

**J&T SECURITIES MANAGEMENT
LIMITED**

**REPORT AND INTERIM UNAUDITED
FINANCIAL STATEMENTS**

Period from 1 January to 30 June 2016

J&T SECURITIES MANAGEMENT LIMITED

REPORT AND INTERIM UNAUDITED FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

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J&T SECURITIES MANAGEMENT LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Jarmila Janosova
Company Secretary:	PA.TY. Secretarial Limited
Independent Auditors:	KPSA CHARTERED ACCOUNTANTS 15 Themistokli Dervi Street 1st floor, P.O. Box 27040 1641, Nicosia Cyprus
Registered office:	Akropoleos, 59-61 SAVVIDES CENTER, 1st floor, Flat / Office 102 P.C. 2012, Nicosia, Cyprus
Banker:	J&T Banka, a.s.
Registration number:	HE260821

J&T SECURITIES MANAGEMENT LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its report and unaudited financial statements of the Company for the period from 1 January 2016 to 30 June 2016.

Principal activities

The principal activities of the Company, which are unchanged from last year, are the holding of investments and trading in listed securities, as well as the provision of financing.

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are considered satisfactory.

Results

The Company's results for the period are set out on page 4.

Dividends

The Board of Directors does not recommend the payment of a dividend and the net profit for the period is retained

Share capital

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

Board of Directors

The sole member of the Company's Board of Directors as at 30 June 2016 and at the date of this report is presented on page 1. The sole Director was a member of the Board of Directors throughout the period from 1 January 2016 to 30 June 2016.

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

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

Independent Auditors

The Independent Auditors, KPSA, 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,


PA.TY. SECRETARIAL LIMITED
PA.TY. Secretarial Limited
Secretary

Nicosia, 19 August 2016

KPSA

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Independent auditor's report on review of interim unaudited financial statements

To the Members of J&T Securities Management Limited

Introduction

We have reviewed the accompanying interim condensed financial statements of J&T Securities Management Limited (the "Company"), which comprise the statement of financial position as at 30 June 2016, and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the period from 1 January to 30 June 2016, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting as adopted by the European Union ('IAS34 Interim Financial Reporting'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

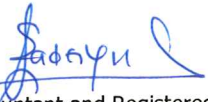
We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

Other matter

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


Stelios Saphiris
Certified Public Accountant and Registered Auditor
for and on behalf of

KPSA
CHARTERED ACCOUNTANTS

Nicosia, 19 August 2016

J&T SECURITIES MANAGEMENT LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January to 30 June 2016

	Note	01/01/2016- 30/06/2016 €	01/01/2015- 30/06/2015 €
Revenue	4	4.073.369	1.918.458
Net profit from investing activities	5	430.315	2.172.702
Administration expenses		(70.881)	(90.739)
Other expenses	6	(33.451)	(12.015)
Operating profit	7	4.399.352	3.988.406
Finance costs	8	(2.604.912)	(4.091.831)
Profit/(loss) before tax		1.794.440	(103.425)
Tax	9	(19.819)	(16.617)
Net profit/(loss) for the period		1.774.621	(120.042)
Other comprehensive income			
Available-for-sale financial assets - Fair value Loss		(2.238)	-
Other comprehensive income for the period		(2.238)	-
Total comprehensive income / (expense) for the period		1.772.383	(120.042)

The notes on pages 9 to 25 form an integral part of these financial statements.

J&T SECURITIES MANAGEMENT LIMITED

STATEMENT OF FINANCIAL POSITION

30 June 2016

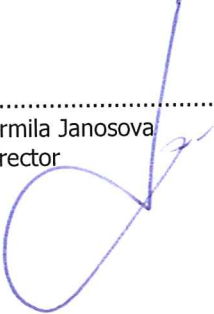
	Note	30 June 2016 €	31 December 2015 €
ASSETS			
Non-current assets			
Available-for-sale financial assets	10	641.751	-
Non-current loans receivable	11	28.471.484	41.869.390
		<u>29.113.235</u>	<u>41.869.390</u>
Current assets			
Trade and other receivables	12	61.862	13.066.891
Loans receivable	11	34.753.475	38.373.033
Financial assets at fair value through profit or loss	13	63.078.457	30.570.925
Refundable taxes	18	4.240	20.723
Cash at bank and in hand	14	246.473	5.017
		<u>98.144.507</u>	<u>82.036.589</u>
Total assets		<u>127.257.742</u>	<u>123.905.979</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	15	11.000	11.000
Share premium		50.914.000	50.914.000
Other reserves		(2.238)	-
Retained earnings		7.791.885	6.017.264
Total equity		<u>58.714.647</u>	<u>56.942.264</u>
Non-current liabilities			
Borrowings	16	44.529.385	43.581.742
Trade and other payables	17	5.664.399	-
		<u>50.193.784</u>	<u>43.581.742</u>
Current liabilities			
Trade and other payables	17	843.994	639.085
Borrowings	16	17.505.317	22.742.888
		<u>18.349.311</u>	<u>23.381.973</u>
Total liabilities		<u>68.543.095</u>	<u>66.963.715</u>
Total equity and liabilities		<u>127.257.742</u>	<u>123.905.979</u>

The notes on pages 9 to 25 form an integral part of these financial statements.

J&T SECURITIES MANAGEMENT LIMITED

On 19 August 2016 the Board of Directors of J&T Securities Management Limited authorised these financial statements for issue.

.....
Jarmila Janosova
Director



The notes on pages 9 to 25 form an integral part of these financial statements.

J&T SECURITIES MANAGEMENT LIMITED

STATEMENT OF CHANGES IN EQUITY

Period from 1 January to 30 June 2016

Note	Share capital €	Share premium €	Fair value reserve - available- for-sale financial assets €	Retained earnings €	Total €
Balance at 1 January 2015	11.000	50.914.000	-	4.914.061	55.839.061
Comprehensive income					
Net loss for the period	-	-	-	(120.042)	(120.042)
Balance at 30 June 2015	11.000	50.914.000	-	4.794.019	55.719.019
Balance at 1 January 2016	11.000	50.914.000	-	6.017.264	56.942.264
Comprehensive income					
Net profit for the period	-	-	-	1.774.621	1.774.621
Other comprehensive income for the period	-	-	(2.238)	-	(2.238)
Balance at 30 June 2016	11.000	50.914.000	(2.238)	7.791.885	58.714.647

Share premium is not available for distribution.

