



CHRISTODOULOS G. VASSILIADES & CO. LLC

Advocates - Legal Consultants

Nicosia, 10 February 2010

To: **FORMBY TRADING LIMITED**
229, Arch. Makarios III Avenue,
Meliza Court, 4th Floor, 3015
Limassol Cyprus

Dear Sirs,

1. INTRODUCTION

1.1 We, the undersigned, Christodoulos G. Vassiliades & Co., LLC, Advocates - Legal Consultants of Nicosia Cyprus are acting as Legal Consultants to FORMBY TRADING LIMITED (the "Client") for the purposes of the present Legal Opinion.

1.2 We have been asked by the Client to advise on the following legal matters:

- i. Whether a Power of Attorney (the "PoA"), issued by one of the two directors of Formby Trading Limited, a company registered in Cyprus under registration number 123206 (the "Company"), on 10 November 2001 in favor of Mr. Sava Catalin of Romania (the "Attorney"), is validly granted or not, according to Cyprus Company Law, Cap. 113, as well as to the Memorandum and Articles of Association of the Company and to outline the subsequent legal consequences, whatever may be;
- ii. Whether, based on the PoA, the Attorney validly executed on behalf of the Company a sale purchase agreement of APROMATCO Shares, as defined below, with Pengana LLC, Washington DC, as of June 16th 2007 the "SPA"), and whereas the APROMATCO Shares represented at that time the only asset owned by the Company, was the Attorney entitled, by virtue of the PoA, to legally dispose the sole asset owned by the Company when such disposal might be legally qualified the equivalent of company's liquidation;
- iii. Which is the competent body pursuant to Cyprus Company Law, Cap. 113 to decide the liquidation of a Cyprus limited liability company;



- iv. Which is the legal representative body of a Cyprus limited liability company, pursuant the Cyprus Company Law, Cap. 113;
- v. Were the above actions of the Attorney, against the best interest of the Company and if yes, which are the legal consequences of such actions pursuant to Cyprus Law;
- vi. May the PoA be interpreted, due to the circumstances outlined herein, as empowering the Attorney with the powers to represent the Company for any disposal /acquisition of shares (assets);

2. DEFINITIONS

- 2.1 Terms defined in the Documents have the same meanings when used in this opinion unless otherwise defined herein or the context otherwise requires.
 - 2.1.1 **“Agent”** means the Attorney.
 - 2.1.2 **“APROMATCO”**: means SC APROMATCO SA Bucuresti, Str. Lipscani nr. 33, sector 3 registered at Commercial Registry of the Bucharest Tribunal with no. J40/245/1991, CUI 331730 dated 30.4.2005
 - 2.1.3 **“APROMATCO Shares”**: means 702,609 shares representing 75.50024% of the shares of APROMATCO and owned by the Company.
 - 2.1.4 **“Articles”**: means the Articles of Association of the Company;
 - 2.1.5 **“Attorney”**: means Mr. Sava Catalin of Romania, residing at the time of issuance of the PoA at Str. Dristorului nr. 97 -119, bl. 63, et. 9, ap. 268, sector 3
 - 2.1.6 **“Client”** means **Formby Trading Limited** a company registered in Cyprus under registration number 123206 and having its registered office at 229, Arch. Makarios III Avenue, Meliza Court, 4th Floor, 3015 Limassol Cyprus
 - 2.1.7 **“Company”**: means the Client



- 2.1.8 **"Documents"** mean the documents referred to in Clause 3 herein.
- 2.1.9 **"PoA"**: means the Power of Attorney issued by the Company on 10 November 2001 in the name of the Attorney.
- 2.1.7 **"Principal"** means the Company
- 2.1.10 **"SPA"**: means the sale of APROMATCO Shares to PENGANA LLC Washington DC under an agreement dated 16/6/2007

3. DOCUMENTS

For the purpose of this opinion we have been furnished by the Client and or have reviewed the following:

