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For Immediate Release

30 April 2020

Golden Rock Global plc

("Golden Rock" or the "Company")

Final Results

The Board is pleased to present the results of the Company for the year ended 31 December 2019.

The Company is pleased to announced the launch of its new website: www.grglondon.com

CHAIRMAN'S STATEMENT

It is a pleasure to announce the annual results for the Company for the year ended 31 December 2019.

As previously reported, we have been in search of suitable acquisition targets since late 2016. During the year we came close to completing an acquisition but late in the process it regrettably became clear that this would not be proceeding.

Cash at the yearend was £290,172, which the Board considers sufficient for its current working capital purposes, which is for at least the next 12 months.

Since the year end, Mr Wei Chen has sold his entire shareholding in the Company to a third party. He remains an executive director and his wife retains a significant shareholding in the Company.

The Board is assessing the impact that COVID 19 will have on the Company in the current financial year. As the Company is a non-trading entity the Board currently do not believe that COVID 19 will have a material impact on its financial position but will continue to keep the matter under review.

Ross Andrews

Chairman

30/04/2020

CORPORATE GOVERNANCE REPORT

Introduction

There is no applicable regime of corporate governance to which the directors of a Jersey company must adhere over and above the general fiduciary duties and duties of care, skill and diligence imposed on such directors under Jersey law. As a Jersey company and a company with a Standard Listing, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Nevertheless, the Directors are committed to maintaining high standards of corporate governance and, so far as is practicable given the Company's size and nature, have voluntarily adopted and comply with the Quoted Companies Alliance Code ("QCA Code").

The Board has established two committees: An Audit committee and a Remuneration and Nominations committee. John Croft chairs the Audit committee whilst Ross Andrews chairs the Remuneration and Nominations committee. Both committee members were elected in 2016. In addition, the Company has a relationship agreement with shareholders who in aggregate account for 46% of the issued share capital, to ensure the independence and management of the Company in relation to the day-to-day management, affairs and governance of the Company.

Leadership
The terms and conditions of appointment of the non-executive directors are available for inspection at the Company's registered office.

Role of the Board
The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and monitoring the Company's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Company's core values and standards of business conduct and for ensuring that these, together with the Company's obligations to its stakeholders, are widely understood throughout the Company. The Board has a formal schedule of matters reserved which is detailed later in this report.

Board Meetings
The core activities of the Board are carried out in scheduled meetings of the Board and its Committees. These meetings are timed to link to key events in the Company's corporate calendar. Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to keep them fully briefed on the Company's operations. In the period under review the Board met on 3 occasions.

Matters reserved specifically for Board
The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of;

• The Company's overall strategy;

• Financial statements and dividend policy;

• Management structure including succession planning, appointments and remuneration (supported by the Remuneration Committee);

• Material acquisitions and disposals, material contracts, major capital expenditure projects and budgets;

• Capital structure, debt and equity financing and other matters;

• Risk management and internal controls (supported by the Audit committee);

• The Company's corporate governance and compliance arrangements; and

• Corporate policies.

CORPORATE GOVERNANCE REPORT (Continued)

Summary of the Board's work in the period
During the period under review, the Board considered all relevant matters within its remit.

The Chairman sets the Board Agenda and ensures adequate time for discussion.

The Non-executive Directors bring a broad range of business and commercial experience to the Company and have a particular responsibility to challenge independently and constructively the performance of the Executive management (where appointed) and to monitor the performance of the management team in the delivery of the agreed objectives and targets. The Board considers Ross Andrews and John Croft to be independent in character and judgement.

Non-executive Directors are initially appointed for a term of two years, which may, subject to satisfactory performance and re-election by shareholders, be extended by mutual agreement.

Other governance matters

All the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director.

Appointments
The Board is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board with regards to any required changes.

Commitments
All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction
All new Directors receive an induction as soon as practical on joining the Board.

Conflict of interest
A Director has a duty to avoid a situation in which he or she has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The Board had satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards of, or relationships with, companies outside the Company. The Board requires Directors to declare all appointments and other situations which could result in a possible conflict of interest.

Board performance and evaluation
The Company has a policy of appraising Board performance annually. The Company has concluded that for a company of its current scale, an internal process administered by the Board is most appropriate at this stage.

Accountability
The Board is committed to providing shareholders with a clear assessment of the Company's position and prospects. This is achieved through this report and as required other periodic financial and trading statements.

Going concern - The Company was formed to seek acquisition opportunities in the Fintech sector.

