

The Mall of Cyprus (MC) Plc

The Board of Directors of the Public Company “The Mall of Cyprus (MC) Plc (the “**Company**”) on the 12 October 2017, approved the audited financial statements for the period ended on the 30 June 2017. The Board further resolved that no final dividend be declared for the aforementioned period.

Furthermore, the Board of Directors decided to convene the annual general meeting of the Company on the 6th November 2017 at 8:30 am, at the offices of PriceWaterhouseCoopers Limited in Nicosia, at 43, Demostheni Severi Avenue.

The full and complete text of the audited financial statements (together with the Director’s Report, and the Auditors’ Report thereon) for the period ended 30 June 2017 and the instrument appointing proxy are available on the website www.atterbury.eu and the Cyprus Stock Exchange website www.cse.com.cy. Copies of the documents referred to can also be obtained from the Registered Office of the Company at the Mall of Cyprus 3, Vergina str., Strovolos, Nicosia, Cyprus, or by sending request by email at christos.kafouris@neo.law without any charge. The invitation to the Annual General Meeting will be mailed to all shareholders of the Company.

The Mall of Cyprus (MC) Plc



Montrago Services Limited

Secretary

Date: 12 October 2017

The Mall of Cyprus (MC) Plc

Report and financial statements 30 June 2017

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The Mall of Cyprus (MC) Plc

Board of Directors and other officers

Board of Directors

Takis Christodoulou
John George Mavrokordatos
George Mouskides
Martin Oliver (appointed 5 July 2017)

Company Secretary

Montrago Services Limited
195, Arch. Makariou III Str
Neocleous House
3030, Limassol
Cyprus

Registered office

3 Verginas Str
The Mall of Cyprus
Strovolos
2025, Nicosia
Cyprus

Legal Advisors

Elias Neocleous & Co LLC

Financial Controller

Antonia Constantinou

The Mall of Cyprus (MC) Plc

Declaration of the members of the Board of Directors and of other officers of the company for the financial statements

According to Article 9, subsections (3) (c) and (7) of the Transparency Requirements (Traded Securities on a Regulated Market) Law of 2007 ('Law'), we the members of the Board of Directors and other officers responsible for the financial statements of The Mall of Cyprus Plc for the year ended 30 June 2017, we confirm that, according to our knowledge:

a) The annual financial statements presented on pages 15 to 52 were:

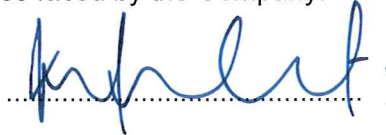
(i) prepared in accordance with International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of subsection (4) of the Act, and

(ii) give a true and fair view of assets and liabilities, financial position and profit of The Mall of Cyprus (MC) Plc, and

b) The Management Report provides a fair overview of the developments and performance of the business and financial position of The Mall of Cyprus Plc, together with a description of the principal risks and uncertainties faced by the Company.

Members of the Board of Directors

John George Mavrokordatos - Director



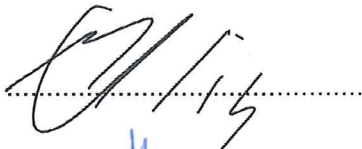
George Mouskides - Director



Takis Christodoulou - Director



Martin Oliver - Director



Responsible for Preparation of Financial Statements

Antonia Constantinou – Financial Controller



Nicosia, 12 October 2017

The Mall of Cyprus (MC) Plc

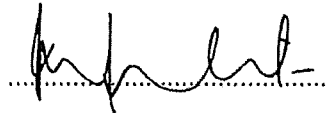
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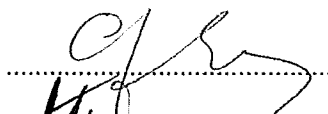
- a) The annual financial statements presented on pages 15 to 52 were:
- (i) prepared in accordance with International Financial Reporting Standards as adopted by the European Union and in accordance with the provisions of subsection (4) of the Act, and
 - (ii) give a true and fair view of assets and liabilities, financial position and profit of The Mall of Cyprus (MC) Plc, and
- b) The Management Report provides a fair overview of the developments and performance of the business and financial position of The Mall of Cyprus Plc, together with a description of the principal risks and uncertainties faced by the Company.

Members of the Board of Directors

John George Mavrokordatos - Director



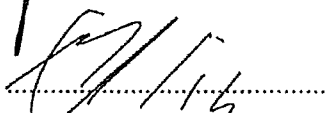
George Mouskides - Director



Takis Christodoulou - Director

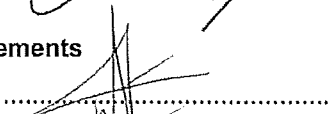


Martin Oliver - Director



Responsible for Preparation of Financial Statements

Antonia Constantinou – Financial Controller



Nicosia, 12 October 2017

The Mall of Cyprus (MC) Plc

Management Report

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 30 June 2017.

Principal activities and nature of operations of the Company

2 The principal activity of the Company is the leasing/granting of rights of use of space of its property, the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store and other building developments for retail/commercial purposes.

Change of financial year end

3 At the Company's Board of Directors meeting held on 30 November 2015, the Board of Directors decided to change the financial year end of the Company from 31 December to 30 June of each respective year.

4 Due to the change of financial year end from 31 December to 30 June, the Company's comparative financial information presented in these financial statements cover the fifteen month period from 1 April 2015 to 30 June 2016. The reason for the change is the fact that the Company's new shareholders' financial year end is 30 June. Therefore, the numbers related to the results and cash flows of the comparative period (15 months) as presented in these financial statements are not comparable to the current year's figures (12 month period).

Group Structure

5 During the year, the shareholders of Atterbury Cyprus Limited, the parent company, changed, whereby Atterbury Europe bought AIH International Holding Limited's shares in Atterbury Cyprus on 31 March 2017. Atterbury Europe BV moved from a non controlling 48,75% shareholder in Atterbury Cyprus to a 97,50% shareholder.

6 The Company does not intend to proceed with any acquisitions or mergers.

Review of developments, position and performance of the Company's business

7 The operating profit of the Company for the year ended 30 June 2017 was €10.884.825 (period 1 April 2015 to 30 June 2016: profit of €3.544.852). The finance costs for the period were €3.234.076 (period 1 April 2015 to 30 June 2016: €2.265.394). The tax charge for the twelve months ended 30 June 2017 amounted to €870.926 (period 1 April 2015 to 30 June 2016: tax credit €350.205) which includes deferred tax charge of €358.126 (period 1 April 2015 to 30 June 2016: deferred tax credit €867.994).

8 The profit after tax of the Company for the period ended was €6.788.714 (period 1 April 2015 to 30 June 2016: profit of €1.629.893).

9 The total assets of the Company were €172.975.840 (30 June 2016: €172.224.879) and the net assets were €70.110.392 (30 June 2016: €78.321.678).

10 The financial position, development and performance of the Company as presented in these financial statements is considered satisfactory.

The Mall of Cyprus (MC) Plc

Management Report (continued)

Principal risks and uncertainties

11 The principal risks and uncertainties faced by the Company are disclosed in Notes 1, 3 and 4 of the financial statements. Following a long and relatively deep economic recession, the Cyprus economy began to record positive growth in 2015 which accelerated during 2016. The restrictive measures and capital controls which were in place since March 2013 were lifted in April 2015 and on the back of the strength of the economy's performance and the strong implementation of required measures and reforms, Cyprus exited its economic adjustment programme in March 2016. In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have proceeded with a number of upgrades of the credit ratings for the Cypriot sovereign, and although the rating continues to be "non-investment grade", the Cyprus government has regained access to the capital markets. The outlook for the Cyprus economy over the medium term remains positive, however, there are downside risks to the growth projections emanating from the high levels of non performing exposures, uncertainties in the property markets, as well as potential deterioration in the external environment for Cyprus, including continuation of the recession in Russia in conditions of protracted declines in oil prices; weaker than expected growth in the euro area as a result of worsening global economic conditions; slower growth in the UK with a weakening of the pound as a result of uncertainty regarding the result of the Brexit referendum; and political uncertainty in Europe in view of Brexit and the refugee crisis.

12 This operating environment, could affect (1) the ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Company trade and other debtors to repay the amounts due to the Company (3) the ability of the company to generate sufficient turnover from its investment properties and/or offer its services to tenants, and (4) the cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets.

Use of financial instruments by the Company

13 The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

14 The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by Management and approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity.

The Mall of Cyprus (MC) Plc

Management Report (continued)

Cash flow and fair value interest rate risk

15 The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings at fixed rates expose the Company to fair value interest rate risk. All borrowings are issued at variable rates.

