Terna Ventures W.L.L.

REPORT OF THE BOARD OF DIRECTORS AND FINANCIAL STATEMENTS

31 DECEMBER 2015

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors has pleasure in submitting its report and the audited financial statements of Terna Ventures W.L.L. ('the Company') for the year ended 31 December 2015.

Principal activities

The Company is a subsidiary of Terna Bahrain Holding W.L.L. incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 80600 on 13 March 2012. The Company is engaged in the import, export and sale of steel aluminium rollers and other construction materials.

Results for the year and accumuated losses

The Company has not generated revenue during the years ended 31 December 2014 and 31 December 2015. The Company has incurred a loss of BD1,550 for the year ended 31 December 2015 (2014: nil) and has accumulated losses of BD 1,550 as of 31 December 2015 (2014: nil)

Auditors

Ernst & Young have expressed their willingness to continue in office and a resolution proposing their appointment, as auditors of the Company for the year ending 31 December 2016, will be submitted to the Annual General Meeting.

Signed on behalf of the Board of Directors

Dimitrios Antonakos
Director
.................................2016
11 MARCH 2016

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TERNA VENTURES W.L.L.

Report on the financial statements

We have audited the accompanying financial statements of Terna Ventures W.L.L. ('the Company'), which comprise the statement of financial position as at 31 December 2015 and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Company's Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as the management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2015, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TERNA VENTURES W.L.L. (continued)

Report on other regulatory requirements

As required by the Bahrain Commercial Companies Law, we report that:

a) the Company has maintained proper accounting records and the financial statements are in agreement therewith; and

b) the financial information contained in the Report of the Board of Directors is consistent with the financial statements.

We are not aware of any violations of the Bahrain Commercial Companies Law or the terms of the Company's memorandum of association during the year ended 31 December 2015 that might have had a material adverse effect on the business of the Company or on its financial position. Satisfactory explanations and information have been provided to us by the management in response to all our requests.

Ernst + Young

Auditor's Registration No. 190
11 March 2016
Manama, Kingdom of Bahrain

STATEMENT OF FINANCIAL POSITION

At 31 December 2015

	Note	*2015* *BD*	*2014* *BD*
ASSET			
Current asset			
Bank balance		**100,000**	100,000
TOTAL ASSET		**100,000**	100,000
EQUITY AND LIABILITIES			
Equity			
Share capital	4	**100,000**	100,000
Accumulated losses		**(1,550)**	-
Total equity		**98,450**	100,000
Current liabilities			
Due to a related party	6	**1,550**	-
TOTAL EQUITY AND LIABILITIES		**100,000**	100,000

Dimitrios Antonakos
Director

Konstantions Iliadis
Director

The attached explanatory notes 1 to 8 form part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

At 31 December 2015

	2015 BD	2014 BD
Professional fees	(1,550)	-
LOSS FOR THE YEAR	(1,550)	-
Other comprehensive income	-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(1,550)	-

Dimitrios Antonakos
Director

Konstantions Iliadis
Director

The attached explanatory notes 1 to 8 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

	Share capital BD	*Accumulated losses BD*	*Total BD*
As at 31 December 2013 and at 31 December 2014	100,000	-	100,000
Total comprehensive loss for the year	-	(1,550)	(1,550)
As at 31 December 2015	**100,000**	**(1,550)**	**98,450**

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	2015	*2014*
	BD	*BD*
OPERATING ACTIVITIES		
Loss for the year	**(1,550)**	-
Working capital change:		
Amount due to a related party	**1,550**	-
Net cash flows used in operating activities	**-**	-
Bank balance at 1 January	**100,000**	100,000
BANK BALANCE AT 31 DECEMBER	**100,000**	100,000

The attached explanatory notes 1 to 8 form part of these financial statements.

1 CORPORATE INFORMATION

Terna Ventures W.L.L. ('the Company') is a limited liability company incorporated in the Kingdom of Bahrain on 13 March 2012 and registered with the Ministry of Industry and Commerce under commercial registration (CR) number 80600. The address of the Company's registered office is at Building 418, Road 3207, Block 332, Manama, Kingdom of Bahrain.

The Company is engaged in the import, export and sale of steel aluminium rollers and other construction materials.

The Company is a subsidiary of Terna Bahrain Holding W.L.L. ('Parent Company'), a company incorporated in the Kingdom of Bahrain. The ultimate parent company is GEK TERNA Holdings Real Estate Construction SA, a company incorporated in and under the laws of the Republic of Greece.

These financial statements were authorised for issue by in accordance with a resolution of the Directors on 11 March 2016

2 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance
The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in conformity with the Bahrain Commercial Companies Law.

Basis of preparation
These financial statements have been prepared under the historical cost convention.