The fair value reserve for investments represents accumulated gains and losses arising on the revaluation of available-for-sale financial assets that have been recognised in other comprehensive income, net of amounts reclassified to profit or loss when those assets have been disposed of or are determined to be impaired.

The notes on pages 9 to 25 form an integral part of these financial statements.

J&T SECURITIES MANAGEMENT LIMITED

CASH FLOW STATEMENT

Period from 1 January to 30 June 2016

	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015
	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before tax	1.794.440	(103.425)
Adjustments for:		
Exchange difference arising on the translation of non-current assets in foreign currencies	38.305	(413.751)
Unrealised exchange (profit)/loss	(62.356)	276.894
Profit from the sale of available-for-sale financial assets	-	(100.000)
Loss/(profit) from the sale of financial assets at fair value through profit or loss	6.254	(12.404)
Fair value (gains)/losses on financial assets at fair value through profit or loss	(1.422.658)	86.518
Dividend income	4 (657.112)	(24.180)
Interest income	4 (1.931.469)	(1.894.278)
Interest expense	8 2.169.899	1.898.055
	(64.697)	(286.571)
Changes in working capital:		
Decrease/(increase) in trade and other receivables	13.005.029	(12.777.192)
(Increase)/decrease in financial assets at fair value through profit or loss	(31.712.366)	12.928.990
Increase/(Decrease) in trade and other payables	111.454	(776.327)
Cash used in operations	(18.660.580)	(911.100)
Interest received	1.901.307	1.313.169
Dividends received	657.112	24.180
Tax paid	(3.337)	(1.211)
Net cash (used in)/generated from operating activities	(16.105.498)	425.038
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of available-for-sale financial assets	(968.536)	(98.676.662)
Loans granted	(26.283.479)	(20.323.722)
Loans repayments received	43.203.882	14.023.823
Proceeds from sale of available-for-sale financial assets	901.226	99.186.217
Net cash generated from/(used in) investing activities	16.853.093	(5.790.344)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(79.262.941)	(174.350.960)
Proceeds from borrowings	80.763.149	173.771.883
Unrealised exchange (loss)/profit	(19.642)	181.406
Interest paid	(1.986.705)	(1.584.968)
Payments for repurchase of own debentures	-	(10.335.456)
Proceeds from sale of repurchased own debentures	-	17.684.208
Repayment of expenses from issue of debentures	-	(844)
Net increase/(decrease) in cash and cash equivalents	241.456	(37)
Cash and cash equivalents at beginning of the period	5.017	5.054
Cash and cash equivalents at end of the period	14 246.473	5.017

The notes on pages 9 to 25 form an integral part of these financial statements.

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

1. Incorporation and principal activities

Country of incorporation

The Company J&T Securities Management Limited (the "Company") was incorporated in Cyprus on 14 January 2010 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Akropoleos, 59-61, SAVVIDES CENTER, 1st floor, Flat / Office 102, P.C. 2012, Nicosia, Cyprus.

2. Unaudited financial statements

The financial statements for the six months ended on 30 June 2015 and 2016 respectively, have not been audited by the external auditors of the Company.

3. Significant accounting policies

The financial statements, which are presented in Euro, have been prepared in accordance with international Financial Reporting Standards, including IAS 34 "Interim Financial Reporting"

The accounting policies used in the preparation of the financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2015.

Costs that are incurred during the financial year are anticipated or deferred for interim reporting purposes if, and only if, it is also appropriate to anticipate or defer that type of cost at the end of the financial year.

Corporation tax is calculated based on the expected tax rates for the whole financial year.

These financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2015.

4. Revenue

	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015
	€	€
Dividend income	657.112	24.180
Interest income	-	152.867
Loan interest income	1.931.469	1.741.411
Net fair value gains on financial assets at fair value through profit or loss	1.484.788	-
	<u>4.073.369</u>	<u>1.918.458</u>

5. Net profit from investing activities

	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015
	€	€
Profit from sale of available-for-sale financial assets	-	100.000
Profit from sale of financial assets at fair value through profit or loss	580	17.773
Exchange profit	498.699	2.146.816
Loss from sales of financial assets at fair value through profit or loss	(6.834)	(5.369)
Fair value losses on financial assets at fair value through profit or loss	(62.130)	(86.518)
	<u>430.315</u>	<u>2.172.702</u>

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

6. Other expenses

	01/01/2016- 30/06/2016 €	01/01/2015- 30/06/2015 €
Broker commission and charges	<u>33.451</u>	<u>12.015</u>
	33.451	12.015

7. Operating profit

	01/01/2016- 30/06/2016 €	01/01/2015- 30/06/2015 €
Operating profit is stated after (crediting)/charging the following items:		
Profit from sale of available-for-sale financial assets (Note 10)	-	(100.000)
Directors' fees	476	-
Auditors' remuneration for other assurance services	11.000	11.000
Auditors' remuneration - prior years	<u>3.040</u>	<u>2.470</u>

8. Finance costs

	01/01/2016- 30/06/2016 €	01/01/2015- 30/06/2015 €
Finance costs		
Interest expense		
Loan interest	94.883	275.291
Bank overdraft interest	650	8
Other interest	589.747	567.314
Debenture interest	1.484.619	1.055.442
Sundry finance expenses		
Bank charges	8	7
Net foreign exchange transaction losses		
Realised foreign exchange loss	18.705	658.143
Unrealised foreign exchange loss	<u>416.300</u>	<u>1.535.626</u>
	2.604.912	4.091.831

9. Tax

	01/01/2016- 30/06/2016 €	01/01/2015- 30/06/2015 €
Corporation tax - current period	16.482	15.406
Overseas tax	<u>3.337</u>	<u>1.211</u>
Charge for the period	19.819	16.617

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

9. Tax (continued)

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

	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015
	€	€
Profit/(loss) before tax	<u>1.794.440</u>	<u>(103.425)</u>
Tax calculated at the applicable tax rates	224.305	(12.928)
Tax effect of expenses not deductible for tax purposes	120.826	258.333
Tax effect of allowances and income not subject to tax	(330.147)	(231.400)
10% additional charge	1.498	1.401
Overseas tax in excess of credit claim used during the period	<u>3.337</u>	<u>1.211</u>
Tax charge	<u>19.819</u>	<u>16.617</u>

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%.

