

Addendum To: 0231/00025214

Half Yearly Financial Report 2018

Attached is the Declaration of the Members of the Board of Directors fully signed.

Attachments:

1. **Announcement**
2. **Half-Yearly Financial Report 2018**
3. **H1 2018 Declaration of Members.**

Non Regulated

Publication Date: 30/10/2018

28 September 2018

Cyprus Stock Exchange
Nicosia

ANNOUNCEMENT

Subject: Board of Directors of G Entertainment Group Plc elects Chairman and approves the Half-Yearly Financial Report 2018 for the period ended 30 June 2018 (unaudited results).

Election of Mr. Zheng Yongxiong as Chairman of the Board of Directors

Following the AGM of the shareholders of the Company where rotation of directors took place, the new constituted Board of Directors of G Entertainment Group Plc (the “Company”), at a meeting held today, elected Mr. Zheng Yongxiong as Chairman of the Board of Directors.

Half-Yearly Financial Report 2018 for the period ended 30 June 2018 (unaudited results)

The Board of Directors of G Entertainment Group Plc (the ‘Company’), today examined and approved the Half-Yearly Financial Report 2018 which includes the non-audited condensed interim consolidated financial statements for the period ended 30 June 2018 (the ‘Report’).

The full text of the Report is attached, and it is noted that the interim, condensed, consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34.

The full text of the Report will not be sent to the shareholders of the Company, but shall be uploaded in electronic form on the website of the Company (www.gegroupplc.com), from where it may be printed. Additionally, the Company has made available sufficient number of copies free of charge, at the registered office of the Company at 6 Theotoki str., 1055, Nicosia, Cyprus.

The interim, consolidated statement of accounts for the period 1st January – 30th June 2018, as well as the interim management report included in the Report, shall be published on the daily, Cyprus-wide newspaper “Alithia”, on Wednesday 3rd of October 2018.

On behalf of the board of directors of G Entertainment Group Plc,



Richard Carter
Executive Director

G ENTERTAINMENT GROUP PLC
HALF - YEARLY FINANCIAL REPORT 2018
WHICH INCLUDES THE
NON AUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 JUNE 2018

G ENTERTAINMENT GROUP PLC

NON AUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

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G ENTERTAINMENT GROUP PLC

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Executive Directors

Sing Lin
Richard James Carter
Zheng Yongxiong
Jason Ki Ho Fong

Non-executive Directors

John Pitsillos
Amphipolis Administrative Services Limited

Company Secretary:

Amphipolis Secretarial Services Ltd

Legal Advisers:

Nicholas A. Poubourides LLC
Shakespeare Martineau LLP

Registered office:

6 Theotoki Street
1055, Nicosia
Cyprus

Bankers:

Eurobank Cyprus Ltd
The Royal Bank of Scotland Plc

Registration number:

HE346401

G ENTERTAINMENT GROUP PLC

INTERIM CONSOLIDATED MANAGEMENT REPORT

The Board of Directors presents its interim consolidated Management Report and non-audited condensed interim consolidated financial statements of G Entertainment Group Plc and its subsidiaries (together with the Company, the "Group") for the six months ended 30 June 2018.

The condensed interim consolidated financial statements for the six months ended 30 June 2018, which are presented in Euro, together with the interim consolidated Management Report, have been prepared in accordance with the international Financial Reporting Standards, including IAS 34 "Interim Financial Reporting" and are in line with the requirements of the Cyprus Companies Law, Cap. 113.

The accounting policies used in the preparation of the interim consolidated financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2017 except from the adoption of all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on or after 1 January 2018.

Review of current position, future developments and performance of the Group's business

The results of the six months are not considered satisfactory and cost saving measures are currently considered to reduce the Group's losses.

Financial performance

The loss for the 6 months ended 30 June 2018 amounts to €2.197,888 (6 months ended 30 June 2017 €1.228.590), representing an increase of approximately 79%. The change is mainly linked to the additional impairment loss of €1.531.643 recognised during 2018 in relation to the investment in associates. Also, administration expenses decreased by €412.699 (from €1.079.317 to €666.618) due to the fact that the Group has made no investments or share issues for the period ended 30 June 2018, resulting in less legal and consulting fees.

