

**Six month results 2016**

Announcement is attached

Attachments:

1. **Approval of six month results 2016**
2. **Six month results 2016**

**Regulated**

Publication Date: 31/08/2016

## **ANNOUNCEMENT**

Vision International People Group Public Limited Company announces that during the Board of Directors meeting which was convened on the 31<sup>st</sup> August, 2016, at 10:00 a.m. at the Company's offices, located at Limassol Avenue 67, Aglantzia, 2121, Nicosia, the Condensed Interim Consolidated Financial Statements for the six months ended 30<sup>th</sup> June, 2016 were discussed and approved.

The Company would like to inform investors that copies of the same are available at the registered office of the Company, located at Limassol Avenue 67, Aglantzia 2121, in Nicosia.

31 August, 2016,

Nicosia

# **Vision International People Group Public Limited**

Half-Yearly Financial Report  
30 June 2016

# **Vision International People Group Public Limited**

---

## **HALF-YEARLY FINANCIAL REPORT**

**for the six months ended 30 June 2016**

| <b>Contents</b>  | <b>Page</b>  |
|--|--------------|
| <b>Officers and Professional Advisors</b>  | <b>2</b>     |
| <b>Statement of the Members of the Board of Directors and Other Company Officials Responsible for the Financial Statements</b> | <b>3</b>     |
| <b>Interim Management Report</b>   | <b>4 - 6</b> |
| <b>Interim Condensed Consolidated Financial Statements</b>   |              |
| Interim Consolidated Statement of Comprehensive Income   | 7            |
| Interim Consolidated Statement of Financial Position   | 8            |
| Interim Consolidated Statement of Cash Flows   | 9            |
| Interim Consolidated Statement of Changes in Equity  | 10           |
| Notes to the Interim Condensed Consolidated Financial Statements   | 11 - 24      |

**Vision International People Group Public Limited**  
**OFFICERS AND PROFESSIONAL ADVISORS**

---

**Executive Directors**

Roberto Piona – Chairman  
Dmitry Buriak – Chief Executive Officer

**Independent Non-Executive Directors**

John Hadjihannas  
Peter Fehrn-Christensen

**Company Secretary**

Nairy Der Arakelian-Merheje

**Registered Office**

Vision Tower  
67, Limassol Avenue  
2121, Aglantzia, Nicosia, Cyprus

**Solicitors**

Der Arakelian-Merheje LLC

**Group Corporate Manager / Compliance Officer**

Maria Andreou

**Principal Bankers**

AB SEB Bankas  
Bank of Cyprus Public Co Limited  
UniCredit Bank Austria AG  
PJSC Commercial Bank "PrivatBank"  
ZAO Raiffeisenbank  
Commercial Bank "SDM-Bank"  
Bank Pekao S.A.  
First Investment Bank (Fibank)  
JSC Sacombank  
JSC Vietcombank

**Independent Auditor**

CosmoCo Services Ltd  
6, Neoptolemou Street  
1087, Nicosia, Cyprus

## **Vision International People Group Public Limited**

### **STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OTHER COMPANY OFFICIALS RESPONSIBLE FOR THE FINANCIAL STATEMENTS**

In accordance with Article 10, sections 3(c) and 7 of the Transparency Requirements (Securities for Trading on Regulated Market) Law of 2007 (Law 190(I)/2007, the “Law”), we the members of the Board of Directors and the other Company officials responsible for the Interim Condensed Consolidated Financial Statements of Vision International People Group Public Limited (the “Company”) for the period of six months ended 30 June 2016, confirm that, to the best of our knowledge,

- (a) the Interim Condensed Consolidated Financial Statements on pages 7 to 24
  - (i) have been prepared in accordance with the International Financial Reporting Standards (*IAS 34 “Interim Financial Reporting”*) as adopted by the European Union (EU), and in accordance with the provisions of Article 10, section 4 of the Law, and
  - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Company and the undertakings included in the consolidated financial statements taken as a whole, and
- (b) the Interim Management Report on pages 4 to 6 provides a fair review of the information required by Article 10, section 6 of the Law.

|                         |                                    |
|-------------------------|------------------------------------|
| Dmitry Buriak           | Chief Executive Officer            |
| Roberto Piona           | Chairman                           |
| John Hadjihannas        | Non Executive Independent Director |
| Peter Fehrn-Christensen | Non Executive Independent Director |

Nicosia  
31 August 2016

## **Vision International People Group Public Limited**

### **STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OTHER COMPANY OFFICIALS RESPONSIBLE FOR THE FINANCIAL STATEMENTS**

In accordance with Article 10, sections 3(c) and 7 of the Transparency Requirements (Securities for Trading on Regulated Market) Law of 2007 (Law 190(I)/2007, the "Law"), we the members of the Board of Directors and the other Company officials responsible for the Interim Condensed Consolidated Financial Statements of Vision International People Group Public Limited (the "Company") for the period of six months ended 30 June 2016, confirm that, to the best of our knowledge,

- (a) the Interim Condensed Consolidated Financial Statements on pages 7 to 24
  - (i) have been prepared in accordance with the International Financial Reporting Standards (*IAS 34 "Interim Financial Reporting"*) as adopted by the European Union (EU), and in accordance with the provisions of Article 10, section 4 of the Law, and
  - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Company and the undertakings included in the consolidated financial statements taken as a whole, and
- (b) the Interim Management Report on pages 4 to 6 provides a fair review of the information required by Article 10, section 6 of the Law.

|                        |                                    |
|------------------------|------------------------------------|
| Dmitry Buriak          | Chief Executive Officer            |
| Roberto Piona          | Chairman                           |
| John Hadjihannas       | Non Executive Independent Director |
| Peter Fehr-Christensen | Non Executive Independent Director |



Nicosia  
31 August 2016

## **Vision International People Group Public Limited**

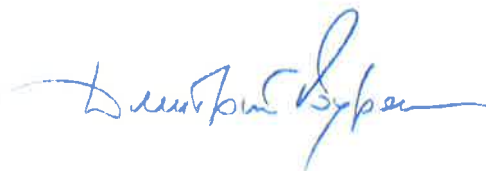
### **STATEMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS AND OTHER COMPANY OFFICIALS RESPONSIBLE FOR THE FINANCIAL STATEMENTS**

In accordance with Article 10, sections 3(c) and 7 of the Transparency Requirements (Securities for Trading on Regulated Market) Law of 2007 (Law 190(I)/2007, the "Law"), we the members of the Board of Directors and the other Company officials responsible for the Interim Condensed Consolidated Financial Statements of Vision International People Group Public Limited (the "Company") for the period of six months ended 30 June 2016, confirm that, to the best of our knowledge,

- (a) the Interim Condensed Consolidated Financial Statements on pages 7 to 24
  - (i) have been prepared in accordance with the International Financial Reporting Standards (*IAS 34 "Interim Financial Reporting"*) as adopted by the European Union (EU), and in accordance with the provisions of Article 10, section 4 of the Law, and
  - (ii) give a true and fair view of the assets and liabilities, the financial position and the profit or loss of the Company and the undertakings included in the consolidated financial statements taken as a whole, and
- (b) the Interim Management Report on pages 4 to 6 provides a fair review of the information required by Article 10, section 6 of the Law.

Dmitry Buriak

Chief Executive Officer



Roberto Piona

Chairman

John Hadjihannas

Non Executive Independent Director

Peter Fehm-Christensen

Non Executive Independent Director



Nicosia  
31 August 2016



**Vision International People Group Public Limited**  
**INTERIM MANAGEMENT REPORT**  
**for the six months ended 30 June 2016**

---

***Financial performance for the six months to 30 June 2016***

Group turnover for the six months to 30 June 2016, reached the level of US\$17,1m, representing a decrease of 22,4% over sales for the same period in 2015 (US\$22,0m). The decrease in sales was demonstrated in the geographical areas as follows: CIS and Baltics US\$1,2m or 16,6%, Europe US\$0,1m or 2,8% and for the Rest of the world US\$3,5m or 35,4%.

Cost of sales for the six months to 30 June 2016, reached the level of US\$5,4m (31,8% of sales) compared to US\$4,7m (21,2% of sales) for the same period in 2015.

Commissions for the six months to 30 June 2016 reached the level of US\$7,2m (42,4% of sales) as compared to US\$9,6m (43,8% of sales) for the same period in 2015.

