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Annual Financial Report
Hebson Holdings Plc
HBSN

BoD Announcement 25/04/2019

APPROVAL OF FINANCIAL STATEMENTS YEAR END 2018.

Attachments:

1. **BoD Announcement 25/04/2019**
2. **Consolidated FS 2018**
3. **FS 2018**

Non Regulated

Publication Date: 25/04/2019

ANNOUNCEMENT
FINANCIAL STATEMENTS YEAR END 2018

Date: 25.04.2019

The company Hebson Holdings P.L.C. (the Company), hereby announces that its Board of Directors during their meeting dated 25.04.2019 reviewed, considered and approved the report and audited financial statements (consolidated and stand-alone) of the Company for the year ended 31.12.2018 copies of which are uploaded on OAM.

Copies of the above-mentioned reports and financial statements for the year ended 31.12.2018, are also available at the Company's trading office at 12, Egypt Street, 1097, Nicosia, Cyprus.

Hebson Holdings P.L.C.

....
Maria Konstantinou
Caravenia Management Limited
Secretary

CARAVENIA MANAGEMENT LIMITED * CYPRUS *

HEBSON HOLDINGS P.L.C.
REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 December 2018

C.EFSTATHIOU
AUDIT LTD

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HEBSON HOLDINGS P.L.C.

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2018

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Marios Palesis (appointed on 25 January, 2018) Rosa Kyriakides (appointed on 1 March, 2018) Chun Xiao Wang (appointed on 30 May, 2018) Maria Konstantinou (resigned on 1 March, 2018)
Company Secretary:	Caravenia Management Limited
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:	Theodorou Mavrosavva, 27 Lympia, 2566, Nicosia, Cyprus
Bankers:	Bank of Cyprus Public Company Ltd
Registration number:	HE375656

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 year ended 31 December 2018.

Principal activities and nature of operations of the Group
The principal activities of the Group, comprise the holding of investments and investments in financial instruments (quoted and unquoted).

Change of Company name
On 24 May 2018, the Company changed its name from Hebson Holdings Limited to Hebson Holdings P.L.C.

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 7 and 8 of the consolidated financial statements.

Results
The Group's results for the year are set out on page 6. The net loss for the year is carried forward.

Share capital
Authorised capital
The authorised share capital of the Company is 60.000.000 ordinary shares of nominal value of EUR 0,01 each.
Issued capital
On 26 January, 2018 the Company issued 29.999.000 ordinary shares of nominal value of EUR 0,01 each.

Board of Directors
The members of the Group's Board of Directors as at 31 December 2018 and at the date of this report are presented on page 1.

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 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,

Marios Palesis
Director

Nicosia, 25 April, 2019

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Hebson Holdings P.L.C. (the "Company") and its subsidiaries (the "Group"), which are presented in pages 6 to 23 and comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statements of profit or loss and other comprehensive income, comprehensive income, changes in equity and cash flows for the year then ended, 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 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended 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.

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Independent Auditor's Report (continued)

To the Members of Hebson 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 Hebson 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 Group'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.

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

Nicosia, 25 April, 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	**2018 HK$**	2017 HK$
Revenue	9	**449**	9.652
Other operating income	10	**-**	33.188.208
Administration expenses	11	**(104.467)**	(250.153)
Other expenses	12	**(306.076)**	(47.298)
Operating (loss)/profit	13	**(410.094)**	32.900.409
Net finance costs	14	**(98.590)**	(2.974)
(Loss)/profit before tax		**(508.684)**	32.897.435
Tax	15	**34.361**	4.436
Net (loss)/profit for the year		**(474.323)**	32.901.871

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	2018 HK$	2017 HK$
Net (loss)/profit for the year		**(474.323)**	32.901.871
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income - Fair value (losses)/gains		**(38.679.025)**	7.647.745
Other comprehensive income for the year after tax		**(38.679.025)**	7.647.745
Other comprehensive income for the year		**(39.153.348)**	40.549.616
Net (loss)/profit for the year attributable to:			
Equity holders of the parent		**(39.153.348)**	40.549.633
Non-controlling interests		**-**	(17)
		(39.153.348)	40.549.616

The notes on pages 11 to 23 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2018

	Note	2018 HK$	2017 HK$
ASSETS			
Non-current assets			
Goodwill	16	**1.327.082**	1.327.082
Investment in US quoted shares	18	**5.122.491**	43.801.516
Deferred tax assets		**71.156**	36.796
		6.520.729	45.165.394
Current assets			
Trade and other receivables	17	**784.413**	371.531
Cash and cash equivalents		**60.866**	143.706
		845.279	515.237
Total assets		**7.366.008**	45.680.631
EQUITY AND LIABILITIES			
Equity			
Share capital	19	**2.915.894**	91
Fair value reserves		**(31.031.280)**	7.647.745
Retained earnings		**33.018.924**	33.493.247
		4.903.538	41.141.083
Non-controlling interests		**176.780**	176.780
Total equity		**5.080.318**	41.317.863
Current liabilities			
Amount due to a director		**-**	2.113.475
Trade and other payables	20	**2.282.714**	2.246.317
Current tax liabilities		**2.976**	2.976
		2.285.690	4.362.768
Total equity and liabilities		**7.366.008**	45.680.631

On 25 April, 2019 the Board of Directors of Hebson Holdings P.L.C. authorised these consolidated financial statements for issue.