10. Available-for-sale financial assets

	2016	2015
	€	€
Balance at 1 January	-	-
Additions	968.536	-
Disposals	(907.480)	-
Exchange differences	(352)	-
Revaluation difference transferred to equity	(2.238)	-
Transfer from FVTPL	<u>583.285</u>	-
Balance at 30 June/31 December	<u>641.751</u>	-
Less non-current portion	<u>(641.751)</u>	-
Current portion	<u>-</u>	<u>-</u>

Available-for-sale financial assets, comprising principally marketable equity securities, are fair valued annually at the close of business on 30 June. For investments traded in active markets, fair value is determined by reference to Stock Exchange quoted bid prices. For other investments, fair value is estimated by reference to the current market value of similar instruments or by reference to the discounted cash flows of the underlying assets. Equity investments for which fair values cannot be measured reliably are recognised at cost less impairment.

Available-for-sale financial assets are classified as non-current assets, unless they are expected to be realised within twelve months from the reporting date or unless they will need to be sold to raise operating capital.

As at 30 June 2016, the Company holds 124 pieces of fixed rate perpetual notes of J&T Banka 10% PERP, 1 piece of fixed rate perpetual notes of J&T Banka 9% PERP EUR and 46 pieces of fixed rate perpetual notes of J&T Banka 9% PERP CZK on 30 June 2016.

11. Non-current loans receivable

	2016	2015
	€	€
Balance at 1 January	<u>80.242.423</u>	<u>73.327.664</u>

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

11. Non-current loans receivable (continued)		
New loans granted	26.283.479	32.179.165
Repayments	(45.105.189)	(29.835.955)
Interest charged	1.931.469	3.669.850
Exchange differences	(127.223)	901.699
Balance at 30 June/31 December	<u>63.224.959</u>	<u>80.242.423</u>
	30 June 2016	31 December 2015
	€	€
Loans receivable	14.856.884	2.093.901
Loans to related companies (Note 19.3)	48.368.075	78.148.522
	63.224.959	80.242.423
Less current portion	(34.753.475)	(38.373.033)
Non-current portion	<u>28.471.484</u>	<u>41.869.390</u>

The loans are repayable as follows:

	30 June 2016	31 December 2015
	€	€
Within one year	34.753.475	38.373.033
Between one and five years	28.471.484	41.869.390
	<u>63.224.959</u>	<u>80.242.423</u>

The fair values of non-current receivables approximate to their carrying amounts as presented above.

The effective interest rates on receivables (current and non-current) were as follows:

	30 June 2016	31 December 2015
Loans receivable	6%-12%	6,5%
Loans to related companies	2weekly Repo + 1% / 2,75% - 7,35%	2weekly Repo + 1% / 2,80% - 8,35%

Loans to related companies relate to the following:

(i) On 1st January 2014, the Company ("Creditor") concluded the following Credit Contracts with J&T Private Equity B.V. ("Debtor"):

(1) Credit Contract 8/JSML/2014 for a loan with a credit limit of €38.000.000, bearing interest at the 2 weekly repo announced by the European Central Bank (ECB) plus a margin of 1% per annum, which is repayable until 31 December 2016.

The amount of €18.628.341,45 arising from the Termination Agreement signed on 1st January 2014 is part of this loan.

(2) Credit Contract 9/JSML/2014 for a loan with a credit limit of €5.000.000, bearing interest at 4,75% per annum, which is repayable until 31 December 2016. The amount of €1.459.654,98 arising from the Termination Agreement signed on 1st January 2014 is part of this loan.

Per Amendment No.1 signed on 13 November 2015, the interest rate decreased to 3,85% per annum.

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

11. Non-current loans receivable (continued)

(3) Credit Contract 10/JSML/2014 for a loan with a credit limit of €5.000.000, bearing interest at 6,15% per annum, which is repayable until 31 December 2016.

The amount of €2.488.377,23 arising from the Termination Agreement signed on 1st January 2014 is part of this loan.

The loan was fully settled during the period.

(4) Credit Contract 11/JSML/2014 for a loan with a credit limit of €5.000.000, bearing interest at 6,95% per annum, which is repayable until 31 December 2016.

The amount of €3.583.969,92 arising from the Termination Agreement signed on 1st January 2014 is part of this loan.

The loan was fully settled during the period.

(ii) Additional Agreements concluded during 2014 relate to the following:

(1) On 31 January 2014, the Company ("Creditor") concluded Credit Contract 12/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €2.500.000, bearing interest at 2,80% per annum, which is repayable until 31 December 2016.

Per Amendment No.1 signed on 31 July 2015, the interest rate decreased to 2,75% per annum.

(2) On 10 March 2014, the Company ("Creditor") concluded Credit Contract 13/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €2.000.000, bearing interest at 6,75% per annum, which is repayable until 31 December 2016.

The loan was fully settled during the period.

(3) On 12 March 2014, the Company ("Creditor") concluded Credit Contract 14/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €5.000.000, bearing interest at 4,05% per annum, which is repayable until 31 December 2016.

Per Amendment No.1 signed on 28 July 2015, the interest rate increased to 5,15% per annum.

(4) On 27 June 2014, the Company ("Creditor") concluded Credit Contract 16/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of CZK 100.000.000, bearing interest at 4,85% per annum, which is repayable until 27 December 2014.

Per Amendment No.1 signed on 02 September 2014, the credit limit increased to CZK 104.650.000.

Per Amendment No.2 signed on 10 December 2014, the repayment date has been extended until 01 June 2015.

Per Amendment No.3 signed on 01 June 2015, the repayment date has been extended until 01 December 2015.

Per Amendment No.4 signed on 01 December 2015, the repayment date has been extended until 01 May 2016.

Per Amendment No.5 signed on 04 April 2016, the repayment date has been extended until 30 June 2016 and the credit limit increased to CZK 119.650.000.