16 At 30 June 2017, if interest rates on Euro-denominated borrowings had been 0,5% higher/lower with all other variables held constant, post-tax profit year ended 30 June 2017 would have been €332.218 (30 June 2016: €364.551) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

17 The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

18 Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

19 For banks and financial institutions, only those that are highly rated by the Board of Directors are accepted. Management assesses the credit quality of the users of space, taking into account its financial position, past experience and other factors.

20 The Company's credit risk arises from trade receivables amounting to €711.214, other receivables amounting to €761.538 and bank balances amounting to €913.285. As of 30 June 2017, trade receivables of €135.569 (30 June 2016: €46.984) were impaired and provided for. The amount of the provision was €322.084 as of 30 June 2017 (30 June 2016: €186.515). The individually impaired receivables relate to tenants, which are in an unexpectedly difficult economic situation. It was assessed that a portion of the receivables is expected to be recovered.

Liquidity risk

21 Management monitors the current liquidity position of the Company based on expected cash flows and expected revenue receipts. On a long-term basis, liquidity risk is defined based on the expected future cash flows at the time of entering into new credit facilities or loans and based on budgeted forecasts. Management believes that it is successful in managing the Company's liquidity risk.

The Mall of Cyprus (MC) Plc

Management Report (continued)

Future developments of the Company

22 The Company commenced the project for the expansion of the Mall of Cyprus by about an additional area of 5.500 m² on the first floor, which will be used for retail, entertainment and cultural purposes in order to meet the demands of its customers/visitors and also increase the variety of offerings at the mall, for which space there is high demand from local and international retailers and users. With the expansion about an additional 200 parking places shall be created. The Company has secured the necessary planning and building permits for the expansion.

Visitors traffic

23 The visitors traffic at The Mall of Cyprus for the year ended 30 June 2017 amounted to 5.227.240 people.

Results

24 The Company's results for the period are set out on page 15. The Board of Directors, following consideration of the availability of profits for distribution as well as the liquidity position of the Company, recommends the payment of a dividend as detailed below and the remaining profit for the year is retained.

Dividends

25 On 7 April 2017, an interim dividend of 15 cents per share, amounting to €15.000.000 was paid in relation to the profit for the current and previous years.

Share capital

26 There were no changes in the share capital of the Company.

Board of Directors

27 The members of the Board of Directors at 30 June 2017 and at the date of this report are shown on page 1. All of them were members of the Board throughout the year ended 30 June 2017, except Mr Martin Olivier, who was appointed as Director on 5 July 2017.

28 In accordance with the Company's Articles of Association Messrs Takis Christodoulou, John George Mavrokordatos, George Mouskides and Martin Olivier, retire at the next Annual General Meeting and, being eligible, offer themselves for re-election.

The Mall of Cyprus (MC) Plc

Management Report (continued)

Events after the balance sheet date

29 There were no material post balance sheet events, which have a bearing on the understanding of the financial statements.

Branches

30 The Company did not operate through any branches during the period.

Directors' interests in the Company's share capital

31 The members of the Board of Directors did not control directly or indirectly any part of the share capital of the Company, at 30 June 2017 and as at the date of this report.

32 Except from the balances and transactions disclosed in Note 27 of the financial statements, there were no other significant contracts with the Company or its subsidiaries or related companies, in which a Director or related parties had a significant interest.

Main shareholders

33 At the date of this report, the following shareholders of the Company held directly or indirectly over 5% of the Company's issued share capital:

	Percentage of shareholding %
Direct shareholder:	
Atterbury Cyprus Limited	99,67
Indirect shareholders:	
Atterbury Onroerend Goed Houdster Europa Cooperatief U.A.(Netherlands) and Steinhoff International Holdings N.V equally through Atterbury Europe BV (Netherlands)	97,18

The Mall of Cyprus (MC) Plc

Management Report (continued)

Independent Auditors

34 The Independent Auditors, PricewaterhouseCoopers Limited, have expressed their willingness to continue in office. 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



**Montrago Services Limited
Company Secretary**

Nicosia,
12 October 2017

MONTRAGO SERVICES LIMITED



Independent auditor's report

To the Members of The Mall of Cyprus (MC) Plc

Report on the audit of the financial statements of The Mall of Cyprus (MC) Plc

Our opinion

In our opinion, the accompanying financial statements of The Mall of Cyprus (MC) Plc ("the Company") give a true and fair view of the financial position of the Company as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

What we have audited

We have audited the financial statements which are presented in pages 15 to 51, which comprise:

- the balance sheet as at 30 June 2017;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is International Financial Reporting Standards 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company 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. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers Ltd, Julia House, 3 Themistocles Dervis Street, CY-1066 Nicosia, Cyprus
P O Box 21612, CY-1591 Nicosia, Cyprus
T: +357 - 22 555 000, F: +357 - 22 555 001, www.pwc.com/cy

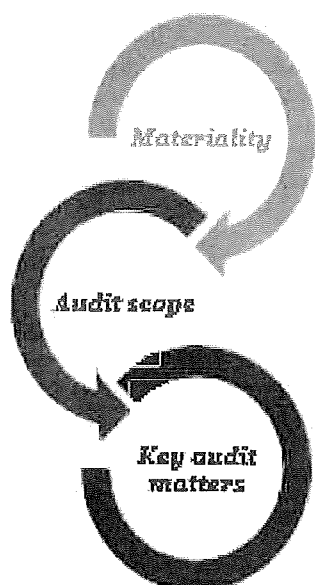
PricewaterhouseCoopers Ltd is a member firm of PricewaterhouseCoopers International Ltd, each member firm of which is a separate legal entity. PricewaterhouseCoopers Ltd is a private company registered in Cyprus (Reg. No. 143594). A list of the company's directors including for individuals the present name and surname, as well as any previous names and for legal entities the corporate name, is kept by the Secretary of the company at its registered office at 3 Themistocles Dervis Street, 1066 Nicosia and appears on the company's web site. Offices in Nicosia, Limassol and Paphos.



Our audit approach

Overview

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we considered the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.



Overall materiality: € 383.000 which represents approximately 5% of profit before income tax.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements of the Company taken as a whole.

We have identified the following key audit matter:

- Valuation of Investment Properties at fair value

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.



Overall materiality	€ 383.000
How we determined it	5% on profit before income tax, rounded to the nearest thousand
Rationale for the materiality benchmark applied	We chose profit before income tax as the benchmark, because in our view, it is the benchmark against which the value of the Company is most commonly measured by the users, as they are interested in the operational results of the Company, and is a generally accepted benchmark. We chose 5,0% which based on our experience is within the range of acceptable quantitative materiality thresholds.

We agreed with those charged with governance that we would report to them individual misstatements identified during our audit above € 19.150 on the financial statements respectively as well as misstatements below that amounts that, in our view, warranted reporting for qualitative reasons.

How we tailored our audit scope

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements of the Company taken as a whole, taking into account the management structure of the Company, the accounting processes and the industry in which the Company operates.

The Company's principal activity is the leasing/granting of rights of use of space of its property, the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store and other building developments for retail/commercial purposes. The Company is represented by only one business reporting unit, on which we undertook a full scope audit.

Overall, we have obtained sufficient and appropriate audit evidence regarding the financial information of the Company to provide a basis for our audit opinion on the financial statements.

Key audit matters

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.

Key Audit Matter	How our audit addressed the Key Audit Matter
<u>Valuation of Investment Properties at fair value</u>	
Refer to Note 2, Summary of Significant Accounting Policies, Note 4, Critical Accounting Estimates and Judgements and Note 18 Investment Properties.	Our audit procedures in relation to Management's valuation of Investment Properties included an evaluation of the Management's independent external valuer's competency, capabilities and objectivity.



Key Audit Matter	How our audit addressed the Key Audit Matter
<i>Management has estimated the fair value of the Investment Properties to be €170,345,648 as at 30 June 2017 representing approximately 98% of the Company's total assets. The investment property valuations are dependent on certain key assumptions that require significant management judgement including terminal capitalisation rates, discount rate and fair market rents. Some of these estimates and judgements are subject to market forces and will change over time. Independent external valuations were obtained by Management in order to support the estimates.</i>	<i>We have also assessed the mathematical accuracy, methodologies used and the appropriateness of the key assumptions used, by comparing with general economic and market specific expectations and engaging our in-house valuation experts to assess whether the assumptions used were within a reasonable range of acceptable assumptions.</i> <i>Furthermore, we evaluated the adequacy of the Company's disclosures in the financial statements regarding the valuation of Investment Properties.</i>

Other information

The Board of Directors is responsible for the other information. The other information comprises the Management report. Other information 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 and will 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 on the other information that we obtained prior to the date of this auditor's report, 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 the 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 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.



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 scepticism 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 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 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 fair presentation.

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. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal requirements

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

- In our opinion, 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 our opinion, and in the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the management report.

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 69 of the Auditors Law of 2017 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.