- a) A copy of the PoA (**Appendix 1**);
- b) A copy of the Power of Attorney dated 14 June 2005 (**Appendix 2**)
- c) A copy of the Power of Attorney dated 4 April 2007 (**Appendix 3**)
- d) A copy of the translation in English Language of the SPA (**Appendix 4**);
- e) A copy of the Certificate of Incorporation of the Company (**Appendix 5A**), Certificate of Shareholders of the Company (**Appendix 5B**), Certificate of Directors and Secretary of the Company (**Appendix 5C**) Certificate of Registered Office of the Company (**Appendix 5D**) and a copy of the Memorandum and Articles of Association of the Company in English language (**Appendix 5E**);
- f) Information collected from the file of the Company maintained with the Registrar of Companies on 10 February 2010 in the form attached hereto as **Appendix 6**; and
- g) Declaration of the directors of the Company to the Romanian Authorities and to whom it may concern dated 24/9/2007 (**Appendix 7**)

Except as stated above, we have not examined any documents entered into by or affecting the Company and have not made any other enquiries concerning any of the parties to the Documents.



4. SCOPE

This opinion relates to the laws of the Republic of Cyprus as enacted and applied and as generally interpreted as at the date hereof. We do not assume any obligation to update this opinion or to inform you of any changes to facts or law. However, any such change may not affect the legal analysis, legal conclusions or information in this opinion because the legal provisions interpreted herein were in force and governed the Documents as of the dates thereof. We have made no investigation of, and this opinion does not concern, the laws of any jurisdiction other than the Republic of Cyprus. This opinion does not refer to tax matters. To the extent we have reviewed documents governed by foreign law, we have only considered rights and obligations, as they can be seen directly from such documents from Cyprus Law perspective without knowledge of the respective foreign law, and we have interpreted the language used in such documents from the perspective of a Cyprus lawyer without considering the particular meaning such language might have under foreign law.

5. FACTS OF THE CASE

- 5.1 On November 10th 2001 the PoA (Appendix 1) was issued by one of the two directors of the Company, for the purposes and with powers defined therein.
- 5.2 On June 14th 2005 the Company, duly represented by the board of directors, issued a specific/special Power of Attorney in the name of the Attorney and for the purposes and with powers defined therein, not related anyhow with the PoA, which conspicuously stated solely the power to purchase a specific number of shares from specific owners, respectively to purchase the APROMATCO Shares in the name of the Company from ARBORIA MANUFACTURING S.R.L. (Appendix 2). The Attorney by virtue of this Power of Attorney (Appendix 2) purchased the APROMATCO Shares.
- 5.3 On April 4th 2007 the Company issued a Power of Attorney in the name of the Attorney and for the purposes and with powers defined therein, to purchase 12% of shares of APROMATCO in the name of the Company (Appendix 3).



- 5.4 On June 16th 2007, the Attorney, without the knowledge and or consent and or instructions of the Company, and or not being however and in anyway authorised by the Company to alienate any of its assets, sold the APROMATCO Shares under the SPA to Pengana LLC Washington DC for an amount of about 540,000 EURO (Appendix 4), which was an amount much less than the real market value and or fair value of the APROMATCO Shares as of the transaction date thereof.
- 5.5 We have been informed by the Client that the Attorney claims he proceeded to the sale of the APROMATCO Shares and the execution of the SPA by virtue of the PoA.
- 5.6 The Attorney collected the above amount of 540,000 EURO and until the date of execution of the present Legal Opinion, has not transferred and or returned the said amount to the Company on behalf of which he claims he sold the APROMATCO Shares.
- 5.7 On July 23rd 2007, the Company, without being informed about the illegal undertakings done by the Attorney relating to the sale by him of the APROMATCO Shares and as stated hereinabove under sub clauses 5.4-5.6 (inclusive) and claimed by him such undertakings to have been done on the Company's behalf, by virtue of the PoA, and or without authorising the sale of the APROMATCO Shares by the Attorney, transferred the APROMATCO Shares to EDEN LLC under an Agreement dated thereof for the reasons and purposes defined therein, that is mainly for the settlement of an outstanding debt of the Company towards EDEN LLC, resulted of a sale-purchase agreement of wood processing equipment to the Company by EDEN LLC of the total amount of USD3,300,000.00. The APROMATCO Shares were pledged in favour of EDEN LLC to guarantee the payment of the outstanding debt by the Company.
- 5.8 The APROMATCO Shares, at the time of their sale, were the only asset of the Company, and the main purpose of existence of the Company was the holding of the APROMATCO Shares.



