CIC CAPITAL LTD.

# INTERIM CONDENSED UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the nine-month period ended 30 Sep 2017

## Notice to Reader

The accompanying interim condensed unaudited consolidated financial statements of CIC Capital Limited (the "Company", the "Group" or "CICC"), comprised of the Interim Condensed Consolidated Statement of Financial Position as at 30 Sep 2017, 30 Sep 2016 and 31 Dec 2016, the Interim Condensed Consolidated Statements of Comprehensive Income and Interim Condensed Consolidated Statements of Cash Flows for the nine-month periods ended 30 Sep 2017, 30 Sep 2016 and 31 Dec 2016 and Interim Condensed Consolidated statements of Shareholders' equity for the nine-month period ended 30 Sep 2017 are the responsibility of the Company's management. The independent external auditors of the Company have not reviewed these financial statements.

# CORPORATE DIRECTORY

| | |
|---|---|
| **Company Secretary** | Appleby Corporate Services (Seychelles) Limited<br>2nd Floor, Eden Plaza<br>Eden Island<br>PO Box 1352<br>Mahe, Seychelles |
| **German Legal Adviser to the Company** | Lindlbauer Rechtsanwälte PartmbB<br>Heimeranstr. 35<br>80339 München Deutschland |
| **Registered office of the Company** | 2nd Floor, Eden Plaza<br>Eden Island<br>PO Box 1352<br>Mahe, Seychelles |
| **English Legal Adviser to the Company** | Gowling WLG (UK) LLP<br>4 More London Riverside<br>London SE1 2AU |
| **Seychelles Legal Adviser to the Company** | Appleby<br>Suite no. 202<br>2nd Floor, Eden Plaza<br>Eden Island<br>P O Box 1352<br>Mahe, Seychelles |
| **Hong Kong Legal Adviser to the Company** | Francis & Co. in association with Addleshaw Goddard (Hong Kong) LLP<br>802-804 Citibank Tower<br>3 Garden Road<br>Central, Hong Kong |
| **Chinese Legal Adviser to the Company** | Beijing Zenwen Law Firm<br>418, Tower 1<br>China World Towers<br>No.1 Jianguomenwai Dajie<br>Beijing, PRC |
| **Auditors** | Sawin & Edwards<br>52 Kingsway Place<br>Sans Walk<br>London ECIR OLU |

## Chairman's Statement

It is with pleasure that I present the Chairman's Statement to highlight the achievements since the inception of the Company in December 2013.

Following the creation of the Company as a farm out of the services business from CIC Capital Fund Limited ("CIC Fund"), a Canadian public close ended fund; the Company proved its business model through its advisory work with a single client, CIC Gold Group Limited ("CIC Gold"). The successful listing of CIC Gold on the main board of the London Stock Exchange delivered excellent cash and share revenues for our Company in 2015, proving our business model's ability to earn good cash and equity revenues from client organisations' through the provision our core business advisory services.

We initially looked to a listing in the UK. The Company underwent a lengthy eligibility process by UK Regulator in 2015 and 2016 only for the UK BREXIT vote whereby the UK voted to leave the EU to bring sufficient uncertainty for the board to make the difficult decision to move its home state to main land Europe and focus on a Frankfurt Stock Exchange for the primary initial listing. This does not rule out a future dual listing on London Stock Exchange. Throughout this process the board has been focussed on acting and performing in every way as a publicly listed company to develop and ensure our governance processes are suitable and proven for when listed.

In year 2017 the Company provided advisory services with solid revenues of £850,000 pounds. The Directors demonstrated their belief and support in the Company's future by converting their outstanding fees to common shares and managing a reduction in operating costs whilst the Company continued the public listing process.

The Company secured an increased convertible loan facility to fund the ongoing cost of operations and to underwrite the working capital requirements for the first 12 months of operations after admission to trading. The Company also holds significant common shares in CIC Gold, which will strengthen our balance sheet and revenues when that company are re-admitted following a major acquisition of Gobi Mineral Group Limited.

I would like to thank the retiring Chairman, Mr. Frank Lewis for his tireless efforts in guiding the board and the Company through the past few years. In addition, I would like to also thank the shareholders for their continued support as we execute on the Company's strategy and look forward to delivering positive reports through the coming year.