Financial position

We are currently looking into several exciting new projects. With the Group's very supportive shareholders and investors, we are looking forward to working with them and bringing G Entertainment Group Plc into its next stage of development. It is noted that the Group currently depends upon the financial support of its Chairman and major shareholder who has confirmed his intention to continue his support for the next 12 months ensuring that the Group is able to meet its liabilities in a timely fashion and to pursue further investments or business operations. We are looking for new projects which are expected to breathe new life into the Group, expanding the scope of our investments and operations. However, in 2018/7, we have re-evaluated the strategic goals of the Group based on the Group's investment capabilities and the commitments and decided to cease investing further in SYH and SSK.

Though, the Group participated in GL (42ND ST) LT with total of 21.67% (i.e. GBP 1.3 million out of the GBP 6 million capitalization), a company that produces and presents the live stage production of the musical "42nd Street" in London West End. The Group is expecting to receive part of its initial investment with the termination of the musical by the end of December 2018.

It is also notable that according to the final, audited financial statements of the Company for the financial year 2017, it emerged that the Company had lost over 50% of its subscribed share capital. The Company applied the relevant provisions of Section 169 F of the Company Laws, Cap. 113 for the calling of an Extraordinary General Meeting ('EGM') whereby the shareholders unanimously decided that the Company should not be wound up but other measures should be taken.

After careful consideration of the current financial position of the Group and constraints and the Group's contractual and regulatory obligations we decided to seek further funding either in the form of a loan or issue of new shares from a strategic investor to ensure the viability of the Group. Additionally, it was decided that the executive management of the Group will present an action plan for approval by the Board which will include measures for the review, control and minimization, wherever possible, of the Group's current operating expenses so as to ensure that the Group will meet its current and future obligations after the funding will be received. Meanwhile, the Group will continue to seek new promising strategic projects and opportunities which would increase the cash flow of the Group and add value to the investment portfolio.

The Company will update the investing public on the progress in relation to the above within the next two to three months and inform on any further measures that may need to be taken.

G ENTERTAINMENT GROUP PLC

INTERIM CONSOLIDATED MANAGEMENT REPORT

Going concern

During the first semester of 2018, the Group incurred significant losses in the tune of €2.197.888. The total equity of the Company, as stated in the current accounts, is €380.192. The Group continues to be dependent upon the financial support of its investors to enable it to continue to operate as going concern. It is noted that the Group currently depends upon the financial support of its Chairman and major shareholder who confirmed in April 2018 his intention to continue his support for the 12 months following April 2018, ensuring that the Group is able to meet its liabilities in a timely fashion.

Funding

During the period the Company has received the following funding that was turned into a convertible loan on 8 July 2018:

- On 23 February 2018, the Company received €113.714 (GBP 100.000) from the strategic investor Crystal Voyage Limited which is controlled by the Chairman of the Company.
- On 15 March 2018, the Group received €113.020 (GBP 100.000) from the strategic investor Crystal Voyage Limited which is controlled by the Chairman of the Company.
- On 8 May 2018; the Group received €300.000 from the strategic investor Crystal Voyage Limited which is controlled by the Chairman of the Company.

The Group's intention for the above funding is to issue and allot 4.180.427 ordinary shares at the price of €0,126 each to the strategic investor Crystal Voyage Ltd.

Future Developments

We are continuously seeking to identify and support new strategic projects within the entertainment industry and the Group is in negotiations with new strategic investors and existing shareholders which would allow the Group to continue its operations and further its investment goals, without any firm commitment about the outcome. We believe that, provided that reliable funding is secured, the Group has good prospects to develop such projects relying on unique contacts and opportunities to exploit the increasing trade between Europe, China and the United States.

Principal risks and uncertainties

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

Investment Risk

The Group is heavily dependent on the success or failure of minority investments in start-up companies which by their nature have high failure rates. The Group needs to build a portfolio of promising investments and thus diversify the risk and thus provide a higher probability of success. This means increasing its capital significantly so as to have a bigger pool of investments or investing smaller amounts in a larger number of investments.

Size Risk

The Group needs to increase significantly its capital available for investments in order to support its operating structure, after essential minimization of operating costs which should take place as a priority. This has become more pronounced in the last 12 months when two out of three major investments have been essentially written off and as thus left it with minimal capital to survive going forward.

Market price risk

Market price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices. The Group's financial asset at fair value through other comprehensive income (investment in GL (42ND ST) LT for the "42st Street" production) of €608.832 in the present accounts is susceptible to market price risk arising from uncertainties about future prices of the investments.

