VONPENDE HOLDINGS P.L.C.
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Period from 1 January 2018 to 30 June 2018

C.EFSTATHIOU
AUDIT LTD

Εγκεκριμένοι Λογιστές

Λεωφ. Κέννεντυ 8, Γραφείο 201
1087 Λευκωσία, Κύπρος
Τ.Θ. 20542
1660 Λευκωσία, Κύπρος
Τ / 22 76 88 22
Φ / 22 76 81 95
E / audit@ceaudit.com.cy

Certified Public Accountants

8 Kennedy Ave., Office 201
1087 Nicosia, Cyprus
P.O.Box 20542
1660 Nicosia, Cyprus
T / 22 76 88 22
F / 22 76 81 95
www.ceaudit.com.cy

VONPENDE HOLDINGS P.L.C.

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
Period from 1 January 2018 to 30 June 2018

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Marina Tsoy Stella Koukounis George Koufaris (appointed on 4 April, 2018) Andri Michael (resigned on 4 April, 2018)
Company Secretary:	Stella Koukounis
Independent Auditors:	C. Efstathiou Audit Ltd Certified Public Accountants and Registered Auditors 8 Kennedy Avenue Athienitis Building 2nd floor, Office 201 1087 Nicosia
Registered office:	Chrysanthou Mylona, 2 Dali, P.C. 2540, Nicosia, Cyprus
Bankers:	Hellenic Bank Public Company Ltd AstroBank Limited (former Piraeus Bank (Cyprus) Limited) EcommBX Limited Promsvyazbank PJSC, Cyprus Branch (closed in 2018)
Registration number:	HE216944

MANAGEMENT REPORT

The Board of Directors presents its report and audited consolidated financial statements of the Company and its subsidiaries (together with the Company, the "Group") for the period from 1 January 2018 to 30 June 2018.

Principal activities and nature of operations of the Group
The principal activities of the Group, comprise the trading in investments, the receiving and granting of loans, the ownership and leasing of residential property and acting as a principal in trading in cement and other products and commodities.

Review of current position, future developments and performance of the Group's business
The Group's development to date, financial results and position as presented in the consolidated financial statements are considered satisfactory.

Principal risks and uncertainties
The principal risks and uncertainties faced by the Group are disclosed in notes 3 and 4 of the consolidated financial statements.

Results
The Group's results for the period are set out on page 6.

Share capital
Authorised capital
On 22 February, 2018 the authorised share capital of the Company was increased by 24.800 ordinary shares of nominal value of EUR 12,50 each. On 4 June, 2018 the authorised share capital of the Company was increased by 120.800 ordinary shares of nominal value of EUR 12,50 each.
Issued capital
On 16 March, 2018 the Company issued 18.789 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 4,00 each.

On 4 June, 2018 the Company issued 74.132 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 7,50 each.

Board of Directors
The members of the Company's Board of Directors as at 30 June 2018 and at the date of this report are presented on page 1.

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

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

Events after the reporting period
Any significant events that occurred after the end of the reporting period are described in note 27 to the consolidated financial statements.

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

By order of the Board of Directors,

Director

Nicosia, 28 September 2018

C.EFSTATHIOU
AUDIT LTD

Independent Auditor's Report

To the Members of Vonpende Holdings P.L.C.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Vonpende Holdings P.L.C. (the "Company") and its subsidiaries (the "Group"), which are presented in pages 6 to 31 and comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 1 January 2018 to 30 June 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2018, and of its consolidated financial performance and its consolidated cash flows for the period from 1 January 2018 to 30 June 2018 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

Basis for Opinion

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Management Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

C. Efstathiou Audit Ltd
Certified Public Accountants
8 Kennedy Ave., Office 201, 1087 Nicosia, Cyprus P.O.Box 20542, 1660 Nicosia, Cyprus
T / 22 76 88 22 F / 22 76 81 95 E / audit@ceaudit.com.cy www.ceaudit.com.cy

Independent Auditor's Report (continued)

To the Members of Vonpende Holdings P.L.C.

