

TORIASE PUBLIC COMPANY LTD

REPORT AND FINANCIAL STATEMENTS
31 December 2019

TORIASE PUBLIC COMPANY LTD

REPORT AND FINANCIAL STATEMENTS

31 December 2019

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TORIASE PUBLIC COMPANY LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Khandaker Abul Hasnat Kabir - Appointed on 28 August 2019
Sim Choong Kiat - Appointed on 28 August 2019
Jeffrey Zheng Dong Yang - Appointed on 28 August 2019
Andreas Karamanos - Appointed on 02 July 2018
Andreas Leonidou - Appointed on 02 July 2018 and resigned on 02 July 2018
Andreas Matsas - Appointed on 02 July 2018 and resigned on 28 August 2018]
A.I.L Nominee Services Ltd - Appointed on 23 April 2018 and resigned on 02 July 2018

Company Secretary:

A.I.L Nominee Services Ltd - Appointed on 23 April 2018

Independent Auditors:

Ekkeshis Ierodiakonou Ltd
Certified Public Accountants and Registered Auditors
39 Themistocles Dervis Str.
Off. 102
1066, Nicosia

Registered office:

15 Agion Omologiton Str.
1080, Nicosia
Cyprus

Registration number:

HE382948

TORIASSE PUBLIC COMPANY LTD

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2019.

Incorporation

The Company Toriase Public Company Ltd was incorporated in Cyprus on 23 April 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113.

Principal activities and nature of operations of the Company

The principal activities of the Company is the holding of investments, financial instruments and real estate assets.

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

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

Principal risks and uncertainties

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 18 of the financial statements.

Use of financial instruments by the Company

The Company is exposed to interest rate risk and credit risk from the financial instruments it holds.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities - primarily trade receivables and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

Credit risk related to trade receivables: This is managed based on established policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal ratings. Credit quality of the customer is assessed and outstanding customer receivables are regularly monitored. The Company does not hold collateral as security.

Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

Share capital

There were no changes in the share capital of the Company during the year under review.

Implementation and compliance to the Code of Corporate Governance

The Company recognises the importance of implementing sound corporate governance policies, practices and procedures. As a company listed on the Cyprus Stock Exchange (CSE), Toriase Public Company Ltd has adopted CSE's Corporate Governance Code and applies its principles.

In March 2006 the CSE issued a revised Code of Corporate Governance. The Company complies with all the provisions of the revised Code

TORIASSE PUBLIC COMPANY LTD

MANAGEMENT REPORT

Board of Directors

The members of the Company's Board of Directors as at 31 December 2019 and at the date of this report are presented on page 1. All of them were members of the Board of Directors throughout the year ended 31 December 2019.

In accordance with the Company's Articles of Association all Directors presently members of the Board continue in office.

There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

Independent Auditors

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

By order of the Board of Directors,



A.I.L. Nominee Services Ltd
Secretary

Nicosia, 29 June 2020

TORIASE PUBLIC COMPANY LTD

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

In accordance with Article 9 sections (3c) and (7) of the Transparency Requirements (Traded Securities in Regulated Markets) Law 2007 (N 190 (I)/2007) ("the Law") we, the members of the Board of Directors and the Company official responsible for the financial statements of Toriase Public Company Ltd (the "Company") for the year ended 31 December 2019, on the basis of our knowledge, declare that:

(a) The annual financial statements of the Company which are presented on pages 9 to 22:

(i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the provisions of Article 9, section (4) of the law, and

(ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Company and the entities included in the financial statements as a whole and

(b) The management report provides a fair view of the developments and the performance as well as the financial position of the Company as a whole, together with a description of the main risks and uncertainties which they face.

Members of the Board of Directors:

Khondaker Abul Hasnat Kabir

Sim Choong Kiat

Jeffrey Zheng Dong Yang

Andreas Karamanos

A.J.L. Nominee Services Ltd

Responsible for drafting the financial statements

(Financial Manager)

Nicosia, 29 June 2020



Independent Auditor's Report

To the Members of Toriase Public Company Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Toriase Public Company Ltd (the "Company"), which are presented in pages 9 to 22 and comprise the statement of financial position as at 31 December 2019, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We remained independent of the Company throughout the period of our appointment in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters incorporating the most significant risks of material misstatements, including assessed risk of material misstatements due to fraud

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

During the audit process no key matters have been identified.

Reporting on other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, the Corporate Governance Statement, the X report, and the Y report [tailor accordingly], but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report (continued)

To the Members of Toriase Public Company Ltd

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and those charged with governance for the Financial Statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the 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 a true and fair view.