G ENTERTAINMENT GROUP PLC

INTERIM CONSOLIDATED MANAGEMENT REPORT

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's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument, leading to a financial loss. The Group is exposed to credit risk from its operating activities - primarily from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

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.

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 British Pound. The Group's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Related party balances and transactions

Related party balances and transactions are disclosed in note 16 of the condensed interim consolidated financial statements.

By order of the Board of Directors,



Sing Lin
Executive Director

Nicosia, 28 September 2018

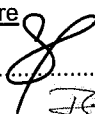
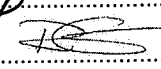
G ENTERTAINMENT GROUP PLC

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

We, the members of the Board of Directors and the Company officials responsible for the non-audited condensed interim consolidated financial statements of G Entertainment Group Plc (the "Company") for the six months ended 30 June 2018, on the basis of our knowledge, declare that:

- (a) The interim consolidated financial statements of the Group which are presented on pages 6 to 16:
- (i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and
 - (ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the consolidated financial statements as a whole and
- b) The interim consolidated management report provides a fair view of the developments and the performance as well as the financial position of the Group as a whole, together with a description of the main risks and uncertainties which the Group faces.

Members of the Board of Directors:

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Sing Lin	Executive Director 
Richard James Carter	Executive Director 
Zheng Yongxiong	Executive Director
Jason Ki Ho Fong	Executive Director
John Pitsillos	Non-executive Director
Amphipolis Administrative Services Limited	Non-executive Director

Responsible for drafting the financial statements

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Alison Bolt	Financial controller

Nicosia, 28 September 2018

G ENTERTAINMENT GROUP PLC

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2018

	Note	30/06/2018 €	30/06/2017 €
Administration expenses		<u>(666.618)</u>	<u>(1.079.317)</u>
Operating loss		(666.618)	(1.079.317)
Net finance income/(cost)		373	(149.273)
Impairment of investments in associates	9	<u>(1.531.643)</u>	<u>-</u>
Loss before income tax		(2.197.888)	(1.228.590)
Income Tax	6	<u>-</u>	<u>-</u>
Loss for the period		<u>(2.197.888)</u>	<u>(1.228.590)</u>
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Available-for-sale investments - Fair value Loss		-	(75.301)
Exchange difference arising on the translation and consolidation of foreign companies' financial statements		<u>(6.057)</u>	<u>67.690</u>
Other comprehensive loss for the period		<u>(6.057)</u>	<u>(7.611)</u>
Total comprehensive loss for the period		<u>(2.203.945)</u>	<u>(1.236.201)</u>
Loss per share (cent)	7	<u>(0,32)</u>	<u>(0,18)</u>

The notes on pages 10 to 16 form an integral part of these consolidated financial statements.

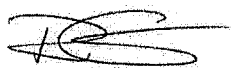
G ENTERTAINMENT GROUP PLC

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	30/06/2018 €	31/12/2017 €
ASSETS			
Non-current assets			
Investments in associates	9	-	1,531.643
Investments at fair value through other comprehensive income	10	<u>608.832</u>	<u>608.832</u>
		608.832	2,140.475
Current assets			
Receivables		41.899	31.223
Loans receivable	11	107.500	106.000
Cash and cash equivalents		<u>36.968</u>	<u>7.501</u>
		186.367	144.724
TOTAL ASSETS		<u>795.199</u>	<u>2,285.199</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	6.822.397	6.822.397
Other reserves	13	4.174.885	3.654.208
Accumulated losses		<u>(10.617.090)</u>	<u>(8.419.202)</u>
Total equity		<u>380.192</u>	<u>2,057.403</u>
Current liabilities			
Payables	15	411.381	218.233
Borrowings	14	3.626	3.626
Current tax liabilities		-	5.937
		<u>415.007</u>	<u>227.796</u>
TOTAL EQUITY AND LIABILITIES		<u>795.199</u>	<u>2,285.199</u>

On 28 September 2018 the Board of Directors of G Entertainment Group Plc authorised these condensed interim consolidated financial statements for issue.


.....
Sing Lin
Director


.....
Richard James Carter
Director

The notes on pages 10 to 16 form an integral part of these consolidated financial statements.

