioned above, after the disposal of the investment in Parklane Hotels Limited and the return of the capital to the shareholders, the Company has no intention to continue its activities in any other sector, but until the date of issue of the Financial Statements no formal decision has been taken.

MANAGEMENT REPORT (Cont'd)

For the year ended 31 December 2021

Risks and uncertainties

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

At the Extraordinary General Meeting of the shareholders of the Company, which was held on 13 October 2021, the following special resolution was approved:

a) That the share premium account of the Company, be reduced and same is hereby reduced from EUR 1.756.398 to EUR 0 (zero) for the purpose of writing off accumulated losses of the Company.

b) That the authorised share capital of the Company which amounts to EUR 64.500.000 divided into 150.000.000 ordinary shares with a nominal value of EUR 0,43 cent each, be reduced and same is hereby reduced to EUR 2.445.000 divided into 150.000.00 ordinary shares with a nominal value of EUR 0,0163 cent each.

   That the issued share capital of the Company which amounts to EUR 60.927.577,20 divided into 141.692.040 ordinary shares with a nominal value of EUR 0,43 cent each, be reduced and same is hereby reduced from EUR 60.927.577,20 to EUR 2.309.580,252 by the reduction of the nominal value of each share as follows:

   (i) reduction of the nominal value of the shares of the Company from EUR 0,43 cent each to EUR 0,1563 cent each for the purpose of writing off accumulated losses of the Company of €38.781.111,348.
   (ii) reduction of the nominal value of the shares of the Company from EUR 0,1563 cent each to EUR 0,0163 cent each by the return of cash to the shareholders of the amount of EUR 19.836.885,60, which corresponds to EUR 0,14 cent per share.

The above-mentioned special resolution was approved by the District Court of Limassol on 22 December 2021.

On 31 December 2021, the issued and fully paid-up share capital of the Company amounted to €2.309.580,00 dividend into 141.692.040 ordinary shares at €0,0163 each (2020: 0,43 per share).

There were no other 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 15 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 2021

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:

	29 April 2022	**31 December 2021**
	%	%
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 2022	**31 December 2021**
	%	%
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 2021

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 2021.

In accordance with the Company's Articles of Association Messrs. Alexis Galatariotis, Michalis Mousiouttas and Antonis Antoniou Latouros 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, 29 April 2022

Deloitte.

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 13 to 31 and comprise the statement of financial position of the Company as at 31 December 2021, 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 2021, 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.

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)

<table>
<tr><th>Key audit matter</th><th>How audit addressed the key audit matter</th></tr>
<tr><th colspan="2">Valuation of fair value through other comprehensive income statement</th></tr>
<tr><td>As described in note 8 to the financial statements, on 9 April 2021, the intended agreement for the disposal of the Parklane Hotels Limited was completed for €22,5 million, which reflects the carrying value of the investment resulted in the books as at the date of the disposal.

No accounting profit or loss resulted from the disposal, since the carrying value of the investment, already reflected the selling price at the date of the disposal. Expenses of €191.868 arising from the disposal were recognized in other comprehensive income, where the gain from the revaluation of the fair value of the investment was recognized.

The finalisation of the disposal is considered as key audit matter due to the significance of the disposal to the financial statements.

More information on the disposal of the investment, is disclosed in notes 8 and 11 to the financial statements.</td><td>In cooperation with our internal valuation specialists, we have performed, among others, the following audit procedures:
• We examined the sale and purchase agreement signed as described in note 8 of the financial statements.
• We examined the settlement of the price consideration and we assessed the creditworthiness of the financial institution in which the sales proceeds were deposited, to ensure compliance with the provisions of IFRS 9.
• We examined the key terms of the agreement and we assessed the tax implications arising from the sale of the investment.
• In cooperation with our internal tax specialists, we examined the correspondence between the Company and the Tax Department, in regards to the initial capital gains tax imposed on the Company, as well as the objection subsequently submitted by the Company.
• In cooperation with our internal tax specialists, we assessed the final capital gains tax imposed on the Company and the accounting treatment of the resulting liability.
• We assessed whether the disclosures in the financial statements include the required disclosures required by the International Financial Reporting Standards.