....
Marios Palesis
Director

....
Rosa Kyriakides
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

		Attributable to equity holders of the Company					
	Note	Share capital HK$	Fair value reserves HK$	Retained earnings HK$	Total HK$	Non-controlling interests HK$	Total HK$
Comprehensive income							
Net profit for the year		-	-	32.901.871	32.901.871	-	32.901.871
Transactions with owners							
Issue of share capital	19	91	-	-	91	-	91
Other movements							
Fair value adjustment		-	7.647.745	-	7.647.745	-	7.647.745
Negative acquisition at goodwill		-	-	591.376	591.376	-	591.376
Minority interest recognised at acquisition		-	-	-	-	176.780	176.780
Balance at 31 December 2017/ 1 January 2018		**91**	**7.647.745**	**33.493.247**	**41.141.083**	**176.780**	**41.317.863**
Comprehensive income							
Net loss for the year		-	-	(474.323)	(474.323)	-	(474.323)
Transactions with owners							
Issue of share capital	19	2.915.803	-	-	2.915.803	-	2.915.803
Other movements							
Fair value adjustment		-	(38.679.025)	-	(38.679.025)	-	(38.679.025)
Balance at 31 December 2018		**2.915.894**	**(31.031.280)**	**33.018.924**	**4.903.538**	**176.780**	**5.080.318**

The notes on pages 11 to 23 form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2018

	Note	2018 HK$	2017 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(508.684)**	32.897.435
Adjustments for:			
Unrealised exchange loss		**100**	2.974
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition		**-**	(33.188.208)
Interest income		**(18)**	(1)
		(508.602)	(287.800)
Changes in working capital:			
Increase in trade and other receivables		**(12.136)**	(3.281)
Increase in amount due to director		**(2.113.475)**	(1.173.432)
Decrease in shareholders' current accounts		**(768.995)**	-
Decrease/(increase) in bank deposits		**368.250**	(368.250)
Increase in trade and other payables		**36.397**	2.241.218
Cash (used in)/generated from operations		**(2.998.561)**	408.455
CASH FLOWS FROM INVESTING ACTIVITIES			
Changes in ownership interest in subsidiary		**-**	(1.990.000)
Interest received		**18**	1
Net cash generated from/(used in) investing activities		**18**	(1.989.999)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**2.915.803**	1.999.091
Unrealised exchange (loss)		**-**	(2.974)
Net cash generated from financing activities		**2.915.803**	1.996.117
Net (decrease)/increase in cash and cash equivalents		**(82.740)**	414.573
Cash and cash equivalents at beginning of the year		**143.706**	3.780
Effect of exchange rate fluctuations on cash held		**(100)**	(274.647)
Cash and cash equivalents at end of the year		**60.866**	143.706

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
Year ended 31 December 2018

1. Incorporation and principal activities

Country of incorporation

The Company Hebson Holdings P.L.C. (the "Company") was incorporated in Cyprus on 2 November, 2017 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at Theodorou Mavrosavva, 27, Lympia, 2566, Nicosia, Cyprus.

Change of Company name

On 24 May 2018, the Company changed its name from Hebson Holdings Limited to Hebson Holdings P.L.C.

Principal activities

The principal activities of the Group, comprise the holding of investments and investments in financial instruments (quoted and unquoted).

2. 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, and financial assets and financial liabilities at fair value through profit or loss.

3. Functional and presentation currency

The consolidated financial statements are presented in Hong Kong Dollars (HK$) which is the functional currency of the Group.

4. Adoption of new or revised standards and interpretations

During the current year 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.

5. Significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated. The principal accounting policies in respect of financial instruments and revenue recognition applied till 31 December 2017 are presented in

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 Hebson Holdings Limited and the financial statements of the following subsidiaries, Golden Capital Resources Limited incorporated in Hong Kong and KCEF Limited incorporated in Shenzhen, China.

The financial statements of all the Group companies are prepared using uniform accounting policies. All inter-company transactions and balances between Group companies have been eliminated during consolidation.

5. Significant accounting policies (continued)

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.

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 IAS 39, 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.

5. Significant accounting policies (continued)

Business combinations (continued)

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.

Any excess of the interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost is recognised immediately in profit or loss.

Revenue

- **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 31 December 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 other comprehensive income (2017: available-for-sale financial assets) are recognised in equity. When financial assets at fair value through other comprehensive income (2017: available-for-sale financial assets) 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.

- **Dividend income**

  Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Finance costs

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

5. 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 Hong Kong dollar (HK$) , 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.

Tax

Income tax expense represents the sum of the tax currently payable and deferred 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.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same fiscal authority.

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.

Financial assets - Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Group's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Group may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

5. Significant accounting policies (continued)

Financial assets - Classification (continued)

For investments in equity instruments that are not held for trading, classification will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment by an investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Group commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

5. Significant accounting policies (continued)

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the consolidated statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Group's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the consolidated statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Group exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Group may write-off financial assets that are still subject to enforcement activity when the Group seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Group sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Group assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

5. Significant accounting policies (continued)

Financial assets - modification (continued)

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Group derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Group also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Group compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Group recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss 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.Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Group. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Trade payables

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

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.