The engagement partner on the audit resulting in this independent auditor's report is Nicos A. Theodoulou.

A handwritten signature in black ink, appearing to read 'N. A. Theodoulou'.

Nicos A. Theodoulou
Certified Public Accountant and Registered Auditor
for and on behalf of

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 12 October 2017

The Mall of Cyprus (MC) Plc

Statement of comprehensive income for the year ended 30 June 2017

		2017	For the period from 1 April 2015 to 30 June 2016
	Note	€	€
Rights for use of space and other income	5	11,747,633	14,562,527
Administrative expenses	8	(1,202,265)	(1,831,951)
Other income	6	421,257	529,124
Other losses - net	7	(81,800)	(9,714,848)
Operating profit		10,884,825	3,544,852
Finance costs	10	(3,234,076)	(2,265,394)
Finance income	11	8,891	230
Profit before income tax		7,659,640	1,279,688
Income tax (expense)/credit	12	(870,926)	350,205
Profit and total comprehensive income for the year		<u>6,788,714</u>	<u>1,629,893</u>
Earnings per share attributable to the Company's shareholders (cents per share):			
	Note	2017	2016
Basic and fully diluted - cents	13	6,8	1,6

The notes on pages 19 to 52 are an integral part of these financial statements.

The Mall of Cyprus (MC) Plc

Balance sheet at 30 June 2017

	Note	2017 €	2016 €
Assets			
Non-current assets			
Property, plant and equipment	17	176.136	240.295
Investment property	18	<u>170.345.648</u>	<u>170.000.000</u>
		<u>170.521.784</u>	<u>170.240.295</u>
Current assets			
Trade and other receivables	19	1.540.771	1.409.256
Cash and bank balances	20	<u>913.285</u>	<u>575.328</u>
		<u>2.454.056</u>	<u>1.984.584</u>
Total assets		<u>172.975.840</u>	<u>172.224.879</u>
Equity and liabilities			
Capital and reserves			
Share capital	21	50.000.000	50.000.000
Retained earnings		<u>20.110.392</u>	<u>28.321.678</u>
Total equity		<u>70.110.392</u>	<u>78.321.678</u>
Non-current liabilities			
Borrowings	22	63.149.549	66.380.102
Deferred income tax liabilities	23	17.006.394	16.648.268
Trade and other payables	24	<u>2.492.803</u>	<u>2.750.895</u>
		<u>82.648.746</u>	<u>85.779.265</u>
Current liabilities			
Trade and other payables	25	5.038.132	4.354.241
Current income tax liabilities		247.610	149.181
Borrowings	22	<u>14.930.960</u>	<u>3.620.514</u>
		<u>20.216.702</u>	<u>8.123.936</u>
Total liabilities		<u>102.865.448</u>	<u>93.903.201</u>
Total equity and liabilities		<u>172.975.840</u>	<u>172.224.879</u>

On 12 October 2017 the Board of Directors of The Mall of Cyprus (MC) Plc authorised these financial statements for issue.

John George Mavrokordatos, Director



George Mouskides, Director



The notes on pages 19 to 52 are an integral part of these financial statements.

The Mall of Cyprus (MC) Plc

Statement of changes in equity for the year ended 30 June 2017

	Note	Share capital €	Retained earnings ⁽¹⁾ €	Total €
Balance at 1 April 2015		<u>50.000.000</u>	<u>26.691.785</u>	<u>76.691.785</u>
Comprehensive income				
Profit for the year		<u>-</u>	<u>1.629.893</u>	<u>1.629.893</u>
Balance at 30 June 2016 / 1 July 2016		<u>50.000.000</u>	<u>28.321.678</u>	<u>78.321.678</u>
Comprehensive income				
Profit for the year		<u>-</u>	<u>6.788.714</u>	<u>6.788.714</u>
Transactions with owners				
Dividend relating to 2017 and previous years paid in April 2017	14	<u>-</u>	<u>(15.000.000)</u>	<u>(15.000.000)</u>
Balance at 30 June 2017		<u>50.000.000</u>	<u>20.110.392</u>	<u>70.110.392</u>

- (1) Companies which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, by the end of 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 15% will be payable on such deemed dividend to the extent that the shareholders for deemed dividend distribution purposes at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The special contribution for defence rate increased to 17% in respect of profits of year of assessment 2009 and to 20% in respect of profits of years of assessment 2010 and 2011 and is reduced back to 17% in respect of profits of years of assessment 2012 onwards. The amount of this deemed dividend distribution is reduced by any actual dividend paid out of the profits of the relevant year by the end of the period of two years from the end of the year of assessment to which the profits refer. This special contribution for defence is paid by the Company for the account of the shareholders.

The notes on pages 19 to 52 are an integral part of these financial statements.

The Mall of Cyprus (MC) Plc

Statement of cash flows for the year ended 30 June 2017

		For the period from 1 April 2015 to 30 June 2016
	2017 €	€
Cash flows from operating activities		
Profit before income tax	7.659.640	1.279.688
Adjustments for:		
Depreciation of property, plant and equipment	17 64.159	272.457
Loss on sale of property, plant and equipment	17 -	3.704
Fair value losses on investment property	18 81.800	9.711.144
Interest income	11 (8.891)	(230)
Interest expense	10 3.233.551	2.265.377
	<u>11.030.259</u>	<u>13.532.140</u>
Changes in working capital:		
Trade and other receivables	(131.515)	442.646
Trade and other payables	<u>425.799</u>	<u>(1.185.180)</u>
Cash generated from operations	11.324.543	12.789.606
Income tax paid	<u>(414.371)</u>	<u>(1.031.417)</u>
Net cash generated from operating activities	<u>10.910.172</u>	<u>11.758.189</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	17 -	(30.869)
Purchases of investment property	18 (427.448)	(160.965)
Interest received	<u>8.891</u>	<u>230</u>
Net cash used in investing activities	<u>(418.557)</u>	<u>(191.604)</u>
Cash flows from financing activities		
Proceeds from bank borrowings	-	69.439.326
Repayments of bank borrowings	(3.430.462)	(59.100.000)
Proceeds from loans from related parties	27(vi) 450.392	1.503.445
Repayments of loans from related parties	27(vi) (4.222.230)	(16.673.570)
Interest paid	(2.902.596)	(2.265.377)
Dividends paid to Company's shareholders	14 (48.762)	-
Net cash used in financing activities	<u>(10.153.658)</u>	<u>(7.096.176)</u>
Net increase in cash and cash equivalents	337.957	4.470.409
Cash and cash equivalents at beginning of year	<u>575.328</u>	<u>(3.895.081)</u>
Cash and cash equivalents at end of year	20 <u>913.285</u>	<u>575.328</u>

Non cash transaction:

A dividend of €14.951.238 was distributed to the parent entity, Atterbury Cyprus Ltd, which was not paid but instead credited to a loan account (Note 27(vi)).

The notes on pages 19 to 52 are an integral part of these financial statements.

The Mall of Cyprus (MC) Plc

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113 and listed on the (unregulated) Emerging Companies Market of the Cyprus Stock Exchange. Its registered office is at 3 Verginas Street, The Mall of Cyprus, Strovolos, 2025, Nicosia, Cyprus.

Principal activities

The principal activity of the Company is the leasing/granting of rights of use of space of its property, the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store and other building developments for retail/commercial purposes.

Change of financial year end

At the Company's Board of Directors meeting held on 30 November 2015, the Board of Directors decided to change the financial year end of the Company from 31 December to 30 June of each respective year.

Due to the change of financial year end from 31 December to 30 June, the Company's comparative financial statements are for a fifteen month period from 1 April 2015 to 30 June 2016. The reason for the change is the fact that the new shareholders financial year end is 30 June. The numbers related to the results and cash flows of the comparative period (15 months) as presented in these financial statements are not comparable to the current year's figures (12 month period).

Operating environment of the Company

Following a long and relatively deep economic recession, the Cyprus economy began to record positive growth in 2015 which accelerated during 2016. The restrictive measures and capital controls which were in place since March 2013 were lifted in April 2015 and on the back of the strength of the economy's performance and the strong implementation of required measures and reforms, Cyprus exited its economic adjustment programme in March 2016.

The Mall of Cyprus (MC) Plc

1 General information (continued)

Operating environment of the Company (continued)

In recognition of the progress achieved on the fiscal front and the economic recovery, as well as the enactment of the foreclosure and insolvency framework, the international credit rating agencies have proceeded with a number of upgrades of the credit ratings for the Cypriot sovereign, and although the rating continues to be "non-investment grade", the Cyprus government has regained access to the capital markets. The outlook for the Cyprus economy over the medium term remains positive, however, there are downside risks to the growth projections emanating from the high levels of non performing exposures, uncertainties in the property markets, as well as potential deterioration in the external environment for Cyprus, including continuation of the recession in Russia in conditions of protracted declines in oil prices; weaker than expected growth in the euro area as a result of worsening global economic conditions; slower growth in the UK with a weakening of the pound as a result of uncertainty regarding the result of the Brexit referendum; and political uncertainty in Europe in view of Brexit and the refugee crisis.