Responsibilities of the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report (continued)

To the Members of Vonpende Holdings P.L.C.

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

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal Requirements

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

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the consolidated financial statements.
- In our opinion, and in the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Costas Efstathiou
Certified Public Accountant and Registered Auditor
for and on behalf of
C. Efstathiou Audit Ltd
Certified Public Accountants and Registered Auditors

Nicosia, 28 September 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Period from 1 January 2018 to 30 June 2018

	Note	1.1.2018 to 30.6.2018 EUR	2017 EUR
Revenue	5	**28.729.642**	69.255.379
Cost of sales	6	**(22.545.478)**	(49.155.240)
Gross profit		**6.184.164**	20.100.139
Net loss on financial assets at fair value through profit or loss		**(331.536)**	-
Administration expenses	7	**(298.092)**	(542.868)
Other income/(expenses)	8	**229.960**	(150.748)
Operating profit		**5.784.496**	19.406.523
Net finance (costs)/income	9	**(668.186)**	9.613.903
Profit before tax		**5.116.310**	29.020.426
Tax	10	**(45.247)**	(24.007)
Net profit for the period/year		**5.071.063**	28.996.419
Other comprehensive income			
Items that will not be classified subsequently to profit or loss:			
Fair value reserve of financial assets at FVOCI		**(26.412.003)**	(104.034.470)
		(26.412.003)	(104.034.470)
Other comprehensive loss for the period/year		**(26.412.003)**	(104.034.470)
Total comprehensive loss for the period/year		**(21.340.940)**	(75.038.051)

The notes on pages 12 to 31 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
30 June 2018

	Note	2018 EUR	2017 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	11	**1.436**	1.724
Promissory notes		**412.305**	419.633
Investment properties	12	**103.069**	104.945
Goodwill	13	**4.131.632**	4.131.632
Investments		**134.224.142**	142.451.198
Loans receivable	15	**682.257.888**	1.351.013.226
		821.130.472	1.498.122.358
Current assets			
Trade and other receivables	16	**1.524.300**	570.227
Loans receivable	15	**381.701.323**	3.063.791
Available-for-sale financial assets	14	**273.183**	-
Financial assets at fair value through profit or loss	17	**289.520.019**	17.349.226
Cash at bank and in hand		**2.339.893**	374.552
		675.358.718	21.357.796
Total assets		**1.496.489.190**	1.519.480.154
EQUITY AND LIABILITIES			
Equity			
Share capital	18	**1.261.513**	100.000
Share premium	19	**631.146**	-
Fair value reserve of financial assets at FVOCI	19	**(101.063.203)**	(96.189.311)
Retained earnings		**58.016.332**	74.483.380
		(41.154.212)	(21.605.931)
Non-controlling interests		**62.472.936**	46.037.903
Total equity		**21.318.724**	24.431.972
Non-current liabilities			
Borrowings	20	**1.472.445.769**	1.428.559.370
		1.472.445.769	1.428.559.370
Current liabilities			
Trade and other payables	21	**2.631.854**	5.195.247
Borrowings	20	**-**	61.274.287
Financial liabilities at fair value through profit or loss	17	**68.640**	-
Current tax liabilities	22	**24.203**	19.278
		2.724.697	66.488.812
Total liabilities		**1.475.170.466**	1.495.048.182
Total equity and liabilities		**1.496.489.190**	1.519.480.154

The notes on pages 12 to 31 form an integral part of these consolidated financial statements.

On 28 September 2018 the Board of Directors of Vonpende Holdings P.L.C. authorised these consolidated financial statements for issue.

