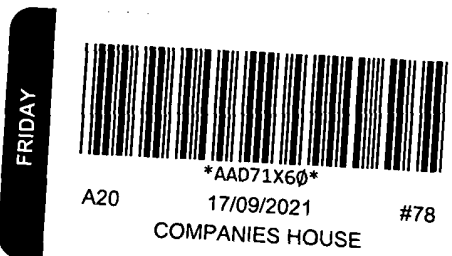


HARVEST GLOBAL INVESTMENTS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Company no. 09200457



HARVEST GLOBAL INVESTMENTS (UK) LIMITED

CONTENTS

	Page
Company information	1
Strategic report	2 - 3
Report of the directors	4 - 5
Independent auditors' report	6 - 8
Statement of comprehensive income	9
Statement of financial position	10
Statement of cash flows	11
Statement of changes in equity	12
Notes to the financial statements	13 - 26
Appendix to the accounts: Pillar 3 Disclosure and Policy	27 - 32

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

COMPANY INFORMATION

Directors Ashley Robert William Dale (resigned 24 May 2020)
Lingfei Lu (appointed 8 December 2020)
Darren Anstee
Kerry Wai Ling Chow

Registered office 6th Floor
130 Jermyn Street
London
England
SW1Y 4UR

Registered number 09200457

Independent auditors Rees Pollock
16 Great Queen Street, Covent Garden
London
WC2B 5AH

Bankers HSBC Bank Plc
8 Canada Square,
London
E14 5HQ

Accountants Wheelhouse Advisors Limited
6th Floor
130 Jermyn Street
London
England
SW1Y 4UR

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

STRATEGIC REPORT

The directors present their strategic report of Harvest Global Investments (UK) Limited (the "Company") a private company limited by shares and incorporated and domiciled in England for the year ended 31 December 2020.

Principal activities and review of the business

The Company is authorised and regulated by the Financial Conduct Authority. Its principal activity is to provide investment management services to its clients. There have been no significant changes or developments to the business during the year.

Key performance indicators ("KPIs")

The key financial highlights, as set out in the audited financial statements are as follows:

	Year ended 31 December 2020
	£
Revenue	64,119
Loss before tax	(937,412)
Total equity	1,045,735

Given the straight forward nature of the business the directors are of the opinion that further analysis using non-financial KPIs is not necessary for the understanding of the development, performance or position of the business.

Principal risks and uncertainties

Market and reputation risks are the principal risks faced by the Company. A general market downturn leading to loss in investor confidence, or damage to the Company's reputation, most likely to result from poor investment performance, may lead to reduced revenues and a fall in assets under management ("AUM"). An additional market risk is in relation to foreign exchange fluctuations on non-Sterling fees due to it between the date of recognition of fee income in its accounting books and records and the receipt of such fees and on balances held in non-Sterling bank accounts. The directors formally review risks of the Company and establish appropriate procedures and controls to monitor and mitigate them. The company has a robust business continuity program and this has not affected the company's operations during the Coronavirus global pandemic.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

STRATEGIC REPORT (continued)

Future prospects and going concern

The directors expect that the Company will reduce its losses over the forthcoming financial year as they continue to grow the business by marketing their services and increasing their client base and current AUM.

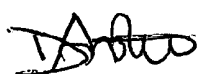
At this time, there remains the much publicised concerns about the risk of the Coronavirus global pandemic and further impact to global supply chains, global growth and employee availability. The Company could be adversely impacted by falls in equity market levels, adverse investor sentiment affecting Assets under management and increased operational risks should employment availability be badly affected. The length and severity of the impact remains unclear but the Company would not expect these to adversely change the underlying medium to long-term prospects of the business.

The Company is dependent upon the on-going financial support from Harvest Global Investments Limited. Through this support the Directors believe that the Company has access to sufficient liquid resources to continue operations for the foreseeable future. The foreseeable future is a period which is no less than 12 months following the date of signing these financial statements. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and finance statement.

Promoting the success of the Company

The directors consider stakeholder engagement when performing their duty under Companies Act 2006 (the "Act"), Section 172. The directors interpret the range of matters falling in Section 172 to be broader than stakeholder relations. The board processes and activities are discussed; they are designed to foster an inclusive and collegial environment in order to allow purpose, culture and values to develop. The board acknowledges the General Counsels of FTSE 100 companies ("GC100") in this respect to carrying out duties related to Strategy, Training, Information, Policies and Engagement. Opportunities and risks to the future success of the business have been and are considered by the board. These considerations include but are not limited to: consequences of strategy, interests of employees, business relationships with suppliers, business relationships with customers, other stakeholders, impact of the Company on the environment and community, reputation of the Company, business standards, codes of conduct, transparency and fairness.