6. ASSUMPTIONS

In giving this opinion, we have assumed (without making any investigation):

- a) that all signatures on all documents are genuine;
- b) that all documents submitted to us as originals are authentic and complete;
- c) that all documents supplied to us as copies or electronic versions are complete and conform to originals and the originals of such documents are authentic and complete;
- d) that the commercial register extracts referred to in paragraphs (e) and (f) of Clause 3 accurately reflect all matters which require registration in the commercial register and that no entry has been made in the commercial register which is not reflected in the commercial register extracts referred to in paragraph (e) and (f) of Clause 3 and no changes to the facts stated therein have occurred between the date the respective excerpt was issued and the date hereof;
- e) that the facts of the case presented by the Client and the information/documentation received by the Client are true and accurate and correct.
- f) the articles of association referred to in paragraph (b) of Clause 3 are in effect and up-to-date and no amendments have been made thereto;

7. OPINIONS

On the basis of the above assumptions and subject to the qualifications set out below in Clause 8 and subject to any matter not disclosed to us which would affect the conclusions set out below, we are of the opinion that under the laws of the Republic of Cyprus in force and as applied at the date hereof:

7.1 Void ab initio PoA for reasons of not proper issuance and execution

- 7.1.1 The board of directors of the Company on November 10th 2001, date of issuance of the PoA was consisted of two directors, namely Mr. Stelios Savvides and Ms Eva Agathangelou (Appendix 5C and 6).



- 7.1.2 As set out in Article 114 of the Articles of Association of the Company (Appendix 5D): *“The quorum necessary for the transaction of the business of the directors may be fixed by the directors, and unless so fixed shall be two.”*
- 7.1.3 The directors of the Company have not changed the quorum of two and as a result the quorum necessary for the transaction of the business of the directors at the time of issuance of the PoA was (and still is as of the date of the present Legal Opinion) two directors.
- 7.1.4 Therefore the PoA in order to be validly issued and have legal and binding effect on the Company would have to be issued, duly executed and signed by both directors of the Company.
- 7.1.5 The PoA was executed on November 10th 2001 by one director of the Company only and not by two as it should have been mandatory issued and executed.
- 7.1.6 In view of the above, the PoA has been invalidly issued, in breach of article 95 and 114 of the Articles and article 99 of Table A of the Cyprus Company Law, Cap. 113 and as a result, it is void ab initio and of no legal effect whatsoever and or of any binding effect on the Company.
- 7.2 Invalidity of the Sale of Shares and of SPA under the PoA for reasons of breach of Table A of Cyprus Company Law Cap. 113 (Appendix 8) and of Article 94 and 95 of the Articles / lack of any legal consequences and or binding effect of the SPA to the Company as it was an unauthorized action of the Attorney**
- 7.2.1 The decision making powers in a Cyprus Company are conferred on the Board of Directors and on the shareholders of the latter company as its legal representative bodies. The division of these powers between the board and the shareholders is a matter for the Articles of Association of the Cyprus Company, except where the Law (Cyprus Company Law, Cap. 113) specifically reserves the exercise of certain powers to the shareholders.



