AIQ LIMITED

(incorporated and registered under the Companies Law (as revised) of The Cayman Islands and registered number 327983.)

Annual Report 2019

For the year ended 31 October 2019

Contents

FINANCIAL AND OPERATIONAL SUMMARY

Highlights

- Entered into conditional, non-binding heads of terms to acquire the entire issued share capital of Alchemist Codes Sdn. Bhd. for a non-cash consideration of approximately £2.3 million
- Net loss reduced to £503,608 (2018: £654,276 loss)
- Strong cash position of £3.7 million at 31 October 2019 (31 October 2018: £4.1 million)
- Basic loss per share of 1.0 pence (2018: 1.6 pence loss)

STRATEGIC REPORT – CHAIRMAN'S STATEMENT

I am pleased to present the annual report and financial statements of AIQ Limited for the year ended 31 October 2019.

During the year, the Board remained active in its search for acquisition opportunities. The Directors reviewed a number of opportunities in the e-commerce, social media and artificial intelligence sectors, and in September signed non-binding heads of terms to acquire the entire issued share capital of Alchemist Codes Sdn. Bhd. ("Alchemist" or "AI Codes") for a consideration of approximately £2.3 million to be satisfied through the issue of new ordinary shares in the Company (the "Potential Acquisition").

Alchemist is a Malaysian incorporated information technology solutions developer for the e-commerce sector. Alchemist has two primary lines of business: an IT consultancy business, which engages in online app development for clients, and an e-commerce app, OCTAPLUS, which leverages proprietary data analytic tools, including artificial intelligence technology, for user targeting. Alchemist's key customer regions are currently Malaysia, Singapore and Hong Kong, with expansion plans to grow into China and Europe.

The Potential Acquisition is conditional upon, among other things, the completion of satisfactory due diligence, the negotiation and the entry into of legal documentation, any requisite third party consents being obtained and (as described further below) the readmission of the Company's enlarged share capital to the Standard Listing segment of the Official List of the Financial Conduct Authority (the "FCA"), and return to trading of the Ordinary Shares (existing and new) on the London Stock Exchange's (the "LSE") Main Market for listed securities.

Due to the nature of the Potential Acquisition, it will constitute a reverse takeover under the FCA's Listing Rules since, inter alia, in substance it will result in a fundamental change in the business of the Company. As a consequence, the Company requested the suspension of the listing in the Ordinary Shares on the Standard Listing segment of the Official List of the FCA, and trading in the Ordinary Shares on the LSE's Main Market for listed securities was suspended with effect from 16 September, until the Company publishes a prospectus in relation to the Potential Acquisition or it being announced that the Potential Acquisition will not proceed.

On behalf of the Board, I would like to thank our shareholders for their continued support and we very much look forward to updating the market at the earliest opportunity regarding progress in our negotiations with Alchemist.

Graham Duncan
Non-Executive Chairman

24 January 2020

STRATEGIC REPORT – EXECUTIVE DIRECTOR'S STATEMENT

Financial Review

The net loss for the year ended 31 October 2019 was £503,608 (2018: £654,276 loss), comprising day-to-day administrative expenses of £487,791 (2018: £381,806) and foreign exchange losses of £35,630 (2018: £147,078 gain). The reduction in loss compared with 2018 is primarily due to the transaction costs of £438,096 in the earlier period associated with the Company's Standard Listing. The increase in administrative expenses primarily resulted from consultancy and professional fees in relation to identifying and assessing acquisition targets. In addition, there was a full year of operations for 2019 compared with approximately ten months in the comparative period from the Standard Listing on 9 January 2018 to 31 October 2018.

As a result of the lower net loss, the loss per share was reduced to 1.0 pence (2018: 1.6 pence loss).

The Company had a strong cash position of £3.7 million at 31 October 2019 compared with £4.1 million at 31 October 2018.

Key Performance Indicators

The Directors track the following as the Company's key performance indicators ('KPIs'):

- Administrative expenses
- Cash holdings

The Company's accounting systems track performance on a monthly basis in particular focusing on working capital needs.

These KPIs will be refined and augmented as the Company's business develops. If the Potential Acquisition is completed, the Directors expect the KPIs to focus on revenue generation and the growth of the registered userbase for OCTAPLUS.

Principal Risks and Uncertainties

The Directors consider the principal risks and uncertainties facing the Company and a summary of the key measures taken to mitigate those risks are as follows:

Financial risks

The effective management of its financial exposures is central to preserving the Company's performance. The Company is exposed to financial market risks and may be impacted negatively by fluctuations in foreign exchange and interest rates, including as a result of the likely departure of the UK from the European Union in January 2020, which may create volatility in the Company's results to the extent that they are not effectively hedged. No other Brexit-related risks are expected to impact on the Company's results.

The Company's outsourced finance team provides support to management to ensure accurate financial reporting and tracking of business performance. Reporting on financial performance is provided on a regular basis to senior management and the Board.

The Company will invest in its systems and processes in order to ensure sound financial management and reporting as the business develops.

In the event of the completion of the Potential Acquisition, the Company will adopt a formal treasury policy which will be reviewed and approved by the Audit Committee on an annual basis. The treasury policy will cover all areas of treasury risk including foreign exchange, interest rate, counterparty and liquidity.

Operational risks

The success of the Company's business strategy is dependent on its ability to complete acquisition opportunities and the subsequent performance of the acquired entities.

The Directors seek to manage these risks by leveraging the experience of the executive team and complementary skill sets of the non-executive directors to prudently identify, pursue and execute on acquisition opportunities.

The review of acquisition targets involves and assessment of the target's business and the markets it operates in, its business plans and management capabilities. In identifying and assessing potential targets, the Board considers the risk profile of the business concerned, in particular its financial and commercial viability and suitability for a listed company. The Board consults its Financial Advisor and Broker throughout as a means of mitigating risk and complying with the listing Rules. Performance is monitored regularly and reported to the Board.

Corporate Responsibility

The Company takes its responsibilities as a corporate citizen seriously. The Board's primary goal is to create shareholder value, but in a responsible manner that serves all stakeholders.

Governance

The Board considers sound governance as a critical component of the Company's success. The Company has an effective and engaged Board, with a strong non-executive presence from diverse backgrounds. The Board is committed to ensuring that, particularly as the Company's business develops, the Company's values are reinforced, effective risk management practices are implemented and that the Company adheres to high standards of corporate governance.