All of the above procedures were completed in a satisfactory manner.</td></tr>
</table>

Deloitte.

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 2021 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.

European Single Electronic Format

We have examined the digital files of the European Single Electronic Format (ESEF) of **C.C.C. Tourist Enterprises Public Company Limited** for the year ended 31 December 2021 comprising an XHTML file which includes the financial statements for the year then ended and XBRL files with the marking up carried out by the entity of annual financial statements (the "digital files").

The Board of Directors of **C.C.C. Tourist Enterprises Public Company Limited** is responsible for preparing and submitting the consolidated financial statements for the year ended 31 December 2021 in accordance with the requirements set out in the EU Delegated Regulation 2019/815 of 17 December 2018 of the European Commission (the "ESEF Regulation").

Our responsibility is to examine the digital files prepared by the Board of Directors of **C.C.C. Tourist Enterprises Public Company Limited**. According to the Audit Guidelines issued by the Institute of Certified Public Accountants of Cyprus (the "Audit Guidelines"), we are required to plan and perform our audit procedures in order to examine whether the content of the financial statements included in the digital files correspond to the financial statements we have audited, and whether the format and marking up included in the digital files have been prepared in all material respects, in accordance with the requirements of the ESEF Regulation.
In our opinion, the digital files examined correspond to the financial statements, and the financial statements included in the digital files, are presented and marked-up, in all material respects, in accordance with the requirements of the ESEF Regulation.

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, 29 April 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 €	2020 €
Administration costs	4	(125.261)	(62.964)
Finance costs	5	(23.155)	(198)
Loss before taxation		(148.416)	(63.162)
Taxation	6	-	-
Loss for the year		(148.416)	(63.162)
Other comprehensive income for the year			
Other comprehensive income for the year		-	1.797.020
Expenses incurred for the disposal of the investment at fair value through other comprehensive income	8(v)	(191.868)	-
Total (loss)/income for the year		(340.284)	1.733.858

	Note	€ cent	€ cent
Loss per share			
Basic and fully diluted loss per share	7	(0,00)	(0,00)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	2021 €	2020 €
ASSETS			
Non-current assets			
Investment at fair value through other comprehensive income	**8**	-	22.500.000
		-	22.500.000
Current assets			
Receivables from related companies	**12**	-	142.331
Cash and cash equivalents		22.188.046	3.079
		22.188.046	145.410
Total assets		22.188.046	22.645.410
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	**9**	2.309.580	60.927.577
Share premium		-	1.756.398
Accumulated losses		(99.643)	(40.296.868)
Total equity		2.209.937	22.387.107
Current liabilities			
Payables and accruals	**10**	41.223	16.416
Payable to shareholders	**13**	19.836.886	-
Payable to related companies	**13**	-	241.887
Tax liabilities	**11**	100.000	-
		19.978.109	258.303
Total liabilities		19.978.109	258.303
Total equity and liabilities		22.188.046	22.645.410

On 29 April 2022 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 2021

	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 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
1 January 2021	60.927.577	1.756.398	-	(40.296.868)	22.387.107
Comprehensive income					
Loss for the year	-	-	-	(148.416)	(148.416)
Reduction of share capital (Note 9)	(58.617.997)	(1.756.398)	-	40.537.509	(19.836.886)
Expenses incurred for the disposal of the investment at fair value through other comprehensive income	-	-	(191.868)	-	(191.868)
Transfer of reserve to accumulated losses	-	-	191.868	-	191.868
31 December 2021	2.309.580	-	-	(99.643)	2.209.937