This operating environment, could affect (1) the ability of the Company to obtain new borrowings or re-finance its existing borrowings at terms and conditions similar to those applied to earlier transactions, (2) the ability of the Company trade and other debtors to repay the amounts due to the Company (3) the ability of the company to generate sufficient turnover from its investment properties and/or offer its services to tenants, and (4) the cash flow forecasts of the Company's management in relation to the impairment assessment for financial and non-financial assets.

The Company's management has assessed whether any impairment allowances are deemed necessary for the Company's financial assets carried at amortized cost by considering the economic situation and outlook at the end of the reporting period. Impairment of trade receivables is determined using the "incurred loss" model required by International Accounting Standard 39 "Financial Instruments: Recognition and Measurement". This standard requires recognition of impairment losses for receivables that arose from past events and prohibits recognition of impairment losses that could arise from future events, no matter how likely those future events are.

The Company's management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

The Company's management believes that it is taking all the necessary measures to maintain the viability of the Company and the development of its business in the current business and economic environment.

The Mall of Cyprus (MC) Plc

2 Summary of significant accounting policies

The principal accounting policies applied 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.

Basis of preparation

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

As of the date of the authorisation of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 July 2016 have been adopted by the EU through the endorsement procedure established by the European Commission, with the exception of certain provisions of IAS 39 "Financial Instruments: Recognition and Measurement" relating to portfolio hedge accounting.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment property.

The preparation of financial statements in conformity with IFRS 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

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 1 July 2016. This adoption did not have a material effect on the accounting policies of the Company.

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 July 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for the sale of services in the ordinary course of the Company's activities, net of value added taxes, returns and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenues earned by the Company are recognised on the following bases:

The Mall of Cyprus (MC) Plc

2 Summary of significant accounting policies (continued)

Revenue recognition (continued)

(i) **Income from rights for use of space**

The income from rights for use of space is recognised on an accrual basis according to the substance of the relevant adjustments.

(ii) **Interest income**

Interest income is recognised using the effective interest method.

(iii) **Lease income**

Income arising on operating leases is recognised on a straight-line basis over the lease term.

Employee benefits

The Company and the employees contribute to the Government Social Insurance Fund based on employees' salaries. In addition, the Company operates a defined contribution scheme the assets of which are held in a separate trustee-administered fund. The scheme is funded by payments from employees and by the Company. The Company's contributions are expensed as incurred and are included in staff costs. The Company has no further payment obligations once the contributions have been paid. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Foreign currency translation

(i) **Functional and presentation currency**

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(ii) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The Mall of Cyprus (MC) Plc

2 Summary of significant accounting policies (continued)

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

Plant and equipment

All plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of plant and equipment.

The Mall of Cyprus (MC) Plc

2 Summary of significant accounting policies (continued)

Plant and equipment (continued)

Depreciation on plant and equipment is calculated using the straight-line method to allocate their cost to their residual values, over their estimated useful lives. The annual depreciation rates are as follows:

	%
Plant and machinery	10-20
Motor vehicles	20
Signs	15
Furniture, fixtures and office equipment	15-20
Computers	33 1/3
Improvements of leasehold property	50
Art works	Nil

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Expenditure for repairs and maintenance of plant and equipment is charged to the profit or loss of the year in which they were incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and are recognised in "other gains/(losses) – net" in profit or loss.

Investment property

Investment property is held for long-term rental yields and capital appreciation and is not occupied by the Company. Investment property is carried at fair value, representing open market value determined annually by the Company's management, after taking into consideration all relevant available information, including valuations of independent valuers, market conditions and other factors. Changes to fair value are recognised as gains or losses in the Income Statement.

The Mall of Cyprus (MC) Plc

2 Summary of significant accounting policies (continued)

Impairment of non-financial assets

Intangibles that have an indefinite useful life, including goodwill, are not subject to amortisation and are tested annually for impairment or more frequently if events and changes in circumstances indicate that they might be impaired. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which there is no intention of trading the receivable. They are included in current assets, except for maturities greater than twelve months after the balance sheet date. These are classified as non current assets. The Company's loans and receivables comprise "trade and other receivables" and "cash and cash equivalents" in the balance sheet.

Loans and receivables are initially recognised at fair value plus transaction costs. Loans and receivables are derecognised when the rights to receive cash flows from the loans and receivables have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. An allowance for loan impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms of loans. Significant financial difficulties of the borrower, probability that the borrower will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at effective interest rate. The amount of the provision is recognised in profit or loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

The Mall of Cyprus (MC) Plc

2 Summary of significant accounting policies (continued)

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within "selling and marketing costs". When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against "selling and marketing costs" in profit or loss.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

The carrying amount of the bank borrowings of the Company is adjusted to reflect revised estimated cash flows. The Company recalculates the carrying amount of the borrowings, by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. The adjustment is recognised in profit or loss within finance cost.

The Mall of Cyprus (MC) Plc

2 Summary of significant accounting policies (continued)

Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment (for liquidity services) and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

A substantial modification of the terms of an existing financial liability or a part of it is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Any gain or loss on extinguishment is recognised in profit or loss except to the extent that it arises as a result of transactions with shareholders acting in their capacity as shareholders when it is recognised directly in equity. The terms are considered to be substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Any costs or fees incurred are recognised as part of the gain or loss on the extinguishment.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

The Mall of Cyprus (MC) Plc

2 Summary of significant accounting policies (continued)

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks with original maturity of three months or less and bank overdrafts. In the balance sheet bank overdrafts are shown within borrowings in current liabilities.

Deferred income

Deferred income represents payments made by the various tenants for additional construction work and alterations made to the leased premises and which are recognised in the comprehensive income during the lease term.

Segmental analysis

The Company believes that there are no separate operating segments under IFRS8 'Operating Segments' for which there is a discrete financial information for making decisions on allocating resources and evaluating their performance. The Management of the Company (Board of Directors) (upper body for making operational decisions) take decisions for resource allocation and assessing their performance based on internal reports at Company level. These reports are consistent with IFRS which were used for the preparation of the financial statements. There is no additional information on the performance of individual segments.

Comparatives

The corresponding figures presented in these financial statements relating to the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 1 April 2015 to 30 June 2016 are not entirely comparable to current period's figures.

The Mall of Cyprus (MC) Plc

3 Financial risk management

(i) Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk.

The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by Management under policies approved by the Board of Directors. Management identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and investment of excess liquidity.

- **Market risk**

- Cash flow and fair value interest rate risk**

- As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

- The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings at fixed rates expose the Company to fair value interest rate risk. All borrowings are issued at variable rates.

- At 30 June 2017, if interest rates on Euro-denominated borrowings had been 0,5% higher/lower with all other variables held constant, post-tax profit year ended 30 June 2017 would have been €332.218 (15 month period ended 30 June 2016: €364.551) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

- The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

- **Credit risk**

- Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions.

- For banks and financial institutions, only those that are highly rated by the Board of Directors are accepted. Management assesses the credit quality of the users of space, taking into account its financial position, past experience and other factors. See Note 16 for further disclosure on credit risk.

The Mall of Cyprus (MC) Plc

3 Financial risk management (continued)

(i) Financial risk factors (continued)

• Liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, except for the balances of trade and other payables that are presented using their accounting value.

	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €	Over 5 years €
At 30 June 2016				
Borrowings	6.060.000	6.060.000	19.540.000	60.773.371
Trade and other payables	<u>4.114.057</u>	-	-	-
	<u>10.174.057</u>	<u>6.060.000</u>	<u>19.540.000</u>	<u>60.773.371</u>
	Less than 1 year €	Between 1 and 2 years €	Between 2 to 5 years €	Over 5 years €
At 30 June 2017				
Borrowings	6.060.000	6.460.000	13.080.000	57.350.000
Trade and other payables	<u>4.797.949</u>	-	-	-
	<u>10.857.949</u>	<u>6.460.000</u>	<u>13.080.000</u>	<u>57.350.000</u>

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity reserve (comprises undrawn borrowing facility (Note 22) and cash and cash equivalents (Note 20) on the basis of expected cash flow. Based on their experience, management considers that the bank overdraft will continue to be renewed normally on an annual basis.

(ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated using 'equity' as shown in the balance sheet plus net debt.