The management report for the period is constituted by the content of the Strategic Report and Directors' Report.

More information on our corporate governance can be found on pages 9 to16.

Growth Strategy and Outlook

The Company's near-term goals are to execute its acquisition strategy. In the event of the completion of the Potential Acquisition, the Board expects the immediate focus to be on increasing the registered userbase of OCTAPLUS via social media-based marketing while seeking to raise awareness of Alchemist and OCTAPLUS through broader marketing and supporting development of the business through targeted recruitment. The Board looks forward to updating the market, as applicable, in due course.

Soon Beng Gee (Nicholas), Executive Director

24 January 2020

DIRECTORS' REPORT

The Directors present their report on the Company, together with the audited financial statements of the Company, for the year ended 31 October 2019.

Principal activities

The Company was formed to undertake acquisitions in the e-commerce sector. No acquisitions have yet been made.

Results and dividends

The results of the Company are set out in detail on pages 21 to 33.

The Directors do not propose to recommend a dividend for the year ended 31 October 2019. Given the early stage of the business and its growth strategy, it is unlikely that the Board will recommend a dividend in the next few years. The Directors believe the Company should seek to re-invest any future profits to fund the Company's growth strategy over the medium term.

Business review and future developments

Details of the business activities and developments made during the period can be found in the Strategic Report.

Financial instruments and risk management

Disclosures regarding financial instruments are provided within the Strategic Report and Note 5 to the financial statements.

Capital structure and issue of shares

Details of the Company's share capital are set out in Note 13 to the financial statements. The Company has one class of ordinary share which carry no right to fixed income.

Post balance sheet events

There are no events subsequent to the year-end that require disclosure in these financial statements.

Directors

The Directors of the Company who have served during the period and at the date of this report are:

Director	Role	Date of appointment	Board Committee
Graham Duncan	Independent Non-Executive Chairman	09/01/2018	N/A/R
Harry Chathli	Independent Non-Executive Director	09/01/2018	N/A/R
Soon Beng Gee	Executive Director	11/11/2017	
Lee Chong Liang	Executive Director	11/10/2017	

Board Committee abbreviations: N = Nomination Committee; A = Audit Committee; R = Remuneration Committee

The Board comprises two executive and two non-executive directors.

Graham Duncan, Independent Non-Executive Chairman.

Graham Duncan is a UK-based chartered accountant with more than 20 years' capital markets experience. He also holds the Corporate Finance Diploma issued by the Institute of Chartered Accountants in England and Wales. He is currently Chief Financial Officer to Code Investing Limited, an FCA regulated financial technology company that connects investors with small and medium enterprises seeking finance.

He has specialised in advising quoted companies since 2000 with regard to financial reporting, transaction support and regulatory compliance. Since 2013, Graham has run a consultancy business providing advice to growing private and public companies in the UK and internationally. Until 2013, Graham was a capital markets director with Mazars LLP in London. Graham has worked closely with Asian companies and previously worked for an international firm of chartered accountants in Asia and was based in Hong Kong between 1993 and 1996. He resides in the UK.

Soon Beng Gee ("Nicholas"), Executive Director

Nicholas has broad industry experience, having operated businesses in the retail, trading and e-commerce sectors as well as in social commerce, having worked in talent management and on-line marketing companies. He is currently the director and shareholder of Plymouth Infotech Ltd, a company focused on information technology system services and business consultancy services for companies based in South East Asia, primarily in the e-commerce industry.

Nicholas began his career in foreign exchange trading and became an early pioneer of automated trading in the Malaysian market, which introduced him to many customers – including high net worth individuals. He developed an automated trading platform to operate across multiple industries, notably in the sphere of media, e-commerce and social networking. He worked for MAMA11 MART (M) Sdn. Bhd. ("MAMA11"), which acquired vending machines. He introduced in-house software and hardware development and implemented real time stock updating systems to the vending machines. Now MAMA11 has become a retail automation specialist and leading vending machine service provider in the retail industry in Asia. He sold MAMA11 in 2017. Recently he has focused on business consultancy where he specialises in retail automation strategy and marketing with an emphasis on leveraging the purchasing power of social media.

Nicholas graduated from the University of Westminster with a Master of Arts in International Business and Management in 2010. He currently resides in Malaysia.

Lee Chong Liang ("Marcus"), Executive Director

Marcus has over eight years' experience in business consultancy, specialising in shaping business models and entrepreneur mentoring. He currently works closely with Soon Beng Gee in Plymouth Infotech Limited, a company focused on information technology system services and business consultancy services for companies based in South East Asia, primarily in the e-commerce industry. Marcus' principal responsibilities include business training with a focus on marketing and increasing revenue growth through strengthening brands, increasing member and consumer royalties and turnaround activities. Between 2010 to 2016, Marcus worked for Red Antz Event Sdn. Bhd., a company focused on event management and business consultancy services, as an associate providing business mentoring services to clients based in South East Asia.

Over the course of his career, Marcus has been a business mentor and has provided entrepreneur training seminars to a wide variety of companies, including blue chip corporations. He graduated from the University of Nottingham Trent with a Master of Science in International Real Estate Investment and Finance in 2009. He currently resides in Malaysia.

Harry Chathli, Independent Non-Executive Director

Harry is an experienced capital markets specialist with over 25 years' experience in advising global companies, organisations and government agencies. Currently he is a director of Luther Pendragon, an independent communications consultancy, and a director of a capital markets advisory consultancy, Access Capital Markets. He is also Chairman of Lokcom Networks Ltd, an internet-of-things technology start-up company, and a Non-executive Director of Green & Smart Holdings plc, a Malaysian AIM-quoted renewable energy company.

Over the past 19 years he has advised public companies listed on the London Stock Exchange's main market and quoted on AIM, as well as on NASDAQ and other international bourses.

Harry's experience includes advising on international M&A deals, IPOs, MBOs, crisis communications as well as financial PR starting in 1998 at Brunswick Group, a global partnership advising on business critical issues to companies in 14 countries. Prior to that, Harry worked for Adam Smith International, a global advisory and consulting business, with his particular focus being Vietnam. In 2004, he established a financial PR company, Corfin, which was then acquired by Luther Pendragon in 2011. He resides in the UK.