5. Significant accounting policies (continued)

Share capital

Ordinary shares are classified as equity.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

6. New accounting pronouncements

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.

7. Financial risk management

Financial risk factors
The Group is exposed to market price 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:

7.1 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 fair value through other comprehensive income (2017: available-for-sale) or at fair value through profit or loss. The Group is not exposed to commodity price risk.

7.2 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

7.3 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.

7.4 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 Euro and Hong Kong Dollar. The Group's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

Fair value estimation

The fair values of the Group's financial assets and liabilities approximate their carrying amounts at the reporting date.

8. Critical accounting estimates, judgments and assumptions

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.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

- **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.

Critical judgements in applying the Group's accounting policies

- **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 at fair value through other comprehensive income has been estimated based on the fair value of these individual assets.

- **Impairment of investments in subsidiaries/associates**

  The Group periodically evaluates the recoverability of investments in subsidiaries/associates 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, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries/associates may be impaired, the estimated future discounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

  The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 7, Credit risk section.

- **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.

9. Revenue

	2018 HK$	2017 HK$
Other revenue	**449**	8
Dividend income	**-**	9.644
	449	9.652

10. Other operating income

	2018 HK$	2017 HK$
Excess of Group's interest in the net fair value of the subsidiaries' assets and liabilities over cost on acquisition	**-**	33.188.208
	-	33.188.208

11. Administration expenses

	2018 HK$	2017 HK$
Auditors' remuneration - current year	**14.790**	12.654
Auditors' remuneration - prior years	**72.860**	-
Legal fees	**-**	10.956
Incorporation fees	**-**	10.909
Secretarial services	**12.784**	13.409
Professional fees	**-**	158.861
Other administration expenses	**752**	-
Share capital issuance costs	**-**	43.364
Company annual charge	**3.281**	-
	104.467	250.153

12. Other expenses

	2018 HK$	2017 HK$
Other expenses	**306.076**	47.298
	306.076	47.298

13. Operating (loss)/profit

	2018 HK$	2017 HK$
Operating (loss)/profit is stated after charging the following items:		
Auditors' remuneration - current year	**14.790**	12.654
Auditors' remuneration - prior years	**72.860**	-

14. Finance costs

	2018 HK$	2017 HK$
Net foreign exchange losses	91.845	2.974
Other finance expenses	6.745	-
Finance costs	**98.590**	2.974

15. Tax

	2018 HK$	2017 HK$
Deferred tax - credit	(34.361)	(4.436)
Credit for the year	**(34.361)**	(4.436)

16. Goodwill

	Goodwill HK$
Cost	
Balance at 1 January 2017	1.327.082
Balance at 31 December 2017/ 1 January 2018	**1.327.082**
Balance at 31 December 2018	**1.327.082**
Net book amount	
Balance at 31 December 2018	**1.327.082**
Balance at 31 December 2017	**1.327.082**

17. Trade and other receivables

	2018 HK$	2017 HK$
Shareholders' current accounts - debit balances (Note 21.2)	768.996	-
Deposits and prepayments	15.417	371.531
	784.413	371.531

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

18. Financial assets at fair value through profit or loss

	2018 HK$	2017 HK$
Equity securities, at fair value Listed in U.S.		
Equity securities, at fair value Listed in U.S.	5.122.491	43.801.516
Market value of listed securities	**5.122.491**	43.801.516

19. Share capital

	2018 Number of shares	2018 HK$	2017 Number of shares	2017 HK$
Authorised				
Ordinary shares of EUR 0,01 each	60.000.000	5.454.555	60.000.000	5.454.555
		HK$		HK$
Issued and fully paid				
Balance at 1 January	1.000	91	-	-
Issue of shares	29.998.000	2.915.803	1.000	91
Balance at 31 December	29.999.000	2.915.894	1.000	91

Authorised capital

The authorised share capital of the Company is 60.000.000 ordinary shares of nominal value of EUR 0,01 each.

Issued capital

On 26 January, 2018 the Company issued 29.999.000 ordinary shares of nominal value of EUR 0,01 each.

20. Trade and other payables

	2018 HK$	2017 HK$
Trade payables	15.417	172.890
Other payables	1.966.127	-
Shareholders' current accounts - credit balances (Note 21.2)	-	2.060.773
Accruals	14.790	12.654
Payables to related parties (Note 21.1)	286.380	-
	2.282.714	2.246.317

21. Related party balances and transactions

The related party balances and transactions are as follows:

21.1 Payables to related parties (Note 20)

Name	Nature of transactions	2018 HK$	2017 HK$
Related party	Finance	268.380	-
		268.380	-

The payables to related parties were provided interest free, and there was no specified repayment date.

21.2 Shareholders' current accounts (Note 17 and 20)

	2018 HK$	2017 HK$
Shareholders' current account debit/(credit)	768.996	(2.060.773)
	768.996	(2.060.773)

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

21. Related party balances and transactions (continued)

21.3 Amount due from a subsidiary/to a director

All the advances were interest-free, unsecured and repayble on demand.