The Mall of Cyprus (MC) Plc

3 Financial risk management (continued)

(ii) Capital risk management (continued)

During the period ended 30 June 2017, the Company's strategy, which was unchanged from prior period, was to maintain the gearing ratio within 50% to 70%. The gearing ratios at 30 June 2017 and 30 June 2016 were as follows:

	2017 €	2016 €
Total borrowings (Note 22)	78.080.509	70.000.616
Less: cash and cash equivalents (Note 20)	<u>(913.285)</u>	<u>(575.328)</u>
Net debt	77.167.224	69.425.288
Total equity	<u>70.110.392</u>	<u>78.321.678</u>
Total capital as defined by management	<u>147.277.616</u>	<u>147.746.966</u>
Gearing ratio	52%	47%

(iii) Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available for similar financial instruments.

Refer to Note 18 for disclosure of fair value for Investment Properties carried at fair value.

4 Critical accounting estimates and judgements

Estimates and judgements 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.

Critical accounting estimates and assumptions

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.

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4 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

- **Fair value of investment property**

The fair value of investment property is determined using valuation techniques which entail a significant degree of judgement and uncertainty. Refer to Note 18 for the relevant disclosure of valuation technique used for the determination of the fair value of the Company's investment properties.

- **Related party transactions**

In the normal course of business the Company enters into transactions with its related parties. Judgement is applied in determining if transactions are priced at market or non-market rates, where there is no active market for such transactions.

Critical judgements in applying the Company's accounting policies

- **Borrowings restructuring**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts, including costs or fees incurred for the modification, is recognised in profit or loss.

In assessing whether a modification in the terms of a financial liability is substantial, management considers whether the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability.

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4 Critical accounting estimates and judgements (continued)

Critical judgements in applying the Company's accounting policies (continued)

- Borrowings restructuring (continued)**

During the prior period, the terms of the Company's bank loan agreement were amended prior resulting into a change in the bank margin from 1,25% to 0,95%. Management has assessed whether the modification in the terms of the bank loan was substantial and concluded that this was not on the basis of the fact that the discounted present value of the cash flows under the new terms and discounted using the original effective interest rate was less than 10% different from the discounted present value of the remaining cash flows of the original financial liability. As a result, the existing bank loan was not derecognised.

The gain resulting from this modification was recognised in the Company's income statement within Finance costs, as a reduction in interest expense, since management considers that this treatment more appropriately reflects the substance of the arrangement.

5 Rights for use of space and other revenue

		For the period from 1 April 2015 to 30 June 2016
	2017 €	2016 €
Rights for use of space	11.006.287	13.633.880
Lease income	<u>741.346</u>	<u>928.647</u>
	<u>11.747.633</u>	<u>14.562.527</u>

6 Other income

		For the period from 1 April 2015 to 30 June 2016
	2017 €	2016 €
Other operating income	<u>421.257</u>	<u>529.124</u>

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7 Other losses - net

	2017 €	For the period from 1 April 2015 to 30 June 2016 €
Investment property:		
Fair value loss (Note 18)	<u>(81.800)</u>	<u>(9.711.144)</u>
Property, plant and equipment:		
Profit/(loss) on sale (Note 17)	<u>-</u>	<u>(3.704)</u>
Total other losses - net	<u>(81.800)</u>	<u>(9.714.848)</u>

8 Expenses by nature

	2017 €	For the period from 1 April 2015 to 30 June 2016 €
Depreciation (Note 17)	64.159	272.457
Repairs and maintenance	-	9.281
Insurance	-	7.107
Auditors' remuneration	25.000	20.000
Auditors' remuneration-prior year	8.000	(3.131)
Trade receivables - impairment charge for receivables (Note 19)	135.569	46.984
Advertising and promotion	634	-
Transportation expenses	-	552
Other expenses	6.875	174
Professional fees	55.675	87.184
Directors' fees	2.500	6.250
Immovable property tax	108.694	-
Stamps duty	1.429	2.968
Bank charges	3.259	4.514
Common expenses	204.574	288.837
Licenses and taxes	70.112	-
Write off of receivables	22.612	93.348
Management fees	491.173	993.026
Donations	<u>2.000</u>	<u>2.400</u>
Total administrative expenses	<u>1.202.265</u>	<u>1.831.951</u>

The total fees charged by the Company's statutory auditor for the statutory audit of the financial statements of the Company for the year ended 30 June 2017 amounted to €25.000 (30 June 2016: €20.000). The total fees charged by the Company's statutory auditor for the year ended 30 June 2017 for tax advisory services amounted to €7.900 (30 June 2016: €10.550), for other assurance services €23.243 (30 June 2016: €12.000).

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9 Staff costs

		For the period from 1 April 2015 to 30 June 2016 €
	2017 €	
Wages and salaries	304.158	347.709
Social insurance costs	34.308	41.198
Provident fund contributions	2.377	2.860
Transferred to common expenses	<u>(340.843)</u>	<u>(391.767)</u>
	<u>-</u>	<u>-</u>
Average number of staff employed during the year	<u>14</u>	<u>14</u>

10 Finance costs

		For the period from 1 April 2015 to 30 June 2016 €
	2017 €	
Interest expense:		
Bank borrowings	3.064.726	1.878.515
Loans from parent entity and minority shareholder (Note 27(vi))	168.825	384.412
Other interest expense	-	<u>2.450</u>
Total interest expense	<u>3.233.551</u>	<u>2.265.377</u>
Net foreign exchange loss	<u>525</u>	<u>17</u>
	<u>3.234.076</u>	<u>2.265.394</u>

11 Finance income

		For the period from 1 April 2015 to 30 June 2016 €
	2017 €	
Interest income:		
Bank balances	5.128	230
Loan to parent entity (Note 27(vi))	<u>3.763</u>	<u>-</u>
	<u>8.891</u>	<u>230</u>

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12 Income tax expense

	2017 €	For the period from 1 April 2015 to 30 June 2016 €
Current tax:		
Corporation tax	492.284	495.131
Defence contribution	16.680	20.895
Under provision of prior years' taxes:		
Defence contribution	<u>3.836</u>	<u>1.763</u>
Total current tax	<u>512.800</u>	<u>517.789</u>
Deferred tax (Note 23):		
Origination and reversal of temporary differences	<u>358.126</u>	<u>(867.994)</u>
Total deferred tax	<u>358.126</u>	<u>(867.994)</u>
Income tax expense/(credit)	<u>870.926</u>	<u>(350.205)</u>

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

	2017 €	2016 €
Profit before tax	<u>7.659.640</u>	<u>1.279.688</u>
Tax calculated at the applicable corporation tax rate of 12,5%	957.455	159.961
Tax effect of expenses not deductible for tax purposes	26.557	2.906
Tax effect of allowances and income not subject to tax	(700)	(201.487)
Special contribution for defence	20.517	22.658
Difference between capital gains tax rate and income tax rate and effect of inflation	<u>(132.903)</u>	<u>(334.243)</u>
Income tax charge/(credit)	<u>870.926</u>	<u>(350.205)</u>

The Company is subject to income tax on taxable profits at the rate of 12,5% as from 1 January 2013.

As from tax year 2012 brought forward losses of only five years may be utilised.

From 1 January 2009 onwards, under certain conditions, interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 10%; increased to 15% as from 31 August 2011, and to 30% as from 29 April 2013.

13 Earnings per share

The basic and fully diluted earnings per share are calculated by dividing the profit attributable to the Company's shareholders by the weighted average number of issued shares during the year.

	2017 €	2016 €
Profit for the year attributable to shareholders	<u>6.788.714</u>	<u>1.629.893</u>
Weighted average number of issued shares	<u>100.000.000</u>	<u>100.000.000</u>
Basic and diluted earnings per share - cents	<u>6,8</u>	<u>1,6</u>

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14 Dividends

On 7 April 2017, an interim dividend of 15 cents per share was paid in respect of the profit for the year ended 30 June 2017 and previous years. The total dividend paid amounted to €15.000.000.

Dividends paid to individuals who are Cyprus tax residents are subject to a deduction of special contribution for defence at the rate of 17%. Consequently the dividends proposed in respect of the year 2017 will be subject to defence contribution amounting to €2.356 at the time the dividend is declared.

