

DRAGON CAPITAL (CYPRUS) LIMITED
SUMMARY REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2018

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
DRAGON CAPITAL (CYPRUS) LIMITED

Independent Auditor's Report on the Summary Financial Statements

Opinion

The accompanying summary financial statements, which comprise the summary statement of financial position, as at 31 December 2018, the summary statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited financial statements of Dragon Capital (Cyprus) Limited ("the Company") for the year ended 31 December 2018.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS -EU) and the Cyprus Companies Law, Cap. 113, as amended from time to time.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union (IFRS - EU) and the Cyprus Companies Law, Cap. 113 as amended from time to time. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 24 April 2019.

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Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements on the basis described in Note "Basis for preparation" on page 7 of the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised) "Engagements to Report on Summary Financial Statements".



Michalis P. Michael, FCCA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia
Cyprus

24 April 2019

DRAGON CAPITAL (CYPRUS) LIMITED

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SUMMARY STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	2018 US\$	2017 US\$
Assets		
Non-current assets		
Property, plant and equipment	698	1.235
Financial assets at fair value through profit or loss	2.387.137	3.509.277
Contribution to Investor Compensation Fund	<u>92.351</u>	<u>96.642</u>
Total non-current assets	<u>2.480.186</u>	<u>3.607.154</u>
Current assets		
Trade and other receivables	2.745.361	801.843
Loans receivable	661.961	-
Financial assets at fair value through profit or loss- trading	34.589.065	26.094.131
Refundable tax	95.090	65.442
Cash and cash equivalents	<u>4.982.389</u>	<u>4.262.498</u>
Total current assets	<u>43.073.866</u>	<u>31.223.914</u>
Total assets	<u>45.554.052</u>	<u>34.831.068</u>
Equity		
Equity and reserves		
Share capital	10.107	10.107
Share premium	22.677.657	22.677.657
Reserves	<u>5.105.884</u>	<u>5.991.244</u>
Total equity	<u>27.793.648</u>	<u>28.679.008</u>
Liabilities		
Current liabilities		
Short term loans	15.000.000	5.000.000
Financial liabilities at fair value through profit or loss	2.041.171	732.879
Trade and other payables	<u>719.233</u>	<u>419.181</u>
Total current liabilities	<u>17.760.404</u>	<u>6.152.060</u>
Total equity and liabilities	<u>45.554.052</u>	<u>34.831.068</u>

The notes on page 7 are an integral part of these financial statements.

The Company has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

On 24 April 2019 the Board of Directors of Dragon Capital (Cyprus) Limited approved and authorised these financial statements for issue.

.....
Oleksandr Fedorov
Director

.....
Apollon Athanasiades
Director

The notes on page 7 are an integral part of these financial statements.

DRAGON CAPITAL (CYPRUS) LIMITED

**SUMMARY STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**

For the year ended 31 December 2018

	2018 US\$	2017 US\$
Income		
Dividend income	2.013.526	545.919
Interest income	2.041.598	1.139.012
Net (losses)/gains on financial assets at fair value through profit or loss	(1.910.699)	9.489.308
Net exchange (loss)/profit	(191.176)	143.667
Brokerage and commission income	<u>143.903</u>	<u>354.974</u>
Total revenue	<u>2.097.152</u>	<u>11.672.880</u>
Expenses		-
Staff costs	(309.224)	(230.107)
Depreciation	(537)	(498)
Impairment loss on receivables	(99.840)	-
Administration and other expenses	<u>(1.880.413)</u>	<u>(2.586.321)</u>
	<u>(2.290.014)</u>	<u>(2.816.926)</u>
Operating (loss)/profit	(192.862)	8.855.954
Net finance expenses	<u>(636.781)</u>	<u>(302.000)</u>
(Loss)/profit before tax	(829.643)	8.553.954
Tax	<u>-</u>	<u>-</u>
(Loss)/profit for the year	<u>(829.643)</u>	<u>8.553.954</u>
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive (expense)/income for the year	<u>(829.643)</u>	<u>8.553.954</u>

The Company has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

The notes on page 7 are an integral part of these financial statements.