G ENTERTAINMENT GROUP PLC

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2018

	Note	Share capital €	Other reserves (Note 13) €	Accumulated losses €	Total €
Balance at 1 January 2017		116.959	7.612.118	(2.912.987)	4.816.090
Comprehensive income					
Net loss for the period		-	-	(1.228.590)	(1.228.590)
Other comprehensive loss for the period		-	(7.611)	-	(7.611)
Transactions with owners					
Issue of share capital	12	6.656.633	(4.756.635)	-	1.899.998
Balance at 30 June 2017		6.773.592	2.847.872	(4.141.577)	5.479.887
Balance at 1 January 2018		6.822.397	3.654.208	(8.419.202)	2.057.403
Comprehensive income					
Net loss for the period		-	-	(2.197.888)	(2.197.888)
Other comprehensive loss for the period		-	(6.057)	-	(6.057)
Transactions with owners					
Shares to be issued		-	526.734	-	526.734
Balance at 30 June 2018		6.822.397	4.174.885	(10.617.090)	380.192

The notes on pages 10 to 16 form an integral part of these consolidated financial statements.

G ENTERTAINMENT GROUP PLC

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2018

	30/06/2018	30/06/2017
Note	€	€
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(2.197.888)	(1.228.590)
Adjustments for:		
Net foreign exchange losses	-	96.293
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	(6.057)	7.611
Impairment of investment in associates	9 1.531.643	-
Interest income	(1.500)	(1.500)
Interest expense	651	2.355
	(673.151)	(1.123.831)
Changes in working capital:		
Increase in receivables and loan receivables	(12.176)	(17.104)
Increase/(Decrease) in trade and other payables	192.497	(5.893)
Cash used in operations	(492.830)	(1.146.828)
Tax paid	(5.937)	-
Net cash used in operating activities	(498.767)	(1.146.828)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of available-for-sale investments	-	(2.656.295)
Interest received	1.500	1.500
Net cash generated from/(used in) investing activities	1.500	(2.654.795)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	1.899.998
Interest paid	-	(2.355)
Proceeds from shares to be issued	13 526.734	-
Net cash generated from financing activities	526.734	1.897.643
Net increase/(decrease) in cash and cash equivalents	29.467	(1.903.980)
Cash and cash equivalents at beginning of the period	7.501	2.228.914
Cash and cash equivalents at end of the period	36.968	324.934

The notes on pages 10 to 16 form an integral part of these consolidated financial statements.

G ENTERTAINMENT GROUP PLC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

1. Incorporation and principal activities

Country of incorporation

G Entertainment Group Plc (the "Company") was incorporated in Cyprus on 21 August 2015 as a Public limited company under the provisions of the Cyprus Companies Law, Cap. 113. On 16 December 2016 the Company was listed on the Emerging Companies Market of the Cyprus Stock Exchange. Its registered office is at 6 Theotoki Street, 1055, Nicosia, Cyprus.

Principal activities

The principal activity of the Group continue to comprise the holding of investments.

2. Unaudited financial statements

The condensed interim consolidated financial statements for the six months ended on 30 June 2017 and 2018 respectively, have not been audited by the external auditors of the Group.

3. Significant accounting policies

The condensed interim consolidated financial statements, which are presented in Euro, have been prepared in accordance with international Financial Reporting Standards, including IAS 34 "Interim Financial Reporting" as adopted by the European Union and are in line with the requirements of the Cyprus Companies Law, Cap 113.

The accounting policies used in the preparation of the interim consolidated financial statements are in accordance with those used in the annual financial statements for the year ended 31 December 2017 except from the adoption of all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on or after 1 January 2018.

The Group has revised its accounting policies as a result of the adoption of IFRS 9 "Financial Instruments". The adoption of this accounting standard did not have material effect on the condensed interim consolidated financial statements of the Group.

These consolidated financial statements must be read in conjunction with the annual financial statements for the year ended 31 December 2017.

Going concern basis

The Group incurred a loss of €2.197.888 for the period ended 30 June 2018 resulting in accumulated losses of €10.617.090 at 30 June 2018. The Group is dependent upon the financial support of its investors to enable it to continue to operate as going concern. It is noted that the Group currently depends upon the financial support of its Chairman and major shareholder who has confirmed in April 2018 his intention to continue his support for the next 12 months following April 2018, ensuring that the Group is able to meet its liabilities in a timely fashion and to pursue further investments or business operations.

