



**WORLDSEC LIMITED**

**Interim Report for the six months ended 30 June 2015**



# Worldsec Limited

## Interim Report for the six months ended 30 June 2015

The board (the “Board”) of directors of Worldsec Limited (the “Company”) hereby submits the interim report on the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2015.

For the period under review, the Group recorded an unaudited revenue of US\$48,000, representing dividend income from its investment in the ICBC Specialised Ship Leasing Investment Fund, which has been producing a stable return through monthly dividends since January 2015. For the same period, the Group had an unaudited net loss of US\$228,000, equivalent to a loss per share of 0.40 US cent. This compares with an unaudited net loss of US\$176,000 and a loss per share of 0.31 US cent for the corresponding six months in the previous year. The increase in loss reflects in part the increased operating expenses of the Group’s principal operating subsidiary, Worldsec Investment (Hong Kong) Limited, which moved into a new office in November 2014 as well as the employment of additional staff to cope with the increasing business activities. There was also a share of the joint venture loss of US\$27,000 associated with the investment of the Group in the start-up company, Oasis Education Group Limited (“Oasis HK”). At 30 June 2015, the Group’s total unaudited equity stood at US\$3.53 million and the unaudited net asset value per share amounted to 6.23 US cent.

During the period under review, the Group had made an investment of CHF320,000 (or approximately US\$325,000) in the equity capital of ayondo Holding AG (“ayondo”), a company incorporated in Switzerland. ayondo has a Frankfurt-based subsidiary, ayondo GmbH, which is a leading social trading service provider, and a London-based subsidiary, ayondo markets Limited, which is a broker regulated by the Financial Conduct Authority and which also serves as the broker platform for the services provided by ayondo GmbH.

Meanwhile, the Group’s joint venture, Oasis HK, had achieved satisfactory progress during the period under review. Its Shenzhen-based subsidiary, Oasis Education Consulting (Shenzhen) Company Limited (奧偉詩教育諮詢(深圳)有限公司, “Oasis Shenzhen”), had begun to provide consultation and support services to a kindergarten (the “Huizhou Kindergarten”) located in Huizhou City of Guangdong Province in China. To date, 69 pupils have been enrolled with the Huizhou Kindergarten for the academic term commencing in September 2015, and the school fees that will be generated will start to contribute a steady stream of consultation income and cash flows for Oasis Shenzhen under the relevant contractual arrangement.

During the period under review, the Group had reviewed and evaluated a number of investment proposals. Of these, two had been identified as potential targets that could meet the Group’s investment criteria. ayondo, in which the Group has an investment as mentioned above, is in the process of embarking on an international expansion strategy focusing on Southeast Asia with a view to setting up an operational presence in the region. Given its regional experience and connections, the Group intends to invest and participate in such operations that are under discussion to be put in place. Another of the Group’s potential target involves an early stage growth company engaged in infrastructure development in a recently opened-up economy in Southeast Asia. Further analysis is being carried out following preliminary investigations of the proposed project.

The outlook of the investment environment, which has been persistently challenging with a plethora of liquid capital and dry powder competing for quality deals, is clouded by the surge in volatility in asset prices subsequent to the unexpected devaluation of the Renminbi and ahead of the expected normalisation of the U.S. interest rates. Nonetheless, notwithstanding the challenges, the Group is confident of its ability to

identify appropriate investment opportunities and will continue to work on building a diversified portfolio consistent with the investment policy of the Company.