Director

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Period from 1 January 2018 to 30 June 2018

		Attributable to equity holders of the Company						
	Note	Share capital EUR	Share premium EUR	Fair value reserve of financial assets at FVOCI EUR	Retained earnings EUR	Total EUR	Non-controlling interests EUR	Total EUR
Balance at 1 January 2017		**100.000**	**-**	**4.223.953**	**49.108.167**	**53.432.120**	**22.204.516**	**75.636.636**
Comprehensive income								
Net profit for the year		-	-	-	28.996.419	28.996.419	-	28.996.419
Other comprehensive income for the year		-	-	(100.413.264)	-	(100.413.264)	-	(100.413.264)
Foreign exchange differences		-	-	-	(3.621.206)	(3.621.206)	-	(3.621.206)
Net change in non controlling interest		-	-	-	-	-	23.833.387	23.833.387
Balance at 31 December 2017/ 1 January 2018		**100.000**	**-**	**(96.189.311)**	**74.483.380**	**(21.605.931)**	**46.037.903**	**24.431.972**
Comprehensive income								
Net profit for the period		-	-	-	5.071.063	5.071.063	-	5.071.063
Other comprehensive income for the period		-	-	(4.873.892)	-	(4.873.892)	(994.737)	(5.868.629)
Issue of share capital	18	1.161.513	631.146	-	-	1.792.659	-	1.792.659
Foreign exchange differences		-	-	-	(21.538.111)	(21.538.111)	17.429.770	(4.108.341)
Balance at 30 June 2018		**1.261.513**	**631.146**	**(101.063.203)**	**58.016.332**	**(41.154.212)**	**62.472.936**	**21.318.724**

The notes on pages 12 to 31 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
Period from 1 January 2018 to 30 June 2018

	Note	1.1.2018 to 30.6.2018 EUR	2017 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**5.116.310**	29.020.426
Adjustments for:			
Depreciation of property, plant and equipment		**2.164**	7.963
Profit from the sale of investments in subsidiaries		-	(3.434.494)
Fair value losses on financial assets at fair value through profit or loss		**331.536**	-
Impairment charge - investments in subsidiaries		-	8.550
Reversal of impairment - investments in associates		**(244.888)**	-
Dividend income	5	-	(94.584)
Interest income	5 & 9	**(24.537.749)**	(63.796.291)
Interest expense	9	**1.562.757**	3.203.424
		(17.769.870)	(35.085.006)
Changes in working capital:			
(Increase)/decrease in trade and other receivables		**(20.092.383)**	4.320.247
Decrease/(increase) in financial assets at fair value through profit or loss		**2.884.418**	(16.264.226)
Increase in bank deposits		**(11)**	-
Decrease in derivative financial instruments		**68.640**	-
Increase in trade and other payables		**1.435.788**	3.303.014
Cash used in operations		**(33.473.418)**	(43.725.971)
Interest received		**24.531.657**	60.286.696
Dividends received		-	94.584
Interest paid		**(4.496)**	(750)
Tax paid		**(35.826)**	(12.868)
Net cash (used in)/generated from operating activities		**(8.982.083)**	16.641.691
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of investment property	12	-	(2.333)
Payment for purchase of available-for-sale financial assets		**(273.183)**	257.104.812
Payment for purchase of investments in subsidiaries		**(11.888)**	(4.634.289)
Loans granted		**(253.118)**	(455.184.209)
Loans repayments received		**34.610.318**	9.705
Proceeds from sale of available-for-sale financial assets		-	28.625.272
Interest received		**6.092**	5.740
Bonds granted		**(1.960.668)**	-
Proceeds from reduction of capital of investments in subsidiaries		**318.498**	5.159.022
Net cash generated from/(used in) investing activities		**32.436.051**	(168.916.280)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**1.792.659**	-
Repayments of borrowings		**(24.719.719)**	(2.582.668)
Proceeds from borrowings		**7.331.831**	157.840.803
Interest paid		**(1.562.757)**	(3.203.424)
Dividends paid		**(1.809.980)**	-