Segmental reporting

The Group operates in one operating segment, the investment segment. The Group operates in three geographical segments: Cyprus, United Kingdom and Hong Kong, none of which has any revenue (2017: four geographical segments: Cyprus, United Kingdom, British Virgin Islands and Hong Kong). The Group presents its geographical segment financial information on non-current assets other than financial instruments. No other segment financial information is available for the six months ended 30 June 2018.

G ENTERTAINMENT GROUP PLC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

4. Fair value measurement

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

30 June 2018	Level 1 €	Level 2 €	Level 3 €	Total €
Assets measured at fair value				
Investments at fair value through other comprehensive income (Note 10)	-	-	608.832	608.832
Total	-	-	608.832	608.832
31 December 2017	Level 1 €	Level 2 €	Level 3 €	Total €
Assets measured at fair value				
Investments at fair value through other comprehensive income (Note 10)	-	-	608.832	608.832
Total	-	-	608.832	608.832

Valuation techniques

Investment at fair value through other comprehensive income as at 30 June 2018, represents participation rights in a live stage production. The fair value of the investment as at 30 June 2018 and 31 December 2017 was determined using the income approach and by taking into account the agreement between the two parties. The Board of Directors considers that this is the most appropriate approximation of the fair value of the investment through other comprehensive income.

For investments at fair value through other comprehensive income categorised in Level 3 of the fair value hierarchy, the following information is relevant:

	Valuation technique(s)	Significant unobservable input(s)	Sensitivity
Investment at fair value through other comprehensive income (Note 10)	Income approach (net cash flow to equity holders)	Net cash flows expected to be derived from the investment discounted using a discount factor of 19,84% and translated using the closing rate.	A slight decrease in revenues would result in a decrease in the fair value of the investment, and vice versa.

5. Segmental analysis

30/06/2018	British Virgin Islands €	United Kingdom €	Hong Kong €	Cyprus €	Total €
Non-current assets	-	-	-	608.832	608.832
31/12/2017	British Virgin Islands €	United Kingdom €	Hong Kong €	Cyprus €	Total €
Non-current assets	1.368.974	162.669	-	608.832	2.140.475

G ENTERTAINMENT GROUP PLC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

6. Income tax

The total charge for the year can be reconciled to the accounting results as follows:

	30/06/2018	30/06/2017
	€	€
Loss before income tax	<u>(2.197.888)</u>	<u>(1.228.590)</u>
Tax calculated at the applicable tax rates	(274.736)	(153.574)
Tax effect of expenses not deductible for tax purposes	259.487	18.847
Tax effect of tax loss for the period	<u>15.249</u>	<u>134.727</u>
Tax charge	<u>-</u>	<u>-</u>

The tax rate used for the reconciliation above is the corporate tax rate of 12,5% payable by corporate entities in Cyprus on taxable profits under Cyprus tax law.

7. Loss per share attributable to equity holders of the parent

	30/06/2018	30/06/2017
Loss for the period (€)	<u>(2.197.888)</u>	<u>(1.228.590)</u>
Weighted average number of ordinary shares in issue during the period	<u>682.239.705</u>	<u>669.891.087</u>
Loss per share (cent)	<u>(0,32)</u>	<u>(0,18)</u>

8. Investments in subsidiaries

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	30/06/2018 Holding %	31/12/2017 Holding %
G Entertainment Limited	United Kingdom	Holding of investments	100	100
G Entertainment Sports Limited (Indirect Holding)	United Kingdom	Dormant	100	100
G Entertainment Racing Club Limited (Indirect Holding)	United Kingdom	Dormant	100	100
G Entertainment (HK) Limited	Hong Kong	Dormant	100	100

9. Investments in associates

	30/06/2018	31/12/2017
	€	€
Balance at 1 January	1.531.643	-
Net assets of associates acquired	-	559.036
Goodwill arising on acquisition of associates	-	<u>3.581.852</u>
Total Cost of investment - Reclassified from investments at fair value through other comprehensive income (Note 10)	1.531.643	4.140.888
Exchange differences	-	26.172
Share of loss from investments in associates	-	(232.663)
Impairment loss	<u>(1.531.643)</u>	<u>(2.402.754)</u>
Balance at 30 June/31 December	<u>-</u>	<u>1.531.643</u>

G ENTERTAINMENT GROUP PLC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

9. Investments in associates (continued)

The details of the investments are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	30/06/2018 Holding %	31/12/2017 Holding %	30/06/2018 €	31/12/2017 €
Single Yard Holdings Limited	British Virgin Islands	Licensed exchange and advance deposit wagering platform	29,98	29,98	-	1.368.974
SportsSide-Kick Limited	England and Wales	Channel that connects sports clubs	26,73	26,73	-	162.669
					<u>-</u>	<u>1.531.643</u>

The Group considered that the net book value of the net assets of the associates represented the net fair value on the date of the acquisition of its identifiable assets and liabilities.