15 Financial instruments by category

	Loans and receivables €
30 June 2017	
Assets as per balance sheet	
Trade and other receivables (excluding prepayments)	1.472.752
Cash and cash equivalents	913.285
Total	<u>2.386.037</u>
	Other financial liabilities €
Liabilities as per balance sheet	
Borrowings	78.080.509
Trade and other payables (excluding statutory liabilities)	6.829.476
Total	<u>84.909.985</u>
	Loans and receivables €
30 June 2016	
Assets as per balance sheet	
Trade and other receivables (excluding prepayments)	1.341.659
Cash and cash equivalents	575.328
Total	<u>1.916.987</u>
	Other financial liabilities €
Liabilities as per balance sheet	
Borrowings	70.000.616
Trade and other payables (excluding statutory liabilities)	7.105.136
Total	<u>77.105.752</u>

16 Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

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16 Credit quality of financial assets (continued)

	2017 €	2016 €
Trade receivables		
Counterparties without external credit rating		
Group 1	35.151	17.506
Group 2	676.063	521.150
Group 3	<u>761.538</u>	<u>803.003</u>
	<u>1.472.752</u>	<u>1.341.659</u>
	2017 €	2016 €
Cash at bank and short-term bank deposits (as per Moody's report on 30 June 2017)⁽¹⁾		
Caa2 (30 June 2016: Caa3)	<u>912.898</u>	<u>575.100</u>

⁽¹⁾ The rest of the balance sheet item 'cash and cash equivalents' is cash in hand.

Group 1 – existing customers (more than 6 months) with no defaults in the past.

Group 2 – existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Group 3 – other receivables

None of the financial assets that are fully performing has been renegotiated in the last year.

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17 Property, plant and equipment

	Computer Hardware €	Plant and Machinery €	Furniture, fixtures and office equipment €	Signs €	Improvements of leasehold property €	Art works €	Total €
At 1 April 2015							
Cost	51,120	1,169,697	574,886	341,188	58,500	140,490	2,335,881
Accumulated depreciation	(42,399)	(873,900)	(551,997)	(323,498)	(58,500)	-	(1,850,294)
Net book amount	<u>8,721</u>	<u>295,797</u>	<u>22,889</u>	<u>17,690</u>	<u>-</u>	<u>140,490</u>	<u>485,587</u>
Period ended 30 June 2016							
Opening net book amount	8,721	295,797	22,889	17,690	-	140,490	485,587
Additions	959	24,550	5,360	-	-	-	30,869
Disposals	-	(3,704)	-	-	-	-	(3,704)
Depreciation charge (Note 8)	(4,588)	(236,946)	(16,609)	(14,314)	-	-	(272,457)
Closing net book amount	<u>5,092</u>	<u>79,697</u>	<u>11,640</u>	<u>3,376</u>	<u>-</u>	<u>140,490</u>	<u>240,295</u>
At 30 June 2016 / 1 July 2016							
Cost	52,079	1,189,715	580,246	341,188	58,500	140,490	2,362,218
Accumulated depreciation	(46,987)	(1,110,018)	(568,606)	(337,812)	(58,500)	-	(2,121,923)
Net book amount	<u>5,092</u>	<u>79,697</u>	<u>11,640</u>	<u>3,376</u>	<u>-</u>	<u>140,490</u>	<u>240,295</u>
Year ended 30 June 2017							
Opening net book amount	5,092	79,697	11,640	3,376	-	140,490	240,295
Depreciation charge (Note 8)	(3,555)	(54,346)	(2,882)	(3,376)	-	-	(64,159)
Closing net book amount	<u>1,537</u>	<u>25,351</u>	<u>8,758</u>	<u>-</u>	<u>-</u>	<u>140,490</u>	<u>176,136</u>
At 30 June 2017							
Cost	52,079	1,189,715	580,246	341,188	58,500	140,490	2,362,218
Accumulated depreciation	(50,542)	(1,164,364)	(571,488)	(341,188)	(58,500)	-	(2,186,082)
Net book amount	<u>1,537</u>	<u>25,351</u>	<u>8,758</u>	<u>-</u>	<u>-</u>	<u>140,490</u>	<u>176,136</u>
						2017	2016
						€	€
Net book amount						-	3,704
Loss on sale of property, plant and equipment (Note 7)						-	(3,704)
Proceeds from sale of property, plant and equipment						-	-

(39)

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18 Investment property

	2017 €	2016 €
At beginning of year	170.000.000	179.550.179
Additions	427.448	160.965
Fair value losses (Note 7)	(81.800)	(9.711.144)
At end of year	<u>170.345.648</u>	<u>170.000.000</u>

The investment properties are valued annually on 30 June at fair value comprising open-market value based on valuations, by an independent, professionally qualified valuer. Fair value is based in active market process, adjusted, if necessary, for any differences in the nature, location or condition of the specific asset. If the information is not available, the Company uses alternative valuation methods such as recent prices or less active markets or discounted cash flow projections. These valuations are prepared annually by independent valuers and reviewed and adopted by management. Changes in fair value are recorded in profit or loss and are included in "other gains-net".

The Company's investment property is measured at fair value. The Company holds one class of investment property being the Shacolas Emporium Park which includes a Shopping Mall, an IKEA store, Annex 3 and Annex 4.

The following table analyses investment property carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The Company has classified its Investment property in Level 3 of the hierarchy.

	Cyprus Shopping Mall €	30 June 2017 Total €	30 June 2016 Total
Fair value hierarchy	3	3	3
Fair value at 1 July / 1 April	170.000.000	170.000.000	179.550.179
Additions (1)	427.448	427.448	160.965
Net loss from fair value adjustments on investment property	(81.800)	(81.800)	(9.711.144)
Fair value at 30 June	<u>170.345.648</u>	<u>170.345.648</u>	<u>170.000.000</u>

Bank borrowings are secured on the Company's investment property for €86.000.000 (30 June 2016: €86.000.000) (Note 22).

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18 Investment property (continued)

Valuation processes of the Company

The Company's investment properties were valued at 30 June 2017 by independent professionally qualified valuers Landtourist Valuations LLC, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. For all investment properties, their current use equates to the highest and best use. The Company's finance department reviews the valuations performed by the independent valuers for financial reporting purposes. Discussions of valuation processes and results are held between the CFO, Management, and the independent valuers at least once every year. At each financial year end the finance department:

- verifies all major inputs to the independent valuation report
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

Information about fair value measurement using significant unobservable inputs (Level 3) - 30 June 2017						
Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	169.942.000	Income approach - Discounted cash flows	4 - 10	4 - 8	10.984.132	1
Information about fair value measurement using significant unobservable inputs (Level 3) - 30 June 2016						
Property	Valuation €	Valuation technique	Discount rate %	Terminal capitalisation rate %	Revenue in year 1 €	Revenue growth %
Cyprus	170.000.000	Income approach - Discounted cash flows	4 - 10	4 - 8	10.746.888	1
Sensitivity of management's estimates – 30 June 2017						
Change in discount rate						
Cyprus Shopping Mall	Change in cap rate			-0,50%	0,00%	0,50%
			-0,50%	170.835.200	170.541.594	170.248.662
			0,00%	170.234.405	169.942.000	169.650.266
			0,50%	169.639.588	169.348.373	169.057.825
Change in discount rate						
Cyprus Shopping Mall	Change in revenue			-0,50%	0,00%	0,50%
			-10,00%	167.010.303	161.599.333	162.100.890
			0,00%	178.610.328	169.942.000	170.229.153
			10,00%	194.717.960	194.658.009	196.466.001

A change in the vacancy rate by 5%, ie the occupied spaces will be at 95%, will lead to a decrease of the fair value from the base scenario by €7.335.228, ie leading to a fair value of €162.606.772 at 30 June 2017.

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18 Investment property (continued)

Sensitivity of management's estimates – 30 June 2016					
Change in discount rate					
			-0,50%	0,00%	0,50%
Cyprus Shopping Mall	Change in terminal capitalisation rate	-0,50%	170.887.318	170.595.820	170.304.991
		0,00%	170.290.304	170.000.000	169.710.362
		0,50%	169.699.231	169.410.109	169.121.649
Change in discount rate					
			-0,05%	0,00%	0,50%
Cyprus Shopping Mall	Change in revenue	-10,00%	166.564.664	161.267.492	161.763.720
		0,00%	177.859.916	170.000.000	169.710.362
		10,00%	193.673.869	193.614.655	187.640.626

A change in the vacancy rate by 5%, ie the occupied spaces will be at 95%, will lead to a decrease of the fair value from the base scenario by €8.717.661, ie leading to a fair value of €161.282.339 at 30 June 2016.

Revenues are derived from a large number of tenants and no single tenant or group under common control contributes more than 25% of the Company's revenues.

There are inter-relationships between unobservable inputs. Increase/Decrease in the rental income per square meter results in higher/lower fair value. Increase/decrease in rental yield results in lower/higher fair value. For investment property under construction, increases in construction costs that enhance the property's features may result in an increase in future rental values. An increase in the future rental income may be linked with higher costs. If the remaining lease term increases the yield may decrease.