Selling and distribution costs exhibited an decrease of US\$0,3m during the six months to 30 June 2016, reaching the level of US\$1,8m or 10,8% of sales, compared to US\$2,1m or 9,6% of sales in the same period last year.

Administrative expenses for the six months to 30 June 2016 have decreased to the level of US\$3,5m compared to US\$5,2m for the six months to 30 June 2015, representing a decrease of US\$1,7m.

Overall, for the six months period, the Group experienced a loss of US\$2,7, compared to a loss of US\$1,2m during the same period in 2015.

The major factors affecting the Group's performance are as follows:

- The decrease in sales across the Group due to the global economic crisis.
- The increase in Cost of Sales due to the scrapping of outdated products.
- The continuing restructuring with the aim of reducing costs.

***Financial stability as at 30 June 2016***

***Cash flow***

The cash flow from operating activities showed an outflow of US\$0,6m in the first half of 2016 compared to US\$2,2m outflow for the same period in 2015.

The Group was had an outflow of US\$0,3m in cash from financial activities as compared to an outflow of US\$0,2m in the corresponding period of 2015.

***Liquidity and capital resources***

Cash and cash equivalents as at 30 June 2016 amounted to US\$2,4m, compared to US\$1,3m as at 31 December 2015. In this context, the consolidated cash flow statement for the six months to 30 June 2016 shows a net increase in cash and cash equivalents of US\$1,1m.

Over this period the non-current loans and other borrowings increased to US\$1,3m from US\$1,1m as at 31 December 2015 and the current portion of interest-bearing loans and other borrowings increased from US\$2,7m as at 31 December 2015 and US\$3,1m as at 30 June 2016.

**Vision International People Group Public Limited**  
**INTERIM MANAGEMENT REPORT**  
**for the six months ended 30 June 2016**

---

***Financial stability as at 30 June 2016*** (continued)

*Borrowings and capital structure*

Interest bearing loans and borrowings in total are increasing with interest-bearing debt to equity ratio standing at the level of 52,2% of parent shareholders' funds (31 December 2015: 39,1%).

*Debt profile*

Trade and other payables as at 30 June 2016 stand at US\$7,9m compared to US\$8,5m as of 31 December 2015 thus showing a decrease of 6,5%.

*Current assets other than cash*

Inventories decreased from US\$5,5m as at 31 December 2015 to US\$3,3m as at 30 June 2016. Trade and other receivables remained at the same level of US\$3,2m as at 31 December 2015 and as at 30 June 2016.

*Risk management*

The Group is exposed to various risks, the most significant of which are interest rate risk, liquidity risk, foreign currency risk and credit risk, as well as operational risk. Information relating to Group risk management is set out in Note 20 of the financial statements for the year ended 31 December 2015 and it is not expected to change significantly during the second half of 2016.

*Related party transactions*

Information on related party transactions for the six months ended 30 June 2016 in accordance with IFRSs is presented in Note 13 of the Interim Condensed Consolidated Financial Statements.

*Employee numbers*

The number of the employees of the Group as of 30 June 2016 is 253 (31 December 2015: 259).

*Future developments*

- The Group will continue to develop the Global Ordering System (GOS) in existing and new markets;
- The Group will continue to optimise existing levels of marketing communication, use of new channels for promotion and utilise a wider spectrum of promotional tools and methods;
- The Group will continue to further develop Vision Marketing Plan;
- The Group will continue to liquidate any inefficient subsidiary companies and branches;
- The Group will expand its operations into new countries in Asia, including Cambodia and Laos;
- The Group will reorganise its operations within the Russian Federation as a result of the economic situation within the country arising from the economic sanctions imposed by the European Union, the United States of America, Japan, Canada, Australia and others;
- The Group will reorganise its operations within Ukraine given the political and economic situation within the country.

**Vision International People Group Public Limited**  
**INTERIM MANAGEMENT REPORT**  
**for the six months ended 30 June 2016**

---

*Financial stability as at 30 June 2016* (continued)

*Overall*

The results of the first half of 2016 are below the management's expectations as to the financial performance expected this year.

The main factors affecting this are:

- The lower than budgeted sales for the first half of the year.
- The continuing turmoil in Ukraine and the Russian Federation.

However, a number of factors should be noted:

- The continued liquidation process of some subsidiaries which is reducing costs.
- Cost reduction in the operations of the Group.

The management recognizes that the ongoing turmoil in Ukraine and the Russian Federation and the trade embargo imposed on and by the Russian Federation might affect the results negatively for the Group in the second half of 2016. As a result management is taking all the actions to prevent and or minimise this risk.

**Vision International People Group Public Limited**  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**for the six months ended 30 June 2016**

|   | Notes | <b>UNAUDITED</b>                |                    | <i>Supplementary information<br/>(note 15)</i> |                    |
|---|-------|---------------------------------|--------------------|--|--------------------|
|   |       | <i>Six months ended 30 June</i> |                    | <i>Six months ended 30 June</i>                |                    |
|   |       | 2016<br>US\$                    | 2015<br>US\$       | 2016<br>€                                      | 2015<br>€          |
| <b>Revenue-sale of goods</b>  |       | 17,055,584                      | 21,968,689         | 15,362,623                                     | 19,788,046         |
| Cost of sales   |       | <u>(5,422,735)</u>              | <u>(4,650,517)</u> | <u>(4,884,467)</u>                             | <u>(4,188,900)</u> |
| <b>Gross profit</b>   |       | 11,632,849                      | 17,318,172         | 10,478,156                                     | 15,599,146         |
| Commissions to distributors   |       | <u>(7,233,514)</u>              | <u>(9,622,478)</u> | <u>(6,515,505)</u>                             | <u>(8,667,337)</u> |
|   |       | 4,399,335                       | 7,695,694          | 3,962,651                                      | 6,931,809          |
| Other operating income  |       | 254,006                         | 293,139            | 228,793  | 264,042            |
| Selling and distribution costs  |       | <u>(1,839,793)</u>              | <u>(2,115,309)</u> | <u>(1,657,173)</u>                             | <u>(1,905,341)</u> |
| Administrative expenses   |       | <u>(3,512,781)</u>              | <u>(5,212,710)</u> | <u>(3,164,097)</u>                             | <u>(4,695,289)</u> |
| Other operating expenses  |       | <u>(9,109)</u>                  | <u>6,875</u>       | <u>(8,205)</u>                                 | <u>6,193</u>       |
| <b>(Loss)/profit from operating activities</b>  |       | <u>(708,342)</u>                | <u>667,689</u>     | <u>(638,031)</u>                               | <u>601,414</u>     |
| Finance costs   |       | <u>(1,459,861)</u>              | <u>(1,124,168)</u> | <u>(1,314,954)</u>                             | <u>(1,012,582)</u> |
| Finance income  |       | <u>14,097</u>                   | <u>48,842</u>      | <u>12,699</u>                                  | <u>43,994</u>      |
| <b>Loss before income tax</b>   |       | <u>(2,154,106)</u>              | <u>(407,637)</u>   | <u>(1,940,286)</u>                             | <u>(367,174)</u>   |
| Income tax expense  |       | <u>(529,228)</u>                | <u>(813,672)</u>   | <u>(476,696)</u>                               | <u>(732,906)</u>   |
| <b>Loss for the period</b>  |       | <u>(2,683,334)</u>              | <u>(1,221,309)</u> | <u>(2,416,982)</u>                             | <u>(1,100,080)</u> |
| <b>Other comprehensive income/(loss)</b>  |       |                                 |                    |  |                    |
| Currency Translation differences  |       | <u>800,583</u>                  | <u>(46,272)</u>    | <u>721,117</u>                                 | <u>(41,679)</u>    |
| <b>Other comprehensive income/(loss) for the period, net of tax</b>                         |       | <u>800,583</u>                  | <u>(46,272)</u>    | <u>721,117</u>                                 | <u>(41,679)</u>    |
| <b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>  |       | <u>(1,882,751)</u>              | <u>(1,267,581)</u> | <u>(1,695,865)</u>                             | <u>(1,141,759)</u> |
| (Loss)/Profit attributable to:  |       |                                 |                    |  |                    |
| Equity holders of the parent  |       | <u>(2,683,257)</u>              | <u>(1,224,757)</u> | <u>(2,416,913)</u>                             | <u>(1,103,186)</u> |
| Non-controlling interests   |       | <u>(77)</u>                     | <u>3,448</u>       | <u>(69)</u>                                    | <u>3,106</u>       |
|   |       | <u>(2,683,334)</u>              | <u>(1,221,309)</u> | <u>(2,416,982)</u>                             | <u>(1,100,080)</u> |
| Total comprehensive (loss)/income attributable to:  |       |                                 |                    |  |                    |
| Equity holders of the parent  |       | <u>(1,882,674)</u>              | <u>(1,271,029)</u> | <u>(1,695,796)</u>                             | <u>(1,144,865)</u> |
| Non-controlling interests   |       | <u>(77)</u>                     | <u>3,448</u>       | <u>(69)</u>                                    | <u>3,106</u>       |
|   |       | <u>(1,882,751)</u>              | <u>(1,267,581)</u> | <u>(1,695,865)</u>                             | <u>(1,141,759)</u> |
| Loss per share - basic (cents), for the period attributable to equity holders of the parent | 5     | <u>(3,58)</u>                   | <u>(1,63)</u>      | <u>(3,22)</u>                                  | <u>(1,47)</u>      |

All the amounts shown above are from continuing operations.