On behalf of the board



Darren Anstee
Director

26th April 2021

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

REPORT OF THE DIRECTORS (continued)

The directors present their report and the audited financial statements of the Company for the year to 31 December 2020.

Results

The results for the year are set out on page 9.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

Kerry Wai Ling Chow

Darren Charles Anstee

Lingfei Lu

(appointed 8 December 2020)

Ashley Robert William Dale

(resigned 24 May 2020)

Post balance sheet events

No matters or circumstances have arisen since the end of the year which significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in financial years subsequent to the financial year ended 31 December 2020.

Future developments

Future developments of the Company have been presented in the Strategic Report.

Dividend

The directors do not propose a dividend for the year (2019: nil).

Pillar 3 and UK Stewardship code

Details of the Company's unaudited Pillar 3 disclosures, required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") and details of the Company's position in respect of the UK Stewardship Code, required under rule 2.2.3R of the Financial Conduct Authority's Conduct of Business Sourcebook are attached in an appendix to these accounts. These disclosures are unaudited.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

REPORT OF THE DIRECTORS (continued)

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors understand they should also act in a manner of promoting the success of the Company in pursuit of Section 172 of the Act as discussed in Strategic Report.

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 and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

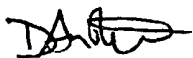
Financial Risk Management

Financial risks and the management of these have been set out in note 4.

Independent auditors

Rees Pollock have been appointed as independent auditors and a resolution concerning the appointment was passed at the Annual General Meeting.

On behalf of the board



Darren Anstee
Director

26 APRIL 2021

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HARVEST GLOBAL INVESTMENTS (UK) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020**

Opinion

We have audited the financial statements of Harvest Global Investments (UK) Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation 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 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HARVEST GOLBAL INVESTMENTS (UK) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 4, 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.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Company's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act 2006, the Financial Services and Markets Act 2000 and applicable tax legislation.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
HARVEST GOLBAL INVESTMENTS (UK) LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Company for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

Another focus area was non-compliance with the rules of the Financial Conduct Authority ('the FCA'). The Company was authorised and regulated by the FCA throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the Company and the FCA; performing analytical review to detect receipts of client money and remaining alert to the possibility of accidental receipt of client monies; and discussion of regulatory matters with the appointed officers of the Company.

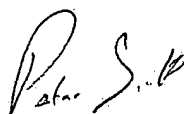
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditors' report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Scott (Senior Statutory Auditor)
for and on behalf of
Rees Pollock
Chartered Accountants, Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

26 April 2021

HARVEST GLOBAL INVESTMENTS (UK) LIMITED**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 DECEMBER 2020**

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Revenue	5	64,119	64,355
Administrative expenses		<u>(1,001,531)</u>	<u>(1,518,488)</u>
Operating loss	6	(937,412)	(1,454,133)
Finance result		<u>-</u>	<u>-</u>
Loss before tax		(937,412)	(1,454,133)
Tax expense	9	<u>-</u>	<u>-</u>
Loss for the financial year		<u>(937,412)</u>	<u>(1,454,133)</u>
Other comprehensive income for the year net of tax		-	-
Total comprehensive expense		<u>(937,412)</u>	<u>(1,454,133)</u>

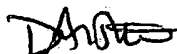
All of the above results of the Company arose from continuing operations.

The notes on pages 13 to 26 form part of these financial statements.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
Assets			
Property, plant and equipment	11	<u>6,155</u>	<u>10,763</u>
Current assets			
Trade and other receivables	12	672,293	655,968
Cash and cash equivalents	4	<u>853,353</u>	<u>810,298</u>
Total current assets		1,525,646	1,466,266
Liabilities			
Current liabilities			
Trade and other payables	13	<u>(486,066)</u>	<u>(493,882)</u>
Net current assets		<u>1,039,580</u>	<u>972,384</u>
Total assets less total liabilities		<u>1,045,735</u>	<u>983,147</u>
Capital and reserves			
Called up share capital	14	7,800,001	6,800,001
Accumulated losses	15	<u>(6,754,266)</u>	<u>(5,816,854)</u>
Total equity		<u>1,045,735</u>	<u>983,147</u>

The financial statements on pages 9 to 12 were approved by the board of directors on
26 APRIL 2021 and signed on its behalf by:



Darren Anstee
Director
Company no. 09200457

The notes on pages 13 to 26 form part of these financial statements.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED**STATEMENT OF CASH FLOWS FOR THE YEAR TO 31 DECEMBER 2020**