By order of the Board

Alastair GUNN-FORBES  
Non-Executive Chairman

27 August 2015

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2015**

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	<u>Notes</u>	<b>Unaudited Six months ended</b>		<b>Audited Year ended</b>
		<u>30.6.2015</u>	<u>30.6.2014</u>	<u>31.12.2014</u>
		US\$'000	US\$'000	US\$'000
Revenue	4	48	-	8
Staff costs	6	(73)	(43)	(75)
Other expenses		(176)	(133)	(360)
Share of result of a joint venture	10	(27)	-	(48)
		<hr/>	<hr/>	<hr/>
Loss before tax		(228)	(176)	(475)
Income tax expense	7	-	-	-
		<hr/>	<hr/>	<hr/>
<b>Loss for the period/year</b>		<b>(228)</b>	<b>(176)</b>	<b>(475)</b>
		<hr/>	<hr/>	<hr/>
Other comprehensive income, net of income tax				
Exchange differences on translating foreign operations		(2)	(1)	(6)
		<hr/>	<hr/>	<hr/>
Other comprehensive income for the period/year, net of income tax		(2)	(1)	(6)
		<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the period/year</b>		<b>(230)</b>	<b>(177)</b>	<b>(481)</b>
		<hr/>	<hr/>	<hr/>
<b>Loss attributable to:</b>				
<b>Owners of the Company</b>		(228)	(176)	(475)
		<hr/>	<hr/>	<hr/>
<b>Total comprehensive income attributable to:</b>				
<b>Owners of the Company</b>		(230)	(177)	(481)
		<hr/>	<hr/>	<hr/>
<b>Loss per share – basic and diluted</b>	7	<u>(0.40) cent</u>	<u>(0.31) cent</u>	<u>(0.84) cent</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 30 JUNE 2015**

	<u>Notes</u>	Unaudited Six months ended		Audited Year ended
		<u>30.6.2015</u> US\$'000	<u>30.6.2014</u> US\$'000	<u>31.12.2014</u> US\$'000
<b>Non-current assets</b>				
Property, plant and equipment	9	55	-	67
Interest in a joint venture	10	182	-	209
Available-for-sale financial assets	11	1,125	-	800
		<u>1,362</u>	<u>-</u>	<u>1,076</u>
<b>Current assets</b>				
Other receivables		8	-	8
Deposits and prepayments		29	-	21
Amount due from a joint venture	10	257	-	257
Cash and bank equivalents	12	2,168	4,339	2,769
		<u>2,462</u>	<u>4,339</u>	<u>3,055</u>
<b>Current liabilities</b>				
Other payables and accruals		(291)	272	368
		<u>2,171</u>	<u>4,067</u>	<u>2,687</u>
<b>Net current assets</b>				
		<u>2,171</u>	<u>4,067</u>	<u>2,687</u>
<b>Net assets</b>				
		<u>3,533</u>	<u>4,067</u>	<u>3,763</u>
<b>Capital and reserves</b>				
Share capital	13	57	57	57
Share premium	14	3,837	3,837	3,837
Contributed surplus	14	9,646	9,646	9,646
Foreign currency translation reserve	14	(10)	(3)	(8)
Special reserve	14	625	625	625
Accumulated losses	14	(10,622)	(10,095)	(10,394)
<b>Total equity</b>		<u>3,533</u>	<u>4,067</u>	<u>3,763</u>

**CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE PERIOD ENDED 30 JUNE 2015**

	Unaudited		Audited
	Six months ended		Year ended
	<u>30.6.2015</u>	<u>30.6.2014</u>	<u>31.12.2014</u>
	US\$'000	US\$'000	US\$'000
<b>Cash flow from operating activities</b>			
Loss for the period/year	(228)	(176)	(475)
Adjustments for:			
Depreciation of property, plant and equipment	12	-	2
Share of result of a joint venture	27	-	48
	<u>(189)</u>	<u>(176)</u>	<u>(425)</u>
<b>Movements in working capital</b>			
Increase in other receivables	-	-	(8)
Increase in deposits and prepayments	(8)	-	(21)
Decrease in other payables and accruals	(77)	(186)	(90)
	<u>(274)</u>	<u>(362)</u>	<u>(544)</u>
<b>Net cash used in operating activities</b>			
<b>Cash flow from investing activities</b>			
Acquisition of property, plant and equipment	-	-	(69)
Acquisition of a joint venture	-	-	(257)
Purchase of available-for-sale financial assets	(325)	-	(800)
Advance to a joint venture	-	-	(257)
	<u>(325)</u>	<u>-</u>	<u>(1,383)</u>
<b>Net cash used in investing activities</b>			
<b>Cash flow from financing activities</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net cash from financing activities</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	(599)	(362)	(1,927)
<b>Cash and cash equivalents at beginning of the period/year</b>	2,769	4,702	4,702
<b>Effects of exchange rate changes</b>	<u>(2)</u>	<u>(1)</u>	<u>(6)</u>
<b>Cash and cash equivalents at end of the period/year</b>			
Cash and bank balances	<u>2,168</u>	<u>4,339</u>	<u>2,769</u>