- 7.2.2 The board of directors of the Company is delegated with the duty to exercise the Company's powers as this is stated in Article 94 of the Articles (Appendix 5D), and which adopts fully article 80 of Table A of the Cyprus Company Law, Cap. 113 (Appendix 8): *'the business of the company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the company, and may exercise all such powers of the company as are not, by the Law or by these Articles,, required to be exercised by the company in general meeting, subject, nevertheless, to any of these Articles, to the provisions of the Law and to such regulations not being inconsistent with the aforesaid Articles or provisions, as may be prescribed by the Company in General Meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made'*.
- 7.2.3 In the said powers of the Directors, negotiating, entering into and signing of agreements, contracts and or any other legal document is included.
- 7.2.4 In view of the above it is evident that the directors of the Company are the lawful and legal representative body of the Company for the management of its business affairs, except as where this power is conferred to the Shareholders pursuant to the Articles and to the Law (please refer to sub-clauses 7.2.8 -7.2.13 hereinafter).
- 7.2.5 It is further evident that the negotiating, entering into and signing of the SPA (Appendix 4) is a power and duty to be primarily exercised by the directors of the Company unless such power has been specifically granted to an attorney under a special power of attorney (article 95 of the Articles (Appendix 5D) and article 81 of the Table A of the Cyprus Company Law, Cap. 113 (Appendix 8).
- 7.2.6 Pursuant to Article 95 of the Articles (Appendix 5D), which adopts fully article 81 of Table A of Cyprus Company Law, Cap. 113 (Appendix 8): *"The directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the directors, to be the attorney or attorneys of the company **for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles)** and for such period and **subject to such conditions** and they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the directors may think fit and my also authorize any such*



attorney to delegate all or any of the powers, authorities and discretions vested in him."

- 7.2.7 A decision for negotiating, entering into and signing of the SPA was never taken by the directors of the Company nor a Special Power of Attorney was ever issued in the name of the Attorney by the directors, authorizing him to do so.
- 7.2.8 It is however, our understanding that the APROMATCO Shares, at the time of their unauthorised and or fraudulent and or illegal sale by the Attorney, were the only asset of the Company and therefore the (sole) purpose of the Company was the holding of the APROMATCO Shares, and disposal of the APROMATCO Shares could be taken to mean that the Company has served its purpose and is to be dissolved. The decision of the voluntary dissolution of a Cyprus Company under article 261 of the Cyprus Company Law, Cap. 113 and article 151 of the Articles lies always with the Shareholders of the Company.
- 7.2.9 In view of the above, the decision of the Sale of APROMATCO Shares and the signing and execution of the SPA is to be taken by the Shareholders of the Company and only, or be approved and or ratified by them. To our knowledge and from the documentation/information received for the purposes of the present Legal Opinion such decision and or approval/ratification never took place.
- 7.2.10 Therefore, ad absurdum, even if it could be argued that the Attorney was empowered under the PoA to sell the APROMATCO Shares, such action is invalid and void anyhow and does not bind the Company as it was a power granted by one director of the Company and in excess of the powers vested in or exercisable by him under the Articles and could not be lawfully granted to the Attorney by them. The competent body of granting such power and or approving and or ratifying such grant of powers is the Shareholders.
- 7.2.11 The Attorney, acting as he claims under the capacity of the attorney of the Company, has breached the PoA, which was ab initio void for the reasons explained above, and sold the APROMATCO Shares under the SPA



fraudulently without being authorised to do so and or with misrepresentation and in violation of the Articles since the directors and the Shareholders have neither negotiated the SPA and nor authorised the Attorney to do so and nor approved it in any way or respect.

7.2.12 Based on the foregoing and whereas the facts described herein under 5.2-5.3. above, the PoA cannot be however interpreted, due to the circumstances outlined herein, as granting the Attorney with the powers to represent the Company within any disposal /acquisition of shares (assets), because it is obvious that the understanding/intention of the Company, as Principal, was at anytime and at all times to empower/authorise the Attorney to execute on its behalf a legal operation regarding assets, such as acquisition of shares, and for these reasons the Company granted the same Attorney with specific and conspicuous special powers of attorney (Appendices 2 and 3); moreover issuance and execution of such special power of attorney would be mandatory when the consequence of the contemplated transaction undertaken on behalf of the Principal is the disposal of the only asset owned by the latter; therefore, based on the foregoing the PoA cannot be interpreted as granting to the Attorney with any power whatsoever to execute by its virtue any legal document regarding acquisition and or disposal of assets of any kind.

7.2.13 In view of the above, the Sale of the APROMATCO Shares is void and of no legal consequences and or binding effect to the Company as it was an unauthorized action of the Attorney. Clause 7.4 hereinafter is confirming further this.

