

DRAGON CAPITAL (CYPRUS) LIMITED
SUMMARY REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2016

DRAGON CAPITAL (CYPRUS) LIMITED
SUMMARY REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2016

CONTENTS

	<u>Page</u>
Independent Auditors' report	1 & 2
Summary statement of comprehensive income	3
Summary statement of financial position	4
Summary statement of changes in equity	5
Summary statement of cash flows	6
Notes to the summary financial statements	7



KPMG Limited
Chartered Accountants
14 Esperidon Street, 1087 Nicosia, Cyprus
P.O. Box 21121, 1502 Nicosia, Cyprus
T: +357 22 209000, F: +357 22 678200

Independent Auditors' report
to the Members of
DRAGON CAPITAL (CYPRUS) LIMITED

Report on the summary financial statements

Opinion

The accompanying summary financial statements, which comprise the summary statement of comprehensive income, the summary statement of financial position as of 31 December 2016, the summary statement of changes in equity and the summary statement of cash flows for the year then ended, are derived from the audited financial statements of the Company for the year ended 31 December 2016. We expressed an unmodified audit opinion on those financial statements in our report dated 27 April 2017.

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 the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements.

Management's Responsibility for the Summary Financial Statements

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

Board Members

N.G. Syrimis, A.K. Christofides, P.G. Loizou, A.M. Gregoriades, D.S. Vakis, A.A. Apostolou, S.A. Loizides, M.A. Loizides, S.G. Sofocleous, M.M. Antoniadis, C.V. Vasilou, P.E. Antoniadis, M.J. Halios, M.P. Michael, P.A. Peleties, G.V. Markides, M.A. Papacosta, K.A. Papanicolaou, A.I. Shiammoutis, G.H. Tziortzis, H.S. Charalambous, C.P. Anayotos, I.P. Ghalanos, M.G. Gregoriades, H.A. Kakoulis, G.P. Savva, C.A. Kalias, C.N. Kallis, M.H. Zavrou, P.S. Elia, M.G. Lazarou, Z.E. Hadjizacharas, P.S. Theophanous, M.A. Karantoni, C.A. Markides, G.V. Andriou, J.C. Nicolaou, G.S. Prodromou, A.S. Sofocleous, G.H. Syrimis, T.J. Yaseמידes, A.A. Bargilly, K.A. Christofides, P.P. Vanezis

Limassol
P.O. Box 50161, 3601
T +357 25 869000
F +357 25 363842

Larnaca
P.O. Box 40075, 6300
T +357 24 200000
F +357 24 200200

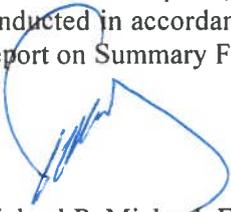
Paphos
P.O. Box 60288, 8101
T +357 26 943050
F +357 26 943062

Paralimni / Ayia Napa
P.O. Box 33200, 5311
T +357 23 820080
F +357 23 820084

Polis Chrysochou
P.O. Box 66014, 8330
T +357 26 322098
F +357 26 322722

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".



Michael 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

27 April 2017

DRAGON CAPITAL (CYPRUS) LIMITED

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	Note	2016 US\$	2015 US\$
Income			
Interest and dividend		964,821	2,675,415
Net gain on financial assets at fair value through profit or loss		4,944,353	2,654,174
Foreign exchange transactions profit/(loss)		459	(97,229)
Fee and commission income		<u>91,465</u>	<u>65,602</u>
		<u>6,001,098</u>	<u>5,297,962</u>
Expenses			
Administrative expenses		(1,867,673)	(411,558)
Net finance expenses		<u>(300,822)</u>	<u>(622,951)</u>
		<u>(2,168,495)</u>	<u>(1,034,509)</u>
Profit before tax		3,832,603	4,263,453
Tax		<u>-</u>	<u>(157,157)</u>
Profit for the year		<u>3,832,603</u>	<u>4,106,296</u>
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>3,832,603</u></u>	<u><u>4,106,296</u></u>