The notes on pages 12 to 31 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
Period from 1 January 2018 to 30 June 2018

	Note	1.1.2018 to 30.6.2018 EUR	2017 EUR
Net cash (used in)/generated from financing activities		**(18.967.966)**	152.054.711
Net increase/(decrease) in cash and cash equivalents		**4.486.002**	(219.878)
Cash and cash equivalents at beginning of the period/year		**374.552**	2.035.210
Effect of exchange rate fluctuations on cash held		**(2.520.661)**	(1.440.780)
Cash and cash equivalents at end of the period/year		**2.339.893**	374.552

The notes on pages 12 to 31 form an integral part of these consolidated financial statements.

1. Incorporation and principal activities

Country of incorporation

The Company Vonpende Holdings P.L.C. (the "Company") was incorporated in Cyprus on 20 December, 2007 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Chrysanthou Mylona, 2, Dali, P.C. 2540, Nicosia, Cyprus.

Principal activities

The principal activities of the Group, comprise the trading in investments, the receiving and granting of loans, the ownership and leasing of residential property and acting as a principal in trading in cement and other products and commodities.

2. Significant accounting policies

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

Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap.113. These consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of, investment property, available-for-sale financial assets, and financial assets and financial liabilities at fair value through profit or loss.

Adoption of new and revised IFRSs

During the current period the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2018. This adoption did not have a material effect on the accounting policies of the Group.

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

Basis of consolidation

The Company has subsidiary undertakings for which section 142(1)(b) of the Cyprus Companies Law Cap. 113 requires consolidated financial statements to be prepared and laid before the Company at the Annual General Meeting. The Group consolidated financial statements comprise the financial statements of the parent company Vonpende Holdings Limited and the financial statements of the following subsidiaries: "Wing Hang Enterprises (Cyprus) Limited", "Eyestorn Enterprises Limited", "Kirnione Holdings Limited", "Lebset Developments Limited" and "Mezorex Enterprises Limited".

2. Significant accounting policies (continued)

Basis of consolidation (continued)

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring them in line with the accounting policies of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries
Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

2. Significant accounting policies (continued)

Business combinations (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired undertaking at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill on acquisitions of associates is included in "Investments in associates". Goodwill on acquisitions of investments in joint ventures is included in "investments in joint ventures".

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an undertaking include the carrying amount of goodwill relating to the undertaking sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

2. Significant accounting policies (continued)

Revenue recognition

Revenues earned by the Group are recognised on the following bases:

- **Sale of products**

  Sales of products are recognised when significant risks and rewards of ownership of the products have been transferred to the customer, which is usually when the Group has sold or delivered the products to the customer, the customer has accepted the products and collectability of the related receivable is reasonably assured.

- **Rendering of services**

  Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

- **Income from investments in securities**

  Dividend from investments in securities is recognised when the right to receive payment is established. Withheld taxes are transferred to profit or loss. Interest from investments in securities is recognised on an accruals basis.

  Profits or losses from the sale of investments in securities represent the difference between the net proceeds and the carrying amount of the investments sold and is transferred to profit or loss.

  The difference between the fair value of investments at fair value through profit or loss as at 30 June 2018 and the mid cost price represents unrealised gains and losses and is included in profit or loss in the period in which it arises. Unrealised gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are recognised in equity. When financial assets at fair value through profit or loss are sold or impaired, the accumulated fair value adjustments are included in profit or loss as fair value gains or losses on investments, taking into account any amounts charged or credited to profit or loss in previous periods.

- **Commission income**

  Commission income is recognised when the right to receive payment is established.

- **Interest income**

  Interest income is recognised on a time-proportion basis using the effective interest method.

Finance income

Interest income is recognised on a time-proportion basis using the effective method.

Finance costs

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

2. Significant accounting policies (continued)

Foreign currency translation

(1) Functional and presentation currency
Items included in the Group's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Euro (EUR), which is the Group's functional and presentation currency.