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) 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. After the disposal of the investment, the Company transferred the remainder of the reserve to accumulated losses.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 €	2020 €
Cash flows from operating activities		
Loss before taxation	(148.416)	(63.162)
Adjustments for:		
Interest payable	-	198
	(148.416)	(62.964)
Changes in working capital:		
Decrease in receivables	142.331	-
Decrease in prepayments	-	6.000
(Decrease)/ increase in payables and accruals	(67.631)	873
Cash used in operating activities	(73.761)	(56.091)
Interest paid	-	(198)
Net cash used in operating activities	(73.761)	(56.289)
Cash flows from financing activities		
(Decrease)/ Increase in amount due to related parties	(241.317)	59.177
	(315.033)	59.177
Net cash generated from investing activities		
Receipts from the sale of investment held at fair value through other comprehensive income	22.500.000	-
Net increase in cash and cash equivalents	22.184.967	2.888
Cash and cash equivalents at 1 January	3.079	191
Cash and cash equivalents at 31 December	22.188.046	3.079

The reconciliation table for the year 2021 between the initial and final balances for the liabilities arising from financing activities, is presented below:

	€
Balance 1 January 2020	**182.710**
Additional Funding	59.177
Balance 1 January 2021 (note 12)	**241.887**
Additional Funding	(241.887)
Balance 31 December 2021 (note 12)	**-**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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 until 9 April 2021, was 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".

After the completion of the sale of the investment in Parklane Hotels Limited, the Company continues to manage its current assets, which consists of cash and cash equivalents received from the above-mentioned sale, and which were deposited in a financial institution. As described below under the “Share Capital” paragraph, at an extraordinary general meeting of the shareholders of the Company, it was decided that an amount of €19,8m will be paid in cash to the shareholders in the form of capital reduction.

The Company has no intention to continue its activities in any other sector, but until the date of issue of the Financial Statements no formal decision has been taken yet.

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. The Board of Directors believes that the financial performance of the Company will not be affected.

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 2021. 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:**
IFRS 17: Insurance Contracts	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement	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 2018-2021	1 January 2023

ii) Not yet adopted by the European Union

Standard/ Interpretation	**Effective for annual periods beginning on or after:**
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Noncurrent.	1 January 2023
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023

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.

<u>Financial assets</u>

<u>Financial assets – Classification</u>

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.

Transactions costs
Transactions costs on investments held through other comprehensive income are recognised in other comprehensive income and are not reclassified in profit or loss. The Company can reclassify from the other comprehensive income to the retained earnings (where the transactions costs are included), for example if the investment held though other comprehensive income is derecognized. The transactions costs may include capital gains tax, and duties. The transactions costs do not include financing costs, internal management fees, and holding costs.

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.

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)

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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, as described in note 8, has been determined by the management of the Company by using the fair value method.

For the year ended 31 December 2020, the Company used the method of current exit value as the fair value of the investment based on the consideration amount, as stated in the Memorandum of Understanding, and described in note 8.

4. ADMINISTRATION COSTS

	2021 €	2020 €
Directors' remuneration (i)	2.800	2.800
Audit committee remuneration (ii)	1.200	1.200
Auditors' remuneration for statutory audit services – current year (iii)	16.500	9.000
Auditors' remuneration for other services – current year	6.500	700
Subscriptions and contributions	-	11.611
Management Fees	40.460	4.760
Stationery and printing	2.010	940
Entertaining	175	177
Legal and other professional fees	33.468	25.330
Other expenses	22.148	6.446
	125.261	62.964

(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.

