



**Condensed Financial Statements**

Six Months Ended June 30, 2019

(Expressed in Canadian dollars) (unaudited)

**CIC CAPITAL LTD.**Condensed statements of financial position  
(Expressed in Canadian dollars)

	June 30, 2019 \$	December 31, 2018 \$
	(unaudited)	
Assets		
Current Assets		
Amounts receivable	17,760	–
Total assets	17,760	–
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	140,193	147,066
Convertible debt (Note 3)	2,085,988	2,832,604
Total liabilities	2,226,181	2,979,670
Shareholders' deficit		
Share capital	713,932	713,932
Equity portion of convertible debt	1,186,990	1,186,990
Accumulated other comprehensive income	615,739	482,250
Deficit	(4,725,082)	(5,362,842)
Total shareholders' deficit	(2,208,421)	(2,979,670)
Total liabilities and shareholders' deficit	17,760	–

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance on behalf of the Board of Directors on July 26, 2019:

/s/ "Stuart Bromley"

Stuart Bromley, Director

/s/ "Hongguang Li"

Hongguang Li, Director

(The accompanying notes are an integral part of these condensed financial  
statements) A - 2

**CIC CAPITAL LTD.**

Condensed statements of operations and comprehensive income  
(Expressed in Canadian dollars)  
(unaudited)

	Three months ended June 30, 2019 \$	Three months ended June 30, 2018 \$	Six months ended June 30, 2019 \$	Six months ended June 30, 2018 \$
Revenue (Note 4)	795,114	–	858,636	–
Expenses				
General and administrative	150,593	25,949	220,876	25,949
Total expenses	(150,593)	(25,949)	(220,876)	(25,949)
Income (loss) before other income	644,521	(25,949)	637,760	(25,949)
Other income				
Write-off of accounts payable	–	–	–	224,636
Net income (loss) for the period	644,521	(25,949)	637,760	198,687
Other comprehensive income (loss)\				
Foreign currency translation gain (loss)	129,901	126,766	133,489	(71,543)
Comprehensive income for the period	774,422	100,817	771,249	127,144
Earnings per share, basic and diluted	0.01	–	0.01	–
Weighted average number of shares outstanding	51,712,188	51,712,188	51,712,188	51,712,188

(The accompanying notes are an integral part of these condensed financial  
statements) A - 3

**CIC CAPITAL LTD.**

Condensed statements of changes in equity  
(Expressed in Canadian dollars)  
(unaudited)

	Share capital		Equity portion of convertible debt \$	Accumulated other comprehensive income \$	Deficit \$	Total shareholders' equity (deficit) \$
	Number of shares	Amount \$				
Balance, December 31, 2017	51,712,188	713,932	1,186,990	567,804	(5,561,529)	(3,092,803)
Foreign currency translation loss	–	–	–	(71,543)	–	(71,543)
Net income for the period	–	–	–	–	198,687	198,687
Balance, June 30, 2018	51,712,188	713,932	1,186,990	496,261	(5,362,842)	(2,965,659)
Balance, December 31, 2018	51,712,188	713,932	1,186,990	482,250	(5,362,842)	(2,979,670)
Foreign currency translation gain	–	–	–	133,489	–	133,489
Net income for the period	–	–	–	–	637,760	637,760
Balance, June 30, 2019	51,712,188	713,932	1,186,990	615,739	(4,725,082)	(2,208,421)

(The accompanying notes are an integral part of these condensed financial statements)

**CIC CAPITAL LTD.**

Condensed statements of cash flows  
(Expressed in Canadian dollars)  
(unaudited)

	Six months ended June 30, 2019 \$	Six months ended June 30, 2018 \$
Operating activities		
Net income for the period	637,760	198,687
Items not involving cash:		
Revenue earned offset against convertible debt	(620,000)	–
Write-off of accounts payable	–	(227,142)
Changes in non-cash operating working capital:		
Amounts receivable	(17,760)	–
Accounts payable and accrued liabilities	–	22,298
Net cash used in operating activities	–	(6,157)
Effect of foreign exchange rate changes on cash	–	6,157
Increase in cash	–	–
Cash, beginning of period	–	–
Cash, end of period	–	–

(The accompanying notes are an integral part of these condensed financial statements)

## **CIC CAPITAL LTD.**

Notes to the condensed financial statements  
Six months ended June 30, 2019  
(Expressed in Canadian dollars)  
(unaudited)

### **1. Nature of Operations and Continuance of Business**

CIC Capital Ltd. ("CIC Capital" or the "Company") was incorporated on December 13, 2003 in the Republic of Seychelles ("Seychelles"). On March 26, 2019, the Company continued into British Columbia, Canada and ceased to be a Seychelles company.

The Company provides corporate, financial, technical, strategic, advisory, and consulting services to organizations, including advice on listing client entities on equity markets.

These condensed financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at June 30, 2019, the Company has no assets, a working capital deficit of \$2,208,421 and an accumulated deficit of \$4,725,082. The continued operations of the Company are dependent on its ability to generate future cash flows from its operations or obtain additional financing. Although management intends to secure additional financing as required, there can be no assurance that management will be successful in its efforts to secure additional financing or that it will ever develop a self-supporting business. These factors may cast significant doubt on the Company's ability to continue as a going concern. These condensed financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these condensed financial statements.

### **2. Significant Accounting Policies**

#### **(a) Basis of Presentation**

These condensed financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements, including IAS 34, "*Interim Financial Reporting*". These condensed financial statements have been prepared on a historical cost basis and are presented in Canadian dollars.

#### **(b) Recent Accounting Pronouncements**

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended June 30, 2019. These accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

### **3. Convertible Debt**

As at June 30, 2019, the amount of \$2,085,988 (£1,254,805) (December 31, 2018 - \$2,832,604 (£1,624,293)) is owed to a company controlled by the President of the Company and is convertible into common shares of the Company at a price of £0.06 per share. The amount due is non-interest bearing, unsecured, and due on December 31, 2019.

### **4. Related Party Transactions**

During the six months ended June 30, 2019, the Company earned revenue of \$620,000 (2018 - \$nil) from a company controlled by the President of the Company. This amount was offset against the convertible debt owing. Refer to Note 3.