Valuation techniques underlying management's estimation of fair value

The valuation was determined using discounted cash flow projections based on significant unobservable inputs. These inputs include:

Future rental cash inflows	based on the actual location, type and quality of the properties and supported by the terms of any existing lease, other contracts or external evidence such as current market rents for similar properties;
Discount rates	reflecting current market assessments of the uncertainty in the amount and timing of cash flows;
Estimated vacancy rates	based on current and expected future market conditions after expiry of any current lease
Maintenance costs	including necessary investments to maintain functionality of the property for its expected useful life;
Capitalisation rates	based on actual location; size and quality of the properties and taking into account market data at the valuation date;
Terminal value	taking into account assumptions regarding maintenance costs, vacancy rates and market rents

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18 Investment property (continued)

For Cyprus land and buildings with a total carrying amount of €170.345.648 (2016: €170.000.000), the valuation was determined using discounted cash flow projections. Properties valued using the discounted cash flows model take into account future rental values, vacant spaces and maintenance costs discounted to the present value using an estimated discount rate. These values are adjusted for differences in the market conditions such as demand and finance affecting market sales. The most significant input into this valuation approach is license fees and discount rates.

(1) Investment Property includes an amount of €403.648 which relates to costs incurred for the extension of the Mall of Cyprus.

19 Trade and other receivables

	2017 €	2016 €
Trade receivables	1.033.298	725.171
Less: Provision for impairment of receivables	<u>(322.084)</u>	<u>(186.515)</u>
Trade receivables - net	711.214	538.656
Other Receivables	761.538	803.003
Prepayments	63.224	62.802
Advances	<u>4.795</u>	<u>4.795</u>
	<u>1.540.771</u>	<u>1.409.256</u>

The fair values of trade and other receivables approximate their carrying amounts.

As of 30 June 2016, trade receivables of €35.151 (30 June 2016: €17.506) were fully performing (outstanding 1 - 30 days).

Trade receivables that are less than six months past due are not considered impaired. As of 30 June 2017, trade receivables of €676.063 (30 June 2016: €521.150) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2017 €	2016 €
Up to 3 months	314.396	287.078
3 to 6 months	<u>361.667</u>	<u>234.072</u>
	<u>676.063</u>	<u>521.150</u>

Movements on the Company's provision for impairment of trade receivables are as follows:

	2017 €	2016 €
At 1 June / 1 April	186.515	139.531
Provision for receivables impairment (Note 8)	<u>135.569</u>	<u>46.984</u>
At end of year / period	<u>322.084</u>	<u>186.515</u>

The creation and release of provision for impaired receivables have been included in 'administrative expenses' in profit or loss (Note 8). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

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19 Trade and other receivables (continued)

The other classes within trade and other receivables do not contain impaired or past due assets.

The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

	2017 €	2016 €
Euro - functional and presentation currency	<u>1.540.771</u>	<u>1.409.256</u>

20 Cash and bank balances

	2017 €	2016 €
Cash at bank and in hand	<u>913.285</u>	<u>575.328</u>

Cash and cash equivalents include the following for the purposes of the statement of cash flows:

	2017 €	2016 €
Cash and bank balances	<u>913.285</u>	<u>575.328</u>

Cash and cash equivalents are denominated in the following currencies:

	2017 €	2016 €
Euro - functional and presentation currency	<u>913.285</u>	<u>575.328</u>

21 Share capital

	Number of shares	Share capital €
At 30 June 2016 and 30 June 2017	<u>100 000 000</u>	<u>50.000.000</u>

The total authorized number of ordinary shares is 171 000 000 shares (30 June 2016: 171 000 000 shares) with a par value of €0,50 per share. All issued shares are fully paid.

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22 Borrowings

	2017 €	2016 €
Current		
Bank borrowings	3.194.033	3.059.224
Borrowings from parent entity and minority shareholder (Note 27(vi))	11.736.927	280.688
Borrowings from related parties (Note 27(vi))	-	280.602
	<u>14.930.960</u>	<u>3.620.514</u>
Non-current		
Bank borrowings	63.149.549	66.380.102
Total borrowings	<u>78.080.509</u>	<u>70.000.616</u>
Maturity of non-current borrowings		
Between 1 and 2 years	3.744.444	3.196.890
Between 2 and 5 years	12.535.821	11.925.804
Over 5 years	46.869.284	51.257.408
	<u>63.149.549</u>	<u>66.380.102</u>

On 10 July 2015, the Company secured borrowings amounting to €84.000.000. The borrowings consist of two loans of €74.000.000 and €10.000.000 respectively. The total transaction fees amounted to €755.000 which were capitalised and are amortised over the period of the loan. These new borrowing facilities were used to repay all borrowings held at that date.

The Company's loan agreement for the existing loan amounting to €74.000.000, was amended on 6 April 2016, whereby the terms of payments were changed. The bank margin was changed from 1,25% to 0,95%.

The €10.000.000 loan was increased to an €18.000.000 loan in February 2017. The loan was increased for purposes of the expansion. Margin was also adjusted to 1,20%.

The loan of €18.000.000 bears interest at the rate of Business Bank Rate plus margin of 1,20% and is repayable by 30 May 2030. This loan has not yet been drawn by the Company and will be payable by the bank once certificate of completed work/work in progress are presented for the extension of the Mall of Cyprus.

The bank borrowings above include transaction fees amounting to €100.000 for a new loan which the company obtained on 5 May 2017, with amount of €18.000.000. The funds will be obtained once the construction for the expansion of the mall will begin.

The bank loans are secured as follows:

- (i) By 1st mortgage on the Company's land and buildings (Note 18) for €74.000.000 (2016: €74.000.000).
- (ii) By 2nd mortgage on the Company's land and buildings (Note 18) for €12.000.000 (2016: €12.000.000).
- (iii) Pledge of 52 300 000 shares held by Atterbury Cyprus Limited in The Mall of Cyprus (MC) Plc (Note 27 (vii)).
- (iv) By the assignment of €86.000.000 from the rights of use of space in the Shacolas Emporium Park,
- (v) By corporate guarantees from parent company for the amount of €76.400.000 (Note 27 (vii)).
- (vi) By corporate guarantee from The Mall of Engomi (ME) Plc for the amount of €86.000.000 (Note 27 (vii)).

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22 Borrowings (continued)

(vii) By floating charge of €86.000.000 on the assets of The Mall of Cyprus (MC) Plc.

(viii) By lien on credit balances amounting to €253.453.

The weighted average effective interest rates at the balance sheet date were as follows:

	2017 %	2016 %
Bank borrowings	4,61	2,70
Borrowings from parent entity (Note 27(vi))	4,61	4,69
Borrowings from related parties (Note 27(vi))	4,69	4,69

The Company's bank borrowings and bank overdrafts are arranged at floating rates. Borrowings at floating rates expose the Company to cash flow interest rate risk.

The exposure of the Company's borrowings to interest rate changes and the contractual repricing dates at the balance sheet dates are as follows:

	2017 €	2016 €
6 months or less	<u>78.080.509</u>	<u>70.000.616</u>

The Company has the following undrawn borrowing facilities:

	2017 €	2016 €
Floating rate:		
Expiring within one year	<u>20.000.000</u>	<u>2.000.000</u>

The carrying amounts of borrowings approximate their fair value.

The carrying amounts of the Company's borrowings are denominated in the following currencies:

	2017 €	2016 €
Euro - functional and presentation currency	<u>78.080.509</u>	<u>70.000.616</u>

23 Deferred income tax liabilities

The gross movement on the deferred income tax account is as follows:

At beginning of year	16.648.268	17.516.262
Credit included in profit or loss (Note 12)	<u>358.126</u>	<u>(867.994)</u>
At end of year	<u>17.006.394</u>	<u>16.648.268</u>

The movement in deferred tax assets and liabilities during the period, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

The Mall of Cyprus (MC) Plc

23 Deferred income tax liabilities (continued)

Deferred tax liabilities

	Difference between depreciation and wear and tear allowance €	Fair value gains on investment properties €	Total €
At 1 April 2015	4.202.559	13.313.703	17.516.262
Credited to:			
Profit or loss (Note 12)	<u>680.142</u>	<u>(1.548.136)</u>	<u>(867.994)</u>
At 30 June 2016/1 July 2017	4.882.701	11.765.567	16.648.268
Charged to:			
Profit or loss (Note 12)	<u>491.244</u>	<u>(133.118)</u>	<u>358.126</u>
At 30 June 2017	<u>5.373.945</u>	<u>11.632.449</u>	<u>17.006.394</u>

24 Trade and other payables-non current

	2017 €	2016 €
Operating lease advances	1.618.866	1.644.666
Deferred Income	867.437	1.086.229
Cash guarantee	<u>6.500</u>	<u>20.000</u>
	<u>2.492.803</u>	<u>2.750.895</u>

The carrying amounts of the Company's trade and other payables are denominated in Euro.