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

11. Non-current loans receivable (continued)

(5) On 08 July 2014, the Company ("Creditor") concluded Credit Contract 18/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €934.093,18, bearing interest at 4,85% per annum, which is repayable until 08 January 2015.

Per Amendment No.1 signed on 02 January 2015, the repayment date has been extended until 01 June 2015.

Per Amendment No.2 signed on 01 June 2015, the repayment date has been extended until 01 December 2015.

Per Amendment No.3 signed on 01 December 2015, the repayment date has been extended until 01 May 2016.

Per Amendment No.4 signed on 29 April 2016, the repayment date has been extended until 30 June 2016.

On 29 April 2016, the Company ("Creditor") entered into an Agreement of mutual understanding with J&T Private Equity B.V. ("Debtor") according to which, the Parties agreed to terminate the Credit Contracts 16/JSML/2014, which on this date has a balance of CZK 129.034.756,64 (equivalent to €4.772.350,47) and 18/JSML/2014, which on this date has a balance of €1.016.384,23 and at the same time to increase the principal amount of the Credit Contract 20/JSML/2014 by these amounts.

On 01 May 2016, the balance of 20/JSML/2014 shall be €6.515.826,05.

(6) On 10 September 2014, the Company ("Creditor") concluded Credit Contract 19/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €11.500.000, bearing interest at 8,35% per annum, which is repayable until 31 December 2016.

The loan was fully settled during the period.

(7) On 19 September 2014, the Company ("Creditor") concluded Credit Contract 20/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of €1.000.000, bearing interest at the 2 weekly repo announced by the European Central Bank (ECB) plus a margin of 1% per annum, which is repayable until 31 December 2016.

Per Amendment No.1 signed on 29 April 2016, the credit limit increased to €7.000.000.

On 29 April 2016, the Company ("Creditor") entered into an Agreement of mutual understanding with J&T Private Equity B.V. ("Debtor") according to which, the Parties agreed to terminate the Credit Contracts 16/JSML/2014, which on this date has a balance of CZK 129.034.756,64 (equivalent to €4.772.350,47) and 18/JSML/2014, which on this date has a balance of €1.016.384,23 and at the same time to increase the principal amount of the Credit Contract 20/JSML/2014 by these amounts.

On 01 May 2016, the balance of 20/JSML/2014 shall be €6.515.826,05.

(8) On 22 October 2014, the Company ("Creditor") concluded Credit Contract 21/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of CZK 600.000.000, bearing interest at 7,35% per annum, which is repayable until 22 October 2018.

(9) On 05 November 2014, the Company ("Creditor") concluded Credit Contract 22/JSML/2014 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of CZK 601.350.000, bearing interest at 2,50% per annum, which is repayable until 22 October 2018.

(iii) Additional Agreements concluded during 2015 relate to the following:

(1) On 21 January 2015, the Company ("Creditor") entered into a Loan Contract with a third party individual ("Debtor") for the granting of a loan in the amount of CZK 53.316.562,50, which bears interest at 6,5% per annum and is repayable until 15 February 2017. The interest is payable annually on the 21st of January of each year.

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

11. Non-current loans receivable (continued)

(2) On 14 April 2016, the Company ("Creditor") entered into a Loan Contract with a third party ("Debtor") for the granting of a loan in the amount of €10.800.000, which bears interest at 12% per annum and is repayable on 14 April 2017.

(3) On 16 June 2016, the Company ("Creditor") entered into a Loan Contract with a third party ("Debtor") for the granting of a loan in the amount of €1.626.700, which bears interest at 6% per annum and is repayable on 15 December 2016.

12. Trade and other receivables

	30 June 2016	31 December 2015
	€	€
Trade receivables	37.299	111.388
Deposits and prepayments	24.563	64.273
Other receivables	-	12.891.230
	<u>61.862</u>	<u>13.066.891</u>

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

On 30 June 2016 and 31 December 2015, Trade receivables relate to the balances of broker accounts held with a regulated financial institution.

On 31 December 2015, Other receivables relate to the following:

(i) Per the Resolution signed on 30 April 2015, the shareholders of Best Hotel Properties a.s. ("BHP") decided to decrease the share capital of the BHP by €315.225.000 to €35.025.000, by decrease of the nominal value from €10,00 to €1,00. The proceeds from the decrease of the share capital will be distributed to the shareholders in the sum of €313.128.242 and the remaining amount of €2.096.758 will be used to cover the accumulated losses of previous years.

The receivable was fully settled by the end of the period.

(ii) Deposits and prepayments relate to the Special Arrangement to the Agreement with the Administrator signed on 23 September 2014 relating to the issue of the Company's debentures, according to which, the Company agrees to pay to the Administrator an annual remuneration of 0,15% of the overall volume of the issue of bonds, which is payable on the issue date for the first year and for each subsequent year, on the anniversary thereof.

13. Financial assets at fair value through profit or loss

	2016	2015
	€	€
Balance at 1 January	30.570.925	40.194.378
Additions	226.689.881	398.012.668
Disposals	(194.983.769)	(396.257.857)
Change in fair value	1.422.658	1.501.013
Difference from decrease of share capital of BHP	-	(12.891.230)
Exchange differences	(37.953)	11.953
Transfer to AFS	(583.285)	-
Balance at 30 June/31 December	63.078.457	30.570.925
Less non-current portion	-	-
Current portion	<u>63.078.457</u>	<u>30.570.925</u>

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

13. Financial assets at fair value through profit or loss (continued)

	Fair values	Cost	Fair values	Cost
	30 June 2016	30 June 2016	31 December 2015	31 December 2015
	€	€	€	€
Securities listed on a Stock Exchange	<u>63.078.457</u>	<u>58.032.830</u>	30.570.925	26.944.710
	<u>63.078.457</u>	<u>58.032.830</u>	30.570.925	26.944.710

The financial assets at fair value through profit or loss are marketable securities and are valued at market value at the close of business on 30 June by reference to Stock Exchange quoted bid prices. Financial assets at fair value through profit or loss are classified as current assets because they are expected to be realised within twelve months from the reporting date.

In the cash flow statement, financial assets at fair value through profit or loss are presented within the section on operating activities as part of changes in working capital. In the statement of profit or loss and other comprehensive income, changes in fair values of financial assets at fair value through profit or loss are recorded in operating income.