7.3 Invalidity of Sale of the APROMATCO Shares for reasons of non authorization by the Company / lack of any legal consequences and or binding effect of the SPA to the Company as it was an unauthorized action of the Attorney

The Sale of the APROMATCO Shares was not authorized by the Company under the PoA and does not therefore bind the Company for the following reasons:



- 7.3.1 The PoA explicitly provides that: "...The powers of Mr. Sava shall be complete for any action and transaction in Romania which he will undertake to open and operate bank accounts, **will negotiate and sign any commercial contract in Romania, will sign any document relating to the activity of the company**, whenever and wherever **it is necessary**, will hire personnel and outside consultants, lawyers and legal consultants for legal consulting and representation. In case of litigation, he is authorized to represent the company in conciliation and transaction of any litigious situation, he is authorized to represent the company in Legal Court..."
- 7.3.2 Pursuant to the information/documentation collected and relating to the Sale of APROMATCO Shares, the SPA cannot be considered as a commercial contract, and therefore lawfully executed under the PoA by the Attorney.
- 7.3.3 It would be considered as a commercial contract if it would fall in the normal business activities of a company dealing with selling/purchase of shares. In this case, the SPA covers the sale of the sole asset of the Company, ie the APROMATCO Shares. However, even if the SPA would have been considered as a commercial transaction falling in the normal business activities of the Company, such transaction executed by the Attorney by virtue of the PoA cannot be considered as valid and binding on the Company for the reasons stated hereinabove under clause 7.1, as it would have been a transaction executed by an unauthorized person, since the Attorney acted by virtue of a void ab initio PoA.
- 7.3.4 Moreover and for the same as above under 7.3.3 reason it cannot be argued that the SPA is a document relating to the activity of the Company and therefore falling into the explicit power granted under the PoA *"..to sign any document relating to the activity of the company.."*.
- 7.3.5 It cannot also be argued that it was *necessary* for the SPA to be signed since from the information/documentation collected for the purposes of our present Opinion, such necessity does not arise and or is not substantiated and or founded in any way whatsoever. The PoA explicitly states that the Attorney is authorized to "sign any document relating to the **activity of the company**, whenever and wherever it is **necessary**"– necessity indicates directly that the purpose of the PoA was to authorize the Attorney to sign any document necessary to facilitate **the continuation of the business/activities** of the Company and



not to proceed with a transaction which would have ultimately concluded to the cease of such business/activities of the Company. It is obvious that the signing by the Attorney of the SPA and subsequent alienation of the only asset of the Company has resulted to the no longer need of further existence of the Company and subsequently the closing of its business/activities and its dissolution. Clearly, that was not the intention of the Company when granting the PoA to the Attorney and clearly such instructions/powers were not included therein.

7.3.6 It is therefore evident that the Attorney has acted in excess and in abuse of power and or without authority and fraudulently.

7.4 Invalidity of Sale of APROMATCO Shares for reasons of breach by the Attorney of Cyprus Contract Act Cap. 149 (Appendix 9)

7.4.1 Pursuant to Contract Act Cap. 149, article 142: *“An “agent” is a person employed to do any act for another, or to represent another in dealings with third persons. The person for whom such act is done, or who is so represented, is called the “principal”.”*

7.4.2 Pursuant to Contract Act, Cap. 149, article 148:

“148. (1) An agent having an authority to do an act has authority to do every lawful thing which is necessary in order to do such act.

(2) An agent having an authority to carry on a business has authority to do every lawful thing necessary for the purpose, or usually done in the course of conducting such business.”

7.4.3 It has already been substantiated hereinabove that the Attorney was not authorized to proceed to the Sale of the APROMATCO Shares under the SPA and the Attorney has acted in excess and in abuse of power and or without authority and fraudulently.

7.4.4 Pursuant to Contract Act Cap. 149, article 156: *“Where acts are done by one person on behalf of another, but without his knowledge or authority, he may elect to ratify or to disown such acts. If he ratifies them, the same effects will follow as if they had been preformed by his authority.”*



7.4.5 To our knowledge and in accordance with documentation/information received for the purposes of the present Opinion no such ratification took place; in fact the Company has explicitly disowned such acts; The Declaration of the directors of the Company to the Romanian Authorities dated and apostilled Sept 24, 2007 (Appendix 7) substantiates this conclusion.