# Vision International People Group Public Limited

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2016

|  |       | UNAUDITED               |                             | Supplementary information<br>(note 15) |                          |
|--|-------|-------------------------|-----------------------------|--|--------------------------|
|  |       | 30 June<br>2016<br>US\$ | 31 December<br>2015<br>US\$ | 30 June<br>2016<br>€                   | 31 December<br>2015<br>€ |
|  | Notes |                         |                             |  |                          |
| <b>ASSETS</b>  |       |                         |                             |  |                          |
| <b>Non-current assets</b>                                      |       |                         |                             |  |                          |
| Property, plant and equipment                                  |       | 5,711,906               | 5,878,799                   | 5,144,934                              | 5,295,261                |
| Intangible assets – computer software                          |       | 52,745                  | 40,290                      | 47,510                                 | 36,291                   |
| Goodwill   | 7     | 18,258                  | 18,258                      | 16,446                                 | 16,446                   |
| Deferred income tax asset                                      |       | 421,866                 | 689,977                     | 379,991                                | 621,489                  |
|  |       | <u>6,204,775</u>        | <u>6,627,324</u>            | <u>5,588,881</u>                       | <u>5,969,487</u>         |
| <b>Current assets</b>  |       |                         |                             |  |                          |
| Inventories – goods for resale                                 |       | 3,265,938               | 5,487,564                   | 2,941,757                              | 4,942,861                |
| Trade and other receivables                                    |       | 3,242,344               | 3,174,960                   | 2,920,503                              | 2,859,808                |
| Income tax receivable  |       | 583,365                 | 437,984                     | 525,459                                | 394,509                  |
| Cash in hand and at bank                                       |       | 4,219,812               | 3,622,157                   | 3,800,948                              | 3,262,617                |
|  |       | <u>11,311,459</u>       | <u>12,722,665</u>           | <u>10,188,667</u>                      | <u>11,459,795</u>        |
| <b>TOTAL ASSETS</b>  |       | <u>17,516,234</u>       | <u>19,349,989</u>           | <u>15,777,548</u>                      | <u>17,429,282</u>        |
| <b>EQUITY AND LIABILITIES</b>                                  |       |                         |                             |  |                          |
| <b>Equity attributable to equity holders of the parent</b>     |       |                         |                             |  |                          |
| Issued capital   | 10    | 7,500,000               | 7,500,000                   | 6,755,539                              | 6,755,539                |
| Reserves   |       | (3,468,018)             | (1,585,345)                 | (3,123,777)                            | (1,427,981)              |
|  |       | <u>4,031,982</u>        | <u>5,914,655</u>            | <u>3,631,762</u>                       | <u>5,327,558</u>         |
| <b>Non- controlling interests</b>                              |       | <u>950,162</u>          | <u>950,239</u>              | <u>855,848</u>                         | <u>855,917</u>           |
| <b>TOTAL EQUITY</b>  |       | <u>4,982,144</u>        | <u>6,864,894</u>            | <u>4,487,610</u>                       | <u>6,183,475</u>         |
| <b>Non-current liabilities</b>                                 |       |                         |                             |  |                          |
| Interest-bearing loans and other borrowings                    | 11    | 1,281,207               | 1,143,987                   | 1,154,033                              | 1,030,433                |
| Trade and other payables                                       |       | 2,196,408               | 2,196,408                   | 1,978,389                              | 1,978,390                |
|  |       | <u>3,477,615</u>        | <u>3,340,395</u>            | <u>3,132,422</u>                       | <u>3,008,823</u>         |
| <b>Current liabilities</b>                                     |       |                         |                             |  |                          |
| Trade and other payables                                       |       | 5,735,472               | 6,288,216                   | 5,166,161                              | 5,664,039                |
| Current portion of interest bearing loans and other borrowings | 11    | 3,120,583               | 2,650,515                   | 2,810,829                              | 2,387,421                |
| Income tax payable   |       | 200,420                 | 205,969                     | 180,526                                | 185,524                  |
|  |       | <u>9,056,475</u>        | <u>9,144,700</u>            | <u>8,157,516</u>                       | <u>8,236,984</u>         |
| <b>TOTAL LIABILITIES</b>                                       |       | <u>12,534,090</u>       | <u>12,485,095</u>           | <u>11,289,938</u>                      | <u>11,245,807</u>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                            |       | <u>17,516,234</u>       | <u>19,349,989</u>           | <u>15,777,548</u>                      | <u>17,429,282</u>        |

Roberto Piona – *Chairman*

Dmitry Buriak – *Director and Chief Executive Officer*

Nina Melnikova – *Chief Financial Officer*

# Vision International People Group Public Limited

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2016

|  |      | UNAUDITED         |                     | Supplementary information<br>(note 15) |                     |
|--|------|-------------------|---------------------|--|---------------------|
|  |      | 30 June<br>2016   | 31 December<br>2015 | 30 June<br>2016                        | 31 December<br>2015 |
| Notes  | US\$ | US\$              | €                   | €                                      |                     |
| <b>ASSETS</b>  |      |                   |                     |  |                     |
| <b>Non-current assets</b>                                  |      |                   |                     |  |                     |
|  |      | 5.711.906         | 5.878.799           | 5.144.934                              | 5.295.261           |
|  |      | 52.745            | 40.290              | 47.510                                 | 36.291              |
| 7  |      | 18.258            | 18.258              | 16.446                                 | 16.446              |
|  |      | 421.866           | 689.977             | 379.991                                | 621.489             |
|  |      | <u>6.204.775</u>  | <u>6.627.324</u>    | <u>5.588.881</u>                       | <u>5.969.487</u>    |
| <b>Current assets</b>                                      |      |                   |                     |  |                     |
|  |      | 3.265.938         | 5.487.564           | 2.941.757                              | 4.942.861           |
|  |      | 3.242.344         | 3.174.960           | 2.920.503                              | 2.859.808           |
|  |      | 583.365           | 437.984             | 525.459                                | 394.509             |
|  |      | 4.219.812         | 3.622.157           | 3.800.948                              | 3.262.617           |
|  |      | <u>11.311.459</u> | <u>12.722.665</u>   | <u>10.188.667</u>                      | <u>11.459.795</u>   |
| <b>TOTAL ASSETS</b>  |      | <u>17.516.234</u> | <u>19.349.989</u>   | <u>15.777.548</u>                      | <u>17.429.282</u>   |
| <b>EQUITY AND LIABILITIES</b>                              |      |                   |                     |  |                     |
| <b>Equity attributable to equity holders of the parent</b> |      |                   |                     |  |                     |
|  | 10   | 7.500.000         | 7.500.000           | 6.755.539                              | 6.755.539           |
|  |      | (3.468.018)       | (1.585.345)         | (3.123.777)                            | (1.427.981)         |
|  |      | <u>4.031.982</u>  | <u>5.914.655</u>    | <u>3.631.762</u>                       | <u>5.327.558</u>    |
| <b>Non- controlling interests</b>                          |      | <u>950.162</u>    | <u>950.239</u>      | <u>855.848</u>                         | <u>855.917</u>      |
| <b>TOTAL EQUITY</b>  |      | <u>4.982.144</u>  | <u>6.864.894</u>    | <u>4.487.610</u>                       | <u>6.183.475</u>    |
| <b>Non-current liabilities</b>                             |      |                   |                     |  |                     |
|  | 11   | 1.281.207         | 1.143.987           | 1.154.033                              | 1.030.433           |
|  |      | 2.196.408         | 2.196.408           | 1.978.389                              | 1.978.390           |
|  |      | <u>3.477.615</u>  | <u>3.340.395</u>    | <u>3.132.422</u>                       | <u>3.008.823</u>    |
| <b>Current liabilities</b>                                 |      |                   |                     |  |                     |
|  |      | 5.735.472         | 6.288.216           | 5.166.161                              | 5.664.039           |
|  | 11   | 3.120.583         | 2.650.515           | 2.810.829                              | 2.387.421           |
|  |      | 200.420           | 205.969             | 180.526                                | 185.524             |
|  |      | <u>9.056.475</u>  | <u>9.144.700</u>    | <u>8.157.516</u>                       | <u>8.236.984</u>    |
| <b>TOTAL LIABILITIES</b>                                   |      | <u>12.534.090</u> | <u>12.485.095</u>   | <u>11.289.938</u>                      | <u>11.245.807</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                        |      | <u>17.516.234</u> | <u>19.349.989</u>   | <u>15.777.548</u>                      | <u>17.429.282</u>   |