The Company's investments which exceeded 5% of the class "Securities listed on a Stock Exchange" and/or 5% of net assets are shown below:

Investment	Type of investment	Percentage in the investment category	Percentage of net assets	30 June 2016 €	31 December 2015 €
Tatry mountain resorts, a.s.	Security	15,63%	43,03%	25.267.862	24.009.671
Dragon - Ukrainian Properties & Development plc.	Security	10,69%	3,24%	<u>1.900.144</u>	-
				<u>27.168.006</u>	<u>24.009.671</u>

During 2015, the following were the most significant transaction:

(a) Per the Resolution signed on 30 April 2015, the shareholders of Best Hotel Properties a.s. ("BHP") decided to decrease the share capital of the BHP by €315.225.000 to €35.025.000, by decrease of the nominal value from €10,00 to €1,00. The proceeds from the decrease of the share capital will be distributed to the shareholders in the sum of €313.128.242 and the remaining amount of €2.096.758 will be used to cover the accumulated losses of previous years.

(b) On 31 December 2015, the Company holds 92.965 shares in Tatry mountain resorts, a.s. (TMR) and 1.291.872 in Best Hotel Properties a.s. (BHP).

In addition, the Company holds 193.381 shares in TMR and 150.100 in BHP, which are used as a pledge on the various REPO agreements with other financial institutions. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of €5.317.977,60 (CZK 124.151.200,49 and €723.638,28) plus interest (with various parties).

Moreover, 762.113 shares held in TMR are used as a pledge on the REPO agreement with a regulated financial institution. Based on the agreement, the Company sold and agreed to purchase back these shares for a total of €11.488.853,48 plus interest.

Finally, the Company holds 114 pieces of fixed rate perpetual notes of J&T Banka 10% PERP, 3 pieces of fixed rate perpetual notes of J&T Banka 9% PERP EUR and 33 pieces of fixed rate perpetual notes of J&T Banka 9% PERP CZK on 31 December 2015.

It also holds 49.494 shares in a Czech Company (with shares listed on the Prague Stock Exchange) and 255 pieces of J&T Ostravice Active Life.

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

13. Financial assets at fair value through profit or loss (continued)

(c) On 30 June 2016, the Company holds 99.997 shares in Tatry mountain resorts, a.s. (TMR) and 1.441.972 in Best Hotel Properties a.s. (BHP).

In addition, the Company holds 186.349 shares in TMR, which are used as a pledge on the various REPO agreements with other financial institutions. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of €3.490.615,21 (CZK 91.822.172 and €106.233,60) plus interest (with various parties). Moreover, 762.113 shares held in TMR are used as a pledge on the REPO agreement with a regulated financial institution. Based on the agreement, the Company sold and agreed to purchase back these shares for a total of €11.488.853,48 plus interest.

Finally, the Company holds 49.494 shares in a Czech Company (with shares listed on the Prague Stock Exchange), 255 pieces of J&T Ostravice Active Life, 11.687.200 shares held with Dragon - Ukrainian Properties & Development plc. and 300.000 pieces of Sandberg Investment Fund.

14. Cash at bank and in hand

Cash balances are analysed as follows:

	30 June 2016	31 December 2015
	€	€
Cash at bank and in hand	<u>246.473</u>	<u>5.017</u>
	<u>246.473</u>	<u>5.017</u>

Currency:

	30 June 2016	31 December 2015
	€	€
United States Dollars	16	17
Euro	1.191	1.193
Czech koruna	<u>245.266</u>	<u>3.807</u>
	<u>246.473</u>	<u>5.017</u>

15. Share capital

	2016 Number of shares	2016 €	2015 Number of shares	2015 €
Authorised				
Ordinary shares of €1 each	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>
Issued and fully paid				
Balance at 1 January	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>
Balance at 30 June/31 December	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>	<u>11.000</u>

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

16. Borrowings

	2016	2015
	€	€
Balance at 1 January	66.324.630	56.400.227
Additions	80.763.149	250.625.943
Repayments	(81.248.996)	(253.627.556)
Interest for the year	2.169.249	4.101.935
Exchange differences	(215.476)	1.411.904
Capitalised expenses	-	(844)
Repurchase of own long term debentures	-	(10.335.456)
Sale of repurchased own long term debentures	-	17.748.477
Termination of loans	(5.757.854)	-
Balance at 30 June/31 December	62.034.702	66.324.630

	30 June 2016	31 December 2015
	€	€
Current borrowings		
Bank loans	15.060.742	16.891.248
Debentures	815.067	719.734
Other loans	-	5.131.906
Loans from related companies (Note 19.4)	1.629.508	-
	17.505.317	22.742.888

Non-current borrowings		
Debentures	43.407.444	43.581.742
Loans from related companies (Note 19.4)	1.121.941	-
	44.529.385	43.581.742
Total	62.034.702	66.324.630

Maturity of non-current borrowings:

	30 June 2016	31 December 2015
	€	€
Between two and five years	44.529.385	43.581.742
	44.529.385	43.581.742

On 30 June 2016, the bank loans are secured as follows:

- By a pledge of 186.349 shares in Tatry mountain resorts, a.s. (TMR) (2015: 193.381 shares in TMR and 150.100 shares in Best Hotel Properties a.s. ("BHP")).
- By a pledge of 762.113 shares in Tatry mountain resorts, a.s. (TMR) (2015: 762.113 shares in TMR).

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

	30 June 2016	31 December 2015
Bank loans	2%-8%	3%-8%
Debentures	6,25%	6,25%
Other loans	-	4,50%
Loans from related companies	3,20%-4,20%	-

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

16. Borrowings (continued)

(A) Loans from related parties

(i) On 11 June 2014, the Company ("Debtor") entered into Credit Contract 15/JSML/2014 with J&T Private Equity B.V. ("Creditor") for the granting of a loan with a credit limit in the amount of €30.000.000, which bears interest at the rate of 16,40% per annum and is repayable on 25 June 2014.
The loan was settled on 24 June 2014.

(iii) On 30 June 2014, the Company ("Debtor") entered into Credit Contract 17/JSML/2014 with J&T Private Equity B.V. ("Creditor") for the granting of a loan with a credit limit in the amount of CZK 10.005.000, which bears interest at the rate of 9% per annum and is repayable on 30 June 2015.