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Cash flows from operating activities		
Loss for the financial year	(937,412)	(1,454,133)
<i>Adjustments for</i>		
Depreciation of property, plant and equipment	4,608	3,918
(Increase) in trade and other receivables	(16,325)	(94,436)
Increase in trade and other payables	(7,816)	27,325
Net cash used in operations	(956,945)	(1,517,326)
Investing activities		
Capital expenditure	-	(11,411)
Purchase of property, plant and equipment	-	-
Net cash used in investing activities	-	(11,411)
Financing activities		
Issue of ordinary shares	1,000,000	500,000
Net cash generated from financing activities	1,000,000	500,000
Net increase/(decrease) in cash and cash equivalents	43,055	(1,028,737)
Cash and cash equivalents beginning of year	810,298	1,839,035
Cash and cash equivalents at end of year	853,353	810,298

The notes on pages 13 to 26 form part of these financial statements.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR TO 31 DECEMBER 2020**

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 January 2019	6,300,001	(4,362,721)	1,937,280
Comprehensive expense for the year			
Loss for the financial year	-	(1,454,133)	(1,454,133)
Total comprehensive expense	-	(1,454,133)	(1,454,133)
Contributions			
Issue of share capital	500,000	-	500,000
Total contributions	500,000	-	500,000
Balance as at 31 December 2019	6,800,001	(5,816,854)	983,147
Balance at 1 January 2020	6,800,001	(5,816,854)	983,147
Comprehensive expense for the year			
Loss for the financial year	-	(937,412)	(937,412)
Total comprehensive expense	-	(937,412)	(952,349)
Contributions			
Issue of share capital	1,000,000	-	1,000,000
Total contributions	1,000,000	-	1,000,000
Balance as at 31 December 2020	7,800,001	(6,754,266)	1,045,735

The notes on pages 13 to 26 form part of these financial statements.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020

1. BASIS OF PREPARATION

The principal accounting policies adopted in the preparation of the financial statements are set out in note 2. The comparative numbers in the financial statements cover the year 1 January 2019 to 31 December 2019.

The Company is incorporated and domiciled in the United Kingdom.

The financial statements are presented in the Company's functional currency, Pound Sterling.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and Interpretations issued by the IFRS Interpretations Committee (IFRS IC) and the Companies Act 2006 as applicable to companies using IFRS.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed in note 2.

Basis of measurement

The financial statements have been prepared on a historical cost basis.

Going concern

The directors expect that the Company will continue to make a loss over the forthcoming financial year as they continue to grow the business by marketing the Company's investment products and advisory services. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities.

As part of a larger group the Company has at its disposal considerable financial resources and as a consequence, the directors believe that the Company is well placed to manage its business risks. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Impact of new accounting standards

This note details new standards, amendments and improvements to IFRS effective for the first time for periods beginning on or after 1 January 2020; and ii) forthcoming new standards or amendments issued and effective for periods beginning on or after 1 January 2021.

i) New standards, amendments and improvements to IFRS

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2020:

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Definition of Material)
- IFRS 3 Business Combinations (Amendment – Definition of Business)
- Revised Conceptual Framework for Financial Reporting

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IAS 1 will have a significant impact on the classification of its liabilities.

1) Forthcoming requirements

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The following amendments are effective for the period beginning 1 January 2021:

On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17, 'Insurance contracts'. IFRS 17 replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. Impact Scope IFRS 17 applies to insurance contracts issued, to all reinsurance contracts and to investment contracts with discretionary participating features if an entity also issues insurance contracts. For fixed-fee service contracts whose primary purpose is the provision of services, entities have an accounting policy choice to account for them in accordance with either IFRS 17 or IFRS 15. Similar to the position under IFRS 4, financial guarantee contracts are allowed to be within the scope of IFRS 17 if the entity previously asserted explicitly that it regarded them as insurance contracts. Insurance contracts (other than reinsurance) where the entity is a policyholder are not within the scope of IFRS 17. Embedded derivatives and distinct investment and service components should be 'unbundled' and accounted for separately in accordance with the related IFRSs. Voluntary unbundling of other components is prohibited.

The Company is currently assessing the impact of these new accounting standards and amendments. The Company does not believe that the amendments to IFRS 17 will have a significant impact.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)

2. ACCOUNTING POLICIES

Revenue

Revenue represents fees receivable from the supply of investment management services. These are recognised net of Value Added Tax and are recognised as services are provided and it is probable that the fee will be collected.

Functional and presentational currency

Items included in the financial statements of the Company are measured in Pounds Sterling, being the currency of the primary economic environment in which the Company operates (the functional currency).

Transactions and balances

Foreign currency transactions are transactions denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the relevant transactions.

Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date.

Non-monetary items measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial recognition. Non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses arising from the settlement of foreign currency transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income or expense (page 8).

Financial assets

The Company classifies all financial assets as financial assets at amortised cost. The asset is measured at the amount recognised at initial recognition less principal repayments and any loss allowance. Interest income is calculated using the effective interest method and is recognised in the comprehensive income statement.