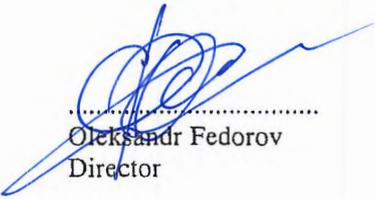
DRAGON CAPITAL (CYPRUS) LIMITED

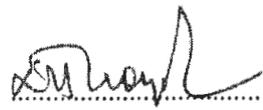
SUMMARY STATEMENT OF FINANCIAL POSITION

As at 31 December 2016

	Note	2016 US\$	2015 US\$
Assets			
Non-current assets			
Property, plant and equipment		1.117	1.856
Financial assets at fair value through profit or loss		739.570	1.927.792
Loans receivable		5.039.668	-
Contribution to Investor Compensation Fund		<u>84.701</u>	<u>87.479</u>
Total non-current assets		<u>5.865.056</u>	<u>2.017.127</u>
Current assets			
Trade and other receivables		125.420	79.830
Financial assets at fair value through profit or loss		17.428.849	4.104.436
Loans receivable		4.652.688	-
Current income tax asset		42.970	29.104
Cash and cash equivalents		<u>2.552.437</u>	<u>20.530.578</u>
Total current assets		<u>24.802.364</u>	<u>24.743.948</u>
Total assets		<u>30.667.420</u>	<u>26.761.075</u>
Equity			
Equity and reserves			
Share capital		10.106	10.006
Share premium		20.251.140	20.051.240
Reserves		<u>4.937.290</u>	<u>1.104.687</u>
Total equity		<u>25.198.536</u>	<u>21.165.933</u>
Liabilities			
Current liabilities			
Loans and borrowings		5.000.000	5.000.000
Financial liabilities at fair value through profit or loss		363.003	-
Trade and other payables		<u>105.881</u>	<u>595.142</u>
Total current liabilities		<u>5.468.884</u>	<u>5.595.142</u>
Total equity and liabilities		<u>30.667.420</u>	<u>26.761.075</u>

On 27 April 2017 the Board of Directors of Dragon Capital (Cyprus) Limited approved and authorised these summary financial statements for issue.


.....
Oleksandr Fedorov
Director


.....
Sotirios Eliofotou
Director

DRAGON CAPITAL (CYPRUS) LIMITED

SUMMARY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2016

Note	Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Balance at 1 January 2015	10.006	20.051.240	(3.001.609)	17.059.637
Comprehensive income				
Profit for the year	-	-	4.106.296	4.106.296
Balance at 31 December 2015	<u>10.006</u>	<u>20.051.240</u>	<u>1.104.687</u>	<u>21.165.933</u>
Balance at 1 January 2016	10.006	20.051.240	1.104.687	21.165.933
Comprehensive income				
Profit for the year	-	-	3.832.603	3.832.603
Issue of share capital	<u>100</u>	<u>199.900</u>	-	<u>200.000</u>
Balance at 31 December 2016	<u>10.106</u>	<u>20.251.140</u>	<u>4.937.290</u>	<u>25.198.536</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 shareholders 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 shareholders.

DRAGON CAPITAL (CYPRUS) LIMITED
SUMMARY STATEMENT OF CASH FLOWS

For the year ended 31 December 2016

	Note	2016 US\$	2015 US\$
Cash flows from operating activities			
Profit for the year		3,832,603	4,106,296
Adjustments for:			
Depreciation of office equipment		739	3,715
Fair value loss/(gain) on financial assets at fair value through profit or loss		5,896,149	(3,315,934)
Income tax expense		-	157,157
		<u>9,729,491</u>	<u>951,234</u>
(Increase)/decrease in trade and other receivables		(45,590)	1,969,709
(Increase)/decrease in financial assets at fair value through profit or loss		(18,032,340)	23,227,600
Increase in financial liabilities at fair value through profit or loss		363,003	-
Decrease in trade and other payables		(489,261)	(2,200,061)
Decrease in contribution to Investor Compensation Fund		<u>2,778</u>	<u>9,889</u>
Cash (used in)/generated from operations		<u>(8,471,919)</u>	<u>23,958,371</u>
Tax paid		<u>(13,866)</u>	<u>(181,289)</u>
Net cash (used in)/generated from operating activities		<u>(8,485,785)</u>	<u>23,777,082</u>
Cash flows from investing activities			
Payment for acquisition of office equipment		-	(1,532)
Payment for acquisition of other assets		<u>(9,692,356)</u>	<u>-</u>
Net cash used in investing activities		<u>(9,692,356)</u>	<u>(1,532)</u>
Cash flows from financing activities			
Proceeds from issue of share capital		200,000	-
Net repayment of borrowings		-	(10,080,998)
Net repayment of loans from related companies		<u>-</u>	<u>4,390,716</u>
Net cash generated from/(used in) financing activities		<u>200,000</u>	<u>(5,690,282)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(17,978,141)</u>	<u>18,085,268</u>
Cash and cash equivalents at the beginning of the year		<u>20,530,578</u>	<u>2,445,310</u>
Cash and cash equivalents at the end of the year		<u><u>2,552,437</u></u>	<u><u>20,530,578</u></u>

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

For the year ended 31 December 2016

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 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of 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.