7.4.6 Pursuant to Contract Act Cap. 149, article 171 the duties of the Agent towards its Principal are determined as follows: *"An agent is bound to conduct the business of the agency with much skill as is generally possessed by persons engaged in similar business, unless the principal has notice of his want of skill. The agent is always bound to act with reasonable diligence and to use such skill as he possesses...."*

The Attorney by executing the SPA for and on behalf of the Company as he claims but without being authorised to do so by the Company, has breached the skill and diligence required from an agent on the basis of being attorney because he was bound to act with reasonable diligence and to use such skill as he possesses and to act always for the interests of the Company.

7.4.7 Pursuant to Contract Act Cap. 149, article 156: *"An agent is bound to conduct the business of his principal according to the directions given by the principal"*

The Attorney was in breach of his duty in conducting the Company's business according to the directions given by the Company pursuant to the PoA and pursuant to the Powers of Attorney (Appendices 2 and 3) which were specifically authorising him to purchase APROMATCO Shares and in no way to sell for the reasons explained aforesaid.

In addition, since the Company has issued special powers of attorney (Appendices 2 and 3) with specific directions for buying APROMATCO Shares and the Attorney has used these special ones for buying APROMATCO Shares in accordance with his Principal's directions, and has not used the PoA, analogously the Attorney should have communicated such request to the Company and a Special Power of Attorney would have to be issued by the Company, authorising him to sell the APROMATCO Shares, in the event that the sale was the intention/decision of the Company.

It is evident that the sale of the APROMATCO Shares by the Attorney was unauthorised by the Company and that the Attorney, using unfairly the PoA



which was given to him by the Company in good faith and without informing the Company of his intentions to sell, fraudulently sold the APROMATCO Shares.

7.4.8 The Attorney should have communicated with the Company for instructions before executing the agreement since the board of directors and or the Shareholders have not approved such execution. By not doing so and by not requiring the consent of the Company, the Attorney is in breach of his duty to communicate with the Company and has not used all reasonable diligence in communicating with his principal, being the Company. The Attorney is therefore in breach of article 156 of Contract Act Cap. 149, which explicitly provides that: *"It is the duty of an agent, in cases of difficulty to use all reasonable diligence in communicating with his principal and in seeking to obtain his instruction."*

7.4.9 On the contrary the Attorney has dishonestly concealed from the Company the execution of the SPA and all the dealings of the Attorney for and on behalf of the Company which have been disadvantageous for the Company for the reasons explained aforesaid. In view of the aforesaid the Attorney apart from being in breach, carrying out fraudulent actions, has been dealing during all material times on his own account; and has acted in such a manner for the reasons explained aforesaid procuring the transfer of the APROMATCO Shares in the name of PENGANA LLC for the reasons explained aforesaid, jeopardizing the interests of the Company as shareholder in APROMATCO and by alienating the assets of the Company in APROMATCO acting not in protection of the best interest of the Company, depriving the Company of the value of such shares and or assets, and or depriving the Company of a sale of the APROMATCO Shares at a fair value, and or selling the APROMATCO Shares which had been already pledged in favour of EDEN LLC as hereinabove stated.

Article 175 of Cyprus Contract Act Cap. 149, explicitly provides that: *"If an agent deals on his own account in the business of the agency, without first obtaining the consent of his principal and acquainting him with all material circumstances which have come to his own knowledge on the subject, the principal may repudiate the transaction, if the case show either that any material fact has been dishonestly concealed from him by the agent, or that the dealings of the agent have been disadvantageous to him."*



