

25 September 2019

**Starcrest Education The Belt & Road Limited**  
("Starcrest" or the "Company" or the "Group")

**Interim Results for the six months to 30 June 2019**

Starcrest Education The Belt & Road Limited (LSE: OBOR), the international developer and operator of education services in Europe, is pleased to announce its unaudited results for the six months to 30 June 2019.

**Highlights**

- Raised equity finance of approximately £4.1 million (net proceeds of approximately £3.6 million) via a Subscription
- Successful admission to trading on the London Stock Exchange's Main Market on 31 January 2019

**Post-period Highlights**

- On 17 September 2019, the Company signed non-legally binding heads of terms ("Heads of Terms") to acquire sixty per cent. of the issued share capital of The London School of Science and Technology Limited

**John McLean OBE, Non-Executive Chairman, commented:**

"We are pleased to announce Starcrest's interim results for the six months to 30 June 2019 since the Company's successful admission to the London Stock Exchange's Main Market on 31 January 2019.

Upon admission, Starcrest aimed to identify a suitable acquisition target as per the Company's search criteria. We are delighted to confirm that we have identified a suitable candidate which presents a valuable opportunity for Starcrest.

The Company announced its intention to join the Quoted Companies Alliance (QCA) in April 2019 and membership is now confirmed. Starcrest is also proud to continue its support in sponsoring the UK-China Charity Initiative launched by The Lord Mayor's Appeal (LMA) and China Chamber of Commerce in the UK (CCCUK) to raise funds for the LMA's charities in the UK (50%) and CCCUK poverty alleviation projects in China (50%).

We look forward to updating the market on our progress and the Proposed Transaction in due course."

**- Ends -**

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**Notes to editors:**

Starcrest is an international developer and operator of education services in Europe. The newly formed entity has been established to seek acquisition opportunities in the international education sector.

The Company intends to capture opportunities arising from the 'One Belt, One Road' ("OBOR") initiative, a foreign policy and economic strategy of the Chinese Government. The term derives from the Silk Road, the ancient trade route, and encompasses the overland 'Silk Road Economic Belt' and the '21st-Century Maritime Silk Road,' concepts introduced by Chinese President Mr Xi Jinping in 2013. These are the two major axes along which China proposes to economically link Europe to China through countries across Eurasia and the Indian Ocean. The OBOR initiative also links to Africa and Oceania.

Starcrest listed on the Main Market of the London Stock Exchange on 31 January 2019 under the ticker symbol (LSE: OBOR). Further information can be found on the Company's website at <https://www.starcresteducation.com>

**Chairman's Statement****Introduction**

I am very pleased to report the Company's interim results for the period ended 30 June 2019.

Starcrest's strategic objective, as announced upon admission to trading on the London Stock Exchange's Main Market in January 2019 and reiterated at the Company's final results on 29 April 2019, has been to provide innovative solutions that add value to students, employees and the wider society in One Belt One Road (OBOR) countries.

Utilising the Board's considerable contacts and experience across the education sector and in capital markets, we have been proactively seeking relevant acquisition opportunities that fit with the Company's search criteria and that offer attractive growth potential. As a result, on 18 September 2019, Starcrest was pleased to announce the signing of the non-legally binding Heads of Terms to acquire sixty per cent. of the issued share capital of The London School of Science and Technology Limited (the "Target").

Under the Heads of Terms, the Company has also agreed to a put option, subject to the satisfaction of certain conditions, to require it to purchase the remaining forty per cent. shareholding in the Target following completion of the Proposed Transaction. Although the consideration for the Proposed Transaction has yet to be determined, the Company will need to undertake a fundraise to satisfy it. The potential acquisition of the Target is subject to, amongst other things, legal and financial due diligence, therefore the Company is unable to provide further information at this early stage about the terms of the Proposed Transaction. If the Proposed Transaction is successful, it will amount to a reverse takeover under the Listing Rules.

We believe that the Target provides a valuable opportunity for Starcrest and its shareholders.

Following our announcement in April 2019 that the Company was in the process of joining the Quoted Companies Alliance (QCA), the independent membership organisation that champions the interests of small to mid-size quoted companies, we are pleased to confirm that Starcrest is now a member.

Starcrest is also proud to continue its support in sponsoring the UK-China Charity Initiative launched by The Lord Mayor's Appeal (LMA) and China Chamber of Commerce in the UK (CCCUK) to raise funds for the LMA's charities in the UK (50%) and CCCUK poverty alleviation projects in China (50%).