We communicate with the 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.



Independent Auditor's Report (continued)

To the Members of Toriase Public Company Ltd

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

Report on Other Legal and Regulatory Requirements

Pursuant to the requirements of Article 10(2) of the EU Regulation 537/2014 we provide the following information in our Independent Auditor's Report, which is required in addition to the requirements of International Standards on Auditing.

Appointment of the Auditor and Period of Engagement

We were first appointed as auditors of the Company on 04 March 2019 by the Board of Directors. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 2 years.

Consistency of the Additional Report to the Audit Committee

We confirm that our audit opinion on the financial statements expressed in this report is consistent with the additional report to the Audit Committee of the Company, which we issued on [insert date] in accordance with Article 11 of the EU Regulation 537/2014.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5 of the EU Regulation 537/2014 and Section 72 of the Auditors Law of 2017 were provided. In addition, there are no non-audit services which were provided by us to the Company and which have not been disclosed in the financial statements or the Management Report.

Other Legal Requirements

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

- In our opinion, based on the work undertaken in the course of our audit, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Management Report. We have nothing to report in this respect.
- In our opinion, based on the work undertaken in the course of our audit, the information included in the corporate governance statement in accordance with the requirements of subparagraphs (iv) and (v) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113, and which is included as a specific section of the Management Report, has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap, 113, and is consistent with the financial statements.
- In our opinion, based on the work undertaken in the course of our audit, the corporate governance statement includes all information referred to in subparagraphs (i), (ii), (iii), (vi) and (vii) of paragraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113.
- In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the corporate governance statement in relation to the information disclosed for items (iv) and (v) of subparagraph 2(a) of Article 151 of the Cyprus Companies Law, Cap. 113. We have nothing to report in this respect.



EKKESHIS+IERODIAKONOU

Independent Auditor's Report (continued)

To the Members of Toriase Public Company Ltd

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Article 10(1) of the EU Regulation 537/2014 and 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 Constantinos Ekkeshis.

Constantinos Ekkeshis
Certified Public Accountant and Registered Auditor
for and on behalf of
Ekkeshis Ierodiakonou Ltd



Nicosia, 29 June 2020

TORIASSE PUBLIC COMPANY LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 31 December 2019

	Note	2019 €	2018 €
Other operating income	9	4,460	-
Administration expenses		(8,241)	(5,650)
Other expenses	10	-	(2,500)
Operating loss		(3,781)	(8,150)
Finance costs	12	(500)	-
Net loss for the year		(4,281)	(8,150)
Other comprehensive income		-	-
Total comprehensive income for the year		(4,281)	(8,150)

The notes on pages 13 to 22 form an integral part of these financial statements.

TORIASE PUBLIC COMPANY LTD

STATEMENT OF FINANCIAL POSITION

31 December 2019

	Note	2019 €	2018 €
ASSETS			
Non-current assets			
Current assets			
Receivables	14	23,167	21,500
Cash at bank and in hand	15	500	-
		<u>23,667</u>	<u>21,500</u>
Total assets		<u>23,667</u>	<u>21,500</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	16	26,000	26,000
Accumulated losses		(12,431)	(8,150)
Total equity		<u>13,569</u>	<u>17,850</u>
Current liabilities			
Trade and other payables	17	10,098	3,650
		<u>10,098</u>	<u>3,650</u>
Total equity and liabilities		<u>23,667</u>	<u>21,500</u>

On 29 June 2020 the Board of Directors of Toriasse Public Company Ltd authorised these financial statements for issue.



 Andreas Karamanos
 Director



The notes on pages 13 to 22 form an integral part of these financial statements.

TORIASSE PUBLIC COMPANY LTD

STATEMENT OF CHANGES IN EQUITY

31 December 2019

	Note	Share capital €	Accumulated losses €	Total €
Comprehensive income				
Net loss for the year		-	(8,150)	(8,150)
Total comprehensive income for the year		-	(8,150)	(8,150)
Transactions with owners				
Issue of share capital	16	26,000	-	26,000
Total transactions with owners		26,000	-	26,000
Balance at 31 December 2018/ 1 January 2019		26,000	(8,150)	17,850
Comprehensive income				
Net loss for the year		-	(4,281)	(4,281)
Total comprehensive income for the year		-	(4,281)	(4,281)
Balance at 31 December 2019		26,000	(12,431)	13,569

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 17% will be payable on such deemed dividends to the extent that the ultimate shareholders are both Cyprus tax resident and Cyprus domiciled. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 13 to 22 form an integral part of these financial statements.