## **NOTES TO THE INTERIM REPORT FOR THE PERIOD ENDED 30 JUNE 2015**

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### **1. GENERAL INFORMATION**

The Company is an exempted company incorporated in Bermuda and has a premium listing on the Main Market of the London Stock Exchange. The addresses of the registered office and principal place of business of the Company are disclosed in the corporate information in the interim report.

### **2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)**

In the current period, the Group had adopted all of the new and revised IFRSs issued by the International Accounting Standards Board (“IASB”) and the International Financial Reporting Interpretations Committee (“IFRIC”) of the IASB that were relevant to its operations and effective for accounting periods beginning on or after 1 July 2014. The adoption of these new and revised IFRSs had no significant impact on the financial statements of the Group.

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRSs (Amendments)	Annual Improvements 2012-2014 <sup>1*</sup>
Amendments to International Accounting Standards (“IAS”) 1	Disclosure Initiative <sup>1*</sup>
Amendments to IAS 27	Equity Method in Separate Financial Statements <sup>1</sup>
IFRS 9 (2014)	Financial Instruments <sup>3*</sup>
Amendment to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1*</sup>
IFRS 15	Revenue from Contracts with Customers <sup>2*</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018

\* Not yet endorsed by the European Union

The directors anticipate that the application of these standards, amendments and interpretations in the future periods will have no material financial impact on the financial statements of the Group.

Save as disclosed above, the accounting policies adopted in preparing this report were consistent with those adopted in preparing the consolidated financial statements of the Group for the year ended 31 December 2014.



**NOTES TO THE INTERIM REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

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**3. BASIS OF PREPARATION**

The financial statements have been prepared in accordance with IFRSs. It has been prepared on a going concern basis using the historical cost convention except for certain financial instruments, if any, that are measured at fair values at the end of each reporting period.

The Group's financial statements have consolidated the financial statements of the Company and its subsidiaries undertakings included in the Group.

**4. REVENUE**

The Group's revenue represents dividend income from available-for-sale financial assets for the period ended 30 June 2015 (2013: nil). No other source of income contributed to the Group's revenue.

**5. BUSINESS AND GEOGRAPHICAL SEGMENTS**

No business and geographical segment analyses are presented for the periods ended 30 June 2015 and 30 June 2014 as the major operations and the revenue of the Group arose from Hong Kong. The Board considers that most of the assets of the Group were located in Hong Kong.

**6. STAFF COSTS**

The aggregate staff costs were as follows:

	<b>Unaudited</b>		<b>Audited</b>
	<b>Six months ended</b>		<b>Year ended</b>
	<b><u>30.6.2015</u></b>	<b><u>30.6.2014</u></b>	<b><u>31.12.2014</u></b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Wage and salaries (including directors' remuneration)	73	43	75

Directors' remuneration was as follows:

	<b>Unaudited</b>		<b>Audited</b>
	<b>Six months ended</b>		<b>Year ended</b>
	<b><u>30.6.2015</u></b>	<b><u>30.6.2014</u></b>	<b><u>31.12.2014</u></b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Fee	39	43	75
Other remuneration including contribution to pension and provident fund	-	-	-
	<u>39</u>	<u>43</u>	<u>75</u>

**NOTES TO THE INTERIM REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

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**7. INCOME TAX EXPENSE**

No provision for taxation had been made as the Group did not generate any assessable profits for UK Corporation Tax, Hong Kong Profits Tax and tax in other jurisdictions.