Expected credit losses are determined based on either the expected losses that will be incurred in the next 12 months where there has not been a significant increase in credit risk; and for the life of the receivable where there has been a significant increase in credit risk. Losses are estimated based on expected cash flows discounted at the effective interest rate.

Financial liabilities

All financial liabilities are trade payables and other short-term monetary liabilities, which are initially recognised and subsequently carried at amortised cost.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)

2. ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks only and are outstanding for less than 90 days.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company ordinary shares are classified as equity instruments.

Leased assets

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The Company has elected not to recognise a right-of-use asset and lease liability for the short term lease of office space that has a lease term of 12 months or less.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

Deferred taxation

Deferred tax is accounted for on an undiscounted basis at expected tax rates on all timing differences that have originated but not reversed at the balance sheet date where transactions and events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. A deferred tax asset is only recognised where it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the reversal of timing differences can be deducted.

Dividends

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when declared by the directors.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)

2. ACCOUNTING POLICIES (continued)

Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The only externally imposed capital requirements are solvency tests computed in accordance with the rules set down by the regulator, the Financial Conduct Authority (FCA). Throughout the year the Company held capital resources in excess of the amount. In order to ensure continued compliance the capital resources are monitored each month and in the event that insufficient capital resources are projected corrective action is taken. Capital resources managed by the entity are shown under equity in the statement of financial position.

Property, plant and equipment

Property, plant and equipment is initially recorded at cost and depreciated so as to write off the cost of each asset over its estimated useful life. Costs include those costs which are directly attributable to bringing the asset into working condition for its intended use.

Where events or changes in circumstances indicate that the carrying amount of fixed assets may not be recoverable, the assets will be written down to their recoverable amount.

Depreciation is provided to write off the cost, less estimated residual values, of all property, plant and equipment, over their estimated useful lives. It is calculated on a straight-line basis over the following period:

Computer equipment - 3 years

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company's financial statements and its financial results are influenced by accounting policies, assumptions, estimates and management's judgement, which necessarily have to be made in the course of preparation of the financial statements.

The Company determines estimates and assumptions that affect the reported amounts of assets and liabilities for the next financial year. All estimates and assumptions required in conformity with IFRS are best estimates undertaken in accordance with the applicable standard.

Estimates and judgements are evaluated on a continuous basis, and are based on past experience and other factors, including expectations with regard to future events. The application of accounting policies and management's judgements for certain items are especially critical for the Company's results and financial situation due to their materiality. No estimates are considered critical in the preparation of these financial statements.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT

The group is exposed through its operations to the following financial risks:

1. Credit risk
2. Foreign exchange risk
3. Market risk
4. Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

(i) Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

5. Trade and other receivables
6. Cash and cash equivalents
7. Trade and other payables

(ii) Financial instruments by category

Financial assets

	2020	2019
	£	£
Cash and cash equivalents	853,353	810,298
Trade and other receivables	672,293	655,968
<i>Total financial assets</i>	<u>1,525,646</u>	<u>1,466,266</u>

Financial liabilities

	2020	2019
	£	£
Trade and other payables	486,066	493,882
<i>Total financial liabilities</i>	<u>486,066</u>	<u>493,882</u>

(iii) Financial instruments not measured at fair value

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (continued)

General objectives, policies and processes

The board has overall responsibility for the determination of the Company risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company finance function. The Board receives monthly reports from the Company Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from intercompany balances.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in note 12.

	2020 £	2019 £
HSBC	853,353	810,298
Total cash at bank	<u>853,353</u>	<u>810,298</u>

The Risk Management Committee monitors the credit ratings of counterparties regularly and at the reporting date does not expect any losses from non-performance by the counterparties.

Market risk

Market risk arises from the Company use of foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates (currency risk).

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (continued)

Foreign exchange risk

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than their functional currency. The Company policy is, where possible, to allow to settle liabilities denominated in their functional currency) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be used to settle.

In order to monitor the continuing effectiveness of this policy, the board receives a monthly forecast, analysed by the major currencies held by the Company, of liabilities due for settlement and expected cash reserves.

The Company's net exposure to foreign exchange risk was as follows:

	2020	2019
	£	£
Net foreign currency financial assets		
HK dollar	271,826	340,807
US dollar	808	-
Euro	85	-
Total net exposure	<u>272,719</u>	<u>340,807</u>

Liquidity risk

Liquidity risk arises from the Company management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

The board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances. At the end of the financial year, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)

4. FINANCIAL INSTRUMENTS – RISK MANAGEMENT (continued)

At 31 December 2020	Up to 3 months	Between 3 and 12 months	Between 1 and 2 year	Between 2 and 5 years	Over 5 years
	£	£	£	£	£
Trade and other payables	486,066	-	-	-	-
Total	486,066	-	-	-	-

At 31 December 2019	Up to 3 months	Between 3 and 12 months	Between 1 and 2 year	Between 2 and 5 years	Over 5 years
	£	£	£	£	£
Trade and other payables	493,882	-	-	-	-
Total	493,882	-	-	-	-

5. REVENUE

The revenue shown in the statement of comprehensive income represents amounts due in respect of investment management services generated in the United Kingdom.