**Terrence A. Larkan**
Non Executive Chairman
**CIC Capital Limited**
17 January 2018

## Statement of Directors' Responsibilities

The Directors prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's transactions and disclose with reasonable accuracy at any time the financial position of the group. They are also responsible for the safe guarding of the assets of the group hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the Annual Report.

### Electronic Communication

The maintenance and integrity of the Company's website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the Seychelles governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The Directors confirm to the best of their knowledge:

- the Group and Company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Article 4 of the IAS Regulations and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description or the principal risks and uncertainties that they face.

### Going Concern

The cost structure of the Group comprises a high proportion of discretionary spend and therefore in the event that cash flows become constrained, costs can be quickly reduced to enable the Group to operate within its available funding. These forecasts demonstrate that the Group and Company have sufficient cash funds available to allow it to continue in business for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the financial statements have been prepared on a going concern basis.

**By order of Board:**

RRhodes

**Robert L. Rhodes**
**Executive Director**
10 December 2017

## Statement of Comprehensive Income

The un-audited consolidated statements of comprehensive income of the Group for the nine-month period ended 30 Sep 2017, 30 Sep 2016 and 31 December 2016 are set out below:

| | Note | 30 Sep 2017<br>£ | 30 Sep 2016<br>£ | Audited YE 31 Dec 2016<br>£ |
|---|---|---|---|---|
| **Revenue** | | | | |
| Advisory income | | 850,000 | - | **80,161** |
| Administrative expenses | | (65,600) | (403,134) | **(801,829)** |
| **Operating Profit/ loss** | 4 | **784,400** | **(403,134)** | **(721,667)** |
| Share of net result of associates | **11** | - | - | |
| Income tax expense | **7** | - | - | - |
| **Loss/Profit after taxation** | | **784,400** | **(403,134)** | **(721,667)** |
| **Loss/Profit for the period** | | 784,400 | (403,134) | (721,667) |
| **Total comprehensive loss/Profit attributable to owners of the parent** | | **784,400** | **(403,134)** | **(721,667)** |
| **Loss per share:** | | (0.0010) | (0.0010) | (0.0010) |
| **Basic and diluted** | **8** | (0.0010) | (0.0010) | (0.0010) |

## Statement of Changes in Equity

The un-audited consolidated statements of changes in equity of the Group for the six -month period ended 30 Sep 2017, 30 Sep 2016 and 31 December 2016 are set out below:

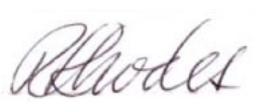
| | Share Capital £ | Convertible Loans classified as Equity £ | Accumulated profit/(deficit) £ | Foreign Exchange Reserve £ | Warrant Reserve £ | Total £ |
|---|---|---|---|---|---|---|
| **As at 31 December 2014** | **30,544** | **1,299,646** | **(1,298,999)** | **-** | **-** | **31,191** |
| *Comprehensive income* | | | | | | |
| Loss for the period | - | - | (1,027,313) | - | - | (1,027,313) |
| Issued warrants | - | - | - | - | - | - |
| Foreign exchange translation | - | - | - | - | - | - |
| **Total comprehensive loss for the period** | **-** | **-** | **(1,027,313)** | **-** | **-** | **(1,027,313)** |
| *Transaction with owners* | | | | | | |
| Issue of Common Shares | - | - | - | - | - | - |
| Issue of convertible loans classified as equity | - | 691,670 | - | - | - | 691,670 |
| **Total transaction with owners** | - | 691,670 | - | - | - | **691,670** |
| **As at 31 December 2015** | **30,544** | **1,991,315** | **(2,326,312)** | **-** | **-** | **(304,453)** |
| *Comprehensive income* | | | | | | |
| Loss for the period | - | - | (721,668) | - | - | (721,668) |
| Issued warrants | - | - | - | - | - | - |
| Foreign exchange translation | - | - | - | - | - | - |
| **Total comprehensive loss for the period** | **-** | **-** | **(721,668)** | **-** | **-** | **(721,668)** |
| *Transaction with owners* | | | | | | |
| Issue of Common Shares | - | - | - | - | - | - |
| Issue of convertible loans classified as equity | - | 482,977 | - | | - | 482,977 |
| **Total transaction with owners** | - | 482,977 | - | - | - | **482,977** |
| **As at 31 December 2016** | **30,544** | **2,474,293** | **(3,047,980)** | **-** | **-** | **(543,143)** |
| *Comprehensive income* | | | | | | |
| Loss for the period | - | - | 740,400 | - | - | 784,400 |
| Issued warrants | - | - | - | - | 290,368 | 290,360 |
| Foreign exchange translation | - | - | - | - | - | - |
| **Total comprehensive loss for the period** | **-** | **-** | **784,400** | **-** | **290,368** | **1,074,768** |
| *Transaction with owners* | | | | | | |
| Issue of Common Shares | 414,811 | - | - | - | - | 414,811 |
| Issue of convertible loans classified as equity | - | (850,000) | - | - | - | (850,000) |
| **Total transaction with owners** | 414,811 | - | - | - | - | **414,811** |
| **As at 30 Sep 2017** | **445,355** | **1,624,293** | **(3,047,980)** | **-** | **290,368** | **162,036** |