Directors' interests in shares and contracts

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

Director	Ordinary Shares held	% held
Graham Duncan	-	-
Soon Beng Gee	18,500,000	35.69
Lee Chong Liang	18,500,000	35.69
Harry Chathli	-	-

Notes:

(1) Mr. Soon's interest in the issued share capital of the Company is wholly held through GBS Infinity Holding Ltd, a BVI company whose issued share capital is wholly and beneficially owned by him.

(2) Mr. Lee's interest in the issued share capital of the Company is wholly held through ML Infinity Holding Ltd, a BVI company whose issued share capital is wholly and beneficially owned by him.

Substantial interests

Except as referred to above, the Directors are not aware of any person who was interested in 3% or more of the issued share capital of the Company or could directly or indirectly, jointly or severally, exercise control.

Donations

No political or charitable donations have been made in the period.

Provision of information to auditors

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as that Director is aware, there is no information relevant to the audit of which the Company's auditors are unaware, and;
- each Director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

Independent auditors

A resolution for the re-appointment of BDO LLP as auditor of the Company is to be proposed at the next Annual General Meeting.

Annual General Meeting

The Annual General Meeting (AGM) of the Company was held on 16 December 2019.

Signed by order of the board

Graham Duncan, Non-Executive Chairman
24 January 2020

CORPORATE GOVERNANCE REPORT

The Board of AIQ Limited has based its corporate governance principles on fundamental core values to build and maintain strong relationships with all of its stakeholders – shareholders, suppliers, regulators, society, and others. This means having the right people working together and doing the right things to deliver a sustainable business model capable of delivering growth over the long-term. This is a key responsibility of the Company and it is the Board's job to ensure that through good decision-making the Company is managed for the long-term benefit of all its stakeholders. Corporate governance is very much a part of that job.

The Board considers sound governance as a critical component of the Company's success and has made it one of its highest priorities. The Company has an effective and engaged Board, with a strong non-executive presence from diverse backgrounds.

The Board meets regularly throughout the year (either in person or by conference call) and all necessary information is supplied to the Board on a timely basis to enable it to discharge its duties effectively. Additionally, special meetings will take place or other arrangements will be made when Board decisions are required in advance of regular meetings.

During the year ended 31 October 2019, a total of two Board meetings were held. All Directors were in attendance at these meetings, either in person or by conference call.

The Board has established financial controls and reporting procedures which are considered appropriate given the size, early stage and structure of the Company. It is the intention of the Board that these controls will be reviewed regularly in light of the future growth and development of the Company and adjusted accordingly.

Corporate Governance Code

The Company is not required to adopt the UK Corporate Governance Code, as a company with a standard listing.

Whilst the Company is not actively trading, the corporate governance structures and practices will be kept under review as the Company develops and communicated to shareholders as changes are required and made.

The Directors consider each of Graham Duncan and Harry Chathli to be independent upon appointment and throughout their tenure.

The Board has an audit committee, remuneration committee and nomination committee with formally delegated duties and responsibilities, as described below.

Board of Directors

The Board is responsible for formulating, reviewing and approving the Company's strategy, budgets and corporate actions.

The Board performance evaluation process adopted by the Company includes identifying the Board's ability to assess the operating environment, think strategically and adapt as necessary. In particular, this process:

- reviews the skills and capabilities of the Board needed to meet current and future business needs;
- reviews how well the Board performs its key roles and how successful it has been;
- reviews the effectiveness of Board relationships and its role as a team;
- assesses the level and quality of information the Board receives;
- assesses the respective contributions of the executive directors and non-executive directors;
- assesses succession planning arrangements in place; and
- assesses the compliance of the key governance documents with legal requirements and good practice.

A succession plan is in place with the nomination committee for unforeseen events. As the Company evolves and skill requirements change, regular reviews for succession planning of the Board members by the Directors will take place at Board meetings.

It is the responsibility of the Chairman and the Company Secretary to ensure that Board members receive sufficient and timely information regarding corporate and business issues to enable them to discharge their duties.

The Board considers that there is an appropriate balance between the Executive and Non-Executive Directors and that no individual or small group dominates the Board's decision making. The Board's members have a wide range of expertise and experience and it is felt that concerns may be addressed to the Non-Executive Directors.

The Company requires each Director to devote as much time to their duties and responsibilities as is necessary to conduct those duties and responsibilities on behalf of the Company. All Directors are currently part-time, and this will be reviewed as and when an acquisition is made.

Ensuring that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Directors also expect to receive technical updates, compliance and governance training on a regular basis as needed by attending courses and relevant events to stay up to date in terms of regulatory changes and technological developments.

The Directors receive and review operational and financial performance data for discussion at its regular meetings.

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of up-to-date skills and experience. Additional experience will be added as and when it is considered necessary. Biographical details of the Directors are included in the Directors' Report above.

Appointment, removal and re-election of Directors

The Board makes decisions regarding the appointment and removal of Directors, and there is a formal, rigorous and transparent procedure for appointments.

In accordance with the Company's Articles of Association, there is no requirement for Directors to retire from office by rotation.

There is a minimum requirement of two Directors who have the power to fill a vacancy on the Board, or to add another Board member.

The Executive and Non-Executive Directors have signed service agreements that contain notice periods of three months. There are no additional financial provisions for termination.

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the Company Secretary.

Directors' responsibilities

The Board comprises two executive and two non-executive directors. All Directors bring a wide range of skills and international experience to the Board. The Non-Executive Directors may hold meetings without the Executive Directors present. The Non-Executive Chairman is primarily responsible for the working of the Board of the Company and oversight of Corporate Governance. The Executive Directors are primarily responsible for the running of the business and implementation of the Board's strategy and policy.

High-level strategic decisions are discussed and taken by the full Board. Investment decisions are taken by the full Board. Operational decisions are taken by the Executive Directors within the framework approved in the annual financial plan and within a framework of Board-approved authorisation levels.

The Board regulations define a framework of high-level authorities that maps the structure of delegation below Board level, as well as specifying issues which remain the Board's preserve. The Board typically expects to meet at least four times a year (either in person or by conference call) to consider a formal schedule of matters including the operating performance of the business and to review the Company's financial plan and business model.

It is the responsibility of the Chairman and the Company Secretary to ensure that Board members receive sufficient and timely information regarding corporate and business issues to enable them to discharge their duties.

Strategy and business model

The Directors hope to complete the Proposed Acquisition of Alchemist and develop the business with an international presence.