The financial statements have been presented in Bahraini Dinars (BD), being the functional and presentational currency of the Company.

Changes in accounting policies and disclosures
The accounting policies adopted by the Company are consistent with those used in the previous year as none of the changes in the IFRS or interpretations issued by the International Accounting Standards Board (IASB) had an impact on the Company. Furthermore, standards issued but not yet effective up to the date of issuance of the Company's financial statements are not expected to have any impact on the Company's financial performance or financial position.

Current versus non-current classification
The Company presents assets and liabilities in the statement of financial position based on a current/non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to sold or consumed in a normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is presented as current when:

- it is expected to be settled in a normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

a) In the principal market for the asset or liability; or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Financial instruments
Initial ı Initial recognition and subsequent measurement
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets are recognised initially at fair value and are subsequently measured at amortised cost using the effective interest rate method (EIR), less impairment, if any.

The Company's financial asset consists of bank balance.

Bank balance
For the purpose of the statement of cash flows, cash and cash equivalents consist of a non-interest bearing bank balance held with a commercial bank in the Kingdom of Bahrain, which has an original maturity of less than three months.

Impairment of financial assets
The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if and only if, there is an objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtor or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial recognition and where observable data indicates that these flows, such as changes economic conditions that correlate with default.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Initial recognition and subsequent measurement (continued)

Financial liabilities

Financial liabilities are recognised initially at fair value and in the case of loans and borrowings, net of directly attributable transaction costs. The Company's financial liability includes amount due to a related party.

Liabilities for payables are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Offsetting of 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 assets and settle the liabilities simultaneously.

Amortised cost of financial instruments

Amortised cost is computed using the effective interest method less any allowance for impairment and principal repayment or reduction. The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

Derecognition of financial instruments

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

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

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

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

3 SIGNIFICANT ACCOUNTING ESTIMATES JUDGEMENTS AND ASSUMPTIONS

The preparation of the Company's financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3 SIGNIFICANT ACCOUNTING ESTIMATES JUDGEMENTS AND ASSUMPTIONS (continued)

Judgement

In the process of applying the Company's accounting policies, management has made the following judgement which have the most significant effect on the amounts recognised in the financial statements.

Going concern

The Company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to continue the business for the foreseeable future. Furthermore, the Company is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

4 SHARE CAPITAL

The Company's issued and fully paid-up share capital consists of 2,000 shares of BD 50 each (2014: 2,000 shares of BD 50 each).

5 STATUTORY RESERVE

The Bahrain Commercial Companies Law and the Company's memorandum of association requires 10% of annual profit to be transferred to a statutory reserve until such time the reserve equals 50% of the paid up share capital. The reserve cannot be utilised for the purpose of distribution, except in such circumstances as stipulated in the Bahrain Commercial Companies Law.

No transfer to statutory reserve was made as the Company did not generate any profit during the current and previous years.

6 TRANSACTIONS WITH RELATED PARTIES

Related parties represent the ultimate parent, the Parent Company and directors of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. The pricing policies and terms of these transactions are approved by the Company's Board of Directors.

There were no transactions with related parties included in the statement of comprehensive income during the years ended 31 December 2015 and 31 December 2014.

As of 31 December 2015, amount due to a related party of BD 1,550 (2014: nil) is payable to the Parent Company and is interest free and payable on demand.

The Company did not employ any key management personnel during the years ended 31 December 2015 and 31 December 2014.

7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company manages risks through a process of ongoing identification and monitoring of the risks it faces. The Company's senior management is responsible for the overall risk management approach and for approving the risk strategies and principles. The Company is exposed to credit risk and liquidity risk. The Company's overall risk management approach is to moderate the effects of such risks on its financial performance.

7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

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.

Credit risk related to bank balance is managed by dealing with reputable banks.

Liquidity risk

Liquidity risk is the risk that the entity will have difficulties in meeting its commitments. The Company limits its liquidity risk by ensuring that adequate funds are available from the parent company.

The Company's undiscounted financial liability at the reporting date of BD 1,550 pertaining to amount due to a related party, was payable on demand (2014: nil).

Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or procedures during the years ended 31 December 2015 and 31 December 2014. Equity comprises share capital and accumulated losses and is measured at BD 98,450 as at 31 December 2015 (2014: BD 100,000).

8 FAIR VALUE OF FINANCIAL INSTRUMENT

The fair value of the financial asset represents the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties, other than in a forced or liquidation sale.

Financial instruments comprise of financial asset and financial liability. Financial asset consists of bank balance. The financial liability consists of amount due to a related party.

The fair value of the financial assets and financial liability are not materially different from their carrying values at the reporting date.

As at 31 December 2015 and 31 December 2014, the Company did not hold any financial instrument remeasured at fair value, therefore, disclosure related to fair value hierarchy is not relevant.