	Nature of transactions	2018 HK$	2017 HK$
Amount due to a director	Finance	-	2.113.475
		-	2.113.475

22. Parent company

At 31 December 2018, the significant subsidiary of the Group was Golden Capital Resources Limited acquired in November 17th 2017 and owned 100% (2017: 99,5%). Golden Capital Resources Limited was incorporated in Hong Kong. The principal activities of the Company are the investment holding and the provision of business consultancy services. Golden Capital Resources Limited owns one significant subsidiary being KCEF Limited, owned 100% and incorporated in Shenzhen, China. The principal activities of the sub-subsidiary are the provision of communication hardware, computer software development and maintenance services.

23. Contingent liabilities

The Group had no contingent liabilities as at 31 December 2018.

24. Commitments

The Group had no capital or other commitments as at 31 December 2018.

25. 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

HEBSON HOLDINGS P.L.C.
REPORT AND FINANCIAL STATEMENTS
31 December 2018

C.EFSTATHIOU
AUDIT LTD

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HEBSON HOLDINGS P.L.C.

REPORT AND FINANCIAL STATEMENTS
Year ended 31 December 2018

CONTENTS

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Marios Palesis (appointed on 25 January, 2018) Rosa Kyriakides (appointed on 1 March, 2018) Chun Xiao Wang (appointed on 30 May, 2018) Maria Konstantinou (resigned on 1 March, 2018)
Company Secretary:	Caravenia Management Limited
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:	Theodorou Mavrosavva, 27 Lympia, 2566, Nicosia, Cyprus
Bankers:	Bank of Cyprus Public Company Ltd
Registration number:	HE375656

MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 December 2018.

Incorporation
The Company Hebson Holdings P.L.C. was incorporated in Cyprus on 2 November, 2017 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113, with registration number HE375656. On 28 January, 2019 the Company's share capital was listed to the Cyprus Stock Exchange Emerging Companies Market.

Principal activity and nature of operations of the Company
The principal activity of the Company comprises the holding of investments.

Change of Company name
On 24 May 2018, the Company changed its name from Hebson Holdings Limited to Hebson Holdings P.L.C.

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

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

Results
The Company's results for the year are set out on page 7. The net loss for the year is carried forward.

Share capital
Authorised capital
The authorised share capital of the Company is 60.000.000 ordinary shares of nominal value of EUR 0,01 each.
Issued capital
On 26 January, 2018 the Company issued 29.999.000 ordinary shares of nominal value of EUR 0,01 each.

Board of Directors
The members of the Company's Board of Directors as at 31 December 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
There were no material events after the reporting period, which have a bearing on the understanding of the 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,

Marios Palesis
Director

Nicosia, 25 April, 2019

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company Hebson Holdings P.L.C. (the "Company"), which are presented in pages 7 to 27 and comprise the statement of financial position as at 31 December 2018, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Hebson Holdings P.L.C. as at 31 December 2018, and of its financial performance and its cash flows for the year then ended 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 Financial Statements" section of our report. We are independent of the Company 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 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 and the additional information to the statement of profit or loss and other comprehensive income in pages 28 to 31, but does not include the financial statements and our auditor's report thereon.

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, 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.

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Independent Auditor's Report (continued)

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

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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 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.

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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

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.

Independent Auditor's Report (continued)

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

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 financial statements.
- In our opinion, and 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 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.

We have reported separately on the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2018.

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

Nicosia, 25 April, 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2018

	Note	2018 HK$	2.11.2017 to 31.12.2017 HK$
Revenue		**-**	-
Administration expenses		**(104.467)**	(250.153)
Operating loss	6	**(104.467)**	(250.153)
Net finance costs	7	**(98.590)**	(2.974)
Loss before tax		**(203.057)**	(253.127)
Tax	8	**-**	-
Net loss for the year/period		**(203.057)**	(253.127)
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Financial assets at fair value through other comprehensive income - Fair value gains		**1.368.397**	-
Other comprehensive income for the year/period		**1.368.397**	-
Total comprehensive income for the year/period		**1.165.340**	(253.127)

STATEMENT OF FINANCIAL POSITION
31 December 2018

	Note	2018 HK$	2017 HK$
ASSETS			
Non-current assets			
Investments in subsidiaries	9	**4.127.393**	1.990.000
		4.127.393	1.990.000
Current assets			
Trade and other receivables	10	**15.417**	3.281
Cash and cash equivalents	11	**1.884**	-
		17.301	3.281
Total assets		**4.144.694**	1.993.281
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**2.915.894**	91
Fair value reserve - financial assets at fair value through other comprehensive income	13	**1.368.397**	-
Accumulated losses		**(456.184)**	(253.127)
Total equity		**3.828.107**	(253.036)
Current liabilities			
Trade and other payables	14	**316.587**	2.246.317
		316.587	2.246.317
Total equity and liabilities		**4.144.694**	1.993.281

On 25 April, 2019 the Board of Directors of Hebson Holdings P.L.C. authorised these financial statements for issue.