	2020 £	2019 £
Provision of services	64,119	64,355
Total	64,119	64,355

During the year the Company provided investment management services in the United Kingdom.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)****6. OPERATING LOSS**

Operating loss is stated after charging:

	2020 £	2019 £
Depreciation	4,607	3,918
Operating lease expenses	132,701	185,307
Auditors remuneration:		
1. Audit related assurance services	17,500	37,145
2. Taxation compliance services	5,000	9,000

7. EMPLOYEE BENEFIT EXPENSES

	2020 £	2019 £
Salary and bonuses	409,428	743,773
Social security costs	64,363	88,979
Pension	14,080	45,290
Other benefits	20,000	-
	<u>507,871</u>	<u>878,002</u>

The employee expenses above include benefit expenses in relation to the Directors.

The average number of employees including directors during the year can be categorised as follows;

- Professional 2 (2019: 4)

HARVEST GLOBAL INVESTMENTS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)****8. DIRECTORS' REMUNERATION**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, including the directors of the Company listed on page 4.

	2020 £	2019 £
Salary and bonuses	301,270	630,964
Social security costs	61,080	74,404
Pension and other benefits	48,627	33,013
Compensation for loss of office	93,350	-
	<u>504,327</u>	<u>738,381</u>

The highest paid Director received £298,688 (2019: £298,711) during the year within which £9,240 (2019: £9,871) relates to pension contributions.

No other key management personnel have been identified.

9. TAX EXPENSE

	2020 £	2019 £
Current tax:		
UK corporation tax on loss for the year	-	-
Total current tax charge	<u>-</u>	<u>-</u>
	2020 £	2019 £
Loss before taxation	<u>(937,412)</u>	<u>(1,454,133)</u>
Tax at UK corporation tax rate of 19% (2019: 19%)	(178,108)	(276,285)
Effects of:		
Expenses not deductible for tax purposes	972	3,440
Depreciation in excess of capital allowances	560	-
Capital allowances in excess of depreciation	-	(1,812)
Unutilised losses	<u>176,576</u>	<u>274,657</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

A deferred tax asset has not been recognised in these financial statements as the generation in the future of sufficient taxable profits, and the timing thereof, is currently uncertain. As at 31 December 2020, the total trading losses to be carried forward is £4,653,417 (2019: £3,675,971).

HARVEST GLOBAL INVESTMENTS (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)****10. DIVIDENDS**

The directors do not propose a dividend for the year (2019: nil).

11. FIXED ASSETS

	Computer equipment £	Total £
Cost:		
At 1 January 2020	43,562	43,562
Additions in the year	-	-
At 31 December 2020	<u>43,562</u>	<u>43,562</u>
Accumulated Depreciation:		
At 1 January 2020	32,799	32,799
Charge for the year	4,608	4,608
At 31 December 2020	<u>37,407</u>	<u>37,407</u>
Net book value:		
At 31 December 2020	6,155	6,155
At 31 December 2019	<u>10,763</u>	<u>10,763</u>

12. TRADE AND OTHER RECEIVABLES

	2020 £	2019 £
Receivables from group undertakings	620,750	577,243
Prepayments	5,709	15,282
Other receivables	<u>45,834</u>	<u>63,443</u>
	<u>672,293</u>	<u>655,968</u>

The carrying value of trade and other receivables classified as amortised cost approximates fair value.

Receivables from group undertakings are interest free, unsecured and recallable on demand. The Company does not hold any collateral as security.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)

13. TRADE AND OTHER PAYABLES

	2020 £	2019 £
Trade payables	35,283	13,818
Other payables	41,868	97,483
Accruals	59,990	146,145
Payables to group undertakings	348,925	236,436
	<u>486,066</u>	<u>493,882</u>

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

14. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid 7,800,001 (2019: 6,800,001) ordinary shares of £1 each	7,800,001	6,800,001
Total share capital	<u>7,800,001</u>	<u>6,800,001</u>

On 25th May 2020 an additional 1,000,000 ordinary £1 shares were issued at par to meet the Company's regulatory capital requirements. Each share has full rights in the Company with respect to voting, dividends and distributions.