(iii) The charge for 2021, includes fees of €4.000 for agreed upon procedures services required by the external auditor of the Company, concerning the application submitted to the court for the capital reduction.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

5. FINANCE COSTS

Finance costs	2021 €	2020 €
Bank overdraft and other bank charges	(21.464)	3
Other related costs	(1.691)	195
Finance costs	(23.155)	198

6. TAXATION

	2021 €	2020 €
Corporation tax – current	-	-
Tax charge	-	-

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

	2021 €	2020 €
Loss before taxation	(148.416)	(63.162)
Tax at the applicable income tax rate of *12,5%*	(18.552)	(7.895)
Tax effect of expenses that are not deductible in determining taxable profit	(22.867)	1.029
Effect of losses carried forward	41.419	6.866
Tax charge	-	-

The corporation tax rate during the year ended 31 December 2021 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 €196.574 (2020: €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

	2021 €	2020 €
Net loss for the year	148.416	63.162
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

	2021 €	2020 €
Investment in Parklane Hotels Limited – not publicly listed	-	22.500.000

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 2021	Percentage Holding 2020
Parklane Hotels Limited	Hotel Operations	-	*24,98%*

The movement of the investment is the following:

	2021 €	2020 €
Balance 1st January	22.500.000	20.702.980
Gain from revaluation of investment at fair value	-	1.797.020
Disposal (v)	(22.500.000)	-
Balance 31 December	-	22.500.000

(i) Parklane Hotels Limited has the following shares as of 31 December 2021:

- 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)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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

(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).

The above call option was not recognized in the Company's financial statements in previous years as the Board of Directors considered that the call option did not have significant value.

(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 consideration amount 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)

(v) On 9 April 2021, the Share Purchase Agreement of the 100% issued shares of Parklane Hotels Limited was completed. According to the signed Agreement, the Company sold the 24,98% of the shares it held in Parklane to Emerald Coast Properties Ltd, which owns the remainder 75,02% of the issued shares in Parklane. Simultaneously, Emerald Coast Properties with a separate Binding Agreement in which the Company was not a party sold the 100% of their issued shares of Parklane, to MHV Mediterranean Hospitality Venture Limited. The consideration of the 24,98% of the shares the Company held in Parklane Hotels Limited was €22,5 million, which was paid in cash with the completion of the Share Purchase Agreement.

Based on the agreement, a profit of €1.797.200 was recognized in the financial statements for the year ended 31 December 2020 arising from the revaluation of the investment to fair value, through other comprehensive income, such that the carrying value of the investment reflects the Share Purchase Agreement.

As a result of the sale, the Company has recognized the amount of €191.868 in the other comprehensive as expenses incurred for the disposal of the investment. This amount relates to €100.000 capital gain tax (note 11) and €91.868 legal and expenses.

9. SHARE CAPITAL

	2021 €	2020 €
Authorised		
150.000.000 ordinary shares of €0.0163 each (2020: €0,43 each)	2.445.000	64.500.000
Issued and fully paid shares		
Balance as at 1 January	60.927.577	60.927.577
Capital reduction		
Write off of accumulated losses (note b(v))	(38.781.111)	-
Capital returned to the shareholders	(19.836.886)	-
Balance at 31 December	2.309.580	60.927.577

At the Extraordinary General Meeting of the shareholders of the Company, which was held on 13 October 2021, the following special resolution was approved:

a) That the share premium account of the Company, be reduced and same is hereby reduced from EUR 1.756.398 to EUR 0 (zero) for the purpose of writing off accumulated losses of the Company.

b) That the authorised share capital of the Company which amounts to EUR 64.500.000 divided into 150.000.000 ordinary shares with a nominal value of EUR 0,43 cent each, be reduced and same is hereby reduced to EUR 2.445.000 divided into 150.000.00 ordinary shares with a nominal value of EUR 0,0163 cent each.

   That the issued share capital of the Company which amounts to EUR 60.927.577,20 divided into 141.692.040 ordinary shares with a nominal value of EUR 0,43 cent each, be reduced and same is hereby reduced from EUR 60.927.577,20 to EUR 2.309.580,252 by the reduction of the nominal value of each share as follows:

   i. reduction of the nominal value of the shares of the Company from EUR 0,43 cent each to EUR 0,1563 cent for the purpose of writing off accumulated losses of the Company of €38.781.111,348 and
   ii. reduction of the nominal value of the shares of the Company from EUR 0,1563 cent each to EUR 0,0163 cent each by the return of cash to the shareholders of the amount of EUR 19.836.885,60, which corresponds to EUR 0,14 cent per share.