Per Amendment No.1 signed on 07 July 2014, the principal amount was increased up to the amount of CZK 20.000.000.

Per Amendment No.2 signed on 29 June 2015, the repayment date has been extended until 31 July 2015.

However, the loan was repaid in full on 15 July 2015.

(iii) On 11 February 2015, the Company ("Debtor") entered into Credit Contract 23/JSML/2015 with J&T Private Equity B.V. ("Creditor") for the granting of a loan with a credit limit in the amount of CZK 1.348.000.000, which bears interest at 4,85% per annum and is repayable until 31 March 2015.
The loan was partially settled on 03 March 2015 and fully settled on 16 March 2015.

(iv) On 27 March 2015, the Company ("Debtor") entered into Credit Contract 24/JSML/2015 with J&T Private Equity B.V. ("Creditor") for the granting of a loan with credit limit in the amount of €49.900.000, which bears interest at 5% per annum and is repayable until 31 March 2015.
The loan was fully settled on 30 March 2015.

(v) On 15 January 2016, the Company ("Debtor") entered into Credit Contract 25/JSML/2016 with J&T Private Equity B.V. ("Creditor") for the granting of a loan with a credit limit in the amount of \$1.868.000, which bears interest at the rate of 3,20% per annum and is repayable on 18 December 2020.

(vi) On 16 June 2016, the Company ("Debtor") entered into Loan Contract 26/JSML/2016 with J&T Private Equity B.V. ("Creditor") for the granting of a loan in the amount of €1.626.700, which bears interest at the rate of 4,20% per annum and is repayable on 15 December 2016.

(B) Bank Loans

Bank loans represent REPO agreements with financial institutions.

On 06 May 2013, the Company entered into an Agreement on the Exercise of Voting Rights Associated with Shares with a regulated financial institution for the security of loans by transfer of securities.

On 31 December 2015, the bank loans represent REPO agreements for 193.381 shares in Tatry mountain resorts, a.s. and 150.100 in Best Hotel Properties a.s. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of €5.317.977,60 (CZK 124.151.200,49 and €723.638,28) plus interest.
On 31 December 2015, the bank loans also represent a REPO agreement with a regulated financial institution for 762.113 shares in Tatry mountain resorts, a.s. Based on the agreement, the Company sold and agreed to purchase back these shares for a total of €11.488.853,48 plus interest.

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

16. Borrowings (continued)

On 30 June 2016, the bank loans represent REPO agreements for 186.349 shares in Tatry mountain resorts, a.s. Based on the various agreements, the Company sold and agreed to purchase back the above shares for a total of €3.490.615,21 (CZK 91.822.172 and €106.233,60) plus interest.

On 30 June 2016, the bank loans also represent a REPO agreement with a regulated financial institution for 762.113 shares in Tatry mountain resorts, a.s. Based on the agreement, the Company sold and agreed to purchase back these shares for a total of €11.488.853,48 plus interest.

(C) Debentures

(i) On 17 July 2014, the Company ("Issuer") entered into a Mandate Agreement on provision of services related to the issue of the bonds with a third party ("Arranger"), for the issue of 400 fixed rate bonds of 6,25% per annum, with an interest period of 6 months, in the total principal amount of CZK 1.200.000.000, due in 2018.

The Company authorises the Arranger to proceed with various of services, since the Arranger is equipped with required experience for the provision of support to the Issuer.

On the issue date, the Company shall pay to the Arranger a remuneration of CZK 600.000 for the assistance to the Company within preparation of the documentation and CZK 3.000.000 for the intermediation of subscribers to the Company.

The remuneration shall be payable 7 days after the issue date.

Additionally, the Company is entitled to issue additional bonds up to the principal amount of CZK 600.000.000 during the issue period or in the additional issue period.

In addition to the remuneration, the Company shall pay to the Arranger all the documented costs connected with the issue of the bonds, legal costs, the costs of communication, notarial fees, costs of copying, costs of executing a final summary of documentation and the administrative costs of the Czech National Bank (CNB).

(ii) On 23 September 2014, the Company ("Issuer") entered into an Agreement with the a regulated financial institution ("Administrator"), according to which the Administrator agrees that in relation to the issue of the bonds, it will act as an administrator, a listing agent and a calculation agent. The Administrator shall notify the Company of the total amount of financial means, which are to be remitted to the internal account of the Administrator.

The Company shall pay remuneration to the Administrator, in the manner and the maturity dates agreed by and between the Company and the Administrator in a Special Arrangement to this Agreement.

(iii) According to the Special Arrangement with the Administrator signed on the same date, the Company agrees to pay to the Administrator an annual remuneration of 0,15% of the overall volume of the issue of bonds, which is payable on the issue date for the first year and for each subsequent year, on the anniversary thereof.

(iv) Per the Agreement on Placement of Bonds signed on the same date between the Company ("Issuer") and a regulated financial institution ("Lead Manager"), the Lead Manager intends to ensure the process of the subscription and purchase of bonds and to identify proper subscribers who will subscribe the entire issue of bonds.

The remuneration for the services provided shall be agreed in the Special Arrangement to this Agreement

(v) According to the Special Arrangement to the Agreement on Placement of Bonds signed on the same date, the Company agrees to pay to the Lead Manager a remuneration of 1,50% of the overall volume of the bonds subscribed during the issue period or additional issue period, which is payable retrospectively on a monthly basis against an invoice issued by the Manager after the end of each calendar month of its activity as Manager for the previous calendar month.

The remuneration specified above is exclusive of the value added tax

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

16. Borrowings (continued)

(vi) The Company has made the following two issues of bonds which are listed on the Prague Stock Exchange (PSE):

(1) On 22 October 2014, the Company issued 200 fixed rate bonds with the nominal value of each bond amounting to CZK 3.000.000, for the total amount of CZK 600.000.000. The maturity date is 22 October 2018. The interest payments are semi annually with the first due on 22 April 2015.

(2) On 05 November 2014, the Company issued additionally 200 fixed rate bonds with the nominal value of each bond amounting to CZK 3.000.000, for the total amount of CZK 600.000.000. The maturity date is 22 October 2018. The interest payments are semi annually with the first due on 22 April 2015.

