

LOWCHEN INVESTMENTS LIMITED

REPORT AND FINANCIAL STATEMENTS

Period from 12 June 2014 to 31 December 2014

LOWCHEN INVESTMENTS LIMITED

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LOWCHEN INVESTMENTS LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Premieserve Investment Limited
Company Secretary:	Premieserve Secretarial Services Limited
Independent Auditors:	Baker Tilly Klitou Corner C. Hatzopoulou & 30 Grivas Dighenis Avenue 1066 Nicosia Cyprus
Registered office:	11 Bouboulinas 1060 Nicosia Cyprus
Banker:	Piraeus Bank (Cyprus) Ltd

LOWCHEN INVESTMENTS LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its first report and audited financial statements of the Company for the period from 12 June 2014 to 31 December 2014.

Incorporation

The Company Lowchen Investments Limited was incorporated in Cyprus on 12 Iouviou 2014 as a private limited liability company under the Cyprus Companies Law, Cap. 113.

Principal activity

The principal activity of the Company is the investment in companies of production and sale of flour in Asia and Africa.

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company losses.

Additional details that relate to the operating environment of the Company as well as other risks and uncertainties are described in notes 3 and 13 of the financial statements.

Results

The Company's results for the period are set out on page 5.

Share capital

Authorised capital

Under its Memorandum the Company fixed its share capital at 10,000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 12 June 2014 the Company issued to the subscribers of its Memorandum of Association 1.500 ordinary shares of €1 each at par.

Board of Directors

The member of the Company's Board of Directors as at 31 December 2014 and at the date of this report is presented on page 1. The sole Director was a member of the Board of Directors throughout the period from 12 June 2014 to 31 December 2014.

In accordance with the Company's Articles of Association the sole Director presently member of the Board continues in office.

Events after the reporting period

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

Independent Auditors

The Independent Auditors, Baker Tilly Klitou, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

Premieserve Investment Limited
Director

Nicosia, 24 June 2015

Independent auditor's report

To the Members of Lowchen Investments Limited

Report on the financial statements

We have audited the financial statements of the parent company Lowchen Investments Limited (the "Company") on pages 5 to 15 which comprise the statement of financial position as at 31 December 2014, and the statements of comprehensive income, changes in equity and cash flows for the period from 12 June 2014 to 31 December 2014, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility 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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of parent company Lowchen Investments Limited as at 31 December 2014, and of its financial performance and its cash flows for the period from 12 June 2014 to 31 December 2014 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Independent auditor's report (continued)

To the Members of Lowchen Investments Limited

Report on other legal requirements

Pursuant to the additional requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of these books.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Laws of 2009 and 2013 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Panicos Charalambous
Certified Public Accountant and Registered Auditor
for and on behalf of

Baker Tilly Klitou
Certified Public Accountants and Registered Auditors

Corner C. Hatzopoulou &
30 Grivas Dighenis Avenue
1066 Nicosia
Cyprus

Nicosia, 24 June 2015

LOWCHEN INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Period from 12 June 2014 to 31 December 2014

		12/06/2014 - 31/12/2014 €
	Note	
Administration expenses		(3.086)
Other expenses		<u>(2.202)</u>
Operating loss	5	(5.288)
Finance costs	6	<u>(112)</u>
Loss before tax		(5.400)
Tax	7	<u>-</u>
Net loss for the period		(5.400)
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u>(5.400)</u>

The notes on pages 9 to 15 form an integral part of these financial statements.

LOWCHEN INVESTMENTS LIMITED

STATEMENT OF FINANCIAL POSITION

31 December 2014

	Note	2014 €
ASSETS		
Non-current assets		
Investment in subsidiary	8	<u>900</u>
		<u>900</u>
Current assets		
Receivables	9	<u>536</u>
Cash at bank	10	<u>28</u>
		<u>564</u>
Total assets		<u><u>1.464</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	11	<u>1.500</u>
Accumulated losses		<u>(5.400)</u>
Total equity		<u>(3.900)</u>
Current liabilities		
Trade and other payables	12	<u>5.364</u>
		<u>5.364</u>
Total equity and liabilities		<u><u>1.464</u></u>

On 24 June 2015 the Board of Directors of Lowchen Investments Limited authorised these financial statements for issue.

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Premieserve Investment Limited
Director

The notes on pages 9 to 15 form an integral part of these financial statements.