Roberto Piona – *Chairman*

Dmitry Buriak – *Director and Chief Executive Officer*

Nina Melnikova – *Chief Financial Officer*

# Vision International People Group Public Limited

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2016

|  |      | UNAUDITED         |                     | Supplementary information<br>(note 15) |                     |
|--|------|-------------------|---------------------|--|---------------------|
|  |      | 30 June<br>2016   | 31 December<br>2015 | 30 June<br>2016                        | 31 December<br>2015 |
| Notes  | US\$ | US\$              | €                   | €                                      |                     |
| <b>ASSETS</b>  |      |                   |                     |  |                     |
| <b>Non-current assets</b>                                      |      |                   |                     |  |                     |
| Property, plant and equipment                                  |      | 5,711,906         | 5,878,799           | 5,144,934                              | 5,295,261           |
| Intangible assets – computer software                          |      | 52,745            | 40,290              | 47,510                                 | 36,291              |
| Goodwill   | 7    | 18,258            | 18,258              | 16,446                                 | 16,446              |
| Deferred income tax asset                                      |      | 421,866           | 689,977             | 379,991                                | 621,489             |
|  |      | <u>6,204,775</u>  | <u>6,627,324</u>    | <u>5,588,881</u>                       | <u>5,969,487</u>    |
| <b>Current assets</b>  |      |                   |                     |  |                     |
| Inventories – goods for resale                                 |      | 3,265,938         | 5,487,564           | 2,941,757                              | 4,942,861           |
| Trade and other receivables                                    |      | 3,242,344         | 3,174,960           | 2,920,503                              | 2,859,808           |
| Income tax receivable  |      | 583,365           | 437,984             | 525,459                                | 394,509             |
| Cash in hand and at bank                                       |      | 4,219,812         | 3,622,157           | 3,800,948                              | 3,262,617           |
|  |      | <u>11,311,459</u> | <u>12,722,665</u>   | <u>10,188,667</u>                      | <u>11,459,795</u>   |
| <b>TOTAL ASSETS</b>  |      | <u>17,516,234</u> | <u>19,349,989</u>   | <u>15,777,548</u>                      | <u>17,429,282</u>   |
| <b>EQUITY AND LIABILITIES</b>                                  |      |                   |                     |  |                     |
| <b>Equity attributable to equity holders of the parent</b>     |      |                   |                     |  |                     |
| Issued capital   | 10   | 7,500,000         | 7,500,000           | 6,755,539                              | 6,755,539           |
| Reserves   |      | (3,468,018)       | (1,585,345)         | (3,123,777)                            | (1,427,981)         |
|  |      | <u>4,031,982</u>  | <u>5,914,655</u>    | <u>3,631,762</u>                       | <u>5,327,558</u>    |
| <b>Non- controlling interests</b>                              |      | <u>950,162</u>    | <u>950,239</u>      | <u>855,848</u>                         | <u>855,917</u>      |
| <b>TOTAL EQUITY</b>  |      | <u>4,982,144</u>  | <u>6,864,894</u>    | <u>4,487,610</u>                       | <u>6,183,475</u>    |
| <b>Non-current liabilities</b>                                 |      |                   |                     |  |                     |
| Interest-bearing loans and other borrowings                    | 11   | 1,281,207         | 1,143,987           | 1,154,033                              | 1,030,433           |
| Trade and other payables                                       |      | 2,196,408         | 2,196,408           | 1,978,389                              | 1,978,390           |
|  |      | <u>3,477,615</u>  | <u>3,340,395</u>    | <u>3,132,422</u>                       | <u>3,008,823</u>    |
| <b>Current liabilities</b>                                     |      |                   |                     |  |                     |
| Trade and other payables                                       |      | 5,735,472         | 6,288,216           | 5,166,161                              | 5,664,039           |
| Current portion of interest bearing loans and other borrowings | 11   | 3,120,583         | 2,650,515           | 2,810,829                              | 2,387,421           |
| Income tax payable   |      | 200,420           | 205,969             | 180,526                                | 185,524             |
|  |      | <u>9,056,475</u>  | <u>9,144,700</u>    | <u>8,157,516</u>                       | <u>8,236,984</u>    |
| <b>TOTAL LIABILITIES</b>                                       |      | <u>12,534,090</u> | <u>12,485,095</u>   | <u>11,289,938</u>                      | <u>11,245,807</u>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                            |      | <u>17,516,234</u> | <u>19,349,989</u>   | <u>15,777,548</u>                      | <u>17,429,282</u>   |

Roberto Piona – *Chairman*

Dmitry Buriak – *Director and Chief Executive Officer*

Nina Melnikova – *Chief Financial Officer*

**Vision International People Group Public Limited**  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**for the six months ended 30 June 2016**

|   | <b>UNAUDITED</b>                |                    | <i>Supplementary information</i> |                    |
|---|---------------------------------|--------------------|----------------------------------|--------------------|
|   | <i>Six months ended 30 June</i> |                    | <i>(note 15)</i>                 |                    |
|   | <i>2016</i>                     | <i>2015</i>        | <i>Six months ended 30 June</i>  | <i>2015</i>        |
|   | <i>US\$</i>                     | <i>US\$</i>        | <i>€</i>                         | <i>€</i>           |
| <b>Cash flows from operating activities</b>                                   |                                 |                    |                                  |                    |
| Loss before income tax  | (2,154,106)                     | (407,637)          | (1,940,286)                      | (367,174)          |
| Adjustments for:  |                                 |                    |                                  |                    |
| Gain on disposal of property, plant and equipment and intangible assets       | (919)                           | (16,520)           | (828)                            | (14,880)           |
| Net interest cost and bank charges  | 407,314                         | 384,328            | 366,884                          | 346,179            |
| Depreciation and amortisation   | 197,049                         | 217,178            | 177,490                          | 195,620            |
| Operating (loss)/profit before working capital changes                        | (1,550,662)                     | 177,349            | (1,396,740)                      | 159,745            |
| Decrease in inventories   | 2,221,626                       | 1,466,556          | 2,001,104                        | 1,320,984          |
| Decrease in trade and other receivables                                       | 208,932                         | 89,672             | 188,193                          | 80,771             |
| Decrease in trade and other payables  | (63,958)                        | (2,489,694)        | (57,609)                         | (2,242,563)        |
| Cash generated from / (used in) operations                                    | 815,938                         | (756,117)          | 734,948                          | (681,063)          |
| Net interest and bank charges paid  | (407,314)                       | (384,328)          | (366,884)                        | (346,179)          |
| Income taxes paid   | (412,046)                       | (1,102,328)        | (371,146)                        | (992,909)          |
| <b>Net cash flows used in operating activities</b>                            | <b>(3,422)</b>                  | <b>(2,242,773)</b> | <b>(3,082)</b>                   | <b>(2,020,151)</b> |
| <b>Cash flows from investing activities</b>                                   |                                 |                    |                                  |                    |
| Purchase of property, plant and equipment                                     | (32,034)                        | (17,695)           | (28,854)                         | (15,939)           |
| Purchase of intangible assets   | (513)                           | (3,488)            | (462)                            | (3,142)            |
| Proceeds from disposal of property, plant and equipment and computer software | 907                             | 16,652             | 817                              | 14,999             |
| <b>Net cash flows used in investing activities</b>                            | <b>(31,640)</b>                 | <b>(4,531)</b>     | <b>(28,499)</b>                  | <b>(4,082)</b>     |
| <b>Cash flows from financing activities</b>                                   |                                 |                    |                                  |                    |
| Repayment of loans  | (340,462)                       | (210,053)          | (306,667)                        | (189,203)          |
| New loans received  | 947,750                         | -                  | 853,674                          | -                  |
| Dividends paid  | -                               | (731)              | -                                | (658)              |
| <b>Net cash flows from/(used in) financing activities</b>                     | <b>607,288</b>                  | <b>(210,784)</b>   | <b>547,007</b>                   | <b>(189,861)</b>   |
| Net increase/(decrease) in cash and cash equivalents                          | 572,226                         | (2,248,088)        | 515,426                          | (2,214,094)        |
| Net foreign exchange differences  | 24,843                          | 190,330            | 22,377                           | 171,436            |
| Cash and cash equivalents at 1 January  | 1,325,305                       | 4,698,653          | 1,193,754                        | 4,232,258          |
| <b>Cash and cash equivalents at 30 June</b>                                   | <b>1,922,374</b>                | <b>2,430,895</b>   | <b>1,731,557</b>                 | <b>2,189,600</b>   |