The focus is particularly on social commerce businesses, such as social media platforms that have the potential of providing a strong e-commerce sales channel. Social commerce is the use of social networks in the context of e-commerce transactions. When assessing a social commerce business, the Directors consider opportunities to focus on the membership base and members' data to direct consumers towards new products or services.

The Company's strategy is to implement an operating strategy with a view to generating value for shareholders through such operation as well as potentially through additional complementary acquisitions following an acquisition.

Meeting shareholders' needs and expectations

The Directors seek to build on a mutual understanding of objectives between the Company and its shareholders by meeting to discuss long-term issues and receive feedback, communicating regularly throughout the year and issuing updates as appropriate. The Board also seeks to use the Annual General Meeting to communicate with its shareholders, who are encouraged to attend, and to meet and ask questions of Directors and to discuss development of the business.

The Board attaches great importance to communication with both institutional and private shareholders.

The Board aims to maintain regular communication with all shareholders through Company announcements, the half-year results statement and the Annual Report and financial statements.

The Company operates a website at www.aiqhub.com. The website contains details of the Company and its activities; regulatory announcements; Interim Financial Statements, preliminary statements and Annual Reports.

The Company has an open dialogue with its shareholders to ensure that shareholders' needs are met and its strategy, objectives, activities and performance are clearly understood.

The close involvement of our shareholders and the wider stakeholder community is paramount in supporting our strategic aims.

Shareholder relations are managed primarily by the Chairman with the support of Luther Pendragon. A total of £21,000 was paid during the period to Luther Pendragon for financial PR services, a company in which Harry Chathli is a director and shareholder. The Board is kept informed of shareholder views and concerns through this close dialogue but also through the close involvement of Luther Pendragon and its Financial Adviser and Broker, VSA Capital Limited.

Each of the Directors is available to meet with shareholders if required to discuss issues of importance or concern.

We aim for long-term success through investing in high growth acquisition opportunities, relationships with key partners and our people. Our business model involves the identification of key social and sector trends which in turn will lead to investing in resources, relationships and the people on which the business relies.

Our stakeholders include shareholders, suppliers, regulators, and creditors. The principal ways in which their feedback is gathered are via one-to-one meetings and conversations with stakeholders with an open dialogue.

We seek to maintain and promote high standards of business integrity. Company values, which incorporate the principles of corporate social responsibilities (CSR) and sustainability, guide the Company's relationships with its stakeholders and environment in which we operate.

The Company respects local laws and customs while supporting international laws and regulations. These policies have been integral in the way in which the Company operates and will continue to play a central role in influencing its practices in the future.

Feedback from all stakeholders is reviewed at meetings of the Board as a means of making sure we keep to our stated commitments. In particular, shareholders may communicate directly with the Chairman and the Directors. In all cases, the Company's ethos is to act on feedback and to respond in a timely manner.

The Company is especially dependent upon the qualities and skills of its Directors and their commitment will play a major role in the Company's business success. The Company will, as it develops, invest in training and developing its staff through internal training events and through external courses.

The Board does not support discrimination of any form, positive or negative, and all appointments are based solely on merit.

Risk management

- *Internal controls*

In applying the principle that the Board should maintain a sound system of internal control to safeguard shareholders' investment and the Company's assets, the Directors recognise that they have overall responsibility for ensuring that the Company maintains systems to provide them with reasonable assurance regarding effective and efficient operations, internal control and compliance with laws and regulations and for reviewing the effectiveness of those systems. However, there are inherent limitations in any system of control and accordingly even the most effective system can provide only reasonable and not absolute assurance against material misstatement or loss, and that the system is designed to manage rather than eliminate the risk of failure to achieve the business objectives.

The Company has an established documented framework of financial and non-financial procedures. The key features of the internal control system are described below:

- *Financial controls*

The Board takes responsibility for reviewing and approving all financial budgets. These are reviewed regularly and updated where necessary to reflect changes in the business environment or internal strategy changes including evaluating acquisition targets.

The Company has implemented control procedures designed to ensure complete and accurate accounting for financial transactions and to limit the exposure to loss of assets and fraud. Measures taken include segregation of duties and reviews by management.

This process, which operates in accordance with the FRC guidance, has remained in place up to the date of this report and is expected to continue on an ongoing basis.

The Board is supported by the Audit Committee in respect of its responsibilities to prepare financial reports to shareholders. This includes an assessment of the appropriateness of key accounting policies, internal control and regulatory compliance.

- *Non-Financial controls*

Non-financial controls are considered as important as financial controls and these encompass risk management and fraud, IT and business continuity, regulatory compliance, health and safety and corporate social responsibility.

The key elements of these non-financial controls are set out below.

Control environment: the Company is committed to high standards of business conduct and there are also policies in place for the reporting and resolution of suspected fraudulent activities.

Risk identification: Management is responsible for the identification and evaluation of key risks applicable to their areas of business. These risks are assessed on a continual basis and may be associated with a variety of internal and external sources, including investment risk and regulatory requirements.

The Board considers the internal control system to be adequate for the Company. The auditors have provided reporting accountant services in connection with the proposed acquisition of Alchemist and annual audit during the year. The Audit Committee reviews the scope and scale of the non-audit services undertaken by the auditors in order to ensure that their independence and objectivity is safeguarded.

Market Abuse Regulations

The Board recognises the importance of complying with the Market Abuse Regulations ("MAR") relating to the disclosure of inside information and disclosure of deals by persons discharging managerial responsibilities ("PDMR") and persons closely associated ("PCA"). The Company has adopted an appropriate share dealing policy.

Anti-Corruption and Bribery Policy

The Board recognises the importance of having and operating an effective anti-corruption and bribery practices and safeguards. All directors are bound by a code of conduct which covers anti-corruption and bribery.

The Company's internal control processes are reviewed at least annually as a means of ensuring they remain fit for purpose as the business evolves.

Relations with shareholders

The Directors seek to build on a mutual understanding of objectives between the Company and its shareholders by being available to meet to discuss long term issues and receive feedback. The Board also seeks to use the Annual General Meeting to communicate with its shareholders. As the Company's operations develop following an acquisition, the Directors are committed to communicating with the market regularly and issuing trading updates as appropriate.

Fair, balanced and understandable assessment of position and prospects

The Board is committed to presenting fair, balanced and comprehensible assessments of the Company's position and prospects. The Board has applied the principles of good governance relating to Directors' remuneration as described below. The Board has determined that there are no specific issues which need to be brought to the attention of shareholders.