(2) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Translation differences on non-monetary items such as equities held at fair value through profit or loss are reported as part of the fair value gain or loss. Translation differences on available-for-sale financial assets are recognised in other comprehensive income and then included in the fair value reserve in equity. Translation differences on available-for-sale debt securities are recognised in profit or loss.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Computer hardware and operating systems	20

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2. Significant accounting policies (continued)

Investment properties

Investment property is held for long-term rental yields and/or for capital appreciation and is not occupied by the Group. Investment property is treated as a non-current asset and is stated at historical cost less depreciation. Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life.The annual depreciation rates used are

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the continued use of the asset. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non financial assets, other than goodwill, that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2. Significant accounting policies (continued)

Financial instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018 however no adjustment is required on the comparative information for the period beginning 1 January 2017.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Prepayments from clients

Payments received in advance on sale contracts for which no revenue has been recognised yet, are recorded as prepayments from clients as at the reporting date and carried under liabilities.

Loans granted

Loans originated by the Group by providing money directly to the borrower are categorised as loans and are carried at amortised cost. The amortised cost is the amount at which the loan granted is measured at initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectibility. All loans are recognised when cash is advanced to the borrower.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets

(1) Classification

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL).

Under IFRS 9 all financial assets that do not meet "solely payment of principal and interest" criteria, are classified at initial recognition as fair value through profit or loss (FVPL).

For financial assets that meet "solely payment of principal and interest" criteria, classification at initial recognition is determined based on the business model, under which these instruments are managed:

- Debt instruments that are managed on a "hold to collect" basis are measured at amortised cost;
- Debt instruments that are managed on a "hold to collect and sale" basis are measured at fair value through other comprehensive income (FVOCI);
- Debt instruments that managed on other basis, including trading financial assets, are measured at fair value through profit or loss (FVPL).

(2) Recognition and measurement

Equity instruments are required to be classified at initial recognition at fair value through profit or loss (FVPL).

However the management can make an irrevocable decision to classify the instruments as FVOCI. For thoseinstruments all realized and unrealized gains and losses are recognized in other comprehensive income with nosubsequent reclassification to profit or loss. Dividend income is recognized in profit or loss.

Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash at bank.

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Trade payables

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

2. Significant accounting policies (continued)

Derecognition of financial assets and liabilities

Financial assets

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

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

Financial liabilities

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

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

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Non-current liabilities

Non-current liabilities represent amounts that are due more than twelve months from the reporting date.

3. Financial risk management

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

3.1 Market price risk
The Group is exposed to equity securities price risk because of investments held by the Group and classified on the consolidated statement of financial position either as available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity price risk.

3. Financial risk management (continued)

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

3.3 Credit risk
Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables.

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

3.5 Currency risk
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group's measurement currency. The Group is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.6 Capital risk management
Capital includes equity shares.

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

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate to their carrying amounts at the reporting date except as disclosed in notes 15 and 20.

The fair value of financial instruments traded in active markets, such as publicly traded trading and available-for-sale financial assets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the current bid price. The appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods, such as estimated discounted cash flows, and makes assumptions that are based on market conditions existing at the reporting date.

4. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

Judgments

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Provision for bad and doubtful debts**

  The Group reviews its trade and other receivables for evidence of their recoverability. Such evidence includes the customer's payment record and the customer's overall financial position. If indications of irrecoverability exist, the recoverable amount is estimated and a respective provision for bad and doubtful debts is made. The amount of the provision is charged through profit or loss. The review of credit risk is continuous and the methodology and assumptions used for estimating the provision are reviewed regularly and adjusted accordingly.

- **Income taxes**

  Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Fair value of financial assets**

  The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at each reporting date. The fair value of the financial assets available for sale has been estimated based on the fair value of these individual assets.