Share capital comprises the common shares issued by the Company.
Convertible Loans classified, as equity comprises the equity component of the Group's Convertible Loan.
Retained earnings represent the aggregate retained earnings of the Group.

## Statement of Financial Position

The un-audited consolidated statements of financial position of the Group for the six -month period ended 30 Sep 2017, 30 Sep 2016 and 31 December 2016 are set out below:

| | Note | 30 Sep 2017<br>£ | 30 Sep 2016<br>£ | Audited YE 31 Dec 2016<br>£ |
|---|---|---|---|---|
| **ASSETS** | | | | |
| *Non-current assets* | | | | |
| Fixed assets | **10** | - | - | - |
| Investments | **11** | 34,258 | 34,258 | 34,258 |
| **Total non-current assets** | | **34,258** | **34,258** | **34,258** |
| *Current assets* | | | | |
| Trade and other receivables | | 30,544 | 30,544 | 30,544 |
| Cash and cash equivalents | | - | - | - |
| **Total current assets** | | **30,544** | **30,544** | **30,544** |
| **Total assets** | | **64,802** | **64,802** | **64,802** |
| **EQUITY & LIABILITIES** | | | | |
| *Current liabilities* | | | | |
| Trade and other payables | **14** | 193,134 | 435,902 | 607,945 |
| Due to related parties | | - | - | - |
| **Total current liabilities** | | **193,134** | **435,902** | **607,945** |
| *Capital and reserves* | | | | |
| Share capital | **12** | 445,355 | 30,544 | 30,544 |
| Convertible Loans classified as equity | **13** | 1,624,293 | 2,327,803 | 2,474,293 |
| Accumulated deficit | | (2,263,580) | (2,729,446) | (3,047,979) |
| **Total equity attributable to equity holders** | | **(128,332)** | **(371,099)** | **(543,143)** |
| **Total equity and liabilities** | | **64,802** | **64,802** | **64,802** |



**For and Behalf of the Board**

## Statement of Cash Flows

The un-audited consolidated statements of cash flows of the Group for the nine-month period ended 30 Sep 2017, 30 Sep 2016 and 31 December 2016 are set out below:

| | 30 Sep 2017 | 30 Sep 2016 | Audited Year ended 31 Dec 2016 |
|---|---|---|---|
| | £ | £ | £ |
| **Cash flow from operating activities** | | | |
| Loss for the period before taxation | 784,400 | (403,134) | (721,668) |
| *Adjustments for:* | | | |
| Share of net associates | - | - | - |
| **Operating cash flows before movements working capital** | **784,400** | **(403,134)** | **(721,668)** |
| Increase in trade and other payables | (349,211) | 21,575 | 193,618 |
| Decrease/Increase in trade and other receivables | - | - | - |
| **Net cash used in operating activities** | **435,189** | **(381,559)** | **(528,050)** |
| **Cash flow from investing activities** | | | |
| Fixed assets | | | |
| Investments | - | - | - |
| **Net cash used in investing activities** | **-** | **-** | **-** |
| **Cash flow from financing activities** | | | |
| Issuance of Common Shares | 414,811 | - | - |
| Increase in due to related parties | - | - | - |
| Issuance of convertible loans | (850,000) | 336,487 | 482,977 |
| **Net cash generated from financing activities** | **435,189** | **336,487** | **482,977** |
| **Net increase in cash and cash equivalents** | - | **(45,072)** | **(45,072)** |
| Cash and cash equivalent at beginning of period | - | 45,072 | 45,072 |
| **Cash and cash equivalent at end of period** | - | **-** | **-** |