Remuneration strategy

The Company operates in a competitive market. If it is to compete successfully, it is essential that it attracts, develops and retains high quality staff. Remuneration policy has an important part to play in achieving this objective. Whilst the Company does not yet have any staff, it will aim to offer remuneration packages which are both competitive in the relevant employment market and which reflect individual performance and contribution.

Board Committees

The Board maintains three standing committees, being the Audit, Remuneration and Nomination Committees. The minutes of all sub-committees are to be circulated for review and consideration by all relevant Directors, supplemented by oral reports from the Committee Chairmen at Board meetings.

Audit Committee

The Audit Committee was formed in January 2018 and comprises Graham Duncan who chairs the Committee and Harry Chathli. The Committee held two meetings during the year ended 31 October 2019 which were the meetings held to approve the annual report for the period ended 31 October 2018 and the interim results for the six months ended 30 April 2019. Further details on the Audit Committee are provided below in the Report of the Audit Committee.

Remuneration Committee

The Remuneration Committee was formed in January 2018 and comprises Harry Chathli, who chairs the committee, and Graham Duncan. No meetings were held during the financial year. The Committee has adopted the arrangements for Directors' remuneration put in place upon admission. Further details on the Remuneration Committee are provided below in the Report of the Remuneration Committee.

Nomination Committee

The Nomination Committee was formed in January 2018 and comprises Harry Chathli who chairs the Committee and Graham Duncan. No meetings were held during the financial year. Further details on the Nomination Committee are provided below in the Report of the Nomination Committee.

Report of the Audit Committee

The Audit Committee has written terms of reference and provides a mechanism through which the Board can maintain the integrity of the financial statements of the Company and any formal announcements relating to its financial performance; to review the Company's internal financial controls and its internal control and risk management systems and to make recommendations to the Board in relation to the appointment of the external auditor, their remuneration both for audit and non-audit work, the nature, scope and results of the audit and the cost effectiveness, independence and objectivity of the auditors. Provision is made by the Audit Committee to meet the auditors at least twice a year.

The Audit Committee has reviewed, considered and agreed the scope and methodology of the audit work to be undertaken by the external auditors, their re-appointment and fees and agreed the terms of engagement for the audit of the financial statements for the year ended 31 October 2019.

Significant matters considered by the Audit Committee during the year included the auditor's scope and methodology for the audit of the financial statements, in particular determining the areas at greatest risk of material misstatement (whether or not due to fraud or poor internal controls). This included consideration of risks which might impact results for the period, net assets at the end of the period and the disclosures in the financial statements.

Following the Audit Committee's recommendation, the Board considers the internal control system to be adequate for the Company. The auditors have provided reporting accountant services in connection with the proposed acquisition of Alchemist and annual audit during the year. The Audit Committee reviews the scope and scale of the non-audit services undertaken by the auditors in order to ensure that their independence and objectivity is safeguarded. At present, the business is simple, and the control environment reflects this. The Directors recognise any acquisition will increase this complexity and they will review the internal control system to ensure it responds to any change.

Report of the Remuneration Committee

The Remuneration Committee monitors the remuneration policies of the Company to ensure that they are consistent with its business objectives. Its terms of reference include the recommendation and execution of policy on Director and executive management remuneration and for reporting decisions made to the Board. The Committee determines the individual remuneration package of the executive management of the Board. During the period, the Company was engaged in the targeting of potential acquisitions and the Directors' remuneration packages reflect this.

The Remuneration Committee recognises that incentivisation of staff is a key issue for the Company, which depends on the skill of its people for its success. As staff are recruited, the Remuneration Committee will seek to incentivise employees by linking individual remuneration to individual performance and contribution, and to the Company's results. The duties of the Committee are to:

- determine and agree with the Board the framework or broad policy for the remuneration of the chairperson, executive directors, non-executive directors and any employees that the Board delegates to it;
- within the terms of the agreed policy, determine individual remuneration packages including bonuses, incentive payments, share options, pension arrangements and any other benefits;
- determine the contractual terms on termination and individual termination payments, ensuring that the duty of the individual to mitigate loss is fully recognised;
- in determining individual packages and arrangements, give due regard to the comments and recommendations of the Listing Rules;
- be told of and be given the chance to advise on any major changes in employee benefit structures in the Company; and
- recommend and monitor the level and structure of remuneration for senior managers below Board level as determined.

The Committee is authorised by the Board to:

- seek any information it requires from any employee of the Company in order to perform its duties;
- be responsible for establishing the selection criteria and then for selecting, appointing and setting the terms of reference for any remuneration consultants providing advice to the Committee, at the Company's expense; and
- obtain, at the Company's expense, outside legal or other professional advice where necessary in the course of its activities.

The Company's Remuneration Policy is designed to provide remuneration packages to motivate and retain high-calibre executives and to attract new talent as required. The Committee takes into account the principles of sound risk management when setting pay and takes action to ensure that the remuneration structure at AIQ Limited does not encourage undue risk. The Policy is unaudited.

Executive Directors fees

Purpose – a core element of remuneration, used to attract and retain executive directors of the calibre required to develop and deliver our business strategy.

Operation and opportunity – Fees for the executive directors are to be reviewed annually once the Potential Acquisition has been completed, although an out-of-cycle review may be conducted if the Remuneration Committee determines it appropriate. A review may not necessarily lead to an increase in fees.

Performance measures or basis of payment – Whilst there are no formal performance measures to determine fee levels, general individual and business performance are taken into account. For the executive directors, changes to fees may be made under certain circumstances such as increase in the scope or responsibility of an individual's role.

Non-Executive Directors' fees

Purpose – Core element of remuneration paid for fulfilling the relevant role.

Operation – Non-Executive Directors receive a basic fee, paid quarterly in arrears in respect of their board duties. Further fees may be paid for chairmanship or membership of board committees. Additional fees may be paid for travelling regularly from overseas to board and committee meetings. Non-Executive Directors are not eligible for annual bonus or other benefits. Expenses incurred directly in performance of non-executive duties for the Company may be reimbursed or paid directly on their behalf.

Opportunity – Current fee levels can be found below in the remuneration report. Fees are set at a level which is considered appropriate to attract or retain Non-Executive Directors of the calibre required by the Company. Fee levels are normally set by reference to amounts paid to Non-Executive Directors serving on the boards of similar sized UK-listed companies, taking into account the size, responsibility and time commitment of the role.