15. ACCUMULATED LOSSES

	Profit and loss reserve £
Balance at 1 January 2019	<u>(4,362,721)</u>
Loss for the financial year	<u>(1,454,133)</u>
Balance at 31 December 2019	<u>(5,816,854)</u>
Balance at 1 January 2020	<u>(5,816,854)</u>
Loss for the financial year	<u>(937,412)</u>
Balance at 31 December 2020	<u>(6,754,266)</u>

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 DECEMBER 2020 (continued)

16. LEASES

The Company has a number of operating leases relating to property and equipment.

The minimum rent receivables under non-cancellable operating leases are as follows:

	2020 £	2019 £
Operating leases which expire		
Within than one year	5,255	45,830
Between one and two years	-	-
	<u>5,255</u>	<u>45,830</u>

17. RELATED PARTY TRANSACTIONS

Harvest Global Investments Limited, an entity incorporated in Hong Kong, is a wholly owned subsidiary of the Company's ultimate controlling party, Harvest Fund Management Co. Limited. During the year, the Company earned management fees of £64,119 (2019: £64,355) in respect of investment management services provided to European investors. As at 31 December 2020 Harvest Global Investments Limited owed the Company £620,750 (2019: £577,243). As at 31 December 2020 Harvest Global Investments (UK) Limited owed Harvest Global Investments Limited £348,925 (2019: £236,436).

18. NOTES SUPPORTING STATEMENT OF CASH FLOWS

Cash and cash equivalents for purposes of the statement of cash flows comprise cash at bank.

19. CONTROLLING PARTY

The immediate controlling party of the Company is its parent entity, Harvest Global Investments Limited, a company incorporated in Hong Kong.

The ultimate controlling party is Harvest Fund Management Co. Limited, a company incorporated in China. Harvest Fund Management Co. Limited does not, itself, have a majority controlling party. Financial statements are available from its registered office: 16/F China Resources Building, No 8 Jianguomen North Avenue, Beijing, 100005, China.

20. POST BALANCE SHEET EVENTS

No matters or circumstances have arisen since the end of the year which significantly affected, or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company to the financial year ended 31 December 2020.

**Pillar 3 Disclosure and Policy and Remuneration Disclosure
2020**

Background

This Appendix is not part of the audited financial statements and therefore has not been subjected to an audit.

Harvest Global Investment (UK) Limited (the "Firm") was incorporated on 2 September 2014 in England and Wales and is authorised and regulated by the Financial Conduct Authority (the "FCA"). It forms part of the Harvest group (the "Group") which includes its direct parent, Harvest Global Investments Limited (the "HGI"), a company incorporated in Hong Kong, and the ultimate controlling party, Harvest Fund Management Co. Limited (the "HFM"). The Firm was set up to channel the Harvest Group investment capabilities throughout Europe. It provides certain marketing, reporting and client servicing support services to HGI in relation to funds and mandates managed by HGI.

By dint of a derogation in the Capital Requirements Directive and Capital Requirements Regulation (together "CRD IV") of the European Union, a legacy regulatory capital framework endures in the United Kingdom governing the amount and nature of capital which investment firms must maintain, providing their permissions and activities are limited to a sub-set of those defined in MiFID. This framework exists within the FCA Handbook, specifically the General Prudential Sourcebook ("GENPRU") and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"). Firms included in this framework are not subject to the full requirements of CRD IV and have the prudential category of 'BIPRU firm'.

This framework consists of three 'Pillars':

- Pillar 1 sets out the minimum capital amount that meets the Firm's credit, market and operational risk capital requirement;
- Pillar 2 requires the Firm to assess whether its capital reserves, processes, strategies and systems are adequate to meet Pillar 1 requirements and further determine whether it should apply additional capital, processes, strategies or systems to cover any other risks that it may be exposed to; and
- Pillar 3 requires disclosure of specified information about the underlying risk management controls and capital position to encourage market discipline.

The Firm is categorised as a BIPRU firm and it reports on a stand-alone basis. Pillar 3 disclosure fulfils the Firm's obligation to disclose to market participants key pieces of information on the Firm's capital, risk exposure and risk assessment processes, including its remuneration arrangements. Disclosure is made on an individual basis as permitted by the FCA rules.

The rules in BIPRU 11 set out the provision for Pillar 3 disclosure. This document is designed to meet the Firm's Pillar 3 obligations.

The Pillar 3 disclosure document has been prepared by the Firm in accordance with the requirements of BIPRU and is verified by the Firm's Operating Committee. Unless otherwise stated, all figures are as at the 31 December 2020 financial year-end.

**Pillar 3 Disclosure and Policy and Remuneration Disclosure
2020**

The Firm is permitted to omit required disclosures if the Firm believes that the information is immaterial such that omission would be unlikely to change or influence the decision of a reader relying on that information for the purpose of making economic decisions about the Firm.