## **Results**

Further to the initial fund raise, as of 30 June 2019, the Group had cash balances of £3,435,902. Loss before tax for the period ended 30 June 2019 was £438,563.

The majority of the losses reported in this period, representing approximately £300,000, are attributed to professional fees and associated costs relating to the listing on 31 January 2019 and the search for acquisition targets. The remaining expenditure related to Directors fees, administration and other costs.

## **Summary and Outlook**

We believe that Starcrest is entering an exciting period as the Company focuses on its strategy to capitalise on the enormous potential of the Chinese education sector and the opportunities arising from China's OBOR initiative.

The Company will continue to seek acquisition targets across Europe, which will add value and support the strategy. In the interim, Starcrest's focus will be on completing the acquisition of our identified Target. The Directors look forward to updating the market with our overall progress.

**John McLean OBE**  
**Non-Executive Chairman**

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Note	6 months ended 30/06/2019 Unaudited £	23/05/2018 to 30/06/2018 Unaudited £
Administrative expenses		(436,963)	(148,587)
<b>Operating loss</b>	10	<u>(436,963)</u>	<u>(148,587)</u>
Finance income		-	-
Finance costs		(1,600)	-
<b>Loss before taxation</b>		<u>(438,563)</u>	<u>(148,587)</u>
Income tax expense		-	-
<b>Loss for the period</b>		<u>(438,563)</u>	<u>(148,587)</u>
Loss per share – basic and diluted (pence per share)	12	2.44	1,485.87

## CONDENSED STATEMENT OF FINANCIAL POSITION

	Note	As at 30/06/2019 Unaudited £	As at 31/12/2018 £
<b>Non-current assets</b>			
Right-of-use assets		84,330	-
<b>Total non-current assets</b>		<u>84,330</u>	<u>-</u>
<b>Current assets</b>			
Cash and cash equivalents	13	3,435,902	4,020,320
<b>Total current assets</b>		<u>3,435,902</u>	<u>4,020,320</u>
<b>Total assets</b>		<u>3,520,232</u>	<u>4,020,320</u>
<b>Equity and liabilities</b>			
<b>Capital and reserves attributable to owners of the company</b>			
Ordinary shares	14	215,600	8,000
Share premium	15	3,454,364	-
Other reserves		-	3,773,141
Retained earnings		(628,261)	(189,698)
<b>Total equity</b>		<u>3,041,703</u>	<u>3,591,443</u>
<b>Current liabilities</b>			
Trade and other payables		417,760	428,877
Lease liabilities		60,769	-
<b>Total current liabilities</b>		<u>478,529</u>	<u>428,877</u>
<b>Total equity and liabilities</b>		<u>3,520,232</u>	<u>4,020,320</u>

**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2019**

	Note	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
<b>Balance at 1 January 2019</b>		8,000	-	3,773,141	(189,698)	3,591,443
Proceeds from shares issued	14	207,600	-	(207,600)	-	-
Transferred from other reserves to share premium		-	3,565,541	(3,565,541)	-	-
Transaction costs deducted from equity	15	-	(111,177)	-	-	(111,177)
Total comprehensive income for the financial period		-	-	-	(438,563)	(438,563)
<b>Balance at 30 June 2019 (Unaudited)</b>		<b>215,600</b>	<b>3,454,364</b>	<b>-</b>	<b>(628,261)</b>	<b>3,041,703</b>

**FOR THE PERIOD ENDED 30 JUNE 2018**

	Share capital £	Share premium £	Other reserves £	Retained earnings £	Total equity £
Issue of shares on incorporation on 23 May 2018	7,519	-	-	-	7,519
Total comprehensive income for the financial period	-	-	-	(148,587)	(148,587)
<b>Balance at 30 June 2018 (Unaudited)</b>	<b>7,519</b>	<b>-</b>	<b>-</b>	<b>(148,587)</b>	<b>(141,068)</b>