# Vision International People Group Public Limited

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the six months ended 30 June 2016

|  | Reserves                     |                              |                                      |                              |                | Issued capital | Total       | Non - controlling interests | Total equity |
|--|------------------------------|------------------------------|--------------------------------------|------------------------------|----------------|----------------|-------------|-----------------------------|--------------|
|  | Accumulated profits (losses) | Business combination reserve | Non-reciprocal capital contributions | Foreign currency translation | Total reserves |                |             |                             |              |
|  | (i)                          | (ii)                         | (iii)                                | (iv)                         |                |                |             |                             |              |
|  | US\$                         | US\$                         | US\$                                 | US\$                         | US\$           |                |             |                             |              |
| At 1 January 2016                                  | 1,808,886                    | (208,385)                    | 1,257,317                            | (4,443,163)                  | (1,585,344)    | 7,500,000      | 5,914,656   | 950,239                     | 6,864,895    |
| Total comprehensive (loss) / income for the period | (2,683,257)                  | -                            | -                                    | 800,583                      | (1,882,674)    | -              | (1,882,674) | (77)                        | (1,882,751)  |
| At 30 June 2016                                    | (874,369)                    | (208,385)                    | 1,257,317                            | (3,642,580)                  | (3,468,018)    | 7,500,000      | 4,031,982   | 950,162                     | 4,982,144    |

|  | Reserves            |                              |                                      |                              |                | Issued capital | Total       | Non - controlling interests | Total equity |
|--|---------------------|------------------------------|--------------------------------------|------------------------------|----------------|----------------|-------------|-----------------------------|--------------|
|  | Accumulated profits | Business combination reserve | Non-reciprocal capital contributions | Foreign currency translation | Total reserves |                |             |                             |              |
|  | (i)                 | (ii)                         | (iii)                                | (iv)                         |                |                |             |                             |              |
|  | US\$                | US\$                         | US\$                                 | US\$                         | US\$           |                |             |                             |              |
| At 1 January 2015                                  | 5,334,965           | (208,385)                    | 1,257,317                            | (3,683,833)                  | 2,700,064      | 7,500,000      | 10,200,064  | 920,690                     | 11,120,754   |
| Total comprehensive (loss) / income for the period | (1,224,757)         | -                            | -                                    | (46,272)                     | (1,271,029)    | -              | (1,271,029) | 3,448                       | (1,267,581)  |
| At 30 June 2015                                    | 4,110,208           | (208,385)                    | 1,257,317                            | (3,730,105)                  | 1,429,035      | 7,500,000      | 8,929,035   | 924,138                     | 9,853,173    |

- (i) Accumulated profits are available for distribution. Other reserves are not available for distribution.

There is no withholding tax on payments of dividends by the Company to non-tax resident shareholders or to shareholders that are tax resident companies in Cyprus. Payments of dividends to shareholders that are physical persons and tax resident in Cyprus are subject to 17% withholding tax. As defined by the relevant tax law, companies which do not distribute 70% of their profits after tax within two years after the end of the year of assessment to which the profits refer, will be deemed to have distributed 70% of these profits as dividend. Special contribution for defence at 17% will be payable on such deemed dividend, to the extent that the shareholders (individuals and companies) at the end of the period of two years from the end of the year of assessment to which the profits refer, are Cyprus tax residents. The amount of this deemed dividend 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.

- (ii) The business combination reserve is described in note 2.1 of the Annual Consolidated Financial Statements for the year ended 31 December 2015.
- (iii) Non-reciprocal capital contributions relate to capital contributions made in prior years by the major shareholder in order to assist in covering losses that had been accumulated in some of its subsidiaries. As these contributions are not refundable by the Group, they have been classified as 'non-reciprocal capital contributions' in the Consolidated Statement of Changes in Equity.
- (iv) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

---

**1. Corporate information**

The Interim Condensed Consolidated Financial Statements of Vision International People Group Public Limited for the six months ended 30 June 2016 were authorised for issue in accordance with a resolution of the Board of Directors on 31 August 2016.

Vision International People Group Public Limited (the “Company”) is a Public Limited Liability Company incorporated in Cyprus and listed on the Cyprus Stock Exchange.

The Company’s registered office is located at Vision Tower, 67 Limassol Avenue, 2121, Aglantzia, Nicosia, Cyprus.

The Company’s parent is Health Tech Corporation Limited, a company incorporated in the Island of Guernsey. Health Tech Corporation Limited is beneficially owned by the Chief Executive Officer of the Company, Mr. Dmitry Buriak who is considered as the ultimate controlling party of the Group.

The principal activities of the Company and the Group are described in note 4.

**2. Basis of preparation**

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2016 have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) (IAS 34, “Interim Financial Reporting”).

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required for the annual financial statements and should be read in conjunction with the audited consolidated financial statements for the year ended 31 December 2015.

The Interim Condensed Consolidated Financial Statements comprise the financial statements of the Company (which incorporate the activities of the Company’s representative office in Moscow), and its controlled subsidiaries listed in note 8, together referred to as the “Group”.

The Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2016 have not been audited or reviewed by the Group’s external auditors.

The Interim Condensed Consolidated Financial Statements are presented in United States Dollars (US\$).

## **Vision International People Group Public Limited**

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**at 30 June 2016**

#### **3. Significant accounting policies**

The accounting policies that have been followed for the preparation of the Interim Condensed Consolidated Financial Statements for the six months ended 30 June 2016 are consistent with those followed for the preparation of the audited consolidated financial statements for year 2015.

#### **4. Segment information**

The principal activity of the Group is the distribution to several countries of a wide range of health care products incorporating biologically active food supplements and cosmetics based on natural components.

The principal activities of the Company is the holding of investments in subsidiary companies and the provision of services to the Group through the maintenance of the Group's Head Office in Nicosia and the Company's representative office in Moscow.

The Group's risks and returns are affected solely by the fact that it operates in different countries and geographical areas. Also, the majority of the Group's sales are from food supplements. As such, the Group does not present business segment but only geographical segment information.