## 1 General Information

The Company was incorporated on 13 December 2013 in the Seychelles under the International Business Companies Act 1994, and the regulations made thereunder, as an exempted company limited by common shares with the registered number 137439.

The Company seeks to acquire equity interests in area of low risk companies in the mining and energy infrastructure sectors, in the hope to achieve high capital appreciation on the sale of such equity interests when its clients come to market. In return, the Company provides advisory and consulting services, including advice on listings.

The Company's registered office is located at Suite 202, 2nd Floor, Eden Plaza, Eden Island, P O Box 1352, Mahe, Seychelles.

## 2 Summary of Significant Accounting Policies

### (a) Authorisation of financial statements

The Group's interim financial statements of CIC Capital Limited for the nine-month period ended 30 Sep 2017, 30 Sep 2016 and 31 December 2016 were authorised for issue by the Board on 10 December 2017 and the balance sheets signed on the Board's behalf by Mr. Rob Rhodes.

### (b) Statement of compliance with IFRS

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The Company's and Subsidiaries' financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB).

***Future changes in accounting policies***

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements. Their adoption is not expected to have a material effect on the financial statements.

***New standards, amendments and interpretations adopted by the Company***

No new and/or revised Standards and Interpretations have been required to be adopted, and/or are applicable in the current year by/to the Company, as standards, amendments and interpretations which are effective for the financial year beginning on 1 January 2014 are not material to the Company.

***New standards, amendments and interpretations not yet adopted***

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements, were in issue but not yet effective for the year presented:

- IFRS 9 in respect of Financial Instruments which will be effective for the accounting periods beginning on or after 1 January 2018.

- IFRS 15 in respect of revenue from contracts with clients which will be effective for the accounting period beginning on or after 1 January 2018.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

**(c) Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below. The financial report is presented in £ Sterling and all values are in pounds (£) unless otherwise stated.

The financial statements have been prepared on a going concern basis, notwithstanding the loss for the the nine-month period ended 30 Sep 2017, 30 Sep 2016 and 31 December 2016. This basis assumes that the Group will have sufficient funding to enable it to continue to operate for the foreseeable future and the Directors have taken steps to ensure that they believe that the going concern basis of preparation remains appropriate.

The Directors have prepared financial forecasts which cover a period of at least 12 months from date that these financial statements are approved. These forecasts show that the Group expects to have sufficient financial resources to continue to operate as a going concern.

The Directors anticipate that the Group will have a controlled level of operating costs for the next 12 months, principally the costs of maintaining the listing and of pursuing investment opportunities for the Group. Therefore they are confident that existing cash balances are adequate to ensure that costs can be covered.

Consequently, the Directors have a reasonable expectation that the Group has adequate resources to continue to operate for the foreseeable future and that it remains appropriate for the financial statements to be prepared on a going concern basis.

**(d) Basis of consolidation**

The consolidated financial information incorporates the results of the Company and its subsidiaries (the “Group") using the purchase method. In the consolidated statement of financial position, the acquiree’s identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated income statement from the date on which control is obtained. Inter-company transactions and balances between Group companies are eliminated in full.

**(e) Business combination**

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are taken into consideration when assessing whether the group controls another entity. The Group also assesses existence of control where it does not have more than 50 per cent of the voting power but is able to govern the financial and operating policies by virtue of de-facto control.

De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, for example the reappointment of directors in general meeting etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value acquirer's or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date fair value of the previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

**(f) Revenue recognition policy**

The revenue is recognised on accrual basis together with the matching principle. They both determine the accounting period, in which revenues are recognized. According to the principle, revenues are recognized when they are realized or realizable, and are earned (usually when services are rendered), no matter when cash is received.