The Board has considered the impact of COVID 19 on Company and currently do not believe, due to the nature of the business, that it will have a material impact on its financial position.

The Directors, having made due and careful enquiry, are of the opinion that the Company has adequate working capital to execute its operations and has the ability to access additional financing, if required, over the next 12 months. The Directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

CORPORATE GOVERNANCE REPORT (Continued)

Internal controls - The Board of Directors reviews the effectiveness of the Company's system of internal controls in line with the requirements of the QCA Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliances and risk management. The Company had necessary procedures in place for the period under review and up to the date of approval of the Annual Report and Accounts. The Directors acknowledge their responsibility for the Company's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Company. A risk assessment for each project is carried out by the Directors before making any commitments.

The Audit Committee has responsibility for monitoring the Company's financial reporting. Given the size of the Company and the relative simplicity of the systems, the Board considers that there is no current requirement for an internal audit function. The procedures that have been established to provide internal financial controls are considered appropriate for a company of its size and include controls over expenditure, regular reconciliations and management accounts.

Provision of non-audit services is considered by the Audit Committee. The Audit Committee has considered the use of external accounting service providers for non-audit services, and all the current providers have been retained and considered appropriate.

During the year the auditors received fees set out in Note 9 to the Financial Statements. Acting as auditors, they received fees of £15,000.

The Remuneration and Nominations Committee has responsibility for agreeing the remuneration policy for senior executives and for the review of the composition and balance of the Board.

Model Code

The Directors have voluntarily adopted the Model Code for directors' dealings contained in the Listing Rules of the UK Listing Authority. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

Compliance with the Model Code is being undertaken on a voluntary basis and the FCA will not have the authority to (and will not) monitor the Company's voluntary compliance with the Model Code, nor to impose sanctions in respect of any failure by the Company to so comply.

Shareholder relations, communication and dialogue

Open and transparent communication with shareholders is given high priority and the Directors are available to meet with shareholders who have specific interests or concerns. The Company issues its results to shareholders and publishes them on the Company's website.

Annual General Meeting

At every AGM individual shareholders are given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders before the meeting. Details of proxy votes for and against each resolution, together with the votes withheld are announced to the London Stock Exchange and are published on the Company's website as soon as practical after the meeting.

Ross M Andrews,
Chairman,
30/04/2020

COMPANY INFORMATION

Directors
Wei Chen
Feng Chen
John Croft
Ross Andrews
Bin Shi

Company Secretary Bin Shi

Company number 121560

Registered Office 11 Bath Street, St Helier, JE2 4ST, Jersey

Legal advisers to the Company as to English law:
Locke Lord
201 Bishopsgate, Spitalfields, London EC2M 3AB
United Kingdom

Legal advisers to the Company as to Jersey Islands law:
Ogier
44 Esplanade, St Helier JE4 9WG
Jersey

Auditors:
PKF Littlejohn LLP

15 Westferry Circus, Canary Wharf, London. E14 4HD

Registrar:
Link Market Services (Jersey) Limited
12 Castle Street, St Helier JE2 3RT
Jersey

Principal bankers:
China Merchants Bank Co., Ltd.
21/F, Bank of America Tower, 12 Harcourt Road
Hong Kong

Company Website:
https://www.grglondon.com

DIRECTORS' REPORT

The directors present their report together with the audited financial statements for the year ended 31 December 2019. The Company is incorporated in Jersey.

Results and dividends

The results for the period are shown on page 9. The directors do not recommend the payment of a dividend for the period (2018: Nil).

Principal activity and future developments

The principal activity of the Company is to seek acquisition opportunities, initially focusing on the financial and technology sector.

The directors expect to continue with the Company's principal activity for the coming year.

Directors' interests in shares and contracts

Directors' interests in the shares of the Company at the date of this report are disclosed below. There are no requirements for Directors to hold shares in the Company.

Director	Ordinary Shares held	% held
Ross Andrews	-	-
Wei Chen	4,480,000	28.00
Feng Chen	3,680,000	23.00
Vivian Bin Shi	-	-
John Croft		

Substantial interests

Except as referred to above, Ms Hui Zhou, wife of Mr Wei Chen, sister-in-law of Mr Feng Chen, is interested in 3,680,000 shares, representing 23% of the issued share capital of the Company.