## CONDENSED STATEMENT OF CASH FLOWS

	<b>30/06/2019</b>	<b>23/05/2018 to</b>
	<b>Unaudited</b>	<b>30/06/2018</b>
	<b>£</b>	<b>Unaudited</b>
		<b>£</b>
<b>Cash flows from operating activities</b>		
Operating loss	(438,563)	(148,587)
Depreciation	34,865	-
Interest paid on lease liabilities	1,600	-
Increase/(decrease) in payables	(11,337)	148,587
<b>Net cash generated from operating activities</b>	<u>(413,435)</u>	<u>-</u>
<b>Cash flows from financing activities and in condensed interim report</b>		
Transaction costs deducted from equity	(111,177)	-
Principal paid on lease liabilities	(58,206)	-
Interest paid on lease liabilities	(1,600)	-
<b>Net cash used in financing activities</b>	<u>(170,983)</u>	<u>-</u>
<b>Net decrease in cash, cash equivalents and bank overdrafts</b>	<b>(584,418)</b>	-
Cash, cash equivalents and bank overdrafts at beginning of the year	4,020,320	-
<b>Cash, cash equivalents and bank overdrafts at end of the period</b>	<u><u>3,435,902</u></u>	<u>-</u>

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

Starcrest Education The Belt & Road Limited (“the Company”) was incorporated and registered in the Cayman Islands as a private company limited by shares on 23 May 2018 under the Companies Law (as revised) of The Cayman Islands, with the name Starcrest Education The Belt & Road Limited, and registered number 337619.

The Company’s registered office is located at Cricket Square, Hutchins Drive PO Box 2681, Grand Cayman KY1- 1111, Cayman Islands.

### 2. PRINCIPAL ACTIVITIES

The principal activity of the Company is to seek education related acquisition opportunities in Europe.

### 3. RECENT ACCOUNTING PRONOUNCEMENT

#### a) New interpretations and revised standards effective for the period ended 30 June 2019

The Company has applied the same accounting policies and methods of computation in its interim financial statements as in its 2018 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on (or after) 1 January 2019, and will be adopted in the 2019 annual financial statements. New standards impacting the Company that will be adopted in the annual financial statements for the year ended 31 December 2019, and which have given rise to changes in the Company’s accounting policies are:

- IFRS 16 Leases

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

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

On adoption of IFRS 16, the Company recognised right-of-use assets and lease liabilities in relation to leases of office space, which started during the period.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Company’s incremental borrowing rate as at 1 January 2019. The Company’s incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 4.5%.

#### b) Standards and interpretations in issue but not yet effective

There are a number of standards and interpretations which have been issued by the International Accounting Standards Board that are effective for periods beginning subsequent to 31 December 2019 (the date on which the company’s next annual financial statements will be prepared up to) that the Company has decided not to adopt early. The Directors do not believe these standards and interpretations will have a material impact on the financial statements once adopted.



#### **4. BASIS OF PREPARATION**

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union and prepared under the historic cost convention. The comparative figures as at 31 December 2018 have been extracted from the Company's Financial Statements for that financial year, but do not constitute these accounts.

The Company's functional currency is USD. The Company listed its shares on the Main market of the London Stock Exchange on 31 January 2019 (See Note 14). The directors have decided to present the financial information in Pounds Sterling (£), which is the Company's presentation currency, as the Company is listed in the UK.

#### **5. SIGNIFICANT ACCOUNTING POLICIES**

##### **5.1 Foreign currency translation**

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise.

##### **5.2 Financial instruments**

A financial asset or a financial liability is recognised only when the Company becomes a party to the contractual provisions of the instrument.

Financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar instrument.

###### **Financial assets**

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned and are initially measured at fair value.

Financial assets are subsequently classified into the following specified categories: Financial assets measured at fair value through profit and loss (FVTPL), Financial assets measured at amortised cost and Financial assets measured at fair value through other comprehensive income (FVOCI).

###### **Financial liabilities**

Financial liabilities are initially recognised at fair value. Subsequent to initial recognition, they are recorded at amortised cost.

##### **5.3 Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares or options in relation to ordinary shares are shown in equity as a deduction, net of taxation, from the proceeds.

#### **5.4 Cash and cash equivalents**

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

#### **5.5 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 year.

### **6. ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

The Directors have applied judgement in determining the appropriate split of professional costs incurred in connection with the listing between profit or loss and equity. The Directors have made this assessment based on the proportion of shares in issue before and after the listing.

### **7. FINANCIAL RISK MANAGEMENT**

The Company has exposure to the liquidity risk, foreign currency risk and capital risks from its use of financial instruments. Credit, interest rate and market risks are not considered to be material to the Company. The Company is not subject to any externally imposed capital requirements. The Company's financial instruments consist mainly of accounts receivable and payable.

#### ***a) 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 comprise amounts due to the parent company and accruals. The Company's financial assets comprise cash and cash equivalents

#### ***b) Foreign currency risk***

The Company's operations expose it primarily to the financial risks of variations in foreign currency exchange rates. The Company undertakes transactions denominated in currencies which are different to its presentation currency. Consequently, the Company's financial performance is affected by exchange rate fluctuations.