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**4. Segment information (continued)**

**Six months ended 30 June 2016**

|                                   | <i>CIS<br/>&amp; Baltics<br/>US\$</i> | <i>Europe<br/>US\$</i> | <i>Rest of the<br/>world<br/>US\$</i> | <i>30 June<br/>2016<br/>Total<br/>US\$</i> |
|-----------------------------------|---------------------------------------|------------------------|---------------------------------------|--|
| <b>Revenue</b>                    |                                       |                        |                                       |  |
| Sales to external customers       | <u>6.213.096</u>                      | <u>4.360.892</u>       | <u>6.481.596</u>                      | <u>17.055.584</u>                          |
| There is no inter-segment revenue |                                       |                        |                                       |  |
| <b>Result</b>                     |                                       |                        |                                       |  |
| Segment result                    | <u>(244.813)</u>                      | <u>(436.658)</u>       | <u>(26.871)</u>                       | <u>(708.342)</u>                           |
| Loss from operating activities    |                                       |                        |                                       | (708.342)                                  |
| Finance costs                     |                                       |                        |                                       | (1.145.862)                                |
| Finance income                    |                                       |                        |                                       | <u>14.097</u>                              |
| Loss before income tax            |                                       |                        |                                       | (2.154.106)                                |
| Income tax expense                |                                       |                        |                                       | <u>(529.228)</u>                           |
| Loss for the period               |                                       |                        |                                       | <u>(2.683.334)</u>                         |
| <b>Assets and Liabilities</b>     |                                       |                        |                                       |  |
| Segment assets                    | <u>7.045.899</u>                      | <u>3.687.986</u>       | <u>6.769.604</u>                      | <u>17.503.489</u>                          |
| Unallocated assets                |                                       |                        |                                       | <u>12.745</u>                              |
| Total assets                      |                                       |                        |                                       | <u>17.516.234</u>                          |
| Segment liabilities               | <u>4.926.173</u>                      | <u>2.874.005</u>       | <u>4.688.596</u>                      | <u>12.488.775</u>                          |
| Unallocated liabilities           |                                       |                        |                                       | <u>45.315</u>                              |
| Total liabilities                 |                                       |                        |                                       | <u>12.534.090</u>                          |
| <b>Other segment information</b>  |                                       |                        |                                       |  |
| Capital expenditures              | <u>28.240</u>                         | <u>2.218</u>           | <u>2.089</u>                          | <u>32.547</u>                              |
| Depreciation and amortisation     | <u>63.134</u>                         | <u>64.439</u>          | <u>69.476</u>                         | <u>197.049</u>                             |

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**4. Segment information (continued)**

**Six months ended 30 June 2015**

|                                   | <i>CIS<br/>&amp; Baltics<br/>US\$</i> | <i>Europe<br/>US\$</i> | <i>Rest of the<br/>world<br/>US\$</i> | <i>30 June<br/>2015<br/>Total<br/>US\$</i> |
|-----------------------------------|---------------------------------------|------------------------|---------------------------------------|--|
| <b>Revenue</b>                    |                                       |                        |                                       |  |
| Sales to external customers       | <u>7.446.336</u>                      | <u>4.486.640</u>       | <u>10.035.712</u>                     | <u>21.968.689</u>                          |
| There is no inter-segment revenue |                                       |                        |                                       |  |
| <b>Result</b>                     |                                       |                        |                                       |  |
| Segment result                    | <u>363.288</u>                        | <u>(392.970)</u>       | <u>697.371</u>                        | <u>667.689</u>                             |
| Profit from operating activities  |                                       |                        |                                       | 667.689                                    |
| Finance costs                     |                                       |                        |                                       | (1.124.168)                                |
| Finance income                    |                                       |                        |                                       | <u>48.842</u>                              |
| Loss before income tax            |                                       |                        |                                       | (407.637)                                  |
| Income tax expense                |                                       |                        |                                       | <u>(813.672)</u>                           |
| Loss for the period               |                                       |                        |                                       | <u>(1.221.309)</u>                         |
| <b>Assets and Liabilities</b>     |                                       |                        |                                       |  |
| Segment assets                    | <u>9.796.961</u>                      | <u>4.482.478</u>       | <u>11.004.170</u>                     | <u>25.283.609</u>                          |
| Unallocated assets                |                                       |                        |                                       | <u>8.245</u>                               |
| Total assets                      |                                       |                        |                                       | <u>25.291.854</u>                          |
| Segment liabilities               | <u>5.393.254</u>                      | <u>2.811.361</u>       | <u>7.196.758</u>                      | <u>15.401.373</u>                          |
| Unallocated liabilities           |                                       |                        |                                       | <u>37.308</u>                              |
| Total liabilities                 |                                       |                        |                                       | <u>15.438.681</u>                          |
| <b>Other segment information</b>  |                                       |                        |                                       |  |
| Capital expenditures              | <u>9.843</u>                          | <u>4.373</u>           | <u>6.967</u>                          | <u>21.183</u>                              |
| Depreciation and amortisation     | <u>66.944</u>                         | <u>65.898</u>          | <u>84.336</u>                         | <u>217.178</u>                             |

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**5. Earnings per share**

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are not calculated as there are no dilutive potential ordinary shares.

The following reflects the profit and share data used in the basic earnings per share computations:

|   | <i>Six months ended</i> |                    |
|---|-------------------------|--------------------|
|   | <i>30 June</i>          | <i>30 June</i>     |
|   | <i>2016</i>             | <i>2015</i>        |
|   | <i>US\$</i>             | <i>US\$</i>        |
| Net loss attributable to ordinary equity holders of the parent for basic earnings per share | <u>(2.683.257)</u>      | <u>(1.224.757)</u> |
|   | <i>30 June</i>          | <i>30 June</i>     |
|   | <i>2016</i>             | <i>2015</i>        |
|   | <i>Number</i>           | <i>Number</i>      |
| Weighted average number of ordinary shares for basic earnings per share                     | <u>75.000.000</u>       | <u>75.000.000</u>  |

There have been no transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the interim condensed consolidated financial statements.

**6. Dividends**

On 26 April 2016, the Directors resolved to propose that no dividend is paid for the year 2015.

**7. Goodwill**

|                                      | <i>30 June</i> | <i>31 December</i> |
|--------------------------------------|----------------|--------------------|
|                                      | <i>2016</i>    | <i>2015</i>        |
|                                      | <i>US\$</i>    | <i>US\$</i>        |
| On acquisition of "Kazakhstan group" | <u>18.258</u>  | <u>18.258</u>      |
|                                      | <u>18.258</u>  | <u>18.258</u>      |

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**8. Investments in subsidiaries**

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries as illustrated in the table below:

| <i>Name</i>  | <i>Country of incorporation</i> | <i>% Group equity interest</i> |                 |
|--|---------------------------------|--------------------------------|-----------------|
|  |                                 | <i>30/06/16</i>                | <i>31/12/15</i> |
| Sambrook Holdings Limited                                      | British Virgin Islands          | 100%                           | 100%            |
| Nutri Export Limited Partnership                               | England and Wales               | 99%                            | 99%             |
| Vision Holdings Limited  | Cyprus                          | 100%                           | 100%            |
| Nutriprodex Limited  | England and Wales               | 100%                           | 100%            |
| Total Eclipse International Limited                            | England and Wales               | 100%                           | 100%            |
| Vision Balkan Limited  | Bulgaria                        | 100%                           | 100%            |
| Vision Polska Sp. zo.o.  | Poland                          | 100%                           | 100%            |
| VisionSerbo d.o.o.   | Serbia                          | 100%                           | 100%            |
| Vision E-Shop G.m.b.H.   | Austria                         | 100%                           | 100%            |
| Vision Group Rus LLC   | Russia                          | 100%                           | 100%            |
| OPT RTK LLC  | Russia                          | 100%                           | 100%            |
| Vision Ukraine LLC   | Ukraine                         | 100%                           | 100%            |
| Vision Vietnam Trading Co Limited                              | Vietnam                         | 100%                           | 100%            |
| VIP Asia LLP   | Kazakhstan                      | 100%                           | 100%            |
| Vision Asia LLP  | Kazakhstan                      | 100%                           | 100%            |
| ARMVision LLC (formally ArmeniaVision LLC)                     | Armenia                         | 100%                           | 100%            |
| Vision Vietnam Co Limited                                      | Vietnam                         | 100%                           | 100%            |
| Vision Management (Cyprus) Limited                             | Cyprus                          | 100%                           | 100%            |
| Demareti Limited   | England and Wales               | 100%                           | 100%            |
| Vision (India) People Group Private Limited                    | India                           | 100%                           | 100%            |
| Vision (Thailand) Co. Ltd                                      | Thailand                        | 90,57%                         | 90,57%          |
| <i>Under liquidation during 2016:</i>                          |                                 |                                |                 |
| Vision Kyiv LLC  | Ukraine                         | 100%                           | 100%            |
| TK Baku LLC  | Azerbaijan                      | 100%                           | 100%            |
| Vision Euronord Private Limited Company                        | Lithuania                       | 100%                           | 100%            |
| Vision-Latomas Commercial Limited                              | Hungary                         | 100%                           | 100%            |
| Vision Egypt for Distribution LLC                              | Egypt                           | 99%                            | 99%             |
| Vision MISR for Trading LLC                                    | Egypt                           | 99%                            | 99%             |
| Vision (India) People Group Private Limited                    | India                           | 100%                           | 100%            |
| Vision Azerbaijan LLC  | Azerbaijan                      | 100%                           | 100%            |
| Vision Istanbul Health and Products Trade and Industry Limited | Turkey                          | 100%                           | 100%            |

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**8. Investments in subsidiaries (continued)**

Sambrook Holdings Limited is the General Partner with unlimited liability and 99% share in the profits of Nutri Export Limited Partnership.