Marios Palesis
Director

Rosa Kyriakides
Director

STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2018

	Note	Share capital HK$	Fair value reserve - financial assets at fair value through other comprehensive income HK$	Accumulated losses HK$	Total HK$
Comprehensive income					
Net loss for the period		-	-	(253.127)	(253.127)
Transactions with owners					
Issue of share capital	12	91	-	-	91
Balance at 31 December 2017/ 1 January 2018		**91**	**-**	**(253.127)**	**(253.036)**
Comprehensive income					
Net loss for the year		-	-	(203.057)	(203.057)
Other comprehensive income for the year		-	1.368.397	-	1.368.397
Total comprehensive income for the year		-	1.368.397	(203.057)	1.165.340
Transactions with owners					
Issue of share capital	12	2.915.803	-	-	2.915.803
Balance at 31 December 2018		**2.915.894**	**1.368.397**	**(456.184)**	**3.828.107**

HEBSON HOLDINGS P.L.C.

STATEMENT OF CASH FLOWS
Year ended 31 December 2018

	Note	2018 HK$	2.11.2017 to 31.12.2017 HK$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(203.057)**	(253.127)
Adjustments for:			
Unrealised exchange loss		**100**	2.974
		(202.957)	(250.153)
Changes in working capital:			
Increase in trade and other receivables		**(12.136)**	(3.281)
(Decrease)/increase in trade and other payables		**(1.929.730)**	2.246.317
Cash (used in)/generated from operations		**(2.144.823)**	1.992.883
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of investments in subsidiaries	9	**(768.996)**	(1.990.000)
Net cash used in investing activities		**(768.996)**	(1.990.000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		**2.915.803**	91
Unrealised exchange (loss)		**-**	(2.974)
Net cash generated from/(used in) financing activities		**2.915.803**	(2.883)
Net increase in cash and cash equivalents		**1.984**	-
Cash and cash equivalents at beginning of the year/period		**-**	-
Effect of exchange rate fluctuations on cash held		**(100)**	-
Cash and cash equivalents at end of the year/period	11	**1.884**	-

The notes on pages 11 to 27 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2018

1. Incorporation and principal activities

Country of incorporation

The Company Hebson Holdings P.L.C. (the "Company") was incorporated in Cyprus on 2 November, 2017 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113, with registration number HE375656. On 28 January, 2019 the Company's share capital was listed to the Cyprus Stock Exchange Emerging Companies Market. Its registered office is at Theodorou Mavrosavva, 27, Lympia, 2566, Nicosia, Cyprus.

Change of Company name

On 24 May 2018, the Company changed its name from Hebson Holdings Limited to Hebson Holdings P.L.C.

Principal activity

The principal activity of the Company comprises the holding of investments.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. Apart from the accounting policy changes resulting from the adoption of IFRS 9 and IFRS 15 effective from 1 January 2018, these policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The Company has prepared these parent's separate financial statements for compliance with the requirements of the Cyprus Income Tax Law.

The 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. The financial statements have been prepared under the historical cost convention.

The Company has also prepared consolidated financial statements in accordance with IFRSs for the Company and its subsidiaries (the "Group"). The consolidated financial statements can be obtained from Theodorou Mavrosavva, 27 Lympia, 2566, Nicosia, Cyprus.

Users of these parent's separate financial statements should read them together with the Group's consolidated financial statements as at and for the year ended 31 December 2018 in order to obtain a proper understanding of the financial position, the financial performance and the cash flows of the Company and the Group.

2. Significant accounting policies (continued)

Adoption of new and revised IFRSs

As from 1 January 2018, the Company adopted all the IFRSs and International Accounting Standards (IAS), which are relevant to its operations.

The adoption of these Standards had a material effect on the financial statements as follows:

- *IFRS 9 "Financial Instruments"*

As explained below, in accordance with the transition provisions of IFRS 9 and IFRS 15, the Company has elected the simplified approach for adoption of the standards. Accordingly, IFRS 9 and IFRS 15 were adopted without restating the comparative information. The comparative information is prepared in accordance with IAS 39 and IAS 18 and IAS 11, and the impact of adoption has been recognised in the opening retained earnings.

The following table summarized the impact of adoption of the new standard each individual line item of statement of financial position. Line items that were not affected by the changes have not been included. As a result, the sub totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

(a) Impact on the statement of financial position

	Balance at 31 December 2017 as previously presented	Reclassifications	31 December 2017 under IAS 18 and IAS 39	Effect of adoption of IFRS 9	1 January 2018 under IFRS 15 and IFRS 9
	HK$	HK$	HK$	HK$	HK$
Investments in subsidiaries	1.990.000	-	1.990.000	-	1.990.000
Trade receivables	3.281	-	3.281	-	3.281
Trade payables	2.246.317	-	2.246.317	-	2.246.317
Retained earnings	(253.127)	-	(253.127)	-	(253.127)

The Company has voluntarily changed the presentation of certain amounts in the comparative statement of financial position as disclosed in the table above to reflect the terminology of IFRS 9.

(b) Impact on the statement of profit or loss and other comprehensive income

Net impairment losses on [financial and contract assets] which was previously presented together in other operating expenses, is now presented on the face of the statement of profit or loss and other comprehensive income.

(i) IFRS 9 "Financial instruments"

IFRS 9 "Financial instruments" replaces the provisions of IAS 39 that relate to recognition and derecognition of financial instruments and classification and measurement of financial assets and financial liabilities. IFRS 9 further introduces new principles for hedge accounting and a new forward looking impairment model for financial assets.