The carrying amounts of the balances and transactions denominated in a currency other than the Company's presentation currency at the reporting date were as follows:

2019	£	RMB
Cash at bank	3,435,902	-
Amounts due to the parent company	-	(171,770)
<b>Total</b>	<b>3,435,902</b>	<b>(171,770)</b>

A ten percent strengthening of GBP (£) against the following currencies at 30 June would have (decreased)/increased reported equity and profit or loss by the following amounts:

	2019	
	Profit or (loss)	Equity
USD	(312,355)	(312,355)
RMB	15,615	15,615

A ten percent weakening of GBP (£) against the following currencies at 30 June would have (decreased)/increased reported equity and profit or loss by the following amounts:

	2019	
	Profit or (loss)	Equity
USD	381,767	381,767
RMB	(19,086)	(19,086)

### ***c) Credit risk***

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

The Company's cash balances were all held with Oversea-Chinese Banking Corporation Limited (OCBC). Per Standard & Poor's, the Short Term Foreign / Local Currency Deposit Rating is A-1+.

## **8. CAPITAL MANAGEMENT**

The Company actively manages the capital available to fund the Company, comprising equity and reserves. The Company's objectives when maintaining capital is to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders.

## 9. SEGMENT REPORTING

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

## 10. OPERATING LOSS

The operating loss is stated after (crediting)/charging:

	<b>6 months ended 30 June 2019 £</b>	<b>23/05/2018 to 30/06/2018 £</b>
Foreign exchange (gains)/losses	(1,824)	272

## 11. TAXATION

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

## 12. EARNINGS PER SHARE

The Company presents basic and diluted earnings per ordinary share information for its ordinary shares. Basic earnings 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.

There is no difference between the basic and diluted loss per share.

	<b>6 months ended 30/06/2019</b>	<b>23/05/2018 to 30/06/2018</b>
Loss attributable to ordinary shareholders	438,563	148,587
Weighted average number of shares	18,004,420	10,000
<b>Losses per share (expressed as pence per share)</b>	<b>2.44</b>	<b>1,485.87</b>

### 13. CASH AND CASH EQUIVALENTS

	30/06/2019	31/12/2018
	£	£
Cash at bank equivalents	3,435,902	4,020,320

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

### 14. SHARE CAPITAL

	Number of shares	Nominal value £
<b>Authorised</b>		
Ordinary shares of GBP 0.01 each	1,000,000,000	10,000,000
<b>Issued and fully paid</b>		
Issue of ordinary shares of £0.01 each	21,560,000	215,600
As at 30 June 2019	<u>21,560,000</u>	<u>215,600</u>

On incorporation, the Company had an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of a par value of US\$1.00 each.

On 18 December 2018 the Company repurchased and cancelled the issued ordinary share capital of US\$10,000 of US\$1 each. Separately, the Company's authorised share capital became 1,000,000,000 ordinary shares of £0.01 each. On the same date the Company issued 800,000 ordinary shares at nominal value.

On 31 January 2019, a total of 20,760,000 ordinary shares of nominal value £0.01 each were issued by way of placing at a price of £0.20 per share on the London Stock Exchange.

### 15. SHARE PREMIUM

Transaction costs of £111,177 from the period ended 30 June 2019 and £291,222 for the period from 23 May 2018 to 31 December 2018 have been deducted from equity. These costs are incremental and directly attributable to the issue of shares.

The remaining balance of £3,454,364 is recognised as share premium after the issue of the new shares on 31 January 2019.

### 16. RELATED PARTY TRANSACTIONS

On 23 May 2018, the Company issued 10,000 ordinary shares at par value of US\$1 each to Mr Xingcheng Zhu, who is also a Company director. On 18 December, the Company repurchased and cancelled these 10,000 ordinary shares and issued 800,000 ordinary shares of £0.01 each to Starcrest Education Management Company Ltd, a company registered in China and controlled by Mr Zhu, (See Note 14).

As at 30 June 2019, an amount of £212,310 (31 December 2018: £249,451) was owed to Starcrest Education Management Company Ltd, the parent company. This amount mainly arose from business expenses paid on behalf of the Company by the parent company.

## **17. ULTIMATE CONTROLLING PARTY**

The immediate parent company is Starcrest Education Management Company Ltd. The ultimate parent company is Shenzhen Xing Chen Investment Holdings Limited. The ultimate controlling party is Mr Xingchen Zhu, who is also a director of the Company.