- **Impairment of loans receivable**

  The Group periodically evaluates the recoverability of loans receivable whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country in which the borrower operates, which may indicate that the carrying amount of the loan is not recoverable. If facts and circumstances indicate that loans receivable may be impaired, the estimated future discounted cash flows associated with these loans would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

4. Critical accounting estimates and judgments (continued)

- **Impairment of available-for-sale financial assets**

  The Group follows the guidance of IAS 39 in determining when an investment is other-than-temporarily impaired. This determination requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

- **Impairment of non-financial assets**

  The impairment test is performed using the discounted cash flows expected to be generated through the use of non-financial assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Group estimates the recoverable amount of the cash generating unit in which the asset belongs to.

- **Impairment of goodwill**

  Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units of the Group on which the goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating units using a suitable discount rate in order to calculate present value.

5. Revenue

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Sale of cement products	**699.344**	1.741.712
Commissions income	**76.117**	317.739
Dividend income	-	94.584
Interest income	**24.531.657**	60.514.916
Net gain on trading in financial instruments	-	3.305.659
Net gain on sale of promissory note / financial instruments	**3.419.824**	3.275.629
Rental income	**2.700**	5.140
	28.729.642	69.255.379

6. Cost of sales

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Purchases of cement products	**654.665**	1.600.495
Rental expenses	**780**	1.035
Custodian fee	**13.423**	12.454
Commissions paid	**275.000**	503.056
Handling fee	-	27.881
Services paid	**7.569**	-
Interest expense	**21.594.041**	47.010.319
	22.545.478	49.155.240

7. Administration expenses

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Directors fees	**14.000**	-
Rent	**2.850**	6.029
Professional fees	**129.552**	242.708
Director services	**20.250**	30.000
Services paid	**21.368**	27.096
Auditors' remuneration - current period	**23.540**	69.250
Auditors' remuneration - prior years	**9.500**	8.300
Accounting fees	**10.000**	23.875
Legal fees	**9.840**	28.208
Overseas travelling	**52.928**	97.356
Company annual charge	**2.100**	2.083
Depreciation	**2.164**	7.963
	298.092	542.868

8. Other income/(expenses)

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Other income	**-**	(1.465)
Amounts receivable written off	**(1.673)**	138.772
Net foreign exchange loss	**16.601**	4.891
(Reversal of impairment charge - investments in associates) / impairment charge - investment in associates	**(244.888)**	8.550
	(229.960)	150.748

9. Finance income/(costs)

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Interest income	**6.092**	5.747
Exchange profit	**-**	22.228.682
	6.092	22.234.429
Net foreign exchange losses	**(658.298)**	(12.605.770)
Interest expense	**-**	(11)
Sundry finance expenses	**(15.980)**	(14.745)
	(674.278)	(12.620.526)
Net finance (costs)/income	**(668.186)**	9.613.903

10. Tax

	1.1.2018 to 30.6.2018 EUR	2017 EUR
Corporation tax	**22.556**	17.473
Overseas tax	**-**	4.729
Defence contribution	**1.652**	1.805
Defence tax on interim dividends paid	**21.039**	-
Charge for the period/year	**45.247**	24.007

11. Property, plant and equipment

	Computer hardware and operating systems EUR
Cost	
Balance at 1 January 2017	2.874
Balance at 31 December 2017/ 1 January 2018	**2.874**
Balance at 30 June 2018	**2.874**
Depreciation	
Balance at 1 January 2017	575
Charge for the period	575
Balance at 31 December 2017/ 1 January 2018	**1.150**
Charge for the period	288
Balance at 30 June 2018	**1.438**
Net book amount	
Balance at 30 June 2018	**1.436**
Balance at 31 December 2017	**1.724**

12. Investment properties

	2018 EUR	2017 EUR
Cost		
Balance at 1 January	**112.333**	110.000
Additions	**-**	2.333
Balance at 30 June/31 December	**112.333**	112.333
Depreciation		
Balance at 1 January	**7.388**	-
Charge for the period	**1.876**	7.388
Balance at 30 June/31 December	**9.264**	7.388
Net book amount		
Balance at 30 June/31 December	**103.069**	104.945