Directors' Confirmation

Each of the directors who are a director at the time when the report is approved confirms that:

(a) so far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) each director has taken all the steps that ought to have been taken as a director, in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

By Order of the Board

Wei Chen
Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Jersey Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The maintenance and integrity of the Group's website is the responsibility of the Directors; the work carried out by the auditors does not involve the consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred in the accounts since they were initially presented on the website. Legislation in Jersey governing the preparation and dissemination of the accounts and the other information included in annual reports may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOLDEN ROCK GLOBAL PLC

Opinion

We have audited the financial statements of Golden Rock Global Plc (the ‘company’) for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company’s affairs as at 31 December 2019 and of its loss for the year then ended;

- have been properly prepared in accordance with IFRSs as adopted by the European Union; and

- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 4c) of the financial statements, which describes the company’s assessment of the COVID-19 impact on its ability to continue as a going concern. The company has explained that the events arising from COVID-19 outbreak do not impact its use of the going concern basis of preparation nor do they cast significant doubt about the company’s ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the directors’ use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company’s ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Overall materiality was set at £13,500 based on a benchmark of 5% of net assets. Net assets was used as the basis for calculating materiality as the company is not yet revenue generating. Performance materiality was calculated at 70% of overall materiality

We have agreed with those charged with governance that we would report any individual audit difference in excess of £675 as well as differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. In particular, we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatements due to fraud. The company's key accounting function is based in the United Kingdom and our audit was performed from our office with regular contact with the company throughout.

Key audit matters

We have determined that there are no key audit matters to communicate in our report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 (UK) 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: *www.frc.org.uk/auditorsresponsibilities*. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Joseph Archer (Senior Statutory Auditor) 15 Westferry Circus

For and on behalf of PKF Littlejohn LLP Canary Wharf

Statutory Auditor London E14 4HD

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2019

	Note	Year Ended 31/12/2019 £	Year Ended 31/12/2018 £
Revenue		-	-
Administrative expenses			
- Professional fees		(272,308)	(123,878)
- Directorship fees	8	(100,000)	(100,000)
- Foreign exchange gain/(loss)		342	32,959
- Other expenses		(22,423)	(37,321)
Operating loss		(394,389)	(228,240)
Finance income		518	267
Loss before income tax		(393,871)	(227,973)
Taxation	10	-	-
Loss for the year from Continuing Operations		(393,871)	(227,973)
Total comprehensive loss for the year		(393,871)	(227,973)
Earnings per share			
Profit/(Loss) from continuing operations – basic and diluted (pence per share)	11	(2.46)	(1.42)

The notes on pages 15 to 22 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	31/12/2019 £	31/12/2018 £
Assets			
Current assets			
Other Receivables		82,917	17,619
Cash and cash equivalents	12	290,172	719,147
Total current assets		373,089	736,766
Total assets		373,089	736,766
Equity and liabilities			
Capital and reserves			
Ordinary shares	13	160,000	160,000
Share premium		1,439,100	1,439,100
Accumulated losses		(1,328,011)	(934,140)
Total equity		271,089	664,960
Liabilities			
Current liabilities			
Accruals		102,000	71,806
Total current liabilities		102,000	71,806
Total equity and liabilities		373,089	736,766

These financial statements were approval by the Board of Directors for issue on …30/04/2020…….. and signed on behalf by:

WEI CHEN
Executive Director

The notes on pages 15 to 22 form an integral part of these financial statements.

TATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Share capital £	Share premium £	Accumulated losses £	Total equity £
Balance at 01 January 2018		160,000	1,439,100	(706,167)	892,933
Total comprehensive loss for the year		-	-	(227,973)	(227,973)
Balance at 31 December 2018	**13**	160,000	1,439,100	(934,140)	664,960
Total comprehensive loss for the year		-	-	(393,871)	(393,871)
Balance at 31 December 2019	**13**	160,000	1,439,100	(1,328,011)	271,089

The notes on pages 15 to 22 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	31/12/2019 £	31/12/2018 £
Cash flows from operating activities		

Operating loss	(394,389)	(228,240)
Foreign exchange gains	(342)	(32,959)
(Increase)/Decrease in prepayments	(65,298)	7,156
Increase /(Decrease)/ in payables	30,194	(4,069)
Net cash used in operating activities	(429,151)	(258,112)
Cash flows from investing activities		
Interest received	518	267
Net cash generated from investing activities	518	267
Cash flows from financing activities		
Repayment of borrowings	-	(16,825)
Net cash used in financing activities	-	(16,825)
Net decrease in cash, cash equivalents	(428,633)	(274,670)
Cash and cash equivalents at beginning of the year	719,147	960,858
Foreign exchange gains	342	32,959
Cash and cash equivalents at end of the year	290,172	719,147

The notes on pages 15 to 22 form an integral part of these financial statements.