In addition, the Firm may omit required disclosures where the Firm believes that the information is regarded as proprietary or confidential. In the Firm's view, proprietary information is that which, if it were shared, would undermine the Firm's competitive position. Information is considered to be confidential where there are obligations binding the Firm to confidentiality with the Firm's customers, suppliers and counterparties.

The Firm has made no omissions on the grounds that it is immaterial, proprietary or confidential.

Scope and application of the requirements

The Firm is authorised and regulated by the FCA and as such is subject to minimum regulatory capital requirements. The Firm is categorised as a BIPRU firm by the FCA for capital purposes.

The Firm, being the subsidiary of the Group, is not required to prepare consolidated reporting for prudential purposes.

Risk management objectives and policies

The business strategy and risk appetite are determined by the Board, based on this, a defined and transparent risk management framework, geared to the specific risks that are applicable to the Firm, is devised and put into practice. The Board comprises 3 directors including Darren Charles Anstee who is delegated with the day-to-day management of the Firm and oversees its compliance.

The Firm's main categories of risk and its management objectives and policies for these categories are as follows:

Business Risk: The risk relates (a) changes in its business, including: (i) the acute risk to earnings posed by falling or volatile income; (ii) the broader risk of a firm's business model or strategy proving inappropriate due to macro-economic, geopolitical, industry, regulatory or other factors; and (iii) the risk that a firm may not be able to carry out its business plan and desired strategy; and (b) its remuneration policy. These are risks that are not directly related to market movements, such as failure to reach a base level of assets under management or a decision by a fund's directors to terminate the investment manager or by its investment manager to terminate any third-party investment advisor or sub-manager.

Operational Risk: This is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, including legal risk. Potential operational risks are reviewed and assessed as part of the Internal Capital Adequacy Assessment Process.

Credit Risk: The primary credit risks to which the Firm is exposed are in respect of fees due to it and cash balances held in UK-authorised banks. Whilst a credit risk figure is calculated in accordance with the BIPRU rules under Pillar 1, the Firm perceives no material risk in respect of these balances which need to be determined under Pillar 2.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

UNAUDITED APPENDIX TO THE ACCOUNTS

Pillar 3 Disclosure and Policy and Remuneration Disclosure 2020

Credit risk summary

Credit risk exposure	Risk weighting	Risk weighted exposure £'000
Cash in the bank	1.6% or 8% subject to institution and FCA rules	14
Prepayments	8%	-
Other debtors (<1 year)	8%	50
Other debtors (>1 year)	8%	3
Fixed Assets	8%	-

Market Risk: Since the Firm holds no trading book positions on its balance sheet, the primary market risk relates to fluctuations in the value of its revenues due to movements in currency rates.

The Firm calculates its foreign exchange risk by reference to the rules in BIPRU 7.5.1 of the FCA Handbook and applies an 8% risk factor to its foreign exchange exposure.

Market risk summary

Market risk exposure	Risk weighting	Risk weighted exposure £'000
Foreign currency assets and liabilities	8%	22

Liquidity risk: The Firm is required to maintain sufficient liquidity to ensure that there is no significant risk that its liabilities cannot be met as they fall due or that financial resources can only be secured at excessive cost.

The Firm retains an amount it considers suitable for providing sufficient liquidity to meet the working capital requirements under normal business conditions. The Firm is remunerated through the share of management fees received from the funds it sub-manages. The fees are received at regular intervals, be it monthly or quarterly and therefore ensures the Firm has sufficient amount of cash in its bank account to meet its liabilities as they fall due. The Firm adopts sound working capital management and has always had sufficient liquidity within the business to meet its obligations and there are no perceived threats to this. The cash position of the Firm is monitored by the Board on a monthly basis.

This appendix does not form part of the Audited Accounts.

HARVEST GLOBAL INVESTMENTS (UK) LIMITED

UNAUDITED APPENDIX TO THE ACCOUNTS

Pillar 3 Disclosure and Policy and Remuneration Disclosure 2020

Capital Resources

The Firm is a BIPRU Limited Licence Firm and has calculated its capital resources in accordance with GENPRU 2.2. The Firm's capital resources are detailed in the table below.

	2020 £'000
Tier 1 capital resources	1,046
Tier 2 capital resources	-
Tier 3	-
Deductions from total capital e.g. illiquid assets	-
Total capital resources	<u>1,046</u>

Capital Resource Requirements

The Firm's Pillar 1 requirement is calculated as the higher of:

1. The Base Capital Requirement (€50k)
2. The sum of :
 - The Credit Risk Capital Requirement; and
 - The Market Risk Capital Requirement.
3. The Fixed Overheads Requirement ("FOR")

Since its FOR is greater than the total credit and market risk, it is the FOR which determines the Firm's regulatory capital requirement.