The above-mentioned special resolution was approved by the District Court of Limassol on 22 December 2021.

10. PAYABLES AND ACCRUALS

	2021 €	2020 €
Other payables and accruals	41.223	16.416
	41.223	16.416

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. TAX LIABILITIES

	2021 €	2020 €
Capital gains tax	100.000	-
	100.000	-

The amount of €100.000 relates to capital gains tax which was imposed by the Tax department for the disposal of the 24,98% of the shares held by the Company in Parklane Hotels Limited. The initial capital gains tax imposed by the Tax department amounted to €1,9m for which the Company filled an objection. The objection against the tax imposed was set off with the payment of €100.000, for the final settlement of the tax (note 15 (ii)).

12. COMMITMENTS AND CONTINGENCIES

As at 31 December 2021, the Company did not have any capital commitments or contingencies.

13. 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	2021 €	2020 €
C.C.C. Secretarial Limited	Management fees	94.010	4.760

(i) The amount of €53.550 was included in the expenses for the disposal of the investment in Parklane Hotels Limited and was debited to the other comprehensive income.

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 2021 €	2020 €
The Cyprus Cement Public Company Limited	Financing	-	(241.886)
The Cyprus Cement Public Company Limited	Capital returned	(13.348.240)	
Parklane Hotels Limited	Financing	-	142.331

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

(i) As described in note 9(b) the Issued Share Capital was reduced with the reduction of the nominal value of the shares from €0,1563 per share to €0,0163 per share, by the return of cash to the shareholders of the amount of €19.836.866,60, which corresponds to €0,14 per share. As a result of the above-mentioned transaction, the payable balance due to the shareholders was due at the year end and was fully repaid after the year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

14. 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

	2021	2020
	€	€
Amount receivable from related parties	-	142.331
Cash and cash equivalents	22.188.046	3.079
	22.188.046	145.410

The Company assesses, on an individual basis, its exposure to credit risk arising from cash at bank. This assessment takes into account, ratings from external credit rating institutions and internal ratings, if external are not available.

The following table presents the gross book value of cash in the bank based on internal credit worthiness and the rating of Moody's Investors Service, which represent the maximum exposure to credit risk from these assets as at 31 December 2021:

	Carrying value €
External credit rating	
As at 31 December 2021	
P-1	22.127.205
NP	60.841

Cash and cash equivalents are also subject to the provisions of IFRS 9. The cash in bank was serviced and classified in stage 1 and the estimated loss at 31 December 2021 was insignificant.

(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.

14. CREDIT RISK MANAGEMENT (cont'd)

(ii) Liquidity Risk

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 2021			
Tax liabilities	100.000	100.000	100.000
Trade and other payables	41.223	41.223	41.223
Payable to shareholders	19.836.886	19.836.886	19.836.886
	19.978.109	19.978.109	19.978.109

	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

(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 was 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

14. CREDIT RISK MANAGEMENT (cont'd)

(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.

(iv) Fair value

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

	Carrying amount 2021 €	Fair value 2021 €	Carrying amount 2020 €	Fair value 2020 €
Financial assets				
Investment at fair value through other comprehensive income	-	-	22.500.000	22.500.000

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 2021 €	Level 3 2020 €
Financial assets		
Investment at fair value through other comprehensive income	-	22.500.000

15. EVENTS AFTER THE REPORTING PERIOD

(i) On 22 February 2022, the payment of Capital Return to the beneficiary shareholder was completed (see note 9(b)).

(ii) On 10 March 2022, the Company paid the amount of €100.000 plus interest for the full settlement of the capital gains tax (see note 11).

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