13. Goodwill

	Goodwill EUR
Cost	
Balance at 1 January 2017	5.068.978
Goodwill eliminated on disposal of subsidiary	(937.346)
Balance at 31 December 2017/ 1 January 2018	**4.131.632**
Balance at 30 June 2018	**4.131.632**
Net book amount	
Balance at 30 June 2018	**4.131.632**
Balance at 31 December 2017	**4.131.632**

On December 2017, Vonpende Holdings Limited increased its shareholding to 95,10% in Eyestorn Enterprises Limited, Kirnione Holdings Limited, Lebset Developments Limited and Mezorex Enterprises Limited to 95,08%. The Group disposed its interest in Linge Enterprises Limited in 2017 and realized a profit of EUR 885.681.

14. Available-for-sale financial assets

	2018 EUR	2017 EUR
Balance at 1 January	-	15.989.732
Additions	**273.183**	-
Disposals	-	(15.989.732)
Balance at 30 June/31 December	**273.183**	-

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

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

15. Loans receivable

	2018 EUR	2017 EUR
Loans receivable	**1.063.959.211**	1.354.077.017
	1.063.959.211	1.354.077.017
Less current portion	**(381.701.323)**	(3.063.791)
Non-current portion	**682.257.888**	1.351.013.226

The loans are repayable as follows:

	2018 EUR	2017 EUR
Within one year	**381.701.323**	3.063.791
Between one and five years	**345.697.880**	1.350.706.302
After five years	**336.560.008**	306.924
	1.063.959.211	1.354.077.017

15. Loans receivable (continued)

The fair value of receivable loans approximates to their carrying amounts as presented above.

16. Trade and other receivables

	2018	2017
	EUR	EUR
Trade receivables	**317.688**	550.325
Shareholders' current accounts - debit balances (Note 23.2)	**87.271**	17.078
Deposits and prepayments	**11.868**	2.824
Other receivables	**1.107.473**	-
	1.524.300	570.227

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

17. Financial assets at fair value through profit or loss

	2018	2017
	EUR	EUR
Balance at 1 January	**17.349.226**	1.085.000
Additions	**1.953.170**	16.250.041
Disposals	**(1.500.000)**	(34.996)
Repayments	**(4.955.385)**	(50.584)
Reclassification	**273.094.544**	-
Accrued interest	**3.578.464**	99.765
Balance at 30 June/31 December	**289.520.019**	17.349.226

Financial assets designated as at fair value through profit or loss are analysed as follows:

	2018	2017
	EUR	EUR
Financial assets at fair value through profit or loss		
Subordinated contingent convertible bonds of a Company incorporated in Cyprus	**19.308.911**	17.300.045
Cyprus financing entity	**270.211.108**	49.181
	289.520.019	17.349.226

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

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

18. Share capital

	2018 Number of shares	2018 EUR	2017 Number of shares	2017 EUR
Authorised				
Ordinary shares of EUR 12,50 each	**153.600**	**1.920.000**	8.000	100.000
		EUR		EUR
Issued and fully paid				
Balance at 1 January	**8.000**	**100.000**	400.000	100.000
Converted to 8.000 ordinary shares of EUR 12,50 each	-	-	(392.000)	-
Issue of shares	**92.921**	**1.161.513**	-	-
Balance at 30 June/31 December	**100.921**	**1.261.513**	8.000	100.000

Authorised capital

On 22 February, 2018 the authorised share capital of the Company was increased by 24.800 ordinary shares of nominal value of EUR 12,50 each. On 4 June, 2018 the authorised share capital of the Company was increased by 120.800 ordinary shares of nominal value of EUR 12,50 each.

Issued capital

On 16 March, 2018 the Company issued 18.789 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 4,00 each.