**(g) Foreign currencies**

The Company's functional currency is Pounds Sterling (£). Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

As at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of the Parent, which is Pounds Sterling (£), at the rate of exchange ruling at the balance sheet date and their income statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

All other differences are taken to the income statement with the exception of differences on foreign currency borrowings, which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises. Tax charges or credits that are directly and solely attributable to such exchange differences are also taken to reserves.

**(h) Significant accounting judgments, estimates and assumptions**

*Significant accounting estimates and assumptions*

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

**(i) Share-based payment transactions**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

**(i) Finance costs/revenue**

Borrowing costs are recognised as an expense when incurred.

Finance revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

**(j) Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank and in-hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

**(k) Trade and other receivables**

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

**(l) Financial instruments**

The Group's financial instruments, other than its investments, comprise cash and items arising directly from its operation such as trade debtors and trade creditors.

There is no material difference between the book value and fair value of the Group's cash.

**(m) Deferred taxation**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the tax computations, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case it is also dealt with in equity.

**(n) Equity contribution**

This reserve is used to record the valuation of common shares issued, less any attributable costs of these issues, and other specific capital related costs.

**(o) Share based payments reserve**

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration and provided to consultants and advisers hired by the Group from time to time as part of the consideration paid.

**(p) Impairment of assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Income Statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life

**(q) Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

**(r) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

**(s) Share-based payment transactions**

*(i) Equity settled transactions:*

The Group provides benefits to employees (including senior executives) and consultants of the Group in the form of share-based payments, whereby employees and consultants render services in exchange for common shares or rights over common shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the common shares (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees and consultants become fully entitled to the award (the vesting period).

The Income Statement charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award. The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

**(t) Earnings per share**

Basic earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of common shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential common shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential common shares; divided by the weighted average number of common shares and dilutive potential of common shares, adjusted for any bonus element.

**(u) Capital management**

The Company's capital consists wholly of common shares. There are no other categories of common shares in issue and the Company does not use any other financial instruments as capital substitutes or quasi capital. The Company's board of directors as a whole manages the capital by considering the need to raise further capital to meet operating and development costs on a rolling twelve months basis so as to enable the accounts to be prepared on a going concern basis but without unnecessary dilution of existing shareholder interests.

The board always places a priority on maximising the return to existing shareholders before raising further capital. There are no externally imposed capital requirements on the Company.

Details of the ordinary share capital are set out in note 7.

**(v) Critical accounting judgments in applying the consolidated entity's accounting policies**

CIC Gold Group Limited shown in the accounts of an associated company has yet to reach a stage of development where a determination of the technical feasibility or commercial viability can be assessed. In these circumstances, whether there is any indication that the asset has been impaired is a matter of judgment, as is the determination of the quantum of any required impairment adjustment. The Directors have used their experience to conclude that no impairment adjustment is required in the current period.

**(w) Non-current asset – investment in associate**

An associate is an entity, other than a partnership, over which the Group exercises significant influence, but not control, over financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and are initially recognised at cost.

The consolidated financial statements includes the Group's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of an associate.

Unrealised gains arising from transactions with associates are eliminated to the extent of the Group's interest in the entity with adjustments made to the "Investment in associates" and "Share of associates net profit / (loss)" accounts.

When an associate makes a new issue of capital, changing the Group's percentage ownership, changes in the share of retained profits are reflected in the net profit or loss and changes in the share of reserves are reflected as direct adjustments to the specific equity accounts.

## 3 Business segments

For the purpose of IFRS 8, the Chief Operating Decision Maker "CODM" takes the form of the board of directors. The directors are of the opinion that the business of the group comprises a single activity being investments and advice within emerging markets.