**8. LOSS PER SHARE**

Calculation of loss per share was based on the following:

	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>Six months ended</b>	<b>Six months ended</b>	<b>Year ended</b>
	<b><u>30.6.2015</u></b>	<b><u>30.6.2014</u></b>	<b><u>31.12.2014</u></b>
Loss for the period/year	<u>US\$(228,000)</u>	<u>US\$(176,000)</u>	<u>US\$(475,000)</u>
Weighted average number of shares in issue	<u>56,734,580</u>	<u>56,734,580</u>	<u>56,734,580</u>
Loss per share – basic and diluted	<u>0.40 cent</u>	<u>0.31 cent</u>	<u>0.84 cent</u>

**9. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements US\$'000
Cost	
At 1 January 2014 and 1 July 2014	-
Additions	69
At 1 January 2015 and 30 June 2015	<u>69</u>
Accumulated depreciation	
At 1 January 2014 and 1 July 2014	-
Depreciation	2
At 1 January 2015	2
Depreciation	12
At 30 June 2015	<u>14</u>
Carrying amount	
At 30 June 2015	<u>55</u>
At 30 June 2014	<u>-</u>
At 31 December 2014	<u>67</u>

**NOTES TO THE INTERIM REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

**10. INTEREST IN A JOINT VENTURE**

	Unaudited		Audited
	Six months ended		Year ended
	<u>30.6.2015</u>	<u>30.6.2014</u>	<u>31.12.2014</u>
	US\$'000	US\$'000	US\$'000
Unlisted investment, at cost	257	-	257
Share of post-acquisition losses	(75)	-	(48)
Share of net assets	<u>182</u>	<u>-</u>	<u>209</u>
Amount due from a joint venture	<u>257</u>	<u>-</u>	<u>257</u>

The amount due from a joint venture was unsecured, interest-free and repayable on demand.

Details of the contractual arrangement relating to a joint venture at 30 June 2015 were as follows:

Name	Country of incorporation and operation	Proportion of ownership interest		Paid-up registered capital	Principal activities
		Direct	Indirect		
Oasis Education Group Limited 奧偉詩教育集團有限公司 ("Oasis HK")	Hong Kong	50%	-	HK\$4,000,000	Investment holding
Oasis Education Consulting (Shenzhen) Company Limited 奧偉詩教育諮詢(深圳)有限公司	The People's Republic of China (the "PRC")	-	50%	HK\$5,000,000	Provision of education consulting and support services to kindergartens in the PRC

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with Oasis HK. Under IFRS 11, this joint arrangement was classified as a joint venture and has been included in the consolidated financial statements of the Group using the equity method.

**NOTES TO THE INTERIM REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

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**10. INTEREST IN A JOINT VENTURE (CONTINUED)**

The aggregate amounts relating to a joint venture that have been included in the consolidated financial statements of the Group as extracted from relating consolidated financial statements of the joint venture, Oasis HK, adjusted to reflect adjustments made by the Group when applying the equity method of accounting were as follows:

<b>Result of the joint venture for the period ended 30 June 2015</b>	US\$'000
Revenue	-
Expenses	(54)
<b>Loss and total comprehensive income for the period</b>	<u>(54)</u>
<b>Share of result of the joint venture for the period ended 30 June 2015</b>	<u>(27)</u>
<b>Accumulated share of result of the joint venture</b>	<u>(75)</u>
<b>Assets and liabilities of the joint venture at 30 June 2015</b>	
Non-current assets	897
Current assets	24
Non-current liabilities	-
Current liabilities (Note)	(557)
	<u>364</u>
<b>Included in the above amounts were:</b>	
Cash and cash equivalents	24
Current financial liabilities (excluding trade and other payables)	<u>-</u>
<b>Share of net assets of the joint venture</b>	<u>182</u>

Note: Current liabilities included amounts due to shareholders aggregating US\$552,000.

At 30 June 2015, neither contingent liabilities nor capital commitments of the joint venture were shared by the Group.

**NOTES TO THE INTERIM REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

**11. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	Unaudited Six months ended		Audited
	<u>30.6.2015</u>	<u>30.6.2014</u>	<u>31.12.2014</u>
	US\$'000	US\$'000	US\$'000
Unlisted equity investments, at cost	1,125	-	800

Included in the available-for-sale financial assets at 30 June 2015 were an equity investment in a shipping fund and an equity investment in a financial technology company.