Pillar 1

The Firm's Pillar 1 capital requirement has been determined by reference to the Firm's FOR and calculated in accordance with the FCA's General Prudential Sourcebook ("GENPRU") at GENPRU 2.1.53. The requirement is the FOR since it exceeds the sum of the credit risk and market risk capital requirements and also exceeds its base capital requirement of €50,000.

The FOR is based on annual expenses net of variable costs deducted, i.e. £242,559. The Firm monitors its expenditure on a monthly basis and takes into account any material fluctuations in order to determine whether the FOR remains appropriate to the size and nature of the business or whether any adjustment needs to be made intra-year. The directors of the Firm have determined to keep current FOR in line with previous year's FOR as they feel it is more prudent.

Pillar 2

The Firm has undertaken an ICAAP to determine whether it needs any further regulatory capital due to the operational, business, credit and market risks it faces.

As a result of this the Firm has concluded that it does not need any further regulatory capital to meet its requirements under Pillar 2.

Verification

The information contained in this document has not been audited by the Firm's external auditors and does not constitute any form of financial statement.

This appendix does not form part of the Audited Accounts.

**Pillar 3 Disclosure and Policy and Remuneration Disclosure
2020**

UK Financial Reporting Council's Stewardship Code

Under Rule 2.2.3R of the FCA's Conduct of Business Sourcebook, Harvest Global Investment (UK) Limited (the "Firm") is required to disclose the nature of its commitment to the UK Financial Reporting Council's Stewardship Code (the "Code") or, where the Firm does not commit to the Code, the Firm's alternative investment strategy. The Code is a voluntary code and sets out a number of principles relating to engagement by investors with UK equity issuers.

The Firm provides its parent, HGI, with certain marketing, reporting and client servicing support services in relation to funds and mandates managed by HGI. The Firm does not involve in any investment decision-making process nor hold any investments in bonds, bank debts, securities or other credit instruments.

As such, while the Firm generally supports the objectives that underlie the Code, it does not consider the Code appropriate in the context of the Firm's activities. If the Firm's investment strategies change in such a manner that the provisions of the Code become relevant, the Firm will amend this disclosure accordingly.

Remuneration Code Disclosure

The Firm is authorised and regulated by the Financial Conduct Authority as a Limited Licence Firm and so, it is subject to FCA Rules on remuneration. These are contained in the FCA's Remuneration Code located in the SYSC Sourcebook of the FCA's Handbook. The Remuneration Code (the "RemCode") covers an individual's total remuneration, fixed and variable. The Firm incentivises staff through a combination of the two.

The Firm's business is to provide certain marketing, reporting and client servicing support services to the funds managed by its parent, Harvest Global Investments Limited.

The Firm's policy is designed to ensure that the Firm complies with the RemCode and the Firm's compensation arrangements:

1. are consistent with and promotes sound and effective risk management;
2. do not encourage excessive risk taking;
3. include measures to avoid conflicts of interest; and
4. are in line with the Firm's business strategy, objectives, values and long-term interests.

Application of the requirements

The Firm is required to disclose certain information on at least an annual basis regarding the Firm's remuneration policy and practices for those staff whose professional activities have a material impact on the risk profile of the Firm. The Firm's disclosure is made in accordance with the Firm's size, internal organisation and the nature, scope and complexity of the Firm's activities.

1. Summary of information on the decision-making process used for determining the Firm's remuneration policy including use of external benchmarking consultants where relevant.
 - The Firm's policy has been agreed by the management in line with the RemCode principles laid down by the FCA.
 - Due to the size, nature and complexity of the Firm, the Firm is not required to appoint an independent remuneration committee.

**Pillar 3 Disclosure and Policy and Remuneration Disclosure
2020**

- The Firm's policy will be reviewed annually, or following a significant change to the business requiring an update to its internal capital adequacy assessment.
 - The Firm's ability to pay a bonus is based on the performance of the Group overall.
 - There is no involvement of the Firm in deriving asset prices.
2. The Firm does not pay guaranteed or performance-linked variable remuneration, all bonuses are discretionary therefore trading and performance of the funds and mandates managed by HGI is not linked to remuneration on an individual level.
3. In accordance with the FCA Handbook and CEBS guidance the Firm takes a proportionate approach to its Remuneration Code disclosures in line with the nature, scale and complexity of the Firm and as such has chosen not to disclose exact remuneration figures in regards to the remuneration of the Code Staff identified by the Firm's Policy.
4. Due to the low number of staff assessed as Code Staff for the Firm and their remuneration arrangements, the management have relied upon BIPRU 11.5.20R(2) and determined that aggregate quantitative disclosure for disclosure for Code Staff is inappropriate.