TORIASÉ PUBLIC COMPANY LTD

CASH FLOW STATEMENT

31 December 2019

	Note	2019 €	2018 €
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		<u>(4,281)</u>	<u>(8,150)</u>
		(4,281)	(8,150)
Changes in working capital:			
Increase in receivables		(1,667)	(21,500)
Increase in trade and other payables		<u>6,448</u>	<u>3,650</u>
Cash generated from/(used in) operations		<u>500</u>	<u>(26,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		<u>-</u>	<u>26,000</u>
Net cash generated from financing activities		<u>-</u>	<u>26,000</u>
Net increase in cash and cash equivalents		<u>500</u>	<u>-</u>
Cash and cash equivalents at beginning of the year		<u>-</u>	<u>-</u>
Cash and cash equivalents at end of the year	15	<u><u>500</u></u>	<u><u>-</u></u>

The notes on pages 13 to 22 form an integral part of these financial statements.

TORIASSE PUBLIC COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

1. Incorporation and principal activities

Country of incorporation

The Company Toriasse Public Company Ltd (the "Company") was incorporated in Cyprus on 23 April 2018 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 15 Agion Omologiton Str., 1080, Nicosia, Cyprus.

Principal activities

The principal activities of the Company is the holding of investments, financial instruments and real estate assets.

2. Basis of preparation

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

3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2019. This adoption did not have a material effect on the accounting policies of the Company.

4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Segmental reporting

The Company is organised by business segments and this is the primary format for segmental reporting. Each business segment provides products or services which are subject to risks and returns that are different from those of other business segments. The Company operates only in Cyprus and for this reason operations are not analysed by geographical segment.

Finance costs

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

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

4. Significant accounting policies (continued)

Financial assets - Classification (continued)

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognised and measured according to one of two approaches: general approach or simplified approach.

TORIASÉ PUBLIC COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

4. Significant accounting policies (continued)

Financial assets - impairment - credit loss allowance for ECL (continued)

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

TORIASÉ PUBLIC COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

4. Significant accounting policies (continued)

Financial assets - modification (continued)

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are 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 assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Trade payables

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

Offsetting financial instruments

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

Share capital

Ordinary shares are classified as equity.

TORIASÉ PUBLIC COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

5. New accounting pronouncements

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

6. Financial risk management

Financial risk factors

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

6.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

6.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

(i) Risk management

Credit risk is managed on a group basis.

For banks and financial institutions, only independently rated parties with a minimum rating of 'C' are accepted. If customers are independently rated, these ratings are used.

Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

(ii) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents

6.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

6.4 Capital risk management

Capital includes equity shares and share premium, convertible preference shares and loan from parent company.

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

TORIASÉ PUBLIC COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

7. Critical accounting estimates, judgments and assumptions

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

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.

Critical judgements in applying the Company's accounting policies

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

8. Segmental analysis

2019	€	Total €
Profit before tax	(4,281)	(4,281)
Assets	23,667	23,667
Liabilities	10,098	10,098
2018	€	Total €
Profit before tax	(8,150)	(8,150)
Assets	21,500	21,500
Liabilities	3,650	3,650

9. Other operating income

	2019 €	2018 €
Sundry operating income	4,460	-
	<u>4,460</u>	<u>-</u>

10. Other expenses

	2019 €	2018 €
Incorporation expenses	-	2,500
	<u>-</u>	<u>2,500</u>

TORIASSE PUBLIC COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

11. Expenses by nature

	2019 €	2018 €
Auditors' remuneration - current year	1,000	1,190
Auditors' remuneration - prior years	(190)	-
Other expenses	7,431	6,960
Total expenses	8,241	8,150

12. Finance costs

	2019 €	2018 €
Sundry finance expenses	500	-
Finance costs	500	-

13. Tax

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

14. Receivables

	2019 €	2018 €
Shareholders' current accounts - debit balances (Note 19.1)	21,500	21,500
Deposits and prepayments	1,667	-
	23,167	21,500

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

The exposure of the Company to credit risk and impairment losses in relation to receivables is reported in note 6 of the financial statements.

15. Cash at bank and in hand

Cash balances are analysed as follows:

	2019 €	2018 €
Cash at bank and in hand	500	-
	500	-

Non-cash transactions

The principal non-cash transactions during the current and prior year were the acquisition of property, plant and equipment using finance leases.

TORIASE PUBLIC COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

15. Cash at bank and in hand (continued)

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.