***Liquidation and disposal of subsidiaries during the six months ended 30 June 2016***

During the first half of 2016, no subsidiaries have been liquidated or disposed.

***Liquidation and disposal of subsidiaries during the year 2015***

The Group's subsidiaries Todini Limited (Ireland) and Vision Eurotrade Private Limited Company (Latvia) were liquidated during the year.

***Establishment and acquisition of new subsidiaries during the six months ended 30 June 2016***

No subsidiaries have been established or acquired during the first half of 2016.

***Establishment and acquisition of new subsidiaries during the year 2015***

No subsidiaries have been established or acquired during the year 2015.

**9. Amount payable for the acquisition of "Ukraine group"**

On 1 January 2005, the Group obtained control of Vision Ukraine LLC, Vision Kyiv LLC, Vision Lviv LLC, Vision Odessa LLC and Vision Kharkov LLC, collectively referred to as the "Ukraine Group". The purchase consideration for the acquisition of 100% of the issued share capital of the above companies was US\$2,000,000, of which US\$7,000 is outstanding as at 30 June 2016.

**10. Issued capital - ordinary shares**

|                              | 30 June 2016       |                   | 31 December 2015   |                   |
|------------------------------|--------------------|-------------------|--------------------|-------------------|
|                              | Shares             | US\$              | Shares             | US\$              |
| <i>Authorised</i>            |                    |                   |                    |                   |
| Shares of US\$0.10 each      | <u>300,000,000</u> | <u>30,000,000</u> | <u>300,000,000</u> | <u>30,000,000</u> |
| <i>Issued and fully paid</i> | <u>75,000,000</u>  | <u>7,500,000</u>  | <u>75,000,000</u>  | <u>7,500,000</u>  |

There was no change in the capital of the Company during the six months ended 30 June 2016 and during the year 2015.



**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**11. Interest-bearing loans and other borrowings**

|  | <i>30 June<br/>2016<br/>US\$</i> | <i>31 December<br/>2015<br/>US\$</i> |
|--|----------------------------------|--------------------------------------|
| <i><b>Non-current</b></i>              |                                  |                                      |
| Head Office building secured bank loan | 912.490                          | 1.090.395                            |
| Other banking facilities               | 38.794                           | 53.592                               |
| Other loans                            | <u>329.923</u>                   | <u>-</u>                             |
|  | <u>1.281.207</u>                 | <u>1.143.987</u>                     |
| <i><b>Current</b></i>                  |                                  |                                      |
| Head Office building secured bank loan | 321.417                          | 320.830                              |
| Bank overdrafts                        | 2.491.968                        | 2.296.852                            |
| Other banking facilities               | 33.300                           | 32.833                               |
| Other loans                            | <u>273.898</u>                   | <u>-</u>                             |
|  | <u>3.120.583</u>                 | <u>2.650.515</u>                     |

*Head Office building secured bank loan*

In June 2005, the Company entered into an agreement for the purchase of new office building which houses the new Headquarters of the Group in Cyprus (carrying amount of property: US\$5,223,462 as at 30 June 2016 and US\$5,344,291 as at 31 December 2015).

Between July 2005 and July 2007, the Company entered into facility agreements with Bank of Cyprus Public Company Limited (ex. Laiki Bank) for the financing of the purchase of the property and the payment of the transfer fees. This financing entails four fixed term bank loans in US\$. All amounts were drawn up to 31 December 2007 and one of the loans was fully repaid in 2008.

The remaining three loans (which are mentioned above) are repayable in monthly instalments over a period of 15 years and during the year carried interest at a rate between 1 month US\$ LIBOR plus 5,60% per annum (2015: 1 month US\$ LIBOR plus 5,60% per annum).

In April 2008 the Company entered into a fixed term loan with Bank of Cyprus Public Company Limited (ex. Laiki Bank) for the amount of €380.000 (US\$421.197) for the purpose of financing additional works to the Head Office building. Up to 30 June 2016, an amount of €375.055 (US\$415.716) was drawn. The loan carried interest at 1 month Euribor plus 5,50% per annum (2015: 1 month Euribor plus 5,50% per annum) and is repayable in 120 monthly instalments.

All loans are secured by a first and second legal mortgage over the property for the amounts of US\$5,558,112 and US\$2,130,000 respectively, the assignment of fire and earthquake insurance policy over the property for the amount of €5,142,890 and a floating charge of €341,721 over the assets of the Company.

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

---

**11. Interest-bearing loans and other borrowings (continued)**

*Bank overdrafts and other banking facilities*

In March 2007, the Company entered into secured facility agreements with Bank of Cyprus Public Company Limited (ex. Laiki Bank). This financing entails an overdraft facility for an amount up to US\$2.300.000 and a fixed term loan of US\$500.000. Both facilities carry interest at a rate of US\$ LIBOR plus 5,50% per annum (2015: US\$ LIBOR plus 5,50%). The fixed term loan was repayable by monthly installments over a period of five years and was fully repaid in April 2012. The overdraft facility is payable on demand and is renewable on an annual basis.

In March 2016, OPT-RTK LLC obtained an overdraft facility from SDM-Bank for an amount up to RUB12.500.000 (US\$194.530). The overdraft carries interest at a rate of 17% per annum and is expected to be repaid in October 2016.

Other banking facilities consist of a hire purchase facility obtained by Vision E-Shop G.m.b.H. with Welcome Bank G.m.b.H. for the purchase of a motor vehicle. As at 30 June 2016, the outstanding amount for the facility is €65.043 (US\$72.094). The hire purchase facility is repayable in 24 monthly installments and carries an annual interest rate of 3,38%.

Other loans consist of a loan facility of RUB48.400.000 (US\$753.219), obtained by OPT-RTK LLC during January 2016 from SDM-Bank. The loan facility bears interest at a rate of 16% per annum and is repayable by May 2018. The outstanding loan amount as at 30 June 2016 is RUB38.800.000 (US\$603.821).

**12. Other information**

*Legal and other claims*

The Parent company and its subsidiary Total Eclipse International Limited were defendants in two consolidated lawsuits in the United States District Court for the District of South Carolina. In October 2013, the court has dismissed the legal case against Vision International People Group Public Limited and in April 2014 the legal case against the subsidiary Total Eclipse International Limited has been won. Following the above court decisions, the Plaintiffs filed a notice of appeal in September 2014. During December 2015, the appeal was heard at the United States Court of Appeals and in March 2016, both Vision International People Group Public Limited and Total Eclipse International Limited won the appeal. In accordance with the Group lawyers, the Plaintiffs have the right to file a petition for rehearing of the case. The lawyers have confirmed that even if a petition for rehearing is filed, both Vision International People Group Public Limited and Total Eclipse International Limited have a solid basis for upholding the respective judgments made in their favour and incurring no material liability.

Apart from the above cases there is no other pending litigation, claim, demand or assessment against the Group companies, the outcome of which would have a material effect on the Group's financial position, financial performance and cash flows.

## **Vision International People Group Public Limited**

---

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**at 30 June 2016**

#### **13. Related party disclosures**

The interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries listed in note 8.

The Company's parent is Health Tech Corporation Limited, a company incorporated in the Island of Guernsey. Health Tech Corporation Limited is beneficially owned by the Chief Executive Officer, Mr. Dmitry Buriak. The Group considers Mr. Dmitry Buriak to be its ultimate controlling party of the Group.

The Directors of the Company were considered as being the key personnel of the Group during the period.