(vii) However, on 10 December 2014, the Company has bought back 65 pieces of the bonds issued with nominal value of CZK 3.000.000 each, for the total amount of CZK 196.625.000 (CZK 195.000.000 plus accrued interest CZK 1.625.000).

(viii) On 08 January 2015, the Company has bought back 96 pieces of the bonds issued with nominal value of CZK 3.000.000 each, for the total amount of CZK 291.800.000 (CZK 288.000.000 plus accrued interest CZK 3.800.000).

During 2015, the Company sold all bonds repurchased.

(D) Other loans

(i) On 27 June 2014, the Company ("Debtor") entered into a Loan Contract with a third party ("Creditor") for the granting of a loan in the amount of CZK 100.000.000, which bears interest at the rate of 4,50% per annum and is repayable on 27 December 2014.

Per Amendment No.1 signed on 28 August 2014, the principal amount was increased up to the amount of CZK 104.650.000.

Per Amendment No.2 signed on 26 December 2014, the repayment date has been extended until 01 June 2015.

Per Amendment No.3 signed on 01 June 2015, the repayment date has been extended until 01 October 2015.

Per Amendment No.4 signed on 01 October 2015, the repayment date has been extended until 01 November 2015.

Per Amendment No.5 signed on 01 November 2015, the repayment date has been extended until 31 December 2015.

Per Amendment No.6 signed on 30 December 2015, the repayment date has been extended until 29 February 2016.

Per Amendment No.7 signed on 29 February 2016, the repayment date has been extended until 30 April 2016.

Per Amendment No.8 signed on 04 April 2016, the principal amount was increased up to the amount of CZK 119.650.000.

(ii) On 08 July 2014, the Company ("Debtor") entered into a Loan Contract with a third party ("Creditor") for the granting of a loan in the amount of €934.093,18, which bears interest at the rate of 4,50% per annum and is repayable on 08 January 2015.

Per Amendment No.1 signed on 02 January 2015, the repayment date has been extended until 01 June 2015.

Per Amendment No.2 signed on 01 June 2015, the repayment date has been extended until 01 October 2015.

Per Amendment No.3 signed on 01 October 2015, the repayment date has been extended until 01 November 2015.

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

16. Borrowings (continued)

Per Amendment No.4 signed on 01 November 2015, the repayment date has been extended until 31 December 2015.

Per Amendment No.5 signed on 30 December 2015, the repayment date has been extended until 29 February 2016.

Per Amendment No.6 signed on 29 February 2016, the repayment date has been extended until 30 April 2016.

On 30 April 2016, the Company ("Depositary") entered into a Safekeeping Agreement with a third party ("Depositor"), according to which, the Depositor agreed to entrust the Company with the safekeeping of the total amount of CZK 155.680.803,44.

The amount entrusted results from the following:

- (i) CZK 128.360.372,60 from the Loan Agreement signed on 27 June 2014,
- (ii) €1.010.445,70 (equivalent to CZK 27.320.430,84) from the Loan Agreement signed on 08 July 2014.

The Parties agree that if the liquidator of the Depositor does not prepare the final report on the course of the liquidation and does not compile financial statements by 30 June 2016, the amount of deposit shall carry interest in the amount of 4,5% per annum upon written request by the Depositor as of the day of the request until the day when the liquidator of the Depositor prepares the final report on the course of the liquidation or compiles financial statements.

The Company undertakes to pay out the amount entrusted or a part whenever it is requested by the Depositor in writing to do so.

Unless the amount entrusted is disposed of by 30 June 2017, the Company shall return the amount of deposit or its remaining part by 15 July 2017.

The Parties agreed that the safekeeping of the amount of deposit under this Agreement shall be free of charge and the depositary is not entitled to any remuneration.

On 01 July 2016, the third party delivered the Request under the Safekeeping Agreement according to which, the third party declares that by 30 June 2016 the final report on the course of the liquidation and financial statements were not prepared and requests that the amount of the deposit carries interest in the amount of 4,5% per annum from the delivery of this request.

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

17. Trade and other payables

	30 June 2016	31 December 2015
	€	€
Trade payables	6.468.819	562.987
VAT	6.514	1.276
Derivative financial instruments	2.188	2.800
Accruals	11.002	16.262
Other creditors	19.870	55.760
	<u>6.508.393</u>	<u>639.085</u>
Less non-current payables	<u>(5.664.399)</u>	-
Current portion	<u>843.994</u>	<u>639.085</u>

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

As at 30 June 2016, Trade payables mainly relate to the following:

On 30 April 2016, the Company ("Depository") entered into a Safekeeping Agreement with a third party ("Depositor"), according to which, the Depositor agreed to entrust the Company with the safekeeping of the total amount of CZK 155.680.803,44.

The amount entrusted results from the following:

- (i) CZK 128.360.372,60 from the Loan Agreement signed on 27 June 2014,
- (ii) €1.010.445,70 (equivalent to CZK 27.320.430,84) from the Loan Agreement signed on 08 July 2014.

The Parties agree that if the liquidator of the Depositor does not prepare the final report on the course of the liquidation and does not compile financial statements by 30 June 2016, the amount of deposit shall carry interest in the amount of 4,5% per annum upon written request by the Depositor as of the day of the request until the day when the liquidator of the Depositor prepares the final report on the course of the liquidation or compiles financial statements.

The Company undertakes to pay out the amount entrusted or a part whenever it is requested by the Depositor in writing to do so.

Unless the amount entrusted is disposed of by 30 June 2017, the Company shall return the amount of deposit or its remaining part by 15 July 2017.

The Parties agreed that the safekeeping of the amount of deposit under this Agreement shall be free of charge and the depository is not entitled to any remuneration.

On 01 July 2016, the third party delivered the Request under the Safekeeping Agreement according to which, the third party declares that by 30 June 2016 the final report on the course of the liquidation and financial statements were not prepared and requests that the amount of the deposit carries interest in the amount of 4,5% per annum from the delivery of this request.