No net debt reconciliation as the Company has no debt.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

The Company was incorporated and registered in Jersey as a public company limited by shares on 17 June 2016 under the Companies (Jersey) Law 1991, as amended, with the name Golden Rock Global plc, and registered number 121560.

The Company's registered office is located at 11 Bath Street, St Helier, JE2 4ST, Jersey.

2. **PRINCIPAL ACTIVITIES**

The principal activity of the Company is to seek acquisition opportunities, initially focusing on the Financial and Technology sector.

3. **RECENT ACCOUNTING PRONOUNCEMENT**

a) New interpretations and revised standards effective for the year ended 31 December 2019

The Company has adopted the new interpretations and revised standards effective for the year ended 31 December 2019, New standards impacting the Company that will be adopted in the annual financial statements for the year ended 31 December 2019, and which have given rise to changes in the Company's accounting policies are:

- IFRS 16 Leases

Effective 1 January 2019, IFRS 16 has replaced IAS 17 Leases and IFRIC 4 Determining whether an Arrangement Contains a Lease.

IFRS 16 provides a single lessee accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS 17, with the distinction between operating leases and finance leases being retained. As the Company does not have significant leasing activities acting as a lessee or lessor, the Directors do not anticipate any significant impact from the adoption of these new standards.

b) Standards and interpretations in issue but not yet effective

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for year beginning subsequent to 31 December 2019 that the Company has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- Revised Conceptual Framework for Financial Reporting

The Directors do not believe these standards and interpretations will have a material impact on the financial statements once adopted.

4. **ACCOUNTING POLICIES**

a) Basis of preparation

The financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and prepared on a going concern basis, under the historic cost convention.

The financial information is presented in Pounds Sterling (£), which is the Company's functional and presentation currency.

b) Foreign currency translation

The financial statements of the Company are presented in the currency of the primary environment in which the Company operates (its functional currency). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or 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.

c) Going Concern

The financial statements have been prepared on the going concern basis. The Company has assessed the Covid-19 impact on its ability to continue as a going concern. The Company considers that the events arising from the Covid-19 outbreak do not impact on its use of the going concern basis of preparation nor do they cast significant doubt over the company’s ability to continue as a going concern for the period of at least twelve months from the date when the financial statements are authorised for issue.

At the time of approving these financial statements and after making due enquiries and considering the prepared forecast, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Company’s financial statements.

d) Financial instruments

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

1) the asset is held within a business model whose objective is to collect contractual cash flows; and
2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONT’D)

4. ACCOUNTING POLICIES (CONT'D)

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company’s obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (“EIR”). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

1) the rights to receive cash flows from the asset have expired, or

2) the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b) has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

e) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held on call with banks and other short term (having maturity within 3 months) highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

f) Earnings per share

Basic earnings per share is computed using the weighted average number of shares outstanding during the period.

5. ACCOUNTING ESTIMATES AND JUDGEMENTS

Preparation of financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources.

It is the Directors' view that there are no significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect on the amount recognised in the financial information for the period.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. FINANCIAL RISK MANAGEMENT

a) Categories of financial instruments

The carrying amounts of the Company's financial assets and liabilities as at the end of the reporting year are as follows:

	2019	**2018**
	£	**£**
Financial assets		
Cash and cash equivalent at amortised cost	290,172	719,147
Financial liabilities		
Financial liabilities at amortised cost	102,000	71,806

Cash at bank earns interest at floating rates based on daily bank deposit rates.

b) Financial risk management objectives and policies.

The Company is exposed to a variety of financial risks: market risk (including currency risk), credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure proper functioning of internal policies and procedures to minimise operational and legal risks.

i) Currency risks

The Company is exposed to exchange rate fluctuations as transactions are undertaken denominated in foreign currencies.

At 31 December 2019, the Company had £118,374 (2018: £667,429) cash and cash equivalents in a Hong Kong Dollar account. At 31 December 2019, had the exchange rate between the Pound Sterling and the Hong Kong Dollar increased/decreased by 10%, the effect on the result in the period would be a gain of £11,000 / loss of £13,000 (2018: a gain of £74,000 / loss of £60,000).

ii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit allowances are made for estimated losses that have been incurred by the reporting date.