The equity investments were measured at cost less impairment (where appropriate) at 30 June 2015 because the investments did not have a quoted market price in an active market, the range of reasonable fair value estimates were so significant and therefore whose fair value could not be reliably measured. The directors have no intention to dispose of the available-for-sale financial assets in the foreseeable future.

The directors have assessed the impacts on the recoverable amount of the financial assets and concluded that no impairment loss needed to be made.

**12. CASH AND CASH EQUIVALENTS**

	Unaudited Six months ended		Audited
	<u>30.6.2015</u>	<u>30.6.2014</u>	<u>31.12.2014</u>
	US\$'000	US\$'000	US\$'000
Bank balances	2,167	4,338	2,768
Cash balances	1	1	1
	<u>2,168</u>	<u>4,339</u>	<u>2,769</u>

**13. SHARE CAPITAL**

	Unaudited Six months ended		Audited
	<u>30.6.2015</u>	<u>30.6.2014</u>	<u>31.12.2014</u>
	US\$'000	US\$'000	US\$'000
Authorised:			
Ordinary shares of US\$0.001each	<u>60,000,000</u>	<u>60,000,000</u>	<u>60,000,000</u>
Called up, issued and fully paid:			
Ordinary shares of US\$0.001each	<u>56,735</u>	<u>56,735</u>	<u>56,735</u>

**NOTES TO THE INTERIM REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2015**

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**14. RESERVES**

	Share <u>Premium</u> US\$'000	Contributed <u>Surplus</u> US\$'000	Foreign Currency Translation <u>Reserve</u> US\$'000	Special <u>Reserve</u> US\$'000	Accumulated <u>Losses</u> US\$'000
Balance as at 1 January 2014	3,837	9,646	(2)	625	(9,919)
Loss for the period	-	-	(1)	-	(176)
Balance as at 1 July 2014	3,837	9,646	(3)	625	(10,095)
Loss for the period	-	-	(5)	-	(299)
Balance as at 1 January 2015	3,837	9,646	(8)	625	(10,394)
Loss for the period	-	-	(2)	-	(228)
Balance as at 30 June 2015	<b><u>3,837</u></b>	<b><u>9,646</u></b>	<b><u>(10)</u></b>	<b><u>625</u></b>	<b><u>(10,622)</u></b>

**15. INTERIM REPORT**

The interim report for the period ended 30 June 2015 will be sent to shareholders on or about 2 September 2015.

## **CORPORATE INFORMATION**

### **Board of Directors**

#### **Non-Executive Chairman**

Alastair GUNN-FORBES\*

#### **Executive Directors**

Henry Ying Chew CHEONG (Deputy Chairman)

Ernest Chiu Shun SHE

#### **Non-Executive Directors**

Mark Chung FONG\*

Martyn Stuart WELLS\*

*\* independent*

#### **Company Secretary**

Jordan Company Secretaries Limited

21 St Thomas Street, Bristol B51 6JS, United Kingdom

#### **Registered Office Address**

Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda

#### **Registration Number**

EC21466 Bermuda

#### **Principal Banker**

The Hongkong and Shanghai Banking Corporation Limited

1 Queen's Road, Central, Hong Kong

#### **External Auditors**

BDO Limited

25<sup>th</sup> Floor, Wing On Centre, 111 Connaught Road Central, Hong Kong

#### **Principal Share Registrar and Transfer Office**

Appleby Management (Bermuda) Ltd.

Canon's Court, 22 Victoria Street, Hamilton HM12, Bermuda

#### **International Branch Registrar**

Capita Registrars (Jersey) Limited

12 Castle Street, St Helier, Jersey, JE2 3RT, Channel Islands

#### **United Kingdom Transfer Agent**

Capita Registrars Limited

The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, United Kingdom

#### **Investor Relations**

For further information about Worldsec Limited, please contact:

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Executive Director

Worldsec Group

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