16. Share capital

	2019 Number of shares	2019 €	2018 Number of shares	2018 €
Authorised				
Ordinary shares of €2 each	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>	<u>13,000</u>
Issued and fully paid				
Balance at 1 January	26,000	26,000	-	-
Issue of shares	-	-	26,000	26,000
Balance at 31 December	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>	<u>26,000</u>

17. Trade and other payables

	2019 €	2018 €
Trade payables	3,748	-
Accruals	1,000	1,190
Other creditors	<u>5,350</u>	<u>2,460</u>
	<u>10,098</u>	<u>3,650</u>

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

18. Operating Environment of the Company

The Cypriot economy has recorded positive growth in 2017 and 2018 after overcoming the economic recession of recent years. The overall economic outlook of the economy remains favourable, however there are still downside risks emanating from the still high levels of non-performing loans, the public debt ratio, as well as possible deterioration of the external environment for Cyprus.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

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.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary. The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.

19. Related party transactions

The Company is controlled by XXX Holding Ltd, incorporated in Cyprus, which owns XX% of the Company's shares.

TORIASE PUBLIC COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

19. Related party transactions (continued)

19.1 Shareholders' current accounts - debit balances (Note 14)

	2019 €	2018 €
Shareholders	21,500	21,500
	<u>21,500</u>	<u>21,500</u>

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

20. Participation of Directors in the company's share capital

The percentage of share capital of the Company held directly or indirectly by each member of the Board of Directors (in accordance with Article (4) (b) of the Directive DI 190-2007-04), as at 31 December 2019 and 27 xxxxx 2020 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

31 December 2019 %	27 xxxxx 2020 %
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The shareholding interest of Mr. ... includes his direct participation with a percentage of €...%, the participation of the company ... Company Ltd, of which he is the primary shareholder.

21. Shareholders holding more than 5% of share capital

The persons holding more than 5% of the share capital as at 31 December 2019 and 27 xxxxx 2020 (5 days before the date of approval of the financial statements by the Board of Directors) were as follows:

31 December 2019 %	27 xxxxx 2020 %
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22. Significant agreements with management

At the end of the year, no significant agreements existed between the Company and its Management.

23. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2019.

24. Commitments

The Company had no capital or other commitments as at 31 December 2019.

TORIASSE PUBLIC COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

31 December 2019

25. Accounting policies up to 31 December 2018

Accounting policies applicable to the comparative period ended 31 December 2018 that were amended by IFRS 16, are as follows.

26. Events after the reporting period

With the recent and rapid development of the Coronavirus disease (COVID-19) outbreak the world economy entered a period of unprecedented health care crisis that has already caused considerable global disruption in business activities and everyday life. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including the Republic of Cyprus, have implemented restrictions on travelling as well as strict quarantine measures.

Industries such as tourism, hospitality and entertainment are expected to be directly disrupted significantly by these measures. Other industries such as manufacturing and financial services are expected to be indirectly affected and their results to also be negatively affected.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the outbreak expands and the high level of uncertainties arising from the inability to reliably predict the outcome.

The event is considered as a non-adjusting event and is therefore not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2019.

Management has considered the unique circumstances and the risk exposures of the Company and has concluded that there is no significant impact in the Company's profitability position.

Independent auditor's report on pages 5 to 8

TORIASSE PUBLIC COMPANY LTD

ADDITIONAL INFORMATION TO THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

CONTENTS	PAGE
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Selling and distribution expenses	3
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Calculation of tax losses for the five year period	4

TORIASÉ PUBLIC COMPANY LTD

DETAILED INCOME STATEMENT

31 December 2019

	Page	2019 €	2018 €
Revenue			
Other operating income			
Sundry operating income		<u>4,460</u>	-
		4,460	-
Operating expenses			
Administration expenses	3	<u>(8,241)</u>	(5,650)
		(3,781)	(5,650)
Other operating expenses			
Incorporation expenses		<u>-</u>	(2,500)
Operating loss		(3,781)	(8,150)
Finance costs	4	<u>(500)</u>	-
Net loss for the year before tax		<u>(4,281)</u>	<u>(8,150)</u>

TORIASE PUBLIC COMPANY LTD

SELLING AND DISTRIBUTION EXPENSES

31 December 2019

	2019 €	2018 €
Administration expenses		
Annual levy	350	350
Auditors' remuneration - current year	1,000	1,190
Auditors' remuneration - prior years	(190)	-
Other professional fees	<u>7,081</u>	<u>4,110</u>
	<u>8,241</u>	<u>5,650</u>

TORIASSE PUBLIC COMPANY LTD

FINANCE EXPENSES

31 December 2019

	2019	2018
	€	€
Finance costs		
Sundry finance expenses		
Bank charges	<u>500</u>	<u>-</u>
	<u>500</u>	<u>-</u>