As part of the impairment review as at 30 June 2018, the Board of Directors assessed that an impairment of the remaining €1.531.643 was necessary, since there are limited financial prospects relating to the associates.

Significant aggregate amounts in respect of the associated undertakings for the period ended 30 June 2018 are not available.

10. Investments at fair value through other comprehensive income

	30/06/2018 €	31/12/2017 €
Balance at 1 January	608.832	2.613.239
Additions	-	3.152.300
Reclassified to investments in associates (Note 9)	-	(4.140.888)
Impairment loss on investments at fair value through other comprehensive income	-	(854.152)
Exchange differences recognised through translation reserve	-	(67.836)
Exchange differences recognised through other comprehensive income	-	(40.309)
Exchange differences recognised through profit or loss	-	(53.522)
Balance at 30 June/31 December	<u>608.832</u>	<u>608.832</u>

11. Loans receivable

	30/06/2018 €	31/12/2017 €
Loans receivable	107.500	-
Loans to directors	-	106.000
	<u>107.500</u>	<u>106.000</u>

On 12 December 2017 the executive director, Brooke Rene Southwell Guy Greville resigned.

G ENTERTAINMENT GROUP PLC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

12. Share capital

	30/06/2018 Number of shares	30/06/2018 €	31/12/2017 Number of shares	31/12/2017 €
Authorised				
Ordinary shares of €0,01 each	<u>800.000.000</u>	<u>8.000.000</u>	<u>800.000.000</u>	<u>8.000.000</u>
		€		€
Issued and fully paid				
Balance at 1 January	682.239.705	6.822.397	1.169.590.000	116.959
Issue of shares	-	-	10.479.840	104.798
Issue of bonus shares	-	-	660.063.965	6.600.640
Change of nominal value	-	-	(1.157.894.100)	-
Balance at 30 June/31 December	<u>682.239.705</u>	<u>6.822.397</u>	<u>682.239.705</u>	<u>6.822.397</u>

13. Other reserves

	Share premium €	Equity- settled awards reserve €	Fair value reserve - available- for-sale investments €	Additional Capital Contribution €	Shares to be issued €	Translation reserve €	Total €
Balance at 1 January 2017	3.614.064	1.626.267	(30.088)	391.443	2.000.000	10.432	7.612.118
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	-	-	67.690	67.690
Issue of share capital	(2.756.635)	-	-	-	(2.000.000)	-	(4.756.635)
Exchange differences on investments recognised through other comprehensive income	-	-	(75.301)	-	-	-	(75.301)
Balance at 30 June 2017	<u>857.429</u>	<u>1.626.267</u>	<u>(105.389)</u>	<u>391.443</u>	<u>-</u>	<u>78.122</u>	<u>2.847.872</u>
Balance at 1 January 2018	1.578.857	1.626.267	-	391.443	-	57.641	3.654.208
Exchange difference arising on the translation and consolidation of foreign companies' financial statements	-	-	-	-	-	(6.057)	(6.057)
Shares to be issued	-	-	-	-	526.734	-	526.734
Balance at 30 June 2018	<u>1.578.857</u>	<u>1.626.267</u>	<u>-</u>	<u>391.443</u>	<u>526.734</u>	<u>51.584</u>	<u>4.174.885</u>

During the period ended 30 June 2018, the Group received an amount of €526.734 from the strategic investor Crystal Voyage Limited which is controlled by the Chairman of the Company. The Group's intention for the above funding is to issue and allot 4.180.427 ordinary shares at the price of €0,126 each to the strategic investor Crystal Voyage Ltd.