On 4 June, 2018 the Company issued 74.132 ordinary shares of nominal value of EUR 12,50 each, at a premium of EUR 7,50 each.

19. Other reserves

	Share premium EUR	Fair value reserve of financial assets at FVOCI EUR	Total EUR
Balance at 1 January 2017	-	4.223.953	4.223.953
Fair value adjustment	-	(100.413.264)	(100.413.264)
Balance at 31 December 2017/ 1 January 2018	**-**	**(96.189.311)**	**(96.189.311)**
Issue of share capital	631.146	-	631.146
Fair value adjustment	-	(4.873.892)	(4.873.892)
Balance at 30 June 2018	**631.146**	**(101.063.203)**	**(100.432.057)**

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

20. Borrowings

	2018	2017
	EUR	EUR
Current borrowings		
Trade loans payable	-	61.274.287
Non-current borrowings		
Trade loans payable	**1.472.445.769**	1.428.559.370
Total	**1.472.445.769**	1.489.833.657

Maturity of non-current borrowings:

	2018	2017
	EUR	EUR
Between two and five years	**441.075.998**	233.218.751
After five years	**1.031.369.771**	1.195.340.619
	1.472.445.769	1.428.559.370

21. Trade and other payables

	2018	2017
	EUR	EUR
Trade payables	**2.538.140**	5.115.313
Defence tax on rent payable	**(100)**	(47)
Prepayments from tenants	-	900
Social insurance and other taxes	**1.550**	1.888
Tenants deposits	**450**	450
Accruals	**91.814**	76.743
	2.631.854	5.195.247

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

22. Current tax liabilities

	2018	2017
	EUR	EUR
Corporation tax	**22.556**	17.473
Special contribution for defence	**1.647**	1.805
	24.203	19.278

23. Related party transactions

The following transactions were carried out with related parties:

23.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	1.1.2018 to 30.6.2018	2017
	EUR	EUR
Director services	34.250	30.000
	34.250	30.000

23.2 Shareholders' current accounts - debit balances (Note 16)

	2018	2017
	EUR	EUR
Shareholders current accounts	87.271	17.078
	87.271	17.078

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

24. Significant subsidiaries

In year 2018 the Group includes the Company and Wing Hang Enterprises (Cyprus) Ltd (100%), Eyestorn Enterprises Limited (95,10%), Kirnione Holdings Limited (95,10%), Lebset Development Limited (95,10%) and Mezorex Enterprises Limited (95,08%) . Wing Hang Enterprises Ltd was incorporated in Hong Kong on 30 August 1999 as a private company with limited liability and transferred domicile to Nevis on 5 December 2003. From 5 July, 2017, Wing Hang Enterprises Limited was registered in accordance with section 354H of the Companies Law Cap. 113, as a company continuing in the Republic of Cyprus under the name of Wing Hang Enterprises (Cyprus) Limited. The Group's principal activities are the receiving and granting of loans, the trading in investments and acting as a principal in trading of cement and other products and commodities. In addition of Wing Hang Enterprises (Cyprus) Ltd, Vonpende Holdings Group comprises of the below subsidiaries:

Name	Country of incorporation	Principal activities	30 June 2018 %	31 December 2017 %
Wing Hang Enterprises (Cyprus) Limited	Cyprus	Trading in cement and receiving and granting of loans	100	100
Eyestorn Enterprises Limited	Cyprus	Holding of investments and receiving and granting of loans	95,10	95,10
Kirnione Holdings Limited	Cyprus	Trading in investments and investment of its funds	95,10	95,10
Lebset Developments Limited	Cyprus	Holding of investments	95,10	95,10
Mezorex Enterprises Limited	Cyprus	Holding of investments	95,08	95,08

25. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2018.

26. Commitments

The Group had no capital or other commitments as at 30 June 2018.

27. Events after the reporting period

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

Independent auditor's report on pages 3 to 5