The new standard requires debt financial assets to be classified into two measurement categories: those to be measured subsequently at fair value (either through other comprehensive income (FVOCI) or through profit or loss (either FVTPL or FVPL) and those to be measured at amortized cost. The determination is made at initial recognition. For debt financial assets the classification depends on the entity's business model for managing its financial instruments and the contractual cash flows characteristics of the instruments. For equity financial assets it depends on the entity's intentions and designation.

2. Significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

In particular, assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Lastly, assets that do not meet the criteria for amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss.

For investments in equity instruments that are not held for trading, the classification depends on whether the entity has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. If no such election has been made or the investments in equity instruments are held for trading they are required to be classified at fair value through profit or loss.

IFRS 9 also introduces a single impairment model applicable for debt instruments at amortised cost and fair value through other comprehensive income and removes the need for a triggering event to be necessary for recognition of impairment losses. The new impairment model under IFRS 9 requires the recognition of allowances for doubtful debts based on expected credit losses (ECL), rather than incurred credit losses as under IAS 39. The standard further introduces a simplified approach for calculating impairment on trade receivables as well as for calculating impairment on contract assets and lease receivables; which also fall within the scope of the impairment requirements of IFRS 9.

For financial liabilities, the standard retains most of the requirements of IAS 39. The main change is that, in case where the fair value option is taken for financial liabilities, the part of a fair value change due to the entity's own credit risk is recorded in other comprehensive income rather than in profit or loss, unless this creates an accounting mismatch.

With the introduction of IFRS 9 "Financial Instruments", the IASB confirmed that gains or losses that result from modification of financial liabilities that do not result in derecognition shall be recognized in profit or loss.

IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the "hedge ratio" to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39.

The Company has adopted IFRS 9 with a date of transition of 1 January 2018, which resulted in changes in accounting policies for recognition, classification and measurement of financial assets and liabilities and impairment of financial assets.

Impact of adoption

In accordance with the transition provisions in IFRS 9, the Company has elected the simplified transition method for adopting the new standard. Accordingly, the effect of transition to IFRS 9 was recognised as at 1 January 2018 as an adjustment to the opening retained earnings (or other components of equity, as appropriate). In accordance with the transition method elected by the Company for implementation of IFRS 9 the comparatives have not been restated but are stated based on the previous policies which comply with IAS 39. Consequently, the revised requirements of IFRS 7 "Financial Instruments: Disclosures" have only been applied to the current period. The comparative period disclosures repeat those disclosures made in the prior year.

On 1 January 2018 for debt instruments held by the Company, management has assessed which business models apply to the financial assets and whether the contractual cash flows represent solely payments of principal and interest (SPPI test). In addition separate assessment for equity instruments held by the Company was performed, in respect of whether they are held for trading or not. As a result of both assessments Management has classified its debt and equity instruments into the appropriate IFRS 9 categories.

2. Significant accounting policies (continued)

Adoption of new and revised IFRSs (continued)

As a result of the adoption of IFRS 9 the Company revised its impairment methodology for each class of assets subject to the new impairment requirements. From 1 January 2018, the Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI, cash and cash equivalents and bank deposits with original maturity over 3 months and loan commitments and financial guarantees. The impairment methodology applied depends on whether there has been a significant increase in credit risk and whether the debt instruments qualify as low credit risk and whether the debt investments qualify as low credit risk.

The Company has the following types of assets that are subject to IFRS 9's new expected credit loss model: trade receivables, cash and cash equivalents, bank deposits with original maturity over 3 months, and loans commitments and financial guarantees.

The Company has adopted the simplified expected credit loss model for its trade receivables and trade receivables with significant financing component, as required by IFRS 9, paragraph 5.5.15, and the general expected credit loss model, cash and cash equivalents, bank deposits with original maturity over 3 months, and loan commitments.

- *Investments in equity securities previously classified as available for sale (AFS):*

All equity investments previously classified as available for sale, are now classified as financial assets at FVTPL under IFRS 9 with fair value changes recognised in profit and loss.

- *Investments in equity securities previously classified as financial assets at FVTPL:*

Equity securities held for trading are required to be held as FVTPL under IFRS 9. As a result there was no impact on the amounts recognised in relation to the investments in equity securities held for trading that were previously classified as financial assets at FVTPL from the adoption of IFRS 9. Under IAS 39 equity securities designated as at fair value through profit or loss at inception were those that were managed and their performance was evaluated on a fair value basis, in accordance with the Company's documented investment strategy. Information about these financial assets was provided internally on a fair value basis to the Company's key management personnel. Under IFRS 9 investments in equity instruments are always measured at fair value, so as a result there was no impact from the adoption of IFRS 9 and other equity securities other than those held for trading were classified as financial assets at FVTPL.

- *Other financial instruments:*

For all other financial assets Management assessed that the Company's business model for managing the assets is "hold to collect" and these assets meet SPPI tests. As a result all other financial assets were classified as financial assets at amortised cost and reclassified from the category "loans and receivables" under IAS 39, which was "retired". Previously under IAS 39 these financial assets were also measured at amortised cost. Thus there were no impact of adoption of IFRS 9 as of 1 January 2018.

At 31 December 2017, all of the Company's financial liabilities were carried at amortised cost. Starting from 1 January 2018 the Company's financial liabilities continued to be classified at amortised cost.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2. Significant accounting policies (continued)

Subsidiary companies (continued)

Investments in subsidiary companies are classified as available-for-sale investments and are measured at fair value. Gains or losses on investments in subsidiary companies are recognised directly in equity, through the statement of changes in equity except for impairment losses.