G ENTERTAINMENT GROUP PLC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

14. Borrowings

	30/06/2018	31/12/2017
	€	€
Balance at 1 January	3.626	-
Additions	-	114.860
Repayments	-	(111.234)
Balance at 30 June/31 December	<u>3.626</u>	<u>3.626</u>
	30/06/2018	31/12/2017
	€	€
Current borrowings		
Loans from shareholders (Note 16.4)	<u>3.626</u>	<u>3.626</u>

15. Trade and other payables

	30/06/2018	31/12/2017
	€	€
Director fees due to executive directors (Note 16.3)	172.358	59.338
Payables to shareholders (Note 16.5)	56.722	56.722
Accruals	-	67.882
Other creditors	175.832	24.263
Director fees due to non-executive directors (Note 16.3)	6.469	7.215
Other payables to related parties (Note 16.3)	-	2.813
	<u>411.381</u>	<u>218.233</u>

16. Related party balances and transactions

The key shareholders of the Company are Zheng Yongxiong, XU Vicky Hui and Blackrun Ventures Limited.

The related party balances and transactions are as follows:

16.1 Transactions with related parties

	30/06/2018	30/06/2017
	€	€
Sports Trading Network Limited	-	8.715
Other related party	-	11.620
	<u>-</u>	<u>11.620</u>

16.2 Transactions with directors and key management personnel

	30/06/2018	30/06/2017
	€	€
Executive directors consultancy fees	249.057	198.933
Non-executive directors fees	17.000	17.000
Interest income on ex-director's loan	1.500	1.500
Salaries - key management personnel	87.783	72.670
Social insurance and other contributions - key management personnel	6.033	3.306
Consulting fees - key management personnel	27.280	55.776
	<u>27.280</u>	<u>55.776</u>

16.3 Payables to related parties (Note 15)

	30/06/2018	31/12/2017
	€	€
Director fees due to executive directors	172.358	59.338
Director fees due to non-executive directors	6.469	7.215
Other payables to related parties	-	2.813
	<u>178.827</u>	<u>69.366</u>

G ENTERTAINMENT GROUP PLC

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2018

16. Related party balances and transactions (continued)

16.4 Loans from shareholders' (Note 14)

	30/06/2018	31/12/2017
	€	€
Jenwell Limited	<u>3.626</u>	-
	<u>3.626</u>	-

16.5 Payables to shareholders (Note 15)

	30/06/2018	31/12/2017
	€	€
Shareholders	<u>56.722</u>	<u>56.722</u>
	<u>56.722</u>	<u>56.722</u>

17. Contingent liabilities

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

18. Commitments

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

19. Events after the reporting period

On 8 July 2018, the Company has entered into a convertible loan agreement with the shareholder Crystal Voyage Ltd for an amount of €526.734. The loan shall bear an interest of 4% per annum. As per agreement, on 9 January 2019, the loan shall be automatically converted into 4,180,427 ordinary shares of nominal value €0.01 each at the conversion price of €0.126 each subject to the approval of a special resolution by the Company's shareholders. Due to the fact that the Group plans to proceed with the share issue, the advance received has been recognised as "Shares to be issued" reserve (Note 13).

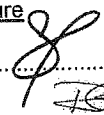
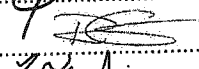

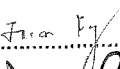


G ENTERTAINMENT GROUP PLC

DECLARATION OF THE MEMBERS OF THE BOARD OF DIRECTORS AND THE COMPANY OFFICIALS RESPONSIBLE FOR THE PREPARATION OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS


We, the members of the Board of Directors and the Company officials responsible for the non-audited condensed interim consolidated financial statements of G Entertainment Group Plc (the "Company") for the six months ended 30 June 2018, on the basis of our knowledge, declare that:

- (a) The interim consolidated financial statements of the Group which are presented on pages 6 to 16:
- (i) have been prepared in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and
 - (ii) provide a true and fair view of the particulars of assets and liabilities, the financial position and profit or loss of the Group and the entities included in the consolidated financial statements as a whole and
- b) The interim consolidated management report provides a fair view of the developments and the performance as well as the financial position of the Group as a whole, together with a description of the main risks and uncertainties which the Group faces.

Members of the Board of Directors:

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Sing Lin	Executive Director	
Richard James Carter	Executive Director	
Zheng Yongxiong	Executive Director	
Jason Ki Ho Fong	Executive Director	
John Pitsillos	Non-executive Director	
Amphipolis Administrative Services Limited	Non-executive Director	

Responsible for drafting the financial statements

<u>Name</u>	<u>Position</u>	<u>Signature</u>
Alison Bolt	Financial controller	

Nicosia, 28 September 2018