18. Refundable taxes

	30 June 2016	31 December 2015
	€	€
Corporation tax	<u>(4.240)</u>	<u>(20.723)</u>
	<u>(4.240)</u>	<u>(20.723)</u>

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

19. Related party transactions

The Company is controlled by J&T Private Equity Group, incorporated in Cyprus, which owns 100% of the Company's shares. The ultimate controlling parties are nine non resident individuals and one resident individual.

The following transactions were carried out with related parties:

19.1 Interest income

	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015
	€	€
J&T Private Equity B.V.	<u>1.586.631</u>	<u>1.686.038</u>
	<u>1.586.631</u>	<u>1.686.038</u>

19.2 Interest expense

	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015
	€	€
J&T Private Equity B.V.	<u>21.373</u>	<u>169.455</u>
	<u>21.373</u>	<u>169.455</u>

19.3 Loans to associates (Note 11)

	30 June 2016	31 December 2015
	€	€
J&T Private Equity B.V.	<u>48.368.075</u>	<u>78.148.522</u>
	<u>48.368.075</u>	<u>78.148.522</u>

19.4 Loans from related undertakings (Note 16)

	30 June 2016	31 December 2015
	€	€
J&T Private Equity B.V.	<u>2.751.449</u>	<u>-</u>
	<u>2.751.449</u>	<u>-</u>

20. Contingent liabilities

The Company had no contingent liabilities as at 30 June 2016.

21. Commitments

The Company had no capital or other commitments as at 30 June 2016.

22. Events after the reporting period

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

On 01 July 2016, the Company ("Creditor") concluded Credit Contract 27/JSML/2016 with J&T Private Equity B.V. ("Debtor") for a loan with a credit limit of CZK 153.680.803,44, bearing interest at 4,85% per annum, which is repayable until 01 July 2017.

J&T SECURITIES MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 January to 30 June 2016

22. Events after the reporting period (continued)

On the same day, the Parties signed the Request for Draw and Agreement of the Contracting Parties according to which, the drawn amount of CZK 153.680.803,44 resulting from the Credit Contract 27/JSML/2016, shall be used for the partial repayment of the Company's receivable from the Credit Contract 20/JSML/2014, which, as at 01 July 2016 has an outstanding total amount of CZK 153.680.803,44. The receivable, as at the date of the Agreement, is equivalent to €5.664.367,05.

On 11 August 2016, the Company ("Seller") entered into an Agreement on Purchase of Securities with a third party ("Purchaser") for the disposal of 762.113 pieces of shares in the share capital of Tetry mountain resorts, a.s., which represent a share of 11,36% in its share capital, for a total purchase price of €17.909.655,50.

Independent auditor's report on page 3

J&T SECURITIES MANAGEMENT LIMITED

DETAILED INCOME STATEMENT

Period from 1 January to 30 June 2016

	Page	01/01/2016- 30/06/2016 €	01/01/2015- 30/06/2015 €
Revenue		657.112	24.180
Dividend income		-	152.867
Interest income		1.931.469	1.741.411
Loan interest income		1.484.788	-
Net fair value gains on financial assets at fair value through profit or loss			
Other operating income		-	100.000
Profit from sale of available-for-sale financial assets		580	17.773
Profit from sale of financial assets at fair value through profit or loss		498.699	2.146.816
Exchange profit		4.572.648	4.183.047
Operating expenses		(70.881)	(90.739)
Administration expenses	27	4.501.767	4.092.308
Other operating expenses		(33.451)	(12.015)
Broker commission and charges		(6.834)	(5.369)
Loss from sales of financial assets at fair value through profit or loss		(62.130)	(86.518)
Fair value losses on financial assets at fair value through profit or loss			
Operating profit		4.399.352	3.988.406
Finance costs	28	(2.604.912)	(4.091.831)
Net profit/(loss) for the period before tax		1.794.440	(103.425)

J&T SECURITIES MANAGEMENT LIMITED

OTHER OPERATING EXPENSES

Period from 1 January to 30 June 2016

	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015
	€	€
Administration expenses		
Annual levy	350	350
Courier expenses	536	536
Certification and legalisation expenses	32	11
Auditors' remuneration for other assurance services	11.000	11.000
Auditors' remuneration - prior years	3.040	2.470
Accounting fees	6.248	5.950
Other professional fees	9.437	7.503
Translation fees	130	174
Directors' fees	476	-
Administration and fees for bonds	39.632	62.745
	70.881	90.739

J&T SECURITIES MANAGEMENT LIMITED

FINANCE COSTS

Period from 1 January to 30 June 2016

	01/01/2016- 30/06/2016	01/01/2015- 30/06/2015
	€	€
Finance costs		
Interest expense		
Loan interest	94.883	275.291
Bank overdraft interest	650	8
Other interest	589.747	567.314
Debenture interest	1.484.619	1.055.442
Sundry finance expenses		
Bank charges	8	7
Net foreign exchange transaction losses		
Realised foreign exchange loss	18.705	658.143
Unrealised foreign exchange loss	416.300	1.535.626
	<u>2.604.912</u>	<u>4.091.831</u>

J&T SECURITIES MANAGEMENT LIMITED

COMPUTATION OF CORPORATION TAX

Period from 1 January to 30 June 2016

	Page	€	€
Net profit per income statement	26		1.794.440
<u>Add:</u>			
Broker commission and charges		33.451	
Loss from sales of financial assets at fair value through profit or loss		6.834	
Fair value losses on financial assets at fair value through profit or loss		62.130	
Realised foreign exchange loss		18.705	
Unrealised foreign exchange loss		416.300	
Annual levy		350	
Disallowed interest		<u>428.841</u>	
			<u>966.611</u>
			2.761.051
<u>Less:</u>			
Profit from sale of financial assets at fair value through profit or loss		580	
Fair value gains on financial assets at fair value through profit or loss		1.484.788	
Dividends received		657.112	
Realised exchange gains		20.043	
Unrealised foreign exchange profit		<u>478.656</u>	
			<u>(2.641.179)</u>
Chargeable income for the year			<u><u>119.872</u></u>

Calculation of corporation tax

	Income €	Rate %	Total € c
Tax at normal rates:			
Chargeable income as above	<u>119.872</u>	12,50	14.984,00
10% additional charge			<u>1.498,40</u>
TAX PAYABLE			<u><u>16.482,40</u></u>