Concentrations of credit risk exist to the extent that the Company's cash balances were held mainly with China Merchants Bank. Per Standard & Poor’s, the Short Term Foreign / Local Currency Deposit Rating is A-2.

iii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

7. SEGMENT REPORTING

IFRS 8 defines operating segments as those activities of an entity about which separate financial information is available and which are evaluated by the Board of Directors to assess performance and determine the allocation of resources. The Board of Directors are of the opinion that under IFRS 8 the Company has only one operating segment. The Board of Directors assess the performance of the operating segment using financial information which is measured and presented in a manner consistent with that in the Financial Statements. Segmental reporting will be reviewed and considered in light of the development of the Company’s business over the next reporting period.

8. STAFF COSTS AND KEY MANAGEMENT EMOLUMENTS

	Year ended 31/12/2019 £	Year ended 31/12/2018 £
Key management emoluments		
Remuneration	100,000	100,000

The annual remuneration of the key management was as follows, with no other cash or non-cash benefits. All amounts are short-term in nature.

	£	£
Executive Directors		
Wei Chen	15,000	15,000
Non-executive Directors		
Ross Andrews	30,000	30,000
John Croft	25,000	25,000
Feng Chen	15,000	15,000
Bin Shi	15,000	15,000
	100,000	100,000

Included within accruals is £82,500 (2018: £37,500), which relates to unpaid directors' remuneration.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. AUDITORS' REMUNERATION

The following remuneration was received by the Company's auditors:

	Year ended 31/12/2019 £	Year ended 31/12/2018 £
Remuneration receivable for auditing the financial statements for the current auditors	15,000	-
Remuneration receivable for auditing the financial statements for the previous auditors	-	18,000
Total	15,000	18,000

10. TAXATION

The Company is incorporated in Jersey, and its activities are subject to taxation at a rate of 0%.

11. EARNINGS PER SHARE

The Company presents basic earnings per share information for its ordinary shares. Basic earnings per share are calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the reporting period. No share options were in issue at the year end.

	Year ended 31 December 2019	Year ended 31 December 2018
Loss attributable to ordinary shareholders	£393,871	£227,973

Weighted average number of shares	16,000,000	16,000,000
Earnings per share (expressed as pence per share)	**2.46**	**1.42**

12. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank equivalents	290,172	719,147

Cash at bank earns interest at floating rates based on daily bank deposit rates.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. SHARE CAPITAL

	Number of shares	Nominal value £
Authorised		
Ordinary shares of GBP 0.01 each	48,000,000	480,000
Issued and fully paid		
On incorporation	100	100
Subdivided share capital	9,900	-
	10,000	100
Issue of shares upon placing	15,990,000	159,900
At 31 December 2018 and 31 December 2019	16,000,000	160,000

The Company was incorporated and registered in Jersey as a public company limited by shares on 17 June 2016 and was authorised to issue 10,000 shares of £1 each. The total issued shares on incorporation were 100 shares of £1 each.

On 19 October 2016, it was resolved to subdivide the Company's share capital by a ratio of 1:100, so that the shares had a nominal value of £0.01 per share. It was also resolved to increase the authorised share capital from 1,000,000 share of £0.01 each to 48,000,000 shares of £0.01 each.

On 20 October 2016, a total of 15,990,000 ordinary shares of £0.01 each were issued by way of placing with institutional and other investors at a placing price of £0.10 per placing share for cash consideration of £1,599,000 on the Main market of the London Stock Exchange. The excess of the placing price over the par value of the shares issued was credited to the share premium account.

The issued shares have nominal value of each share of £0.01 and are fully paid. There are no restrictions on the distribution of dividends and the repayment of capital.

14. CAPITAL MANAGEMENT

The Company 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 balance between debt and equity.

The capital structure of the Company as at 31 December 2019 consisted of equity attributable to the equity holders of the Company, totalling £271,089 (2018: £664,960).

The Company reviews the capital structure on an on-going basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Company will balance its overall capital structure through the payment of dividends, new share issues and the issue of new debt or the repayment of existing debt.

15. RELATED PARTY TRANSACTIONS

There is no ultimate controlling party in the Company.

The remuneration of the Directors, the key management personnel of the Company, is set out in note 8.

16. SUBSEQUENT EVENTS

Since the year end, Mr Wei Chen has sold his entire shareholding in the Company to a third party. He remains an executive director and his wife retains a significant shareholding in the company.

COVID 19 is a developing situation. As the Company is a non-trading entity the Board do not believe it will have a material impact on its financial position but will continue to keep the matter under review. In our view, COVID 19 is considered to be a non-adjusting post statement of financial position event and no adjustment is made in the financial statements as a result.