DRAGON CAPITAL (CYPRUS) LIMITED

SUMMARY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2018

	Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Balance at 1 January 2017	10.106	20.251.140	4.937.290	25.198.536
Comprehensive income				
Profit for the year	-	-	8.553.954	8.553.954
Transactions with owners of the Company				
Issue of share capital	1	2.426.517	-	2.426.518
Dividends	-	-	(7.500.000)	(7.500.000)
Balance at 31 December 2017	<u>10.107</u>	<u>22.677.657</u>	<u>5.991.244</u>	<u>28.679.008</u>
Balance at 1 January 2018 as previously reported	10.107	22.677.657	5.991.244	28.679.008
Adjustment on initial application of IFRS 9, net of tax	-	-	(55.717)	(55.717)
Balance at 1 January 2018	<u>10.107</u>	<u>22.677.657</u>	<u>5.935.527</u>	<u>28.623.291</u>
Comprehensive income				
Loss for the year	-	-	(829.643)	(829.643)
Balance at 31 December 2018	<u>10.107</u>	<u>22.677.657</u>	<u>5.105.884</u>	<u>27.793.648</u>

Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, during the two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed this amount as dividend. Special contribution for defence at 17% will be payable on such deemed dividend to the extent that the ultimate owners at the end of the period of two years from the end of the year of assessment to which the profits refer are both Cyprus tax resident and Cyprus domiciled. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year at any time. This special contribution for defence is paid by the company for the account of the owners.

The notes on page 7 are an integral part of these financial statements.

DRAGON CAPITAL (CYPRUS) LIMITED

SUMMARY STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	2018 US\$	2017 US\$
Cash flows from operating activities		
(Loss)/profit for the year	(829.643)	8.553.954
Adjustments for:		
Depreciation of property, plant and equipment	537	498
Fair value losses/(gains) on financial assets at fair value through profit or loss	3.414.437	(1.414.368)
Impairment charge - loans	110.388	-
Reversal of impairment of receivables	(10.548)	-
Dividend income	(2.013.526)	-
Interest income	(2.041.598)	(1.139.012)
Interest expense	<u>636.781</u>	<u>302.000</u>
	(733.172)	6.303.072
Increase in trade and other receivables	(1.988.687)	(676.423)
Increase in financial assets at fair value through profit or loss	(8.782.636)	(6.613.311)
Increase in financial liabilities at fair value through profit and loss	1.308.292	369.876
Increase in trade and other payables	300.052	313.300
Decrease/(increase) in contribution to Investor Compensation Fund	<u>4.291</u>	<u>(11.941)</u>
Cash used in operations	<u>(9.891.860)</u>	<u>(315.427)</u>
Interest received	2.306	27.003
Dividends received	2.013.526	-
Tax paid	(29.648)	(22.472)
Loans granted	(1.345.575)	(2.751.328)
Loans repayments received	<u>607.923</u>	<u>12.574.901</u>
Net cash (used in)/generated from operating activities	<u>(8.643.328)</u>	<u>9.512.677</u>
Cash flows from investing activities		
Payment for acquisition of property, plant and equipment	-	(616)
Net cash used in investing activities	<u>-</u>	<u>(616)</u>
Cash flows from financing activities		
Repayment of borrowings	(10.000.000)	-
Proceeds from borrowings	20.000.000	-
Interest paid	(636.781)	(302.000)
Dividends paid	<u>-</u>	<u>(7.500.000)</u>
Net cash generated from/(used in) financing activities	<u>9.363.219</u>	<u>(7.802.000)</u>
Net increase in cash and cash equivalents	719.891	1.710.061
Cash and cash equivalents at beginning of the year	<u>4.262.498</u>	<u>2.552.437</u>
Cash and cash equivalents at end of the year	<u>4.982.389</u>	<u>4.262.498</u>

The Company has initially applied IFRS 15 and IFRS 9 at 1 January 2018. Under the transition methods chosen, comparative information has not been restated.

The notes on page 7 are an integral part of these financial statements.

DRAGON CAPITAL (CYPRUS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2018

1. BASIS OF PREPARATION

These summary financial statements of the Company have been prepared by extraction, without any modification, of the financial position as at 31 December 2018, the statements of profit and loss and other comprehensive income, changes in equity and cash flows for the year then ended from the financial statements of the Company prepared in accordance with international Financial Reporting Standards as adopted by the European Union (IFRS - EU) and the Cyprus Companies Law, Cap. 113, as amended from time to time.

The financial statements, from which the summary financial statements have been derived, are available from Dragon Capital (Cyprus) Limited upon request at 1 Poseidonos Street, Ledra Business Centre, Engomi, 2406 Nicosia, Cyprus.