Revenue recognition

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

- **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 31 December 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 other comprehensive income (2017: available for sale financial assets) are recognised in equity. When financial assets at fair value through other comprehensive income (2017: available for sale financial assets) 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.

- **Interest income**

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

- **Dividend income**

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

Finance costs

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

Foreign currency translation

(1) Functional and presentation currency
Items included in the Company'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 Hong Kong dollar (HK$), which is the Company's functional and presentation currency.

2. Significant accounting policies (continued)

(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.

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.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

Trade payables

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

Financial assets - Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment by investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in 'other income'. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income. Financial assets measured at amortised cost (AC) comprise: cash and cash equivalents, bank deposits with original maturity over 3 months, trade receivables and financial assets at amortised cost.

FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in "other income". Foreign exchange gains and losses are presented in "other gains/(losses)" and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other gains/(losses)" in the period in which it arises.

2. Significant accounting policies (continued)

Financial instruments (continued)

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in "other gains/(losses)" in the statement of profit or loss and other comprehensive income as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial assets - impairment - credit loss allowance for ECL

From 1 January 2018, the Company assesses on a forward looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income within "net impairment losses on financial and contract assets".

Debt instruments measured at AC are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

Expected losses are recognized and measured according to one of two approaches: general approach or simplified approach.

For trade receivables including trade receivables with a significant financing component and contract assets and lease receivables the Company applies the simplified approach permitted by IFRS 9, which uses lifetime expected losses to be recognised from initial recognition of the financial assets.

For all other financial asset that are subject to impairment under IFRS 9, the Company applies general approach three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit impaired on initial recognition is classified in Stage 1.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the Company determines that a financial asset is credit impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets - write off

Financial assets are written off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write off represents a derecognition event. The Company may write off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (eg profit share or equity based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non current assets.

Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

Share capital

Ordinary shares are classified as equity.

Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

3. Financial risk management

Financial risk factors
The Company 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 Company to manage these risks are discussed below:

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

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

3. Financial risk management (continued)

3.3 Credit risk
Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets.

(i) Impairment of financial assets

The Company has the following types of financial assets that are subject to the expected credit loss model:

- trade receivables
- cash and cash equivalents

Trade receivables and contract assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables (including those with a significant financing component, lease contracts and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Company defines default as a situation when the debtor is more than 90 days past due on its contractual payments. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. A provision for impairment of trade receivables was established when there was objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments (more than 120 days overdue) were considered indicators that the trade receivable was impaired. The amount of the provision was the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the effective interest rate.

3. Financial risk management (continued)

3.3 Credit risk (continued)

(ii) Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a borrower as required. Guarantees which represent irrevocable assurances that the Company will make payments in the event that a counterparty cannot meet its obligations to third parties, carry the same credit risk as loans receivable. Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans or guarantees. With respect to credit risk on commitments to extend credit, the Company is potentially exposed to loss in an amount equal to the total unused commitments, if the unused amounts were to be drawn down. The Company monitors the term to maturity of credit related commitments, because longer term commitments generally have a greater degree of credit risk than shorter term commitments.

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 Company 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 Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.6 Capital risk management
Capital includes equity shares.

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 debt and equity balance. The Company's overall strategy remains unchanged from last year.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

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 Company 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 Company 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, judgments and assumptions

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.

4. Critical accounting estimates, judgments and assumptions (continued)

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. 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.

Critical judgements in applying the Company's accounting policies

- **Impairment of investments in subsidiaries**

  The Company periodically evaluates the recoverability of investments in subsidiaries 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, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Valuation of non-listed investments**

  The Company uses various valuation methods to value non-listed investments. These methods are based on assumptions made by the Board of Directors which are based on market information at the reporting date.

5. Fair value measurement

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 December 2018	Level 1	Level 2	Level 3	Total
	HK$	HK$	HK$	HK$
Assets measured at fair value				
Financial assets at fair value through other comprehensive income (Note 9)				
Investments in subsidiaries	-	-	4.127.393	4.127.393
Total	**-**	**-**	**4.127.393**	**4.127.393**

Transfers between levels

There have been no transfers between different levels during the year.

Valuation techniques

Non-listed investments

The fair values of non-listed securities are determined in accordance with Net Asset Value (NAV) method using unobservable inputs. The Company classifies the fair value of these investments as Level 3.

5. Fair value measurement (continued)

Reconciliation of Level 3 fair value measurements

	Investments in subsidiaries	Total
	HK$	HK$
Balance at 1 January	**1.990.000**	**1.990.000**
Total gains or losses: in profit or loss in other comprehensive income	1.368.397	1.368.397
Additions	768.996	768.996
Balance at 31 December	**4.127.393**	**4.127.393**

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2018 HK$	Valuation technique
Investments in subsidiaries	4.127.393	Net Asset Value

6. Operating loss

	2018	2.11.2017 to 31.12.2017
	HK$	HK$
Operating loss is stated after charging the following items:		
Auditors' remuneration - current year	**14.790**	12.654
Auditors' remuneration - prior years	**72.860**	-

7. Finance costs

	2018	2.11.2017 to 31.12.2017
	HK$	HK$
Net foreign exchange losses	**91.845**	2.974
Sundry finance expenses	**6.745**	-
Finance costs	**98.590**	2.974

8. Tax

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

8. Tax (continued)

Due to tax losses sustained in the year, no tax liability arises on the Company. Under current legislation, tax losses may be carried forward and be set off against taxable income of the five succeeding years.