The Executive Directors were appointed with effect from Admission for a minimum period of twenty-four months, after which the service agreement may be terminated by either party giving not less than three months' prior written notice to the other party.

Each of the Non-Executive Directors were appointed with effect from Admission for a minimum period of twelve months, after which the service agreement may be terminated by either party giving not less than three months' prior written notice to the other party.

There are no additional financial provisions for termination.

The remuneration of the Directors for the year ended 31 October 2019 was as follows:

	Year ended 31 October 2019	Period from 11 October 2017 to 31 October 2018
	£	£
Executive Directors		
Soon Beng Gee	42,000	35,000
Lee Chong Liang	42,000	35,000
Non-executive Directors		
Graham Duncan	30,000	25,000
Harry Chathli	25,000	20,833
	139,000	115,833

None of the above remuneration was performance-related. There are no additional financial provisions for termination.

None of the Directors were entitled to any other cash or non-cash benefits or pension entitlements.

Details of Directors' shareholdings are disclosed in the Directors' Report.

Report of the Nomination Committee

The function of the Nomination Committee shall be to provide a formal, rigorous and transparent procedure for the appointment of new directors to the Board. There were no meetings held during the financial year. In carrying out its duties, the Nomination Committee is primarily responsible for:

- identifying and nominating candidates to fill Board vacancies;
- evaluating the structure and composition of the Board with regard to the balance of skills, knowledge and experience and making recommendations accordingly;
- reviewing the time requirements of Non-Executive Directors;
- giving full consideration to succession planning; and
- reviewing the leadership of the Company.

Signed by order of the Board

Graham Duncan, Non-Executive Chairman
24 January 2020

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors of the Company are responsible for preparing the financial information in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' responsibilities pursuant to DTR4

The Directors confirm to the best of their knowledge:

- The financial statements have been prepared in accordance with IFRSs as adopted by the EU and Article 4 of the IAS regulation and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- The management report includes a fair review of the development and performance of the business and the financial position of the Company, together with a description of the principal risks and uncertainties that they face.

Independent auditor's report to the directors of AIQ Limited

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 2019 and of its loss for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for opinion

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

Conclusions relating to going concern

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the scope of our audit addressed the key audit matter
Expenditure – note 7 The Company has not been engaged in any significant activity during the year, and consequently, we have focused audit work on expenditure, to check cash balances are being deployed responsibly, and that all expenses relating to the period have been included in the accounting records.	We vouched a sample of expenses from the accounting records to supporting invoices and contracts, and confirmed they are for valid business costs. For a sample of expenses, we verified that their payment authorisation has followed the monetary limits set by the Board, and that the required authorised signatories have evidenced their approval. We reviewed post year-end invoices received by the Company, and checked the expenses have been accrued where they relate to the accounting period. We reviewed post year-end bank transactions for any unaccrued expenditure relating to the accounting period. *Key observations* Based on the work undertaken we did not identify any issues with expenditure recorded for the period.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements. In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We determined the overall materiality for the financial statements to be £25,000 (2018: £50,000). This is based on 5% of the loss before taxation (2018: 7.5% of the loss before taxation) and deemed appropriate in light of the Company's limited activity in the year ended 31 October 2019.

Performance materiality was determined as £17,500 being 70% of materiality for the financial statements as a whole, (2018: in the range of 45% - 65% depending on our assessment of risk).

We agreed with the Audit Committee that we would report all audit differences in excess of £500 (2018: £2,500), as well as differences below that threshold that in our view warranted reporting on qualitative grounds.

An overview of the scope of our audit

We considered the risk of the financial statements being misstated and/or not being prepared in accordance with the underlying legislation. We then directed our work towards areas of the financial statements which could contain material misstatements. We selected a sample of those transactions or balances for examination. The level of testing carried out was based on our assessment of risk.

We also documented and reviewed the Company's accounting systems, to identify the controls operated to ensure the completeness and accuracy of the data. This included consideration of service organisations used by the Company, and their impact on the Company's accounting systems.

We utilised a substantive approach using sampling techniques and analytical procedures to the extent necessary to provide us with a reasonable basis to draw conclusions. These procedures gave us the evidence required for our opinion on the Company's financial statements as a whole.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities set out on page 17, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Company's directors as a body in accordance with our engagement letter dated 16 December 2019. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Ayres
For and on behalf of BDO LLP
Chartered Accountants
London, UK

Date: 24 January 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 October 2019	Period from 11 October 2017 to 31 October 2018
		£	£
Administrative expenses	7	(487,791)	(381,806)
Transaction costs	13	-	(438,096)
(Losses) / gains on foreign exchange (net)		(35,630)	147,078
Operating loss		(523,421)	(672,824)
Finance income		19,813	18,548
Loss before taxation	7	(503,608)	(654,276)
Taxation	9	-	-
Loss and total comprehensive income for the year/period		(503,608)	(654,276)
Loss per share – basic and diluted (£ per share)	10	(0.010)	(0.016)

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 October 2019

	Note	31 Oct 2019	31 Oct 2018
		£	£
Assets			
Current assets			
Rental deposit		12,300	15,708
Cash and cash equivalents	11	3,703,592	4,103,928
Total current assets		3,715,892	4,119,636
Total assets		3,715,892	4,119,636
Equity and liabilities			
Capital and reserves			
Ordinary shares	13	518,394	518,394
Share premium		3,848,420	3,848,420
Accumulated losses		(1,157,884)	(654,276)
Total equity		3,208,930	3,712,538
Liabilities			
Current liabilities			
Accruals and other payables		218,151	118,287
Amounts due to a director	12	288,811	288,811
Total current liabilities		506,962	407,098
Total equity and liabilities		3,715,892	4,119,636

The accompanying notes form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 24 January 2020 and signed on its behalf by:

Soon Beng Gee (Nicholas)

Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 October 2019

	Share capital £	Share premium £	Accumulated losses £	Total equity £
On incorporation	152	-	-	152
Total comprehensive loss for the financial period	-	-	(654,276)	(654,276)
Issue of shares during the period	518,242	3,848,420	-	4,366,662
Balance at 31 October 2018	**518,394**	**3,848,420**	**(654,276)**	**3,712,538**
Total comprehensive loss for the financial year	-	-	(503,608)	(503,608)
Balance at 31 October 2019	**518,394**	**3,848,420**	**(1,157,884)**	**3,208,930**