The Company is the parent company of the Group. The only subsidiaries of the Company are as follows:

| Name | Country of incorporation | Proportion of ownership interest | Principal activity |
|---|---|---|---|
| CIC Capital Limited | Hong Kong | 100% | Advisory Services |
| Shenzhen Xinjinhe Capital Management Co. Ltd | China | 100% | Administrative Services |

The analysis of turnover, gross profit, assets and liabilities, and depreciation by the component used by the CODM to make decisions about operating matters is as follows:

| | 30 Sep 2017 £ | 30 Sep 2016 £ | YE 31 Dec 2016 £ |
|---|---|---|---|
| Revenue | 850,000 | 40,081 | 80,161 |
| Loss for the period | 784,400 | (588,103) | (721,667) |
| Carrying amount of assets | 64,802 | 64,802 | 64,802 |
| Carrying amount of liabilities | 258,734 | 560,794 | 607,945 |

## 4 Loss per common share

Basic loss per Common share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average number of common shares in issue during the period:

| | YE 30 Sep 2017 £ | YE 30 Sep 2016 £ | YE 31 Dec 2016 £ |
|---|---|---|---|
| Gross Revenue | 850,000 | 40,081 | 80,161 |
| Loss/Profit for the year excluding share of associate results | 784,400) | (588,103) | (721,667) |
| Loss for the year including share of associate results | 784,400 | (588,103) | (721,668) |
| Weighted Ave. No. of shares outstanding | 513,693,533 | 510,208,359 | 510,208,359 |
| **Loss per Share (basic & diluted)** | (0.001) | (0.001) | (0.001) |
| **Loss per Share (basic & diluted) including share of associate results** | (0.001) | (0.001) | (0.001) |

*excluding share of associate results

Diluted loss per common share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all dilutive potential common shares. As the Group has made a loss in the period, the potential common shares are anti-dilutive and not included in the calculation.

## 5 Non-current assets: Investments in associated undertakings

| | YE 30 Sep 2017 £ | YE 30 June 2016 £ | YE 31 Dec 2016 £ |
|---|---|---|---|
| **Investments** | 34,229 | 34,229 | 34,229- |

The company holds 35,840,000 common shares (34.6% of common share holding) in CIC Gold for advisory service provided amount of £519,680. CIC Gold became listed on the Main Market of the London Stock Exchange in June 2015. CIC Gold made a loss of £1,403,037 for the year 31 December 2015, Pursuant to IAS 28 and company accounting policy; the company used equity method to recognise the share of losses of CIC Gold, which was equivalent to £485,451. For the year ending 31 December 2016, CIC Gold did not publish their financial statement due to an acquisition and as such the investment in CIC Gold remains at £34,228.18.

The Company also owns 40.60% common shares in CIC Brancepeth Coal Limited, 19.70% in CIC Fuels Group Limited, 7.50% in Sino Oil Group Limited, as at 31 December 2016 the value of shareholding was £nil as the Company does not value shares in client companies unless they are listed and publicly traded.

## 6 Share Capital and Reserves

### Authorised

Unlimited common shares without par value at 30 Sep 2017.

| | Number of common shares | Share Capital GBP |
|---|---|---|
| **As at 31 Dec 2013** | **-** | **-** |
| Advances received for shares to be issued | **-** | **-** |
| Conversion of 10 par share to no par shares | **510,208,359** | 30,544 |
| **As at 31 Dec 2014** | **510,208,359** | **30,544** |
| Advances received for shares to be issued | **-** | **-** |
| Dividend in Specie CIC Fund shareholders | 0 | - |
| **As at 31 Dec 2015** | **510,208,359** | **30,544** |
| Advances received for shares to be issued | **-** | **-** |
| Dividend in Specie CIC Fund shareholders | | - |
| **As at 31 Dec 2016** | **510,208,359** | **30,544** |
| Advances received for shares to be issued | | |
| Conversion of Salary to Shares | | **414,811** |
| Dividend in Specie CIC Fund shareholders | | - |
| **As at 30 Sep 2017** | **517,121,883** | **445,355** |

### Common shares

On nine-month period ended 30 Sep 2017, had an authorised and issued share capital of 517,121,883 common shares

### Warrants

During the nine-month period, ended 30 Sep 2017, the Company issued 6,913,524 warrants.

| Expiry date | Exercise price £ | 30 Sep 2017 Number of warrants | YE 31 Dec 2016 Number of warrants |
|---|---|---|---|
| 31 Dec 2018 | 0.06 | 6,913,524 | - |

There are no outstanding warrants in the Company at 31 Dec 2016.

**Share purchase options**

The Company does not have a stock option plan. Rather the Company will award other securities (common shares), which will grant incentive common shares to Directors, officers and employees at the discretion of the Company's Remuneration Committee.