LOWCHEN INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY

Period from 12 June 2014 to 31 December 2014

	Share capital €	Accumulated losses €	Total €
Comprehensive income			
Net loss for the period	-	(5.400)	(5.400)
Transactions with owners			
Issue of share capital	1.500	-	1.500
Balance at 31 December 2014	1.500	(5.400)	(3.900)

The notes on pages 9 to 15 form an integral part of these financial statements.

LOWCHEN INVESTMENTS LIMITED

STATEMENT OF CASH FLOWS

Period from 12 June 2014 to 31 December 2014

		12/06/2014 - 31/12/2014 €
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		<u>(5.400)</u>
Cash flows used in operations before working capital changes		(5.400)
Increase in receivables		(536)
Increase in trade and other payables		<u>5.364</u>
Cash flows used in operations		<u>(572)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investment in subsidiary	8	<u>(900)</u>
Net cash flows used in investing activities		<u>(900)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		<u>1.500</u>
Net cash flows from financing activities		<u>1.500</u>
Net increase in cash and cash equivalents		28
Cash and cash equivalents:		
At beginning of the period		<u>-</u>
At end of the period	10	<u><u>28</u></u>

The notes on pages 9 to 15 form an integral part of these financial statements.

LOWCHEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 12 June 2014 to 31 December 2014

1. Incorporation and principal activities

Country of incorporation

The Company Lowchen Investments Limited (the "Company") was incorporated in Cyprus on 12 Iouviou 2014 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 11 Bouboulinas, 1060 Nicosia, Cyprus.

Principal activity

The principal activity of the Company is the investment in companies of production and sale of flour in Asia and Africa.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Going concern basis

The Company incurred a loss of €5.400 for the period from 12 June 2014 to 31 December 2014, and, as at that date its current liabilities exceeded its current assets by €4.800. The Company is dependent upon the continuing financial support of its shareholder without which there would be significant doubt about its ability to continue as a going concern as well as its ability to realise its assets and discharge its liabilities in the ordinary course of business. The shareholder has indicated its intention to continue providing such financial assistance to the Company to enable it to continue as a going concern and to meet its obligations as they fall due.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. The financial statements have been prepared under the historical cost convention.

The company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not attend to issue consolidated financial statements for the year ended 31 December 2014.

The European Commission has concluded that since parents companies are required by the EU 4th Directive to prepare their separate financial statements and since the Companies Law, Cap.113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IAS 27 "Consolidated and Separate Financial Statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

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

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2014.

LOWCHEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 12 June 2014 to 31 December 2014

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

LOWCHEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 12 June 2014 to 31 December 2014

2. Accounting policies (continued)

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

3. Financial risk management

Financial risk factors

The Company is exposed to liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 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 and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.2 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

LOWCHEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 12 June 2014 to 31 December 2014

5. Operating loss

	12/06/2014 - 31/12/2014 €
Operating loss is stated after charging the following items:	
Auditors' remuneration	744
Incorporation expenses	<u>2.202</u>

6. Finance costs

	12/06/2014 - 31/12/2014 €
Sundry finance expenses	<u>112</u>
	<u>112</u>

7. Tax

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	12/06/2014 - 31/12/2014 €
Loss before tax	<u>(5.400)</u>
Tax calculated at the applicable tax rates	(675)
Tax effect of expenses not deductible for tax purposes	333
Tax effect of tax loss for the period	<u>342</u>
Tax charge	<u>-</u>

The corporation tax rate is 12,5% (2012:10%).

Under certain conditions interest income may be subject to defence contribution at the rate of 30% (2012:15%). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter.

Due to tax losses sustained in the period, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years. As at 31 December 2014, the balance of tax losses which is available for offset against future taxable profits amounts to €2.736 for which no deferred asset is recognised in the statement of financial position.

LOWCHEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 12 June 2014 to 31 December 2014

8. Investment in subsidiary

	2014 €
Balance at 1 January	-
Additions	<u>900</u>
Balance at 31 December	<u>900</u>

The details of the subsidiary are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	Holding %	2014 €
Lafco Leader Asian Food Company Limited	Cyprus	Holding of investments and provision of financing	60	<u>900</u>
				<u>900</u>

9. Receivables

	2014 €
Prepayments	<u>536</u>
	<u>536</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

10. Cash at bank

Cash balances are analysed as follows:

	2014 €
Cash at bank	<u>28</u>
	<u>28</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note of the financial statements.