The accompanying notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2019

	Year ended 31 October 2019 £	Period from 11 October 2017 to 31 October 2018 £
Cash flows from operating activities		
Loss before taxation	(503,608)	(654,276)
Adjustment for:-		
Interest income	(19,813)	(18,548)
Loss / (gain) on foreign exchange	35,630	(147,078)
Operating loss before working capital changes	(487,791)	(819,902)
Decrease / (increase) in receivables	3,408	(15,708)
Increase in payables	99,864	118,287
Increase in amount owing to a director (Note 15)	-	288,811
Cash used in operations	(384,519)	(428,512)
Interest received	19,813	18,548
Net cash used in operating activities	(364,706)	(409,964)
Cash flows from financing activities		
Proceeds from issue of ordinary shares	-	4,366,814
Net cash generated from financing activities	-	4,366,814
Net (decrease) / increase in cash and cash equivalents	(364,706)	3,956,850
Cash and cash equivalents at beginning of the period	4,103,928	-
Effect of exchange rates on cash and cash equivalents	(35,630)	147,078
Cash and cash equivalents at end of the period	3,703,592	4,103,928

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

AIQ Limited ("The Company") was incorporated and registered in The Cayman Islands as a private company limited by shares on 11 October 2017 under the Companies Law (as revised) of The Cayman Islands, with the name AIQ Limited, and registered number 327983.

The Company's registered office is located at 5th Floor Genesis Building, Genesis Close, PO Box 446, Cayman Islands, KY1-1106.

The Company has a standard listing on the London Stock Exchange.

2. PRINCIPAL ACTIVITIES

The principal activity of the Company is to seek acquisition opportunities, initially focusing on the e-commerce sector.

3. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

The comparative figures for the Statement of Comprehensive Income are for a period from 11 October 2017 to 31 October 2018 and consequently are not directly comparable.

The Company has adopted all standards and interpretations which became effective during the period, none of which had a significant impact on these financial statements.

IFRSs published but not yet effective

At the date of authorisation of the financial statements, certain new standards, amendments and interpretations to existing standards applicable to the Company have been published but are not yet effective.

The Directors anticipate that the adoption of such IFRSs in future periods, if applicable, will not have a material impact on the financial statements of the Company in the period of initial adoption.

b) Going concern

The Company meets its day-to-day working capital requirements through cash generated from the capital it has raised on admission to the London Stock Exchange and subsequently. It has £3.7 million in cash which is sufficient for its present needs.

Taking its cash position into account, the Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future and for a period of not less than 12 months. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

c) Foreign currency transactions and translation

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction.

The functional currency of the Company is the British Pound Sterling. This is based on the principal currency of expenditure and the Company's equity raise, all being in Sterling. At the end of each

c) Foreign currency transactions and translation (continued)

financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year.

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.

d) Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

e) Financial assets

(i) Initial recognition and measurement

The Company classifies its existing financial assets as financial assets carried at amortised cost. The classification depends on the nature of the assets and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and this designation at every reporting date.

Financial assets carried at amortised cost

Financial assets carried at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than twelve months after the reporting date which are classified as non-current assets. They include cash and bank balances, and a rental deposit.

e) Financial assets (continued)

Subsequent to initial recognition, these assets are measured at amortised cost using the effective interest rate method, less impairment.

Impairment of financial assets is considered using a forward-looking expected credit loss (ECL) review.

(ii) De-recognition

Financial assets are de-recognised when the contractual 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. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

f) Financial liabilities

The Company's financial liabilities include amounts due to a director and other payables and accruals. Financial liabilities are recognised when the Company becomes a party to the contractual provision of the instrument. All financial liabilities are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost, using the effective interest method, unless the effect of discounting would be insignificant, in which case they are stated at cost.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

g) Share capital

Proceeds from issuance of ordinary shares are classified as equity. Amounts in excess of the nominal value of the shares issued is recognised as share premium.

Transaction costs that are directly attributable to the issue of share capital are deducted from share premium.

h) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The Company is incorporated in the Cayman Islands, and its activities are subject to taxation at a rate of 0%. Therefore, the Company's activities are not currently exposed to taxation.

i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

k) Finance income and expense

Finance income comprises interest receivable on funds invested.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method.

l) Earnings per share

Basic earnings per share is computed using the weighted average number of shares outstanding during the period. Diluted earnings per share is computed using the weighted average number of shares during the period plus the dilutive effect of dilutive potential ordinary shares outstanding during the period.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

5. FINANCIAL RISK MANAGEMENT

a) Categories of financial instruments

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

Financial assets:

	As at 31 October 2019	**As at 31 October 2018**
	£	**£**
Rental deposit	12,300	15,708
Cash and cash equivalents	3,703,592	4,103,928
	3,715,89 2	4,119,636

Financial liabilities at amortised cost:

	As at 31 October 2019	**As at 31 October 2018**
	£	**£**
Accruals and other payables	218,151	118,287
Amounts due to a director	288,811	288,811
	506,962	407,098

The financial assets and financial liabilities maturing within the next 12 months approximate their fair values due to the relatively short-term maturity of the financial instruments.

5. FINANCIAL RISK MANAGEMENT (continued)

b) Financial risk management objectives and policies

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

i) Interest rate risks

Certain cash holdings and cash equivalents are held in accounts with variable rates. If interest rates were to increase or decrease by 1%, the effect would be to increase/decrease interest income by approximately £30,000 (2018: £30,000) per annum.

ii) Currency risks

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

At 31 October 2019 the Company had £3,036,744 (2018: £3,095,270) of cash and cash equivalents in a United States Dollar account. At 31 October 2019, had the exchange rate between the Pound Sterling and United States Dollar increased/decreased by 10%, the effect on the result in the period would be a gain of £303,674 (2018: £309,527) / loss of £303,674 (2018: £309,527).

iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit allowances are made for estimated losses that have been incurred by the reporting date. No such amounts have been made to date.

Concentrations of credit risk exist to the extent that the Company's cash balances were all held with RHB Bank Berhad in Singapore.

S&P Global Ratings affirmed on 31 October 2019 the issuer credit ratings of RHB Bank Bhd at BBB+/Stable/A-2, while their ASEAN regional scale ratings were affirmed at "axA+"/"axA-1."

iv) Liquidity risk

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

The Company's financial liabilities are primarily amounts due to a director. The amounts are unsecured, interest-free and repayable on demand. There are no immediate plans for these amounts to be settled.