During nine-month period-ended 30 Sep 2017, the Company did not issue any options. There are no outstanding options in the Company at the nine-month period-ended 30 Sep 2017.

## 7 Convertible loan classified as equity

Convertible Loan Agreements between the Company and CIC Fund. Under the terms of the Convertible Loan Agreement dated 14 May 2014 for £1,400,000, a deed of variation to the original loan agreement dated February 1, 2015 for an additional loan of £1,189,750. A further deed of variation to February 1, 2015 agreement to increase the loan from £1,189,750 to £1,700,000 on the 1 February 2017. The Company received interest free loans of £1,299,646 year ending 31 December 2014, £691,670 year ending 31 December 2015 and £482,977 year ending 31 December 2016. For the nine-month period 30 Sep 2017 the Company did not draw down any loans and repaid £850,000 from advisory fee income.

The remaining balance of convertible loan at the 30 Sep 2017 is £1,475,707.

The Convertible Loans are interest free. Repayment of the Convertible Loans are to be made at the option of the Company no later than the second anniversary of the date of the deed of variation, either by the conversion of the Convertible Loans into common shares at a price of £0.06 per Common share, each such Common share having a Convertible Loan Warrant attaching, or in cash. If the Company elects to drawn down and convert in full the Convertible Loans available under the Convertible Loan Agreement, they will therefore convert into 27,071,546 common shares and 27,071,546 Convertible Loan Warrants.

On account of the Convertible Loans being convertible at the option of the Company, and in the absence of any interest payable on the Convertible Loans, no element of the financial instrument meets the criteria of a financial liability as defined by IAS 32 Financial instruments. As such, the equity element of the Convertible Loans recognised directly in equity under "Convertible Loans classified as equity" amounted to £1,624,293 as at 30 Sep 2017.

## 8 Trade and other payables

| | YE 30 Sep 2017 £ | YE 30 Sep 2016 £ | YE 31 Dec 2016 £ |
|---|---|---|---|
| Trade and other creditors | 258,734 | 435,902 | 607,945 |

The Company has financial risk management policies in place to ensure that all payables are paid with minimal interest being claimed if any.

## 9 Related party transactions

Under the terms of the Convertible Loan Agreements (£3,100,000), the Company drew down and received interest free loans of YE2014 £1,299,646, YE2015 £691,670 and YE 2016 £482,977 from CIC Fund, a company registered in British Columbia, Canada which is a related party by virtue of common directorships of Mr. Stuart J. Bromley, who although is no longer a director of the Company, did serve as a director during the period under review.

During the year ending at 31 December 2016, director fee's charged by the director amounted to £132,000 (2015: £120,000 2014: £54,000. As at 31 December 2016 the amount owed to directors amounted to £274,580 (2015: £142,928 2014: £48,009).

The Company provided advisory services to CIC Fund it is admission to trading of a number of securities. The Company received £850,000 in payment and elected to use these proceeds to repay its current loans.

## 10 Events after the reporting date

The Company is undergoing a regulated public listing and will focus on delivering its advisory services activities and revenue generation post listing.

On Admission, the Company will draw down the remaining £1,475,707 from CIC Fund under the terms of the Convertible Loan Agreement subject to any incoming client funds or disposable of tradable equity client shares.

The Company will conduct a common share consolidation in fourth financial quarter of 2017 and is expected to be at a ratio of 10:1. The Company will also cancel any share subscriptions not fully paid as a further consolidation. The common shares in the Company was created by a divided in *Specie* by CIC Capital Fund Limited and as such the shares in the Company were not purchased and any consolidation does not effect a shareholder direct cash investments by any perceived dilution.

The Company director excluding Mr. Frank Lewis and staff converted their outstanding salaries to common shares at 6 UK pence per share with a full warrant exercisable also at 6 UK pence per common share on or before 31 December 2018.

The Company conducted its Annual General and Special Shareholder meeting in Luxembourg on 28 November 2017. The shareholders approved the re-domicile of the Company from a Seychelles Co to a Luxembourg Co and to move its administration to Luxembourg.

Chairman of the Board Mr. Frank Lewis has retired from the Company in January 2018 and the Deputy Chairman Mr. Terrence Larkan has been appointed Non-Executive Chairman.