11. Share capital

	2014 Number of shares	2014 €
Authorised		
Ordinary shares of €1 each	<u>10.000</u>	<u>10.000</u>
Issued and fully paid		
Issue of shares	<u>1.500</u>	<u>1.500</u>
Balance at 31 December	<u>1.500</u>	<u>1.500</u>

Authorised capital

Under its Memorandum the Company fixed its share capital at 10,000 ordinary shares of nominal value of €1 each.

LOWCHEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 12 June 2014 to 31 December 2014

11. Share capital (continued)

Issued capital

Upon incorporation on 12 June 2014 the Company issued to the subscribers of its Memorandum of Association 1.500 ordinary shares of €1 each at par.

12. Trade and other payables

	2014 €
Shareholders' current accounts - credit balances (Note 14)	3.198
Accruals	1.192
Other creditors	974
	<u>5.364</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

13. Operating Environment of the Company

The Cyprus economy has been adversely affected from the crisis in the Cyprus banking system in conjunction with the inability of the Republic of Cyprus to borrow from international markets. As a result, the Republic of Cyprus entered into negotiations with the European Commission, the European Central Bank and the International Monetary Fund (the "Troika"), for financial support, which resulted into an agreement and the Eurogroup decision of 25 March 2013. The decision included the restructuring of the two largest banks in Cyprus through "bail in". During 2013 the Cyprus economy contracted further with a decrease in the Gross Domestic Product.

Following the positive outcome of the first and second quarterly reviews of Cyprus's economic programme by the European Commission, the European Central Bank and the International Monetary Fund during 2013, the Eurogroup endorsed the disbursement of the scheduled tranches of financial assistance to Cyprus.

14. Related party transactions

The following transactions were carried out with related parties:

14.1 Shareholders' current accounts - credit balances (Note 12)

	2014 €
Shareholders' current accounts - credit balances	3.198
	<u>3.198</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

15. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

16. Commitments

The Company had no capital or other commitments as at 31 December 2014.

LOWCHEN INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 12 June 2014 to 31 December 2014

17. Events after the reporting period

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

Independent auditor's report on pages 3 and 4

LOWCHEN INVESTMENTS LIMITED

DETAILED INCOME STATEMENT

Period from 12 June 2014 to 31 December 2014

		12/06/2014 - 31/12/2014
	Page	€
Operating expenses		
Administration expenses	17	<u>(3.086)</u>
		(3.086)
Other operating expenses		
Incorporation expenses		<u>(2.202)</u>
		(5.288)
Operating loss		
Finance costs	18	<u>(112)</u>
		(5.400)
Net loss for the period before tax		<u>(5.400)</u>

LOWCHEN INVESTMENTS LIMITED

OPERATING EXPENSES

Period from 12 June 2014 to 31 December 2014

	12/06/2014 - 31/12/2014 €
Administration expenses	
Annual levy	350
Auditors' remuneration	744
Accounting fees	268
Other professional fees	<u>1.724</u>
	<u>3.086</u>

LOWCHEN INVESTMENTS LIMITED

FINANCE COSTS

Period from 12 June 2014 to 31 December 2014

**12/06/2014 -
31/12/2014
€**

Finance costs

Sundry finance expenses

Bank charges

112

112

LOWCHEN INVESTMENTS LIMITED

COMPUTATION OF CORPORATION TAX Period from 12 June 2014 to 31 December 2014

Net loss per income statement	Page 16	€	€ (5.400)
<u>Add:</u>			
Annual levy		350	
Incorporation expenses		2.202	
Bank charges		<u>112</u>	
			<u>2.664</u>
Net loss for the year			<u><u>(2.736)</u></u>

CALCULATION OF TAX LOSSES FOR THE FIVE YEAR PERIOD

Tax year	Profits/(losses) for the tax year	Gains Offset		Gains Offset		Gains Offset	
		Amount €	Year	Amount €	Year	Amount €	Year
2009	-	-		-		-	
2010	-	-		-		-	
2011	-	-		-		-	
2012	-	-		-		-	
2013	-	-		-		-	
2014	(2.736)	-		-		-	

Net loss carried forward (2.736)