9. Investments in subsidiaries

	2018	2017
	HK$	HK$
Balance at 1 January/2 November	**1.990.000**	-
Additions	**768.996**	1.990.000
Fair value adjustment (Note 9)	**1.368.397**	-
Balance at 31 December	**4.127.393**	1.990.000

The details of the subsidiaries are as follows:

Name	Country of incorporation	Principal activities	2018 Holding %	2017 Holding %
Golden Capital Resources Limited	Hong Kong	The holding of investments and the provision of business consultancy services	100	99,50

10. Trade and other receivables

	2018	2017
	HK$	HK$
Deposits and prepayments	**15.417**	3.281
	15.417	3.281

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

11. Cash and cash equivalents

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2018	2017
	HK$	HK$
Cash at bank	**1.884**	-
	1.884	-

12. Share capital

	2018 Number of shares	2018 EUR	2017 Number of shares	2017 EUR
Authorised				
Ordinary shares of EUR 0,01 each	**60.000.000**	**600.000**	60.000.000	600.000
		HK$		HK$
Issued and fully paid				
Balance at 1 January/2 November	**1.000**	**91**	-	-
Issue of shares	**29.999.000**	**2.915.803**	1.000	91
Balance at 31 December	**30.000.000**	**2.915.894**	1.000	91

Authorised capital

The authorised share capital of the Company is 60.000.000 ordinary shares of nominal value of EUR 0,01 each.

Issued capital

On 26 January, 2018 the Company issued 29.999.000 ordinary shares of nominal value of EUR 0,01 each.

13. Fair value reserve - financial assets at fair value through other comprehensive income

	Fair value reserve - investments in subsidiaries HK$	Total HK$
Balance at 2 November 2017	-	-
Balance at 31 December 2017/ 1 January 2018	-	-
Fair value adjustment (Note 9)	1.368.397	1.368.397
Balance at 31 December 2018	**1.368.397**	**1.368.397**

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.

14. Trade and other payables

	2018 HK$	2017 HK$
Trade payables	**15.417**	172.890
Shareholders' current accounts - credit balances (Note 15.2)	-	2.060.773
Accruals	**14.790**	12.654
Payables to related parties (Note 15.1)	**286.380**	-
	316.587	2.246.317

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

15. Related party balances and transactions

The Company's registered shareholders and ultimate beneficial owners are non-Cyprus resident individuals.

The related party balances and transactions are as follows:

15.1 Payables to related parties (Note 14)

Name	Nature of transactions	2018 HK$	2017 HK$
Related party	Finance	286.380	-
		286.380	-

The payable to related party was provided interest free, and there is no specified repayment date.

15.2 Shareholders' current accounts - credit balances (Note 14)

	2018 HK$	2017 HK$
Shareholders' current accounts	-	2.060.773
	-	2.060.773

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

16. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2018.

17. Commitments

The Company had no capital or other commitments as at 31 December 2018.

18. Events after the reporting period

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

Independent auditor's report on pages 4 to 6

DETAILED INCOME STATEMENT
Year ended 31 December 2018

	Page	2018 HK$	2.11.2017 to 31.12.2017 HK$
Operating expenses			
Administration expenses	29	**(104.467)**	(250.153)
Operating loss		**(104.467)**	(250.153)
Finance costs	30	**(98.590)**	(2.974)
Net loss for the year/period before tax		**(203.057)**	(253.127)

ADMINISTRATIVE EXPENSES
Year ended 31 December 2018

	2018 **HK$**	2.11.2017 to 31.12.2017 HK$
Administration expenses		
Annual levy	**3.281**	-
Courier expenses	**501**	-
Subscriptions and contributions	**251**	-
Auditors' remuneration - current year	**14.790**	12.654
Auditors' remuneration - prior years	**72.860**	-
Legal fees	**-**	10.956
Incorporation fees	**-**	10.909
Share capital issue costs	**-**	43.364
Secretarial services	**12.784**	13.409
Professional fees	**-**	158.861
	104.467	250.153

FINANCE EXPENSES
Year ended 31 December 2018

	2018 HK$	2.11.2017 to 31.12.2017 HK$
Finance costs		
Sundry finance expenses		
Bank charges	**6.745**	-
Net foreign exchange losses		
Realised foreign exchange loss	**91.745**	-
Unrealised foreign exchange loss	**100**	2.974
	98.590	2.974

COMPUTATION OF CORPORATION TAX
Year ended 31 December 2018

	Page	HK$	HK$
Net loss per income statement	28		(203.057)
Add:			
Realised foreign exchange loss		91.745	
Unrealised foreign exchange loss		100	
Annual levy		3.281	
Administration expenses restricted - trading in investments		80.949	
			176.075
Net loss for the year			(26.982)
			€
Converted into € at HK$ 8,963217 = €1			(3.010)
Loss brought forward			(556)
Loss carried forward			(3.566)