The following tables provide the total amount of transactions, which have been entered into with related parties for the relevant financial period and the outstanding balances at the period end:

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**13. Related party disclosures (continued)**

| <i>Related party</i>         | <i>Six months<br/>ended 30<br/>June</i> | <i>Purchases<br/>from<br/>related<br/>parties<br/>US\$</i> | <i>Income<br/>from<br/>related<br/>parties<br/>US\$</i> | <i>Expenses<br/>charged<br/>by related<br/>parties<br/>US\$</i> |
|------------------------------|---|--|---|---|
| UAB Forumo Rumai             | 2016                                    | -  | -   | -   |
|                              | 2015                                    | -  | -   | 7.323   |
| JSC "Svencioniu Vaistazoles" | 2016                                    | 273.144  | -   | -   |
|                              | 2015                                    | 504.086  | -   | -   |
| UAB "Vision DEM4 Laboratory" | 2016                                    | 46.966   | 293   | 553.209   |
|                              | 2015                                    | 310.761  | -   | 712.221   |
| Vision Neva LLC              | 2016                                    | -  | 241.901   | -   |
|                              | 2015                                    | -  | 211.309   | -   |
| TCV Khabarovsk LLC           | 2016                                    | -  | 70.706  | -   |
|                              | 2015                                    | -  | 104.962   | -   |
| TCV Centr LLC                | 2016                                    | -  | 216.491   | -   |
|                              | 2015                                    | -  | 497.816   | -   |
| DV Vladivostok LLC           | 2016                                    | -  | 119.155   | -   |
|                              | 2015                                    | -  | 193.348   | -   |
| CV Volgograd LLC             | 2016                                    | -  | 50.980  | -   |
|                              | 2015                                    | -  | 112.424   | -   |
| TC Kazan LLC                 | 2016                                    | -  | 90.803  | -   |
|                              | 2015                                    | -  | 170.232   | -   |
| TD Ekaterinbourg LLC         | 2016                                    | -  | 75.637  | -   |
|                              | 2015                                    | -  | 113.593   | -   |
| TD Sibir LLC                 | 2016                                    | -  | 100.857   | -   |
|                              | 2015                                    | -  | 200.407   | -   |
| TCV Irkoutsk LLC             | 2016                                    | -  | 96.096  | -   |
|                              | 2015                                    | -  | 214.590   | -   |
| TCV Krasnodar LLC            | 2016                                    | -  | 132.247   | -   |
|                              | 2015                                    | -  | 170.956   | -   |
| DEM4 R                       | 2016                                    | 685.523  | 319.660   | -   |
|                              | 2015                                    | -  | 191.044   | -   |

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**13. Related party disclosures (continued)**

| <i>Related party</i>          | <i>Balance<br/>as at</i> | <i>Trade and<br/>other<br/>receivables<br/>US\$</i> | <i>Trade and<br/>other<br/>payables<br/>US\$</i> |
|-------------------------------|--------------------------|---|--|
| VIP Communication Limited     | 30/06/2016               | 28.188  | 33.967   |
|                               | 31/12/2015               | 27.361  | 33.967   |
| JSC "Svencioniu Vaistazoles"  | 30/06/2016               | -   | 526.574  |
|                               | 31/12/2015               | -   | 472.349  |
| UAB Forumo Rumai              | 30/06/2016               | -   | 24.463   |
|                               | 31/12/2015               | -   | 24.116   |
| Vision Neva LLC               | 30/06/2016               | 131.495   | -  |
|                               | 31/12/2015               | 114.655   | -  |
| TCV Khabarovsk LLC            | 30/06/2016               | 8.118   | -  |
|                               | 31/12/2015               | 31.323  | -  |
| TCV Centr LLC                 | 30/06/2016               | 277.309   | -  |
|                               | 31/12/2015               | 56.289  | -  |
| DV Vladivostok LLC            | 30/06/2016               | 4.237   | 20.459   |
|                               | 31/12/2015               | 63.569  | -  |
| CV Volgograd LLC              | 30/06/2016               | 65.532  | -  |
|                               | 31/12/2015               | 80.217  | -  |
| UAB "Vision DEM4 Laboratory"  | 30/06/2016               | 155.624   | 910.487  |
|                               | 31/12/2015               | 1.235   | 805.106  |
| TC Kazan LLC                  | 30/06/2016               | 4.237   | 9.628  |
|                               | 31/12/2015               | 4.237   | 2.256  |
| TD Ekaterinbourg LLC          | 30/06/2016               | 65.011  | -  |
|                               | 31/12/2015               | 68.173  | -  |
| TD Sibir LLC                  | 30/06/2016               | 18.221  | -  |
|                               | 31/12/2015               | 70.590  | -  |
| TCV Irkutsk LLC               | 30/06/2016               | 17.658  | -  |
|                               | 31/12/2015               | 65.872  | -  |
| TCV Krasnodar LLC             | 30/06/2016               | 4.237   | 25.215   |
|                               | 31/12/2015               | 46.448  | -  |
| Vision Egypt for Services LLC | 30/06/2016               | -   | 4.570  |
|                               | 31/12/2015               | -   | 5.161  |
| DEM4 R                        | 30/06/2016               | 161.986   | 12.108   |
|                               | 31/12/2015               | 81.436  | 72.310   |
| Reglan Commerce Corp          | 30/06/2016               | 355.336   | -  |
|                               | 31/12/2015               | <u>422.240</u>                                      | <u>-</u>   |

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**13. Related party disclosures (continued)**

The relationship of the above related parties with the Group (other than subsidiaries) is described below:

| <i>Party</i>                    | <i>Relationship</i>         |
|---------------------------------|-----------------------------|
| Health Tech Corporation Limited | Ultimate parent company     |
| Reglan Commerce Corp            | Entity under common control |
| VIP Communication Limited       | Entity under common control |
| UAB Forumo Rumai                | Entity under common control |
| JSC "Svencioniou Vaistazoles"   | Entity under common control |
| Vision Egypt for Services LLC   | Entity under common control |
| UAB "Vision DEM4 Laboratory"    | Entity under common control |
| Vision Neva LLC                 | Franchisee                  |
| TCV Khabarovsk LLC              | Franchisee                  |
| TCV Centr LLC                   | Franchisee                  |
| DV Vladivostok LLC              | Franchisee                  |
| CV Volgograd LLC                | Franchisee                  |
| TC Kazan LLC                    | Franchisee                  |
| TD Ekaterinbourg LLC            | Franchisee                  |
| TD Sibir LLC                    | Franchisee                  |
| TCV Irkoutsk LLC                | Franchisee                  |
| TCV Krasnodar LLC               | Franchisee                  |
| DEM4 R                          | Franchisee                  |

Transactions with related parties are made on terms agreed between the parties, which in most cases are stipulated in contractual agreements between the parties.

The expenses charged by related parties relate to various services that these parties provided to the Group, including management, administration, logistic, leasing of premises, consultancy, marketing and communication and service support.

**Vision International People Group Public Limited**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS**  
**at 30 June 2016**

**13. Related party disclosures (continued)**

**Compensation of key personnel**

|                                 | <i>Six months ended</i> |                |
|---------------------------------|-------------------------|----------------|
|                                 | <i>30 June</i>          | <i>30 June</i> |
|                                 | <i>2016</i>             | <i>2015</i>    |
|                                 | <i>US\$</i>             | <i>US\$</i>    |
| <i>Directors' remuneration:</i> |                         |                |
| Fees in directors' capacity:    |                         |                |
| Dmitry Buriak                   | 133.348                 | 132.983        |
| Roberto Piona                   | 47.339                  | 47.209         |
| John Hadjihannas                | 5.556                   | 5.541          |
| Peter Fehrn-Christensen         | 5.556                   | 5.541          |
| Total remuneration              | <u>191.799</u>          | <u>191.274</u> |

**14. Events after the reporting date**

There are no material events after the reporting date, which affect the interim condensed consolidated financial statements at 30 June 2016.

**15. Supplementary information**

The Group displays its interim consolidated statement of financial position, interim consolidated statement of comprehensive income and interim statement of cash flows in Euro (€) as supplementary information.

The US\$ amounts for both 2016 and 2015 have been translated to € using the exchange rate issued by the European Central Bank as at 30 June 2016, i.e. €1 = US\$1,1102.