6. SEGMENT REPORTING

AIQ Limited has no activities at present other than reviewing possible investment opportunities.

7. OPERATING LOSS BEFORE TAXATION

Loss from operations has been arrived at after charging:

	Year ended 31 October 2019	Period from 11 October 2017 to 31 October 2018
	£	£
Auditor's remuneration:		
- Audit of the financial statements	33,000	18,000
- Reporting accountant and transaction services	35,875	52,800
- Other services	3,000	-

Administrative expenses:	Year ended 31 October 2019	Period from 11 October 2017 to 31 October 2018
	£	£
Directors' remuneration	139,000	115,833
Consultancy fees	115,727	-
Office rental	30,104	39,192
Professional fees	41,583	-
Regulatory fees	20,227	19,781
Secretarial fees	28,849	48,092
Pre-incorporation costs	-	16,165
Audit fees	33,000	18,000
Bookkeeping costs	24,000	11,000
Share service fees	15,221	43,081
Other costs	40,080	70,662
	487,791	381,806

8. STAFF COSTS AND KEY MANAGEMENT EMOLUMENTS

Key management emoluments

	Year ended 31 October 2019	Period from 11 October 2018 to 31 October 2018
	£	£

Remuneration	139,000	115,833

8. STAFF COSTS AND KEY MANAGEMENT EMOLUMENTS (continued)

Included within accruals is £154,000 (2018: £70,000), which relates to remuneration of the Executive Directors, who have not yet taken payment for their fees. The Company did not have any employees during the year ended 31 October 2019 or the period ended 31 October 2018.

9. TAXATION

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

10. LOSS PER SHARE

The Company presents basic and diluted loss per share information for its ordinary shares. Basic loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue during the reporting period. Diluted earnings per share are determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

There is no difference between the basic and diluted earnings per share, as the Company has no potential ordinary shares.

	Year ended 31 October 2019	**Period from 11 October 2017 to 31 October 2018**
Loss attributable to ordinary shareholders (£)	(503,608)	(654,276)
Weighted average number of shares	51,839,375	41,007,680
Loss per share (expressed as £ per share)	(0.010)	(0.016)

11. CASH AND CASH EQUIVALENTS

	31 October 2019 £	**31 October 2018 £**
Cash at bank	3,703,592	4,103,928

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

12. AMOUNTS DUE TO A DIRECTOR

	31 October 2019 £	**31 October 2018 £**
Amounts due to a director	288,811	288,811

The amounts due to a director are unsecured, interest free and repayable on demand. The balance arose from administrative expenses and transaction costs settled by the director on behalf of the Company in the period ended 31 October 2018, prior to the Company's bank account being opened.

13. SHARE CAPITAL

	Number	Nominal value £
Authorised		
Ordinary shares of £0.01 each	**800,000,000**	**8,000,000**
Issued and fully paid		
On incorporation – 200 shares of US$1.00 each	**200**	**152**
Subdivided share capital into £0.01 each	**15,160**	**152**
Issue of shares in the period ended 31 October 2018	**51,824,215**	**518,242**
At 31 October 2018 and 31 October 2019	**51,839,375**	**518,394**

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

The transaction costs expensed in the period ended 31 October 2018 related to the costs of admission to the Official List of the London Stock Exchange. These principally involved the listing of shares already issued; hence the costs were not directly related to the issue of equity instruments.

14. LEASE COMMITMENTS

As at the reporting date, the Company had commitments for future minimum lease payments under non-cancellable operating leases as follows:

	As at 31 October 2019 £	As at 31 October 2018 £
Within one year	-	10,008
	-	10,008
Amount recognised in profit or loss:		
Lease expenses	30,014	39,912

These lease commitments related to the lease of the Company's office which was terminated in the year.

15. NOTE TO THE STATEMENT OF CASH FLOWS

Reconciliation of amounts due to a director

	Director's loan £
Balance at 11 October 2017	-
Settlement of payables on behalf of the Company (note 12)	288,811
Balance at 31 October 2018 and 31 October 2019	**288,811**

16. SUBSEQUENT EVENTS

There are no events subsequent to the year-end that require disclosure in these financial statements.

17. CAPITAL MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the balance between debt and equity.

The capital structure of the Company as at 31 October 2019 consisted of Ordinary Shares and equity attributable to the shareholders of the Company, totalling £3,208,930 (2018: £3,712,538) (disclosed in the statement of changes in equity).

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

18. RELATED PARTY TRANSACTIONS

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

A total £21,000 (2018: £15,000) was paid during the year to Luther Pendragon Limited for financial PR services, a company in which Harry Chathli is a director and shareholder.

As at 31 October 2019, there is a balance due to a director of £288,811 (2018: £288,811) (see Note 12).

19. ULTIMATE CONTROLLING PARTY

As at 31 October 2019, no one entity owns greater than 50% of the issued share capital. Therefore, the Company does not have an ultimate controlling party.

COMPANY INFORMATION

Directors	Graham Duncan, Independent Non-Executive Chairman Soon Beng Gee (Nicholas), Executive Director Lee Chong Liang (Marcus), Executive Director Harry Chathli, Independent Non-Executive Director
Company Secretary	MSP Secretaries Limited 27/28 Eastcastle Street London W1W 8DH United Kingdom
Registered office of the Company	Genesis Building, 5th Floor Genesis Close, PO Box 446 Cayman Islands, KY1-1106
Financial Adviser and Broker	VSA Capital Limited New Liverpool House 15-17 Eldon Street London EC2M 7LD
English Legal Advisers to the Company	Stephenson Harwood LLP 18/F United Centre 95 Queensway Hong Kong
Cayman Islands Legal Adviser to the Company	Conyers Dill & Pearman Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Auditors	BDO LLP 55 Baker Street London W1U 7EU
Registrars	Computershare Investor Services (Cayman) Limited The R&H Trust Co. Ltd. Winward 1, Regatta Office Park West Bay Road Grand Cayman KY1-1103 Cayman Island
Principal Bankers	RHB Bank Berhad 90 Cecil Street #01-00 Singapore 069531
Financial PR	Luther Pendragon 48 Gracechurch Street London EC3V 0EJ
Company Website	www.aiqhub.com