- 7.4.10 It is evident for all the above reasons that the sale of the APROMATCO Shares by the Attorney was unauthorised by the Company and that the Attorney, by using unfairly the PoA which was given to him by the Company in good faith and without informing the Company, fraudulently sold the APROMATCO Shares.
- 7.4.11 Further, the behaviour and attitude of PENGANA LLC and of its representatives to purchase the APROMATCO Shares without examining whether the person selling the Shares had the capacity to do so and whether the person acting on behalf of such person was authorised to do so and or with the knowledge of not being authorised to do so with the aim to acquire fraudulently the APROMATCO Shares supports substantive cause of action and discloses bad faith on the part of PENGANA LLC.
- 7.4.12 Relevant Cyprus case law, adopting and or confirming the above is the Civil Appeal No 29/2007 **Kyriakos Iacovou & others Vs Zoi Ioannou Zapri (Appendix 10)**, pursuant to which the Court of Appeal ruled that the Principal being deprived by the Agent under a General Power of Attorney of her (only) property was not bound by such alienation for reasons of breach of the Cyprus Contract Law, Part XIII - Agency as that the Attorney was not authorized to alienate the property but has acted in abuse and in excess of power.
- 7.4.13 Finally, and as already stated under clause 7.4.7 herein, it should be emphasized that the Company issued Special Powers of Attorney for authorizing the Attorney to purchase APROMATCO Shares (Appendices 2 and 3), and the Attorney used the Special Power of Attorney dated 14/7/2005 to purchase such shares and not the PoA. Analogously in the case of the sale of APROMATCO Shares, the Attorney should have acted by virtue of a Special Power of Attorney authorizing him to do so, and not by virtue of the PoA. The Company has never issued such a Special Power of Attorney, since the sale of APROMATCO Shares was never its intention, and in the absence of this document, the Attorney proceeded to the sale under the PoA, acting with no authority and or authorization of the Principal, not serving the best interests of the Company, fraudulently, and illegally.



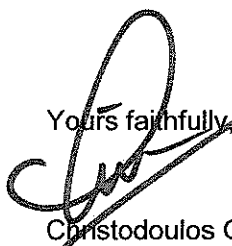
8. QUALIFICATIONS

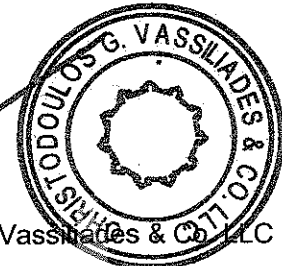
The opinions expressed in this Legal Opinion are subject to the following qualifications:

- a) For the purposes of this opinion we have relied on (i) the Cyprus Company Law Cap. 113 (ii) all public Registers in Cyprus and extracts and or certificates and or documents obtained by them and or supplied to us by MCL and (iii) all relevant statutes laws and regulations of Cyprus.
- b) We do not opine on the validity and enforceability of the Documents in any jurisdiction other than Cyprus and only to the extent provided in this Opinion.

This Opinion shall be governed by and construed in accordance with the Laws of the Republic of Cyprus and is strictly limited to the matters specifically stated herein. It is not to be read as extending by implication to any other matter and it relates to facts and circumstances existing as of the date thereof and is given solely in connection with the matters and the transactions contemplated therein for the sole benefit of the persons to whom it is addressed and their respective professional advisers and it may not be communicated to or relied upon by another person, firm or corporation whatsoever, except the situation when the Client decides to use it as evidence within any civil and or commercial legal procedures, in compliance of the applicable procedure laws and regulations.

Except as specifically set out herein we have not conducted any due diligence of factual matters for the purposes of this opinion and our opinion does not purport to express or imply any opinion with regard to such matters, including the adequacy of any of the economic terms of the transaction contemplated by the Documents. Nothing herein should be taken as expressing an opinion with respect to the representations and warranties, or other factual statements, contained in any of the documents referred to above.

Yours faithfully,

Christodoulos G. Vassiliades & Co. LLC





List of Appendices

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| 3. copy of the Power of Attorney dated 4 April 2007 | Appendix 3 |
| 4. copy of the translation in English Language of the SPA | Appendix 4 |
| 5. copy of the Certificate of Incorporation | Appendix 5A |
| 6. copy of the Certificate of Shareholders | Appendix 5B |
| 7. copy of the Certificate of Directors and Secretary | Appendix 5C |
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| 9. a copy of the Memorandum and Articles of Association
in English language | Appendix 5E |
| 10. Information collected from the file of the Company
maintained with the Registrar of Companies on 10/2/2010 | Appendix 6 |
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