25 Trade and other payables-current

	2017 €	2016 €
Trade payables	439.699	502.011
Payables to related parties (Note 27(v))	1.180.208	40.404
Other payables	2.807.539	2.817.228
Accrued expenses	199.744	589.372
Advances due to customers for contract work	170.759	165.042
Deferred income	<u>240.183</u>	<u>240.184</u>
	<u>5.038.132</u>	<u>4.354.241</u>

The fair value of trade and other payables which are due within one year approximates their carrying amount at the balance sheet date.

The carrying amounts of the Company's trade and other payables are denominated in the following currencies:

	2017 €	2016 €
Euro - functional and presentation currency	<u>5.038.132</u>	<u>4.354.241</u>

The Mall of Cyprus (MC) Plc

26 Commitments

(i) Capital commitments

Capital expenditure in respect of the expansion of the Mall of Cyprus, contracted for at the balance sheet date but not yet incurred is as follows:

	2017 €	2016 €
Investment property	<u>24.750.833</u>	<u>-</u>
	<u>24.750.833</u>	<u>-</u>

(ii) License fee / Operating lease commitments – where the company is the lessor

License Fee

The Company's license fee/ operating lease income is derived from income from rights for use of space.

Rental Income

The Company entered into an agreement to lease out part of the land owned by it. The lessee constructed on this land a retail outlet (IKEA). The lease term signed is for a period of 14 years and 10 months. At the end of the lease period the lessee has the right to extend the lease term for another 14 years and 10 months and at the end of the first extension the lessee has the right for a second extension of 14 years and 10 months.

The total amount of the minimum future license fees/ rentals receivable in accordance with the non-cancellable operating lease commitments are as follows:

	2017 €	2016 €
No later than 1 year	10.751.542	10.852.491
Later than 1 year and no later than 5 years	32.472.042	28.531.945
Later than 5 years	<u>3.678.159</u>	<u>4.798.842</u>
	<u>46.901.743</u>	<u>44.183.278</u>

The Mall of Cyprus (MC) Plc

27 Related party transactions

As at the date of this report the main shareholder of the Company is Atterbury Cyprus Limited which owns 99,67% of the Company's shares.

Atterbury Cyprus Limited is controlled by Atterbury Europe BV, incorporated in Netherlands, which owns 97,5% of the Company's shares.

On 23 July 2015, Woolworth (Cyprus) Properties Plc and Ermes Department Stores Plc sold the total share capital held in the Company, at that day, totalling 99,67% to Atterbury Cyprus Limited.

The ultimate parent entity which prepares the consolidated financial statements of the largest body of undertakings of which the Company forms part as a subsidiary undertaking, is Steinhoff International Holdings NV, incorporated in Netherlands and its consolidated financial statements are available at the website www.steinhoffinternational.com. Atterbury Cyprus Limited, incorporated in Cyprus with registered office at Arch. Makariou III, 195, Neocleous House, 3030 Limassol, Cyprus, is the parent entity which prepares the consolidated financial statement of the smallest body of undertakings of which the Company forms part as a subsidiary undertaking.

(i) Sales of goods and services

	2017 €	2016 €
Rights for use of space/rental income:		
CTC. Automotive Limited (Note 1)	-	97.276
Ermes Department Stores Plc (Note 1)	-	1.259.859
C.W. Artopolis Limited (Note 1)	-	86.786
	<u>-</u>	<u>1.443.921</u>
Sales of services:		
The Mall of Engomi Plc (Note 1)	-	5.000
Cyprus Trading Corporation Plc (Note 1)	-	1.618
	<u>-</u>	<u>6.618</u>

Note 1: The related party transactions for the period from 1 April 2015 to 23 July 2015, have taken place with the related parties of Woolworth (Cyprus) Properties Plc, which up to 23 July 2015 owned 54,67% of the Company.

Note 2: The related party transactions from 23 July 2015 have taken place with the related parties of Atterbury Cyprus Limited, which as from 23 July 2015 owns 99,67% of the Company's shares.

The Mall of Cyprus (MC) Plc

27 Related party transactions (continued)

(ii) Purchases of goods and services

	2017 €	2016 €
Purchases of goods:		
Ermes Department Stores Plc (Note 1)	-	298
Argosy Trading Company Ltd (Note 1)	-	1,385
Super Home Centre (DIY) Limited (Note 1)	-	2,653
CTC Automotive Limited (Note 1)	-	60,809
	<u>-</u>	<u>65,145</u>
Purchases of services:		
Woolworth (Cyprus) Properties Plc (Note 1)	-	18,182
Atterbury Cyprus Limited (Note 2)	73,198	266,000
Atterbury Asset Managers (Note 2)	-	188,908
Atterbury Europe Services B.V (Note 2)	379,904	356,362
Atterbury Europe Services GmbH (Note 2)	257,500	-
	<u>710,602</u>	<u>829,452</u>

Note 1: The related party transactions for the period from 1 April 2015 to 23 July 2015, have taken place with the related parties of Woolworth (Cyprus) Properties Plc, which up to 23 July 2015 owned 54,67% of the Company.

Note 2: The related party transactions from 23 July 2015 have taken place with the related parties of Atterbury Cyprus Limited, which as from 23 July 2015 owns 99,67% of the Company's shares.

(iii) Key management personnel compensation

The compensation of key management personnel is as follows:

	2017 €	2016 €
Salaries	<u>97,300</u>	<u>64,193</u>

(iv) Directors' remuneration

The total remuneration of the Directors was as follows:

	2017 €	2016 €
Fees	<u>2,500</u>	<u>6,250</u>

(v) Period/Year-end balances arising from sales/purchases of goods/services

	2017 €	2016 €
Payables to related parties (Note 25):		
Fliptype Holdings Ltd	-	8,844
Atterbury Europe GmbH	-	31,560
Atterbury Cyprus Ltd	1,180,208	-
	<u>1,180,208</u>	<u>40,404</u>

The above balances bear no interest and are repayable on demand.

The above companies are related due to common ownership.

The Mall of Cyprus (MC) Plc

27 Related party transactions (continued)

(vi) Borrowings from related parties

	2017 €	2016 €
Borrowings from former parent entity:		
At beginning of year	-	11.918.630
Borrowings advanced during period	-	49.051
Borrowings repaid during year	-	(11.494.096)
Borrowings assigned to related party	-	(651.608)
Interest charged (Note 10)	-	178.023
At end of year (Note 22)	<u>-</u>	<u>-</u>

The above amount payable to former parent company, Woolworth (Cyprus) Properties Plc, was bearing interest at the rate of 5,00%. An amount of €651.608 was assigned to The Mall of Engomi Plc (previously Woolworth Commercial Centre Plc) on 23 July 2015. The amount payable was fully repaid during the prior year.

	2017 €	2016 €
Borrowings from parent entity:		
At beginning of year	280.688	-
Borrowings advanced during year	93.192	1.147.560
Borrowings assigned from related party	-	3.610.130
Borrowings repaid during year	(3.784.761)	(2.770.700)
Dividends payable to related party capitalised	14.951.238	-
Borrowings assigned to related party	-	(1.518.444)
Transfer from/(to) current account	43.553	(300.000)
Interest charged (Note 10)	156.780	112.142
Interest income (Note 11)	(3.763)	-
At end of year (Note 22)	<u>11.736.927</u>	<u>280.688</u>

The amount payable to parent company, Atterbury Cyprus Limited bears interest at the rate of 4,54% (30 June 2016: 4,69%). No terms or conditions have been agreed for its repayment and security.

	2017 €	2016 €
Borrowings from related party:		
At beginning of year	280.602	3.812.785
Borrowings advanced during year	357.200	6.835
Borrowings assigned from related party	-	651.608
Borrowings repaid during year	(649.847)	(991.282)
Borrowings assigned to related party	-	(3.293.591)
Interest charged (Note 10)	12.045	94.247
At end of year (Note 22)	<u>-</u>	<u>280.602</u>

The above amount payable to related company, The Mall of Engomi (ME) Plc (formerly Woolworth Commercial Centre Plc) bears interest at the rate of 4,69% and was repaid during the year.

The Mall of Cyprus (MC) Plc

27 Related party transactions (continued)

(vii) Guarantees

The following guarantees were provided to the Company by its parent Company and other related entities as security for its borrowings:

- a) Atterbury Cyprus Limited guaranteed the loans of the Company for the amount of €76.400.000 (Note 22).
- b) The Mall of Engomi (ME) Plc guaranteed the loans of the Company for the amount of €86.000.000 (Note 22).
- c) Pledge of 52 300 000 shares held by Atterbury Cyprus Limited in The Mall of Cyprus (MC) Plc (Note 22).

(viii) Contingencies

The Company guarantees the loan of The Mall of Engomi (ME) Plc for the amount of €23.000.000. No liabilities are expected to arise.

28 Events after the balance sheet date

There were no material events after the balance sheet date, which have a bearing on the understanding of the financial statements.

